

County of Contra Costa, California
**Comprehensive Annual
Financial Report**

Fiscal Year Ended June 30, 2016

Robert Campbell
Auditor-Controller



County of Contra Costa, California

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

Fiscal Year Ended June 30, 2016

Robert R. Campbell, Auditor-Controller

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COMPREHENSIVE ANNUAL FINANCIAL REPORT
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Introductory Section



Office of the Auditor-Controller
Contra Costa County

Robert R. Campbell
Auditor-Controller

625 Court Street
Martinez, California 94553-1282
Telephone (925) 335-8600
Fax (925) 646-2649



Elizabeth A. Verigin
Assistant Auditor-Controller

Harjit S. Nahal
Assistant Auditor-Controller

December 9, 2016

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 2015-2016 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 2015-2016 audit.

The independent auditor concluded that the county's financial statements for the fiscal year ended June 30, 2016, 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 the Contra Costa County Employees Retirement Association, 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 may be held by the County Treasurer.

The annual budget serves as the foundation of the county's financial planning and control. The Board adopts 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 Detention), 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, 2016, the county's population was estimated at 1,123,429. This represents an increase of approximately 5.3% compared to the county's population as of January 1, 2012.

Between July 2015 and June 2016, the county's unemployment rate decreased from 5.0% to 4.9%, which was significantly below the statewide averages of 6.2% and 5.7%, 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		Median Price of Existing Homes Sold		
2012	1,066,602	2011	November	N/A
2013	1,076,429	2012	November	320,000
2014	1,089,219	2013	November	N/A
# 2015	1,111,143	2014	November	437,000
2016	1,123,429	2015	November	N/A

Retail Sales (Thousands)		Retail Sales Per Capita	
2012	13,997,249	2012	13,123
2013	14,471,988	2013	13,444
2014	15,030,047	2014	13,799
2015	N/A	2015	N/A
2016	N/A	2016	N/A

Revised

Sources: California Department of Finance/Employment Development Department/DQ News

N/A = Not available

The county's goal for fiscal year 2015-16 was to adopt a General Fund budget that balanced annual expenses and revenues, preserved the fund balance, addressed revenue challenges and pension impacts, and long-term rebalancing and structure of budget. The county met those goals in fiscal year 2015-16 and continues to be optimistic for the long term given the Board and employees' commitment to continued fiscal stability. Standard & Poor's (S&P) currently rates Contra Costa County's credit as "AAA", a reflection on the county's prudent management of finances as the Bay Area eases out of the recession. The rating agency also rates its long term ratings to "AA+" on the county's existing lease revenue bonds and pension obligation bonds. At the end of fiscal year 2015-2016, 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

After years of significant challenge the county is seeing improvement in its financial status. Contra Costa County has managed the economic challenges of the past several years through cooperation between the Board of Supervisors, department heads, and employees by making prudent fiscal choices, living within its means, and continuing to plan for the future.

The fiscal year 2015-2016 adopted budget, assumed the following:

- growth of 6% assessed value/property taxes;
- planned increases in compensation costs;
- increased pension costs; and
- no reliance on one-time revenues.

At mid-year, the Board formally reviewed the fiscal year 2015-2016 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 for the sixth year in a row. This was accomplished due to the overall improved economic climate in Contra Costa County, as well as increased assessed valuations.

The end of fiscal year 2015-2016 marked the ninth 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 careful planning and diligent monitoring.

Reserve Balance

Prior to the housing market collapse, the county had reversed the trend of declining reserves experienced in the last decade and achieved a balanced General Fund budget for fiscal years 2005-2006 and 2006-2007. However, as is their purpose, reserves were spent in fiscal year 2007-2008 and 2008-2009. In fiscal year 2009-2010 and fiscal year 2010-2011, due to federal stimulus funding and negotiated compensation concessions, the budgets were balanced. Since fiscal year 2012-2013, budgets have not anticipated reserve spending for on-going program expenses and the fiscal year 2015-2016 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 fund balance and 10% total fund balance as percentages of General Fund revenue). 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 and has recently achieved its informal goals of 10% and 20%, which are more prudent goals for a county the size of Contra Costa County. Seven years of actual data now is available under the GASB 54 format and presented in the schedule of Fund Balances of Governmental Funds on page 169 of the Statistical Section. Restricted fund balance for the General Fund increased by \$856 thousand, committed fund balance decreased by \$68 thousand, non-spendable fund balance decreased by \$957 thousand, assigned fund balance increased by \$21.9 million, and unassigned fund balance increased by \$53.1 million. The total fund balance grew by \$74.8 million in fiscal year 2015-2016, which increased the total fund balance as a percentage of total revenue from 21.6% to 26.3% (a 4.7% increase).

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 and Poor's (S&P), and then publishes the results in the Annual Debt Report. In addition, the county benchmarks against a cohort of similarly situated California counties to take into account the unique factors associated with California. The Annual Debt Report is released each year after publication of counties' Comprehensive Annual Financial Reports (CAFR). The most recent Annual Debt Report available for reference is fiscal year 2014-2015 and the information below is sourced from that report.

Measuring the county's reserves and debt performance using ratio analysis 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 available and total general fund balance as a percentage of total general fund revenues. Those ratios are important measures of the financial flexibility (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.) of the county. It is important to note that rating agencies evaluate the county relative to a broader universe of counties and, thus, the comparisons to counties nationwide are critically important.

The county's fund balance performance is tracked using two ratios and compared to benchmarks from Moody's and cohort California counties. Below is the performance of Contra Costa County for each ratio:

1. Available General Fund Balance (including Assigned, Unassigned, and Committed fund balance) as a percentage of Total General Fund Revenue: The county's performance at 20% is above the Moody's median benchmark for Large "Aa" Rated counties nationwide (with populations over 1 million) at 16% and equal to the median of cohort of California counties, both at 22%.
2. Total General Fund Balance as a percentage of Total General Fund Revenue: The county's performance at 22% is above the Moody's median benchmark for Large "Aa" Rated counties nationwide at 18% and equal to the median cohort of California counties at 20%.

The county's debt performance is tracked using five ratios and compared to benchmarks from Moody's, Standard and Poor's in addition to cohort California counties. Below is the performance of Contra Costa County for each ratio:

1. Direct Debt to Assessed Value: The county's performance at 0.33% is better than both the Moody's median for Large "Aa" counties nationwide, at 0.53%, and the median of cohort California counties at 0.46%.
2. Overall Debt to Assessed Valuation: The county's performance at 3.04% is better than both the Moody's median for Large "Aa" counties nationwide, at 3.69%, and the median of cohort of California counties at 3.25%.
3. Assessed Valuation per Capita: The county's performance at \$153,016 was higher than all benchmarks, including the Moody's median for Large "Aa" counties nationwide at \$121,411, Standard and Poor's "AAA" GO Median for Counties at \$132,136, and the median of cohort California counties at \$132,995.

4. Direct Debt per Capita: The county's performance at \$507 per capita was equal to the median cohort of California counties at \$507.
5. Direct Debt as Percentage of Governmental Funds Revenue: The county's performance at 29% was well under the Standard and Poor's AAA GO median for counties at 87%, and slightly under the cohort of California counties at 31%.

Standard and Poor's (S&P) rated Contra Costa County's long-term credit at the highest-possible level of "AAA", a reflection of the county's prudent management of finances. 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 rated the county's existing lease revenue bonds and pension obligation bonds at "AA+". Moody's currently rates the county's credit at a high investment grade of "Aa2" and recently upgraded the county's existing lease revenue bonds to "Aa3" from "A1".

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 2015-16 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 and allows the Board to consider completing funding decisions using credible information. The following projects were completed in fiscal year 2015-2016:

- Site improvements at Fire Station #69, 4640 Appian Way, El Sobrante were completed in July 2015. The total project cost was \$392,110
- Tenant improvements for the Employment and Human Services department training facility located at 2600 Stanwell Drive, Concord, included improvement to the department's central mail unit in fiscal year 2015-2016. The total project cost was \$420,857.
- Remodel of the 1st floor at 40 Douglas Drive, Martinez, for the Employment and Human Services department was completed in August 2015. The total project cost was \$123,420.
- Americans with Disabilities Act (ADA) upgrades, including the installation of wheelchair lifts and ramps at 6401 Stockton Avenue, El Cerrito, was completed in July 2015. The total project cost was \$242,568.
- Chiller replacement at 4545 Delta Fair Boulevard in Antioch was completed in January 2016. The total project cost was \$293,460.
- Suite 350 at 2530 Arnold Drive, Martinez, was remodeled to meet the needs of the Information Technology division of the Health Services department and was completed in April 2016. The total project cost was \$552,618.
- The construction of the Antioch Health Center, located at 2335 Country Hills Drive, Antioch, was completed in January 2016. This project was designed and built to suit by a developer. The total project cost was approximately \$15,000,000, of which \$445,607 was for project management by the Public Works department.

- The installation of photovoltaic solar systems related to the Regional Renewable Energy Procurement Project (R-REP) was completed at six County sites in March 2016. The total project cost was \$6,320,613.
- Remodeling of the Brentwood Health Clinic, located at 171 Sand Creek Road, Brentwood, was completed in June 2016. The project was designed and built to suit by a developer. The total project cost was \$1,485,000, of which \$77,287 was for project management by the Public Works department.
- ADA accessibility improvements at the Veteran’s Memorial Hall, 930 Ward Street, Martinez, were completed in January 2016. The total project cost was \$170,759.
- Roof replacement at 2099 Arnold Industrial Way, Concord, was completed in June 2016. The total project cost was \$561,000.

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:

- Compared to the county’s original OPEB valuation from 2006, the county’s Unfunded Actuarial Accrued Liability (UAAL) has declined by 70.3% (from \$2.57 billion to \$764.3 million).
- The normal cost of the Other Postemployment Benefits has declined 78.4% (from \$130.6 million to \$28.2 million).
- The annual required contribution (ARC) has declined by 58.8% (from \$216.3 million to \$89.2 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 18.6% of its OPEB obligation. Total OPEB trust assets were \$174.7 million as of the January 1, 2016, 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, 2016, held assets in the approximate amount of \$3.7 billion. The Board approved the most recent update to the Investment Policy on August 2, 2016.

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 2015-2016 confirms compliance with the reserve policy: the total General Fund balance was 26.3% of General Fund revenues and the unassigned portion was 16.5%.

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) which 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. The Debt Management Policy is updated annually and was last updated on March 15, 2016.

Investment Pool Rating. The Contra Costa County Investment Pool (Pool) was rated by Standard & Poor's (S&P) on September 30, 2015. 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. 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 81% during fiscal year 2015-2016. In the last few years, the county payments increased to approximately \$25 million from \$18.2 million annually to the Workers' Compensation Internal Service Fund and still meet the Board's funding objective.

Major Initiatives

Agriculture

The Canine Program continues to work in two U.S. Post Office facilities where they have successfully intercepted packages that would have a severe economic impact to California agriculture. The two teams worked regionally in twelve Greater Bay Area counties and alerted on a total of 4,782 parcels at United States Postal Service, FedEx, and UPS. A total of 450 unmarked packages of agricultural commodities were intercepted. Within these parcels, 112 packages were discovered to contain serious exotic pests.

No new infestation sites of the A-rated pest, Japanese Dodder, were found in 2015. Some of the infested sites were monitored and found clean of this pest and total countywide eradication of this serious pest is near.

Animal Services

The Department provides a multi-tiered training program that enhances staff performance and animal well-being by utilizing up-to-date training techniques. Presentations include interactive training sessions, visual, and audio tools. The training addresses all aspects of Shelter Care and Maintenance, as well as Animal Behavior and Customer Service.

Assessor

The Department promoted the usage of Electronic Standard Data Record (E-SDR) System to enable taxpayers the ability to file their Business Property Statements electronically. In 2015, more than 10,000 statements were filed electronically, which is approximately a 200% increase from the prior year.

Child Support Services

Current Child Support Orders: Achieved 95.04% of cases with a current support order, an increase of .54% from last year.

Current Child Support Collections: Achieved 71.5% of cases with current support collected, an increase of 2.9% from last year.

Arrears Collections: Achieved 67.4% of cases with arrearage collections, an increase of .3% from last year.

Clerk-Recorder/Elections

The Elections Division secured polling places to be available for all major elections through the next census in 2020. This provides continuity from election to election and avoids sending voters to unfamiliar locations. This also resulted in the retention of more than 99% of our polling places between the June Primary and November General Election, which reduced the time staff spent identifying/securing polling places, conducting Americans With Disabilities Act surveys, and making accommodations to assure the sites were accessible.

The Clerk-Recorder Division extended Clerk service hours until 8 pm every Thursday during the months of August and September 2015. A total of 248 transactions were completed of which 52% were marriage license issuance and marriage ceremonies and 32% were for vital record copies.

Conservation and Development

In FY 2015-16, the Department of Conservation and Development significantly expanded public access to on-line building permitting services by enabling the public to apply for and receive building permits for residential rooftop solar panel installations. Rooftop solar permits were the single largest category of building permits issued by the county in 2015, representing over 1,500 of the 13,000 issued permits.

As a member agency of the Bay Area Regional Energy Network (BayREN), Contra Costa County has effectively implemented various countywide energy efficiency programs that include rebates for energy efficiency retrofits to Single-Family and Multi-Family Buildings. The county currently leads the Bay Area with 564 single-family energy efficiency home upgrades, representing over \$1,338,850 in rebates issued to homeowners. The county also led the Bay Area with the most Building Inspection departments participating in a guided energy code assessment training exercise, which included the cities of Antioch, Brentwood, Oakley, San Pablo, and the county.

In partnership with the East Bay Regional Park District, the East Contra Costa Habitat Conservancy conserved 260 acres of land (with a number of acquisitions scheduled to close in the first half of 2016), continued design work on a larger restoration project, and constructed a small wetland restoration project to contribute to the recovery of special status species.

Contra Costa Fire Protection District

The District responded to approximately 50,000 incidents in calendar year (CY) 2015. This represents a 7% increase in call volume compared to CY 2014. The District conducted approximately 15,910 life safety inspections and plan reviews of new buildings and fire/life safety systems for compliance with state and local fire and building codes during CY 2015. This represents a 25% increase in productivity compared to CY 2014.

The District executed a contract with American Medical Response (AMR) to provide emergency ambulance services on behalf of the District, as the ambulance service sub-contractor, pursuant to the establishment of the Contra Costa Fire and EMS-the Alliance.

County Counsel

Contra Costa County's Assisted Outpatient Treatment program (Laura's Law) officially commenced on February 1, 2016. The Juvenile/Conservatorship Division of the County Counsel's Office worked closely with the Health Services Department's Mental Health Division to prepare for the implementation. Deputies attended and participated in workgroup meetings with stakeholders to outline the design of Laura's Law in Contra Costa County, as well as informational meetings to inform the public about the program. County Counsel attorneys also met with the Laura's Law team from the Mental Health Division to educate them on the legal criteria of Laura's Law and prepare them for the court process. Going forward, attorneys have been assigned to work with the Mental Health Division and pursue cases through the court, as needed, as the Mental Health Division carries out the objectives of this new program.

Department of Information Technology

The department upgraded the County Mainframe to a Virtual Tape System, reducing the number of physical tape cartridges that are used by 50%, down to 4000. This reduces the laborious cartridge handling, storage/transportation cost, and application processing time.

The department also upgraded the mainframe Z operating system to a new version-a six-month project of preparation and validation. Many mainframe 3rd party applications were impacted with this major operating system release requiring each application to be modified and thoroughly tested. Failure in this system upgrade would have severely impacted the Finance, Law and Justice, and property tax application systems.

The department successfully migrated the Antioch and Brentwood Police Departments onto the East Bay Regional Communications System. These two agencies are the last cities in Contra Costa County to move onto the regional system.

District Attorney

In 2015, the Office prosecuted over 3,000 felony cases and 8,000 misdemeanor cases, including 105 felony trials and 204 misdemeanor jury trials. Despite the high numbers of cases and heavy workload, the Office managed to maintain an overall felony conviction rate of 80%, one of the highest in the Bay Area.

The District Attorney's Office continues to be very involved with the anti-gang initiative known as "Ceasefire" in the city of Richmond in an attempt to stem gang violence at its source, before it erupts into shootings and before the taking of innocent lives. The Office holds "call-ins" where gang members are called into meetings and told of an impending crackdown if the violence continues. This is done in partnership between law enforcement, community members, clergy, and service providers.

The District Attorney's Office continues to work closely with the West County community to keep this momentum going in a positive direction. From a high of 47 murders in 2009, the number of homicides in the city of Richmond has been reduced to 21 in 2015. This is one of the lowest homicide rates in three decades and is a remarkable improvement for that community. In addition, the total number of reported shootings within the City of Richmond has dramatically decreased.

Employment and Human Services

Human Trafficking and Child Sexual Exploitation: Working closely with other county departments and local law enforcement, and community agencies, the Employment and Human Services department (EHSD) has increased identification of victims and access to services, strengthened prosecutions, and improved coordination across all county, city, and community systems.

Digital Divide: The Board passed a resolution allowing EHSD to provide surplus personal computers to its low-income customers. EHSD partnered with a nonprofit to refurbish the computers and make them available. In addition, the nonprofit provides training and maintenance of the computers along with free or low cost Internet access to help low income families in Contra Costa County bridge the digital divide. Approximately 600 computers are being refurbished and will be made available to low income families in the near future. To date 54 families have received computers, coupled with low cost internet access and training. An additional 150 families have been referred to the nonprofit. The referral process continues with new families referred bimonthly. Outreach efforts are being strengthened and should increase the pace of distributing the computers.

Food Access: Low income people with immediate family food needs have their CalFresh applications processed within three days in the county (vs 30 days for the standard application).

Expanded Childcare: The Community Services Bureau (CSB) received a renewal for the \$1.1 million federal grant to provide Early Head Start services to 72 infants and toddlers. This grant is unique in that CSB is partnering with the Childcare Council to provide those services in family childcare homes throughout the county.

California State Association of Counties (CSAC) Award: CSB received CSAC's innovation award for the CLOUDs (Child Location and Utilization Database), an electronic attendance and child tracking system developed by and for CSB staff in partnership with One Solution Technologies.

Health Services

The Behavioral Health Services (BHS) developed and received Board approval for an Assisted Outpatient Treatment (AOT), or Laura's Law, Program Design in June 2015. Via competitive bid process BHS contracted with Mental Health Systems, Inc. (MHS) in October 2015 to implement the treatment portion of Laura's Law. MHS is recruiting, hiring, and training the multi-disciplinary staff team necessary to provide outreach, engagement, and Assertive Community Treatment (ACT) to individuals deemed by the county to be eligible for the program. The treatment delivery of the AOT program was scheduled for early 2016.

Contra Costa Health Plan (CCHP) became core certified with the Council for Affordable Quality Healthcare.

The Homeless program continues to provide services to homeless veterans and re-entry populations through VA Healthcare for Home Veterans grant and per diem program and Public Safety realignment.

Health Services has successfully implemented the Medi-Cal expansion authorized by the Affordable Care Act. Contra Costa Health Plan enrollment has increased to 185,000 members, the majority of whom are seen at the Contra Costa Regional Medical Center and 11 health centers.

Contra Costa's Family Medicine Residency Program, which is affiliated with Contra Costa Regional Medical Center (CCRMC) & Health Centers, was ranked in the top 10 medical training programs in the country by the physician network Doximity in 2015.

Health Services Environmental Health added an at-a-glance health inspection sign program for restaurant and businesses that sell food in Contra Costa County. The program established color-coded placards to be posted at these businesses to inform the public about any major health code violations found during their most recent inspections.

The department successfully opened the new health center in Antioch, which began receiving patients on February 23rd. This new health center has expanded access to health care for East County residents, integrating behavioral and physical healthcare to better serve patients.

Human Resources

The Department purchased and installed a FBI certified LiveScan system scanner and software and trained Human Resources staff to utilize the program to administer fingerprinting for all new county employees.

Completed the task of digital imaging of the County personnel history files that eliminated the need to house approximately 10,000 paper files.

Library

The Contra Costa County Library received the 2015 John Cotton Dana Library Public Relations Award for War Ink. Using photographs of tattoos as a springboard for California veterans to share their stories, War Ink reached beyond the Contra Costa communities to libraries across California and to thousands of others online.

Contra Costa County Library continues to be an innovator and provider of diverse electronic information resources that enhance not only Contra Costa County but libraries across the state and nation. Enki, the online book lending platform created by Contra Costa County Library and the Califa Group, continues to grow in popularity and usage by libraries across the state because it enables libraries to own their content instead of leasing it as it is done through commercial companies. The Discover&Go Museum Pass program continues to exceed expectations with a planned expansion into Southern California.

Public Works

Public Works identified several opportunities for transportation grants and were successful in generating approximately \$5,080,000 in additional funding. Those efforts resulted in receiving almost \$17 for every \$1 of staff time, which exceed the goal of receiving a minimum of \$4 for every \$1 in staff time.

Purchased and put into service 9 electric vehicles and installed additional charging stations in a continuing effort to "green" our fleet and reduce greenhouse gas emissions.

The Department completed 58 capital projects on county facilities totaling over \$141 million between July 2014 and January 2016. Those projects included deferred maintenance projects and major projects such as the new Antioch Health Center and expansion of the Concord Health Clinic.

The Department completed or is substantially underway on over 60 Facilities Life-Cycle Investment Program projects totaling over \$29 million dollars as of January 2016. Those projects include renovations at the Finance Building, numerous roofing projects, fire, life, and safety projects.

Sheriff-Coroner

The Office of the Sheriff Communication Center completed installation and activation of the Airbus Vesta Next Generation 9-1-1 Telephone System. The previous 9-1-1 telephone system had surpassed its useful life and was not capable of keeping up with the current technological advancements. The new 9-1-1 telephone system utilizes advanced technologies that maximize reliability and call processing productivity for response to emergencies throughout unincorporated areas of the county.

Treasurer-Tax Collector

The Treasurer-Tax Collector's Office issued 414,200 Secured and Unsecured tax bills through February 4, 2016, of the fiscal year 2015-2016. Collections through February 20, 2016, were 59.90% of total outstanding taxes, which is 0.18% less than the same timeframe last year. The collaboration with the California Franchise Tax Board Intercept program resulted in \$250,074 of tax revenues that otherwise would have been uncollectible. Despite another volatile year for the financial markets, the Treasurer received affirmation for its rating of AAAf/S1+ which is assigned for the highest level of credit quality and lowest level of volatility of securities in the Treasurer's Investment Pool.

Veterans Service

Veterans Service served 8,013 veterans in four locations including Martinez, San Pablo, Danville, and Brentwood, which included 2,707 claims filed for benefits, which were valued at \$7,826,561 in retroactive, \$807,181 new monthly, \$206,302 in lump sum, and \$2,123,016 in California College Fee Waivers.

Veterans Service organized and participated in VetCon held August 2015 at the Concord Hilton Hotel. This event was attended by over 500 veterans. Veterans Service participated in the planning of and attended Standdown on the Delta at the Contra Costa Fairgrounds in Antioch. This event was attended by over 550 homeless veterans. Additionally, Veterans Service provided a benefit table at the Walk of Honor that served 300 participants. Staff attended/participated in 25 additional outreach events whose combined total of veterans was in excess of 1,000.

In cooperation with CCTV, Veterans Service produced a monthly live one hour veterans talk show titled "Veterans Voices." This show received a California State Association of Counties Merit Award.

Office of the County Administrator

The County Budget has been structurally balanced for three years in a row. The County received the Government Finance Officers Association Distinguished Budget Presentation Award for each of those six years.

The CAO's office has begun migrating to a new County budget system. The contract with Sherpa Government Solutions was approved by the Board of Supervisors in March 2016. Its Budget Formulation and Management Application (BFM) will replace the BRASS application that has been used by the County over the last 20 years. It is anticipated to be in use by County departments for the FY 2017-18 budget development beginning in January 2017.

The County Administrator recommended and the Board approved the addition of 1,500 County jobs over the last five years. Several of these positions are key to the County's succession planning, including the addition of two new Chief Assistant County Administrators.

Succeeded in getting an important legislation passed for the County: AB 1692 (Bonilla). The bill codifies the agreement between the Board of Supervisors of Contra Costa County and county employees to apply the disability retirement allowance plan to non-safety employees and new county hires.

In August 2015, the County issued its 2015 Lease Revenue Bonds in a par amount of \$71,115,000; composed of \$19,055,000 in Series A to fund construction of solar photovoltaic panels on canopies at six locations throughout the County and expansion of the West County Health Clinic, and \$52,060,000 in Series B to refund existing bonds for a significant cost savings. The County realized a net present value (NPV) savings of \$4,577,303, or 8.17%, from the issuance of the 2015 Series B refunding bonds. As part of this issuance, Standard & Poor's affirmed the County's "AAA" bond rating.

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, 2015. 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, 2015. This was the thirty-fourth 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 of Supervisors and the County Administrator for conducting the financial operations of the county in a responsible and progressive manner.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Robert R. Campbell". The signature is written in a cursive, flowing style.

Robert R. Campbell
Auditor-Controller

COUNTY OF CONTRA COSTA

PUBLIC OFFICIALS

June 30, 2016

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	Mark A. Peterson
Sheriff-Coroner	David O. Livingston
Treasurer-Tax Collector	Russell V. Watts

APPOINTED OFFICIALS

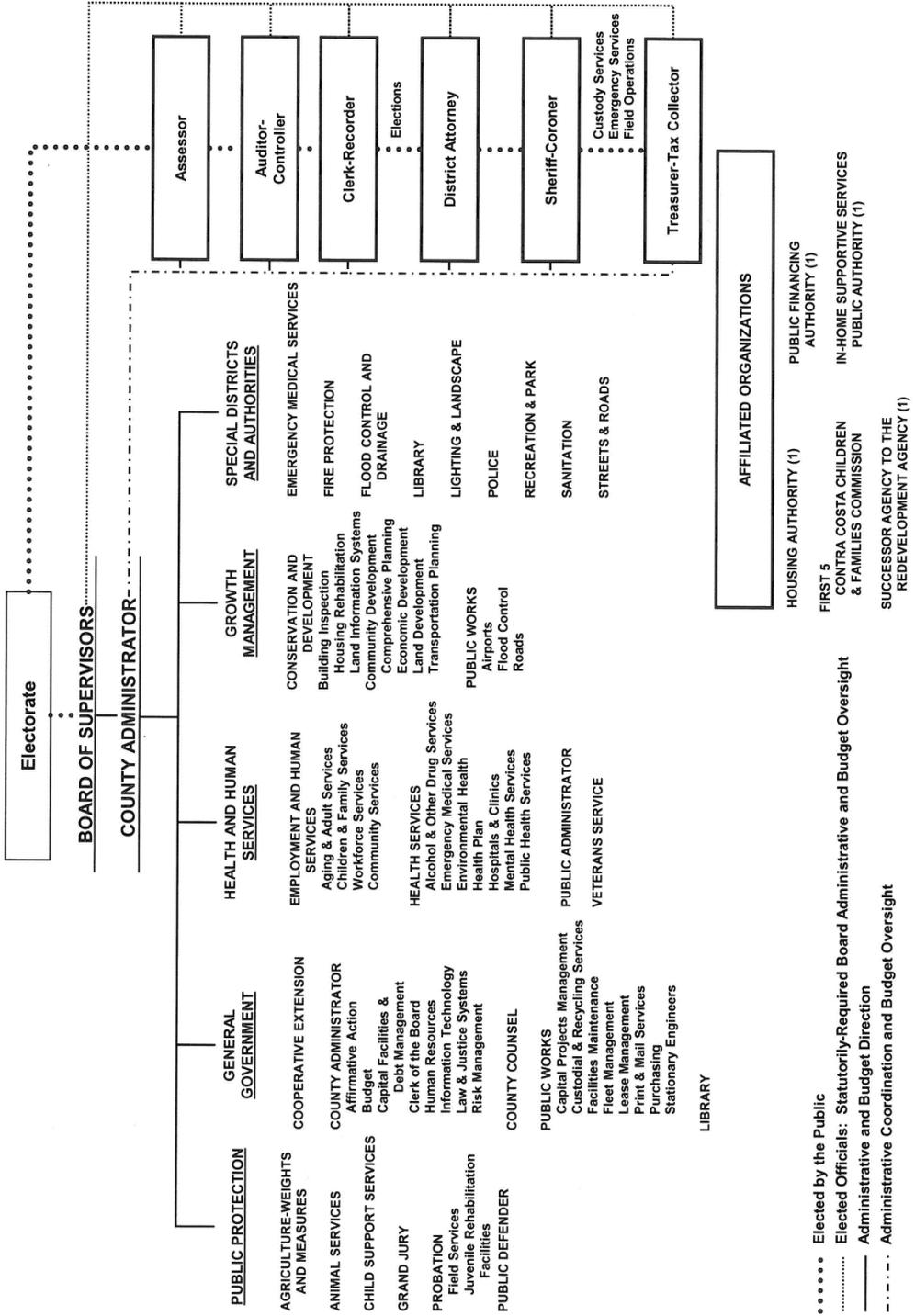
County Administrator	David Twa
County Counsel	Sharon Anderson
County Librarian	Vacant
County Probation Officer (Interim)	Todd Billeci#
Director of Animal Services	Beth Ward
Director of Child Support Services	Linda Dippel
Director of Conservation and Development	John Kopchik
Director of Cooperative Extension	Shelley Murdock
Director of Employment and Human Services	Kathy Gallagher
Director of Health Services-Public Administrator	William Walker, MD
Director of Human Resources	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 Service 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

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

Permanent as of August 2016

Organizational Chart of Contra Costa County



(1) Authority/Agency Board is the Board of Supervisors



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, 2015

Executive Director/CEO

Financial Section



Financial Section



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, 2016, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements

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

Auditor’s Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the First 5 Contra Costa Children and Families Commission and the Housing Authority of the County of Contra Costa, which together comprises the entire aggregate discretely presented component units’ opinion unit. 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, 2016, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of funding progress for other postemployment benefits, the schedule of proportionate share of the net pension liability, the schedule of contributions, 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 9, 2016 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.

A handwritten signature in black ink that reads "Macias Gini & O'Connell LLP". The signature is written in a cursive, flowing style.

Walnut Creek, California
December 9, 2016



COUNTY OF CONTRA COSTA
MANAGEMENT'S DISCUSSION & ANALYSIS
(Required Supplementary Information - Unaudited)
June 30, 2016

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, 2016. 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 and deferred inflows of resources at the close of fiscal year 2015-2016 for a net position of \$24,869,000, a 113.0% increase from the prior year deficit net position. Of this amount, \$788,883,000 represented the county's net investment in capital assets, an increase of 3.6%. Of the remaining net position, \$471,899,000 was restricted for specific purposes (restricted net position), an increase of 11.3%, and net position available to meet the county's ongoing obligations to its citizens and creditors was in deficit by \$1,235,913,000, a decrease to the net deficit of 10.3%. The prior year implementation of GASB Statement No. 68 and current year change in retirement actuarial assumptions have contributed to the volatility of the county's net position.
- As of June 30, 2016, the county's governmental funds reported in the fund financial statements ending fund balance of \$842,631,000, an increase of 10.6% from the prior year. Of this total amount, \$422,574,000 (50.1%), 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 \$350,482,000 at year end or 27.3% of its total expenditures for the year.
- As of June 30, 2016, the county's enterprise funds reported, in the fund financial statements, a deficit ending net position of \$51,295,000, an increase to net position of 47.7% from the prior year.
- Net position of the internal service funds was a deficit of \$3,346,000, an increase to net position of 56.8% from the prior year.
- The county's total debt decreased by \$43,523,000 (6.1%) during fiscal year 2015-2016.

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.

COUNTY OF CONTRA COSTA
MANAGEMENT'S DISCUSSION & ANALYSIS
(Required Supplementary Information - Unaudited)
June 30, 2016

The **statement of net position** presents information on all of the county's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the net of assets and deferred outflows of resources less liabilities and deferred inflows of resources being reported as net position (deficit). Over time, increases or decreases in net position (deficit) 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, HMO Commercial Plan, Airport, Sheriff Law Enforcement Training Center, 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 five (25) 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 and Contra Costa County Fire Protection

COUNTY OF CONTRA COSTA
MANAGEMENT'S DISCUSSION & ANALYSIS
(Required Supplementary Information - Unaudited)

June 30, 2016

District 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 Medical 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 Other Employee Benefit 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.

COUNTY OF CONTRA COSTA
MANAGEMENT'S DISCUSSION & ANALYSIS
(Required Supplementary Information - Unaudited)
June 30, 2016

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, schedule of funding progress for the other postemployment benefits, and schedules of proportionate share of the net pension liability and contributions.

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, 2016 and 2015
(In Thousands)

	Governmental Activities		Business-type Activities		Total		Increase/ (Decrease) Percent Change
	2016	2015	2016	2015	2016	2015	
Assets:							
Current and other assets	\$ 1,237,879	1,117,220	540,447	392,533	1,778,326	1,509,753	17.8 %
Capital assets	848,077	839,112	181,927	182,758	1,030,004	1,021,870	0.8
Total assets	2,085,956	1,956,332	722,374	575,291	2,808,330	2,531,623	10.9 %
Deferred Outflows of Resources:							
Loss on refunding of debt	6,442	4,194	4,259	5,298	10,701	9,492	12.7 %
Deferred pension outflows	337,308	102,643	129,075	42,973	466,383	145,616	220.3
Total deferred outflows of resources	343,750	106,837	133,334	48,271	477,084	155,108	207.6 %
Liabilities:							
Current and other liabilities	134,078	107,311	207,276	158,081	341,354	265,392	28.6 %
Long-term liabilities	2,126,408	1,956,966	665,552	528,403	2,791,960	2,485,369	12.3
Total liabilities	2,260,486	2,064,277	872,828	686,484	3,133,314	2,750,761	13.9 %
Deferred Inflows of Resources:							
Deferred pension inflows	93,964	94,562	33,267	33,279	127,231	127,841	(0.5) %
Total deferred inflows of resources	93,964	94,562	33,267	33,279	127,231	127,841	(0.5)
Net Position (Deficit):							
Net investments in capital assets	728,388	712,986	60,495	48,565	788,883	761,551	3.6 %
Restricted	471,899	424,030			471,899	424,030	11.3
Unrestricted	(1,125,031)	(1,232,686)	(110,882)	(144,766)	(1,235,913)	(1,377,452)	10.3
Total net position (deficit)	\$ 75,256	(95,670)	(50,387)	(96,201)	24,869	(191,871)	113.0 %

COUNTY OF CONTRA COSTA
MANAGEMENT'S DISCUSSION & ANALYSIS
(Required Supplementary Information - Unaudited)
June 30, 2016

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 and deferred inflows of resources for a net position of \$24,869,000 at June 30, 2016. The largest portion of the county's total net position, \$788,883,000 (3,172.2%), 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, \$471,899,000 (1,897.5%), represents resources that are subject to external restrictions on usage. The major restriction on net position, \$445,619,000, is for legally segregated taxes, grants, and fees.

The remaining portion of total net position is a deficit of \$1,235,913,000 (-4,969.7%) and is unrestricted. Unrestricted net position of governmental activities is a deficit of \$1,125,031,000. It continues to be negative primarily due to the inclusion of the governmental activities share of the net pension liability of \$870,320,000 and net OPEB obligation of \$498,022,000 in the primary government.

Unrestricted net position of business-type activities is a deficit of \$110,882,000. It continues to be negative primarily due to the inclusion of the business-type activities share of the net pension liability of \$329,418,000.

COUNTY OF CONTRA COSTA
MANAGEMENT'S DISCUSSION & ANALYSIS
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COUNTY'S CHANGE IN NET POSITION
For the Fiscal Years Ended June 30, 2016 and 2015
(In Thousands)

	Governmental Activities		Business-type Activities		Total		Increase/ (Decrease) Percent Change
	2016	2015#	2016	2015#	2016	2015#	
Revenues:							
Program revenues:							
Charges for services	\$ 358,613	344,549	1,251,032	1,197,425	1,609,645	1,541,974	4.4 %
Operating grants and contributions	759,278	750,821	15,803	14,523	775,081	765,344	1.3
Capital grants and contributions	12,535	22,385	4,245	5,808	16,780	28,193	(40.5)
General revenues:							
Taxes	535,837	499,048			535,837	499,048	7.4
Grants/contributions not restricted	14,653	17,008			14,653	17,008	(13.8)
Investment earnings	40,423	34,741			40,423	34,741	16.4
Other	21,078	16,718	432	413	21,510	17,131	25.6
Total revenues	<u>1,742,417</u>	<u>1,685,270</u>	<u>1,271,512</u>	<u>1,218,169</u>	<u>3,013,929</u>	<u>2,903,439</u>	<u>3.8</u>
Expenses:							
General government	156,974	138,979			156,974	138,979	12.9
Public protection	590,047	539,353			590,047	539,353	9.4
Health and sanitation	239,340	228,861			239,340	228,861	4.6
Public assistance	467,741	445,016			467,741	445,016	5.1
Education	24,829	22,867			24,829	22,867	8.6
Public ways and facilities	36,298	41,426			36,298	41,426	(12.4)
Recreation and culture	627	1,843			627	1,843	(66.0)
Interest on debt	32,868	36,353			32,868	36,353	(9.6)
County Hospital			515,115	472,557	515,115	472,557	9.0
Airport			4,349	4,182	4,349	4,182	4.0
Sheriff Law Enforcement Training Center			1,427	1,370	1,427	1,370	4.2
HMO Medi-Cal Plan			643,517	576,801	643,517	576,801	11.6
HMO Commercial			84,056	86,207	84,056	86,207	(2.5)
Major Risk Medical Insurance			1	422	1	422	(99.8)
Total expenses	<u>1,548,724</u>	<u>1,454,698</u>	<u>1,248,465</u>	<u>1,141,539</u>	<u>2,797,189</u>	<u>2,596,237</u>	<u>7.7</u>
Change in net position before transfers	193,693	230,572	23,047	76,630	216,740	307,202	(29.4)
Transfers	<u>(22,767)</u>	<u>(13,611)</u>	<u>22,767</u>	<u>13,611</u>			
Change in net position	<u>170,926</u>	<u>216,961</u>	<u>45,814</u>	<u>90,241</u>	<u>216,740</u>	<u>307,202</u>	<u>(29.4)</u>
Net Position, Beginning of Year	<u>(95,670)</u>	<u>749,725</u>	<u>(96,201)</u>	<u>102,553</u>	<u>(191,871)</u>	<u>852,278</u>	<u>(122.5)</u>
Adjustments to beginning net position		<u>(1,062,356)</u>		<u>(288,995)</u>		<u>(1,351,351)</u>	
Net Position (Deficit), Beginning of Year, as Restated	<u>(95,670)</u>	<u>(312,631)</u>	<u>(96,201)</u>	<u>(186,442)</u>	<u>(191,871)</u>	<u>(499,073)</u>	<u>61.6</u>
Net Position (Deficit), End of Year	<u>\$ 75,256</u>	<u>(95,670)</u>	<u>(50,387)</u>	<u>(96,201)</u>	<u>24,869</u>	<u>(191,871)</u>	<u>113.0 %</u>

In 2015, the county made a restatement of net position for the governmental and business-type activities with the implementation of GASB No. 68.

COUNTY OF CONTRA COSTA
MANAGEMENT'S DISCUSSION & ANALYSIS
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Analysis of the Changes in Government-wide Net Position

As a result of current year activity, the county's net position increased by \$216,740,000 during fiscal year 2015-2016. Governmental activities increased the county's net position by \$170,926,000 and business-type activities increased the county's net position by \$45,814,000. The changes are explained below in the governmental activities and business-type activities discussions.

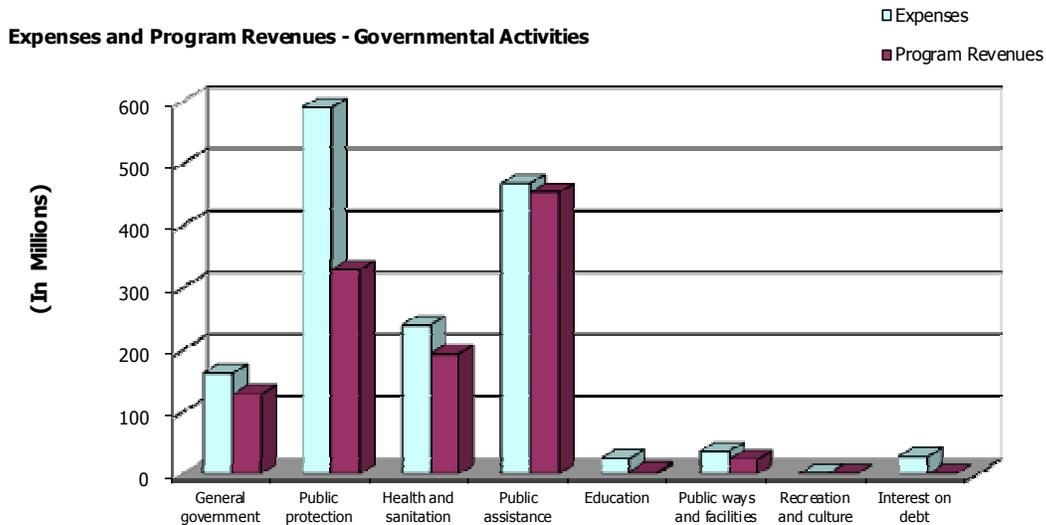
Governmental Activities

Current year governmental activities increased the county's net position by \$170,926,000, which is less than the \$216,961,000 increase in the prior year. The increase in net position primarily is due to an overall current year increase in revenues, most notably charges for services and tax revenues. There was also an increase in expenses, most notably in public protection.

Charges for services increased by \$14,064,000 (4.1%) due mainly to the Contra Costa County Fire Protection District starting to provide emergency ambulance services to the county.

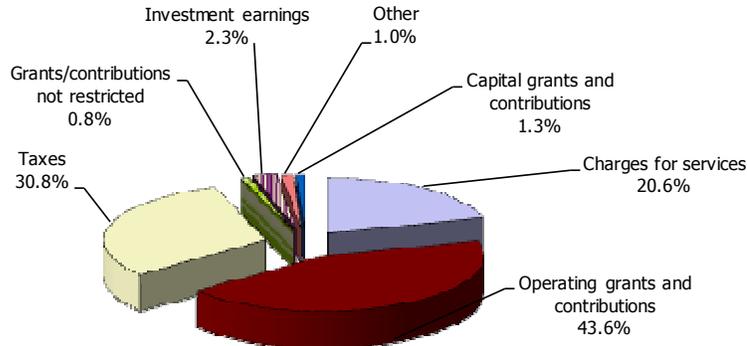
Overall, tax revenue increased by \$36,789,000 (7.4%). Property taxes increased by \$46,369,000 (10.1%) offsetting a reduction in other taxes of \$9,430,000. A continued improvement of the housing market allowed a rise in assessed valuations of real property resulting in an increase in property taxes.

Expenses for governmental activities increased by \$94,026,000 (6.5%). There was an increase in the actuarially determined GASB Statement No. 68 pension expense from the prior year, and there was an increase to public protection expenditures related to the addition of ambulance services.



COUNTY OF CONTRA COSTA
MANAGEMENT'S DISCUSSION & ANALYSIS
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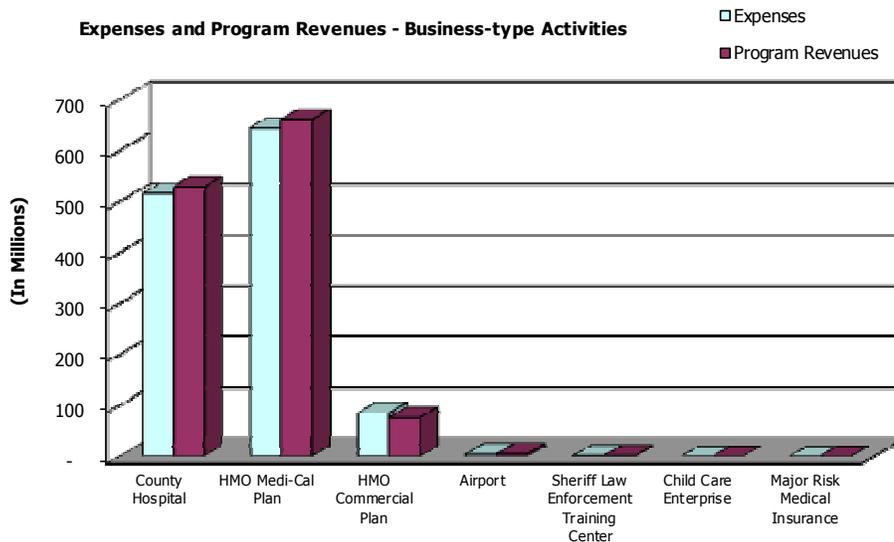
Revenues by Source - Governmental Activities



Business-type Activities

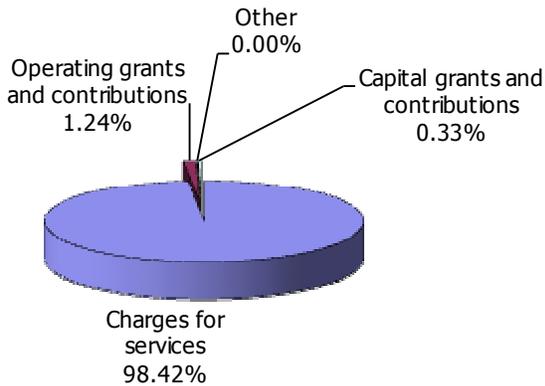
Overall, current year business-type activities increased the county's net position by \$45,814,000. While program revenues increased by \$53,324,000 over the prior year, expenses increased by \$106,926,000 resulting in a smaller increase in net position than in the prior year. The HMO Medi-Cal Plan had a significant increase in program revenues of \$57,595,000 and expenses of \$66,716,000. The increase in revenue is mainly due to an increase in enrollment for the Affordable Care Act (ACA) Optional Expansion and Medi-Cal Primary. The increase in expenses was a related increase in utilization and claims.

Expenses exceeded program revenues for HMO Commercial Plan and Sheriff Law Enforcement Training Center.



COUNTY OF CONTRA COSTA
MANAGEMENT'S DISCUSSION & ANALYSIS
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June 30, 2016

Revenues by Source - Business-type Activities



FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

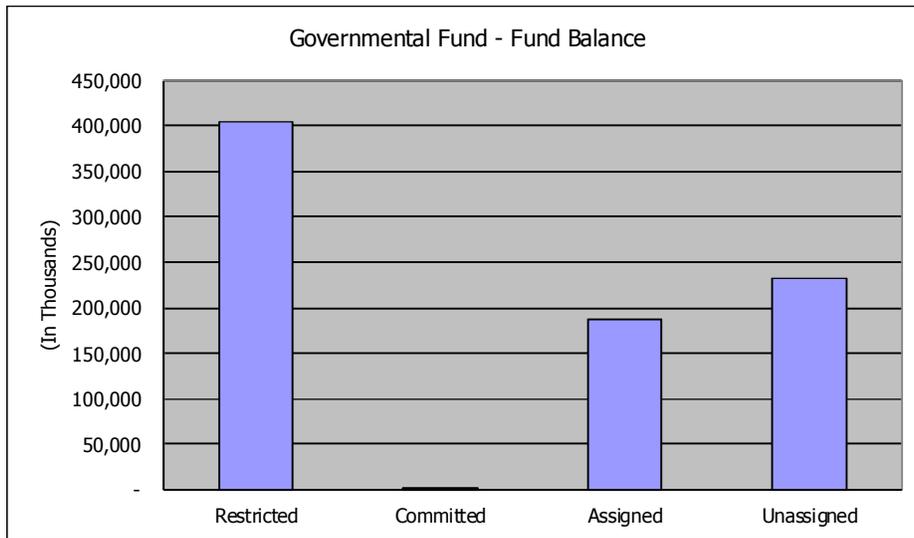
The county uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The following is an analysis of the activities of the county's funds for fiscal year 2015-2016 as reported in the fund-basis financial statements.

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, 2016, the county's governmental funds reported combined ending fund balances of \$842,631,000, an increase of \$80,892,000 in comparison with the prior year. Approximately \$422,574,000 (50.1%) of those fund balances is available to meet the county's current and future needs. The remainder of the fund balances, \$420,057,000 (49.9%), is either nonspendable or restricted for specific spending.

COUNTY OF CONTRA COSTA
MANAGEMENT'S DISCUSSION & ANALYSIS
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General Fund

The General Fund is the primary operating fund of the county. At June 30, 2016, the unrestricted fund balance was \$350,482,000, an increase of \$74,922,000 (27.2%) in comparison with the prior year, while total General Fund balance was \$370,158,000, an increase of \$74,821,000 (25.3%) 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 27.3% of total General Fund expenditures, while total fund balance represents 28.8%. For the prior year, those figures were 21.9% and 23.5%, respectively.

General Fund revenues increased by \$44,953,000 (3.3%), while expenditures increased by \$27,746,000 (2.2%) in comparison with the prior year. Revenues exceeded expenditures by \$123,688,000 (9.6%), in comparison with \$106,481,000 in the prior year.

Revenues

Taxes increased by \$27,604,000 (8.2%). This increase was due to an increase in property taxes. As mentioned previously, there has been continued improvement in the housing market allowing a rise in the assessed valuation of real property.

Other revenue increased by \$15,869,000 (6.5%). The increase was due to the increase in state aid for mandated expenses and reimbursement from 2015 Series A lease revenue bonds for the purchase of solar panels.

Use of money and property increased by \$3,679,000 (96.3%). The increase was due to an increase in investment earnings and fair market value.

Expenditures

General Government expenditures increased by \$6,779,000 (4.2%). The majority of the increase was due to facility maintenance and improvements of \$4,535,000 on various county sites.

COUNTY OF CONTRA COSTA
MANAGEMENT'S DISCUSSION & ANALYSIS
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Health and Sanitation expenditures increased by \$10,511,000 (4.0%). The most significant increases were for Mental Health \$5,955,000 (3.4%); Public Health \$2,178,000 (5.0%); and Substance Abuse \$1,240,000 (8.6%).

Public Assistance expenditures increased by \$5,718,000 (1.4%). The most significant increase was for Employment and Human Services (EHSD)-Workforce Services \$7,224,000 (3.5%), with an offsetting decrease of \$3,381,000 (9.6%) in Community Services.

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 \$4,483,000 (13.0%) during fiscal year 2015-2016.

Revenues increased by \$24,064,000 (22.4%), while expenditures increased by \$18,558,000 (16.5%). An increase in tax revenues of \$6,420,000 from a continued slight improvement of the housing market allowed a rise in assessed valuations of real property resulting in an increase in property taxes. There was an increase in charges for services of \$16,086,000 with the majority of the increase due to the provision of the new ambulance service. There was an increase of \$17,317,000 in services and supplies expenditures, the majority of which was also due to the new ambulance service.

Nonmajor Funds

The fund balance for the nonmajor special revenue funds increased by \$11,633,000 (3.0%) during fiscal year 2015-2016. Licenses, permits and franchise fees increased by \$3,272,000 (21.0%) and use of money and property increased by \$310,000 (22.7%), while charges for services decreased by \$3,764,000. Expenditures increased by \$6,977,000 (1.7%) mainly due to an increase in Public Assistance of \$5,156,000 (4.4%) and Health and Sanitation of \$3,949,000 (9.3%), while there was a decrease of \$3,027,000 (4.9%) in public ways and facilities.

Debt service funds had a decrease in fund balance of \$10,070,000 (24.6%) mainly due to an increase in principal expenditures of \$51,238,000 (113.8%). The issuance of the 2015 A lease revenue bonds fully refunded the 1999 Series A, 2002 Series A and B, and 2003 Series A lease revenue bonds, and partially refunded the 2007 A lease revenue bonds.

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.

Net position at June 30, 2016, was a deficit of \$117,762,000 for the County Hospital Enterprise Fund. Net position of the County Hospital Enterprise Fund increased by \$33,460,000 (22.1%). Operating income decreased by \$36,191,000 (88.4%) as compared to prior year. Salaries and employee benefits for County Hospital increased by \$35,014,000 (12.3%). Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual computations and deferred recognition of changes in investment gain/lost, actuarial gain/loss, actuarial assumptions or method, and plan benefits. The sum of this activity in

COUNTY OF CONTRA COSTA
MANAGEMENT'S DISCUSSION & ANALYSIS
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2015-2016 represented a smaller decrease as compared to 2014-2015.

Net position at June 30, 2016, was \$42,301,000 for the HMO Medi-Cal Plan, and \$24,166,000 for the nonmajor enterprise funds. Net position of the HMO Medi-Cal Plan increased by \$16,697,000 and net position of the nonmajor enterprise funds decreased by \$3,453,000. Operating income for the HMO Medi-Cal Plan decreased by \$8,997,000 (34.2%). Services and supplies for HMO Medi-Cal Plan increased by \$83,441,000 (16.4%) due to increased enrollment.

Net position of the internal service funds was a deficit of \$3,346,000. Net position for the Workers' Compensation Insurance Fire Protection Internal Service Fund increased by \$4,152,000 for the year, decreasing the deficit net position balance in that fund to \$7,253,000. Net position for the Workers' Compensation County General Internal Service Fund decreased by \$1,740,000 increasing the deficit net position balance in that fund to \$21,731,000. The remaining internal service funds had an overall increase of \$1,985,000.

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 \$11,877,000 (0.8%) in the final budget. Actual revenues were less than final budgeted revenues by \$24,624,000 (1.7%). Total budgeted expenditures increased by \$16,038,000 (1.1%) in the final budget. Actual expenditures were less than final budgeted expenditures by \$150,335,000 (10.5%). Significant factors impacting those changes were as follows:

Original Budget vs. Final Budget

Revenue Variances

- Charges for services budget increased primarily due to appropriation adjustments to reallocate the budget to cover unanticipated revenues.
- Use of money and property budget decreased due to rent on office space for Public Health and rent on real estate for Mental Health being adjusted based on the most current estimates.

Expenditure Variances

- The Final Budget for General Government-Building Maintenance included an increase to appropriations for building services administration costs.
- The Final Budget for General Government-Plant Acquisition included an increase to appropriations for approved General Fund-Plant Acquisition capital projects.
- The Final Budget for Health and Sanitation-Mental Health increased due to an unanticipated change in grants and reimbursements.

COUNTY OF CONTRA COSTA
MANAGEMENT'S DISCUSSION & ANALYSIS
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Final Budget vs. Actual Amounts

Revenue Variances

- Tax revenue, mainly property taxes, was higher than expected by \$23,151,000.
- Intergovernmental revenue was lower than expected, by \$39,401,000, primarily due to federal aid for Employment and Human Services Department-Workforces Services and Community Services being lower than anticipated, as well as miscellaneous government aid for Road Construction being lower than anticipated.
- Charges for services was lower than expected by \$13,159,000, primarily due to the Sheriff-Contract Law Enforcement Services and Health Services-Mental Health Services Medi-Cal and other HMO charges being lower than anticipated.

Expenditure Variances

- General Government-Employee Benefits expenditures for Medicare Part D were less than budgeted.
- General Government-Facility Life Cycle Improvement Program (FLIP) expenditures were less than budgeted due to projects being fully budgeted for at the beginning of a year and then taking longer than one year to complete. The remaining budget rolled over into the next fiscal year.
- General Government-Plant Acquisition expenditures were less than budgeted due to the inclusion in the budget of amounts held for future use that roll over from year to year in addition to current projects getting budgeted for fully in the initial year of the project and taking longer than one year to complete.
- Public Assistance–EHSD-Workforce Services expenditures for salaries and benefits and support and care of persons, mostly relating to Temporary Assistance for Needy Families (TANF) cash assistance, were less than anticipated.
- Public Ways and Facilities-Road Construction service expenditures for non-county road construction were less than budgeted. The associated intergovernmental revenue were also less than budgeted.

COUNTY OF CONTRA COSTA
MANAGEMENT'S DISCUSSION & ANALYSIS
(Required Supplementary Information - Unaudited)
 June 30, 2016

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)							
	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>		<u>Increase/ (Decrease)</u>
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>Percent Change</u>
Infrastructure	\$ 413,624	392,929			413,624	392,929	5.3 %
Land	68,306	67,566	16,368	16,368	84,674	83,934	0.9
Structures and improvements	219,389	231,560	148,723	152,200	368,112	383,760	(4.1)
Equipment	44,036	39,690	12,776	10,949	56,812	50,639	12.2
Intangibles	7,046	6,739	1,456	2,516	8,502	9,255	(8.1)
Construction in progress	<u>95,676</u>	<u>100,628</u>	<u>2,604</u>	<u>725</u>	<u>98,280</u>	<u>101,353</u>	<u>(3.0)</u>
Total	<u>\$ 848,077</u>	<u>839,112</u>	<u>181,927</u>	<u>182,758</u>	<u>1,030,004</u>	<u>1,021,870</u>	<u>0.8 %</u>

The county's investment in capital assets for its governmental and business-type activities as of June 30, 2016, was \$1,030,004,000 (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 2015-2016 increased by 0.8% (a 1.1% increase for governmental activities and a 0.5% decrease for business-type activities). The county's capital acquisitions exceeded retirement of capital assets and depreciation expense.

The major activity of capital assets for governmental activities was:

Road infrastructure and construction in progress	\$22,922,000
Building and building construction in progress	12,507,000

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

Equipment	4,394,000
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Construction projects during the year included projects such as Deer Valley Road safety improvement, Orwood Road bridge replacement, and the Alhambra Valley realignment east of Bear Creek Road. At June 30, 2016, the County had outstanding construction commitments of \$13,100,000 for construction projects.

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

COUNTY OF CONTRA COSTA
MANAGEMENT'S DISCUSSION & ANALYSIS
(Required Supplementary Information - Unaudited)
June 30, 2016

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							
Retirement Litigation Settlement, Capital Lease Obligations, Pension Obligation Bonds, Notes Payable, Other Bonds Payable, Lease Revenue Bonds, Tax Allocation Bonds and Special Assessment Debt (In Thousands)							
	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>		<u>Increase/ (Decrease)</u>
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>Percent Change</u>
Retirement litigation settlement	15,128	16,563			15,128	16,563	(8.7)
Capital lease obligations	15,338	13,098	115	227	15,453	13,325	16.0
Pension obligation bonds	297,460	329,725			297,460	329,725	(9.8)
Notes payable	1,013	1,146	1,080	1,193	2,093	2,339	(10.5)
Other bonds payable	455	885			455	885	(48.6)
Lease revenue bonds	102,621	114,373	141,437	138,131	244,058	252,504	(3.3)
Tax allocation bonds	88,265	90,400			88,265	90,400	(2.4)
Special assessment debt	5,375	6,069			5,375	6,069	(11.4)
Total	<u>\$ 525,655</u>	<u>572,259</u>	<u>142,632</u>	<u>139,551</u>	<u>668,287</u>	<u>711,810</u>	<u>(6.1) %</u>

At June 30, 2016, the county had total long-term debt outstanding of \$668,287,000. The county's legal debt limit was \$8,780,344,000. During the year, the county's liabilities for long-term debt decreased by \$43,523,000 (6.1%). Specific changes in governmental and business-type activities are presented in Note 10 in the "Notes to the Basic Financial Statements."

During the current year, through the Contra Costa County Public Financing Authority (PFA), the County undertook a significant long-term debt transaction that provided \$71,115,000 for capital projects; the refunding of the PFA's 1999 Series A, 2002 Series A, 2002 Series B, and 2003 Series A lease revenue bonds; and the partial refunding of the PFA's 2007 Series A lease revenue bonds.

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

In December 2013, Standard and Poor's Ratings Service (S&P) upgraded the county's issuer credit rating two notches from "AA" to "AAA", the highest possible credit rating, citing the county's strong financial management practices. In addition, S&P upgraded the county's pension obligation bonds and lease revenue bonds two notches from "AA"- to "AA"+. In July 2015, S&P reaffirmed the county's "AAA" rating citing very strong management, budget flexibility, and liquidity. In addition, S&P noted the county's location within the very strong Bay Area economy as key factors supporting the rating levels.

In October 2016, Moody's Investor Service (Moody's) upgraded the county's existing lease revenue bonds from "A1" to "Aa3" following a change in the methodology used by Moody's to rate the creditworthiness of U.S. state and local governments.

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MANAGEMENT'S DISCUSSION & ANALYSIS
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The outlook on the county's credit ratings continued to be "stable" by both S&P and Moody's during fiscal year 2015-2016. As of this writing, 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+	Aa3

The county continues to evaluate and pursue refunding opportunities for its outstanding bond issuances. The upgrades to the county's long-term issuer credit and underlying lease revenue bond ratings received over the past three years create opportunities for more favorable interest rates and financing terms on both future debt issuances and refunding of current debt issuances.

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

- Increase of countywide assessed valuation of 6.01%.
- Continuing to fund OPEB obligation at \$20 million per year.
- Labor agreements were negotiated for the majority of Bargaining Units during the previous fiscal year; the majority of labor contracts will expire June 30, 2019.
- General fund budget structurally balanced.
- All of the facts, decisions, and conditions listed above were considered in preparing the county's budget for fiscal year 2016-2017.

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, 2016
 (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	\$ 886,096	329,991	1,216,087	27,013	8,926
Receivables (net)	193,766	180,040	373,806	2,178	357
Inventories	2,732	4,370	7,102		
Internal balances	4,496	(4,496)			
Notes receivable	105,095		105,095	214	390
Prepaid items and deposits	12,570	8,549	21,119	133	231
Land held for resale	9,021		9,021		
Prepaid OPEB asset				107	
Other noncurrent assets					249
Restricted assets:					
Restricted cash and investments	24,103	21,993	46,096		2,767
Capital assets:					
Nondepreciable	163,982	18,972	182,954	246	3,181
Depreciable, net	684,095	162,955	847,050	455	32,959
Total assets	<u>2,085,956</u>	<u>722,374</u>	<u>2,808,330</u>	<u>30,346</u>	<u>49,060</u>
Deferred Outflows of Resources:					
Loss on refunding of debt	6,442	4,259	10,701		
Deferred pension outflows	337,308	129,075	466,383	1,338	3,347
Total deferred outflows of resources	<u>343,750</u>	<u>133,334</u>	<u>477,084</u>	<u>1,338</u>	<u>3,347</u>
Liabilities:					
Accounts payable and accrued liabilities	95,294	205,285	300,579	287	1,209
Accrued interest payable	5,580	603	6,183		48
Due to other agencies				50	
Welfare program advances	9,085		9,085		
Unearned revenue	24,119	1,388	25,507	964	211
Noncurrent liabilities:					
Due within one year	95,843	15,290	111,133	18	774
Due in more than one year	2,030,565	650,262	2,680,827	2,630	29,718
Total liabilities	<u>2,260,486</u>	<u>872,828</u>	<u>3,133,314</u>	<u>3,949</u>	<u>31,960</u>
Deferred Inflows of Resources:					
Deferred pension inflows	93,964	33,267	127,231	249	1,181
Net Position:					
Net investment in capital assets	728,388	60,495	788,883	701	20,487
Restricted for:					
Legally segregated taxes, grants and fees	441,325		441,325		
Tenant deposits					2,138
Debt service	24,444		24,444		
Permanent fund:					
Expendable portion	107		107		
Nonexpendable portion	1,729		1,729		
Total restricted net position	<u>467,605</u>		<u>467,605</u>		<u>2,138</u>
Unrestricted	<u>(1,120,737)</u>	<u>(110,882)</u>	<u>(1,231,619)</u>	<u>26,785</u>	<u>(3,359)</u>
Total net position (deficit)	<u>\$ 75,256</u>	<u>(50,387)</u>	<u>24,869</u>	<u>27,486</u>	<u>19,266</u>

* Housing Authority of the County of Contra Costa reported as of March 31, 2016.
 See accompanying notes to the basic financial statements.

COUNTY OF CONTRA COSTA
STATEMENT OF ACTIVITIES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016
 (In Thousands)

Function/Program Activities:	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 156,974	117,946	9,683	
Public protection	590,047	138,613	189,931	
Health and sanitation	239,340	89,855	104,061	
Public assistance	467,741	2,123	450,825	
Education	24,829	650	3,266	
Public ways and facilities	36,298	9,413	1,337	12,535
Recreation and culture	627	13	175	
Interest on debt	32,868			
Total governmental activities	1,548,724	358,613	759,278	12,535
Business-type activities:				
County Hospital	515,115	510,051	14,564	4,245
HMO Medi-Cal Plan	643,517	660,637		
HMO Commercial Plan	84,056	75,185	2	
Airport	4,349	4,162	856	
Sheriff Law Enforcement Training Center	1,427	996	381	
Major Risk Medical Insurance	1	1		
Total business-type activities	1,248,465	1,251,032	15,803	4,245
Total primary government	\$ 2,797,189	1,609,645	775,081	16,780
Component units:				
First 5 Contra Costa Children and Families Commission	\$ 13,390		10,627	
Housing Authority of the County of Contra Costa	106,783	6,297	98,996	307

GENERAL REVENUES:

Taxes:

Property
 Sales
 Other

Grants/contributions not restricted

Investment earnings

Other

TRANSFERS

Total general revenues and transfers

Change in net position

NET POSITION, BEGINNING OF YEAR,
 AS PREVIOUSLY REPORTED

Restatement of beginning net position

NET POSITION (DEFICIT), BEGINNING OF YEAR,
 AS RESTATED

NET POSITION (DEFICIT), END OF YEAR

* Housing Authority of the County of Contra Costa reported as of March 31, 2016.
 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*
(29,345)		(29,345)		
(261,503)		(261,503)		
(45,424)		(45,424)		
(14,793)		(14,793)		
(20,913)		(20,913)		
(13,013)		(13,013)		
(439)		(439)		
(32,868)		(32,868)		
<u>(418,298)</u>		<u>(418,298)</u>		
	13,745	13,745		
	17,120	17,120		
	(8,869)	(8,869)		
	669	669		
	(50)	(50)		
	<u>22,615</u>	<u>22,615</u>		
<u>(418,298)</u>	<u>22,615</u>	<u>(395,683)</u>		
			(2,763)	
				(1,183)
\$ 506,219		506,219		
14,178		14,178		
15,440		15,440		
14,653		14,653		
40,423		40,423	177	2
21,078	432	21,510	114	1,326
(22,767)	22,767			
<u>589,224</u>	<u>23,199</u>	<u>612,423</u>	<u>291</u>	<u>1,328</u>
<u>170,926</u>	<u>45,814</u>	<u>216,740</u>	<u>(2,472)</u>	<u>145</u>
(95,670)	(96,201)	(191,871)	29,958	28,309
				(9,188)
<u>(95,670)</u>	<u>(96,201)</u>	<u>(191,871)</u>	<u>29,958</u>	<u>19,121</u>
\$ <u>75,256</u>	<u>(50,387)</u>	<u>24,869</u>	<u>27,486</u>	<u>19,266</u>

COUNTY OF CONTRA COSTA
BALANCE SHEET
GOVERNMENTAL FUNDS
 JUNE 30, 2016
 (In Thousands)

	General	CCC Fire Protection District Special Revenue	Nonmajor	Total
Assets:				
Cash and investments	\$ 205,845	39,726	482,415	727,986
Accounts receivable and accrued revenue (net)	152,793	5,170	33,265	191,228
Inventories	1,667	704		2,371
Due from other funds	113,462	356	10,068	123,886
Notes receivable	87,499		17,596	105,095
Prepaid items and deposits	8,140	1,216	2,094	11,450
Land held for resale			9,021	9,021
Restricted cash and investments	2,398		21,705	24,103
Total assets	\$ 571,804	47,172	576,164	1,195,140
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ 66,553	7,879	20,471	94,903
Due to other funds	17,795	281	100,928	119,004
Welfare program advances	9,085			9,085
Unearned revenue	20,714		3,405	24,119
Total liabilities	114,147	8,160	124,804	247,111
Deferred Inflows of Resources:				
Unavailable revenue	87,499	82	17,817	105,398
Total deferred inflows of resources	87,499	82	17,817	105,398
Fund Balances:				
Nonspendable	9,807	1,920	3,823	15,550
Restricted	9,869	5,285	389,353	404,507
Committed	1,440		341	1,781
Assigned	116,089	31,725	40,026	187,840
Unassigned	232,953			232,953
Total fund balances	370,158	38,930	433,543	842,631
Total liabilities, deferred inflows of resources, and fund balances	\$ 571,804	47,172	576,164	1,195,140

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, 2016
 (In Thousands)

Fund balances - total governmental funds (page 24)	\$	842,631
Amounts reported for governmental activities in the statement of net position are different because:		
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 \$8,273)		839,804
Accrued revenue, which is not available soon enough to pay for the current period's expenditures, is deferred in the governmental funds.		303
Notes receivable are not available to pay current-period expenditures and, therefore, are deferred in the governmental funds.		105,095
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.		(4,254)
Interest on long-term debt is recognized as it accrues, regardless of when it is due.		(5,580)
Insurance costs on bond issuance are not recognized as current expenditures and are amortized over the life of the bonds.		1,120
Loss on refunding of debt is recognized as a deferred outflow of resources		6,442
Deferred pension outflows represent a consumption of net position applicable to a future reporting period. (net of internal service fund balance of \$697)		336,611
Deferred pension inflows represent an acquisition of net position applicable to a future reporting period. (net of internal service fund balance of \$179)		(93,785)
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	\$	(102,621)
Notes payable		(1,013)
Tax allocation bonds		(88,265)
Special assessment bonds		(5,375)
Other bonds payable		(455)
Pension obligation bonds		(297,460)
Retirement litigation settlement		(15,128)
Net pension liability (net of internal service fund balance of \$1,780)		(868,540)
Capital lease obligations		(15,338)
Compensated absences (net of internal service fund balance of \$62)		(47,287)
Net OPEB obligation		(498,022)
Other noncurrent liabilities		(3,733)
Premiums and discounts		(9,894)
		(1,953,131)
Net position (deficit) of governmental activities (page 21)	\$	75,256

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, 2016
 (In Thousands)

	General	CCC Fire Protection District Special Revenue	Nonmajor	Total
Revenues:				
Taxes	\$ 364,391	102,569	83,529	550,489
Licenses, permits and franchise fees	13,142		18,848	31,990
Fines, forfeitures and penalties	27,606		5,992	33,598
Use of money and property	7,500	2	29,951	37,453
Intergovernmental	515,374	6,650	249,788	771,812
Charges for services	219,953	22,156	50,915	293,024
Other revenue	261,356	247	42,273	303,876
Total revenues	<u>1,409,322</u>	<u>131,624</u>	<u>481,296</u>	<u>2,022,242</u>
Expenditures:				
Current:				
General government	167,259		8,834	176,093
Public protection	393,841	131,281	154,689	679,811
Health and sanitation	273,042		46,331	319,373
Public assistance	416,021		133,374	549,395
Education			25,286	25,286
Public ways and facilities	35,341		58,856	94,197
Recreation and culture			1,525	1,525
Debt service:				
Principal	92		96,272	96,364
Interest	38		36,070	36,108
Debt issuance cost			512	512
Total expenditures	<u>1,285,634</u>	<u>131,281</u>	<u>561,749</u>	<u>1,978,664</u>
Excess (deficiency) of revenues over (under) expenditures	<u>123,688</u>	<u>343</u>	<u>(80,453)</u>	<u>43,578</u>
Other Financing Sources (Uses):				
Transfers in	435	11	40,798	41,244
Transfers out	(50,844)		(13,102)	(63,946)
Issuance of debt			47,561	47,561
Premium on debt issued			6,784	6,784
Capital lease financing	1,542	4,129		5,671
Total other financing sources (uses)	<u>(48,867)</u>	<u>4,140</u>	<u>82,041</u>	<u>37,314</u>
Net change in fund balances	74,821	4,483	1,588	80,892
Fund Balances at Beginning of Year	<u>295,337</u>	<u>34,447</u>	<u>431,955</u>	<u>761,739</u>
Fund Balances at End of Year	<u>\$ 370,158</u>	<u>38,930</u>	<u>433,543</u>	<u>842,631</u>

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, 2016
(In Thousands)

Net change in fund balances - total governmental funds (page 26)	\$	80,892
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.		5,046
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	\$ 56,331	
Less loss on disposal/retirement of capital assets	(7,881)	
Less current year depreciation	<u>(39,899)</u>	8,551
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.		
Proceeds on issuance of lease revenue bonds	(47,561)	
Premium on debt issuance	(6,784)	
Principal payments	96,405	
Capital lease payments	3,430	
Issuance of capital lease	(5,670)	
Issuance of noncurrent liabilities	(1,029)	
Expenditures made on other noncurrent liabilities	1,770	
Principal adjustment on noncurrent liabilities	<u>129</u>	40,690
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	(2,624)	
Bond insurance cost	98	
Deferred loss on refunding	2,721	
Change in net pension liability	(203,036)	
Deferred pension outflows activity	234,217	
Deferred pension inflows activity	584	
Amortization of insurance cost of bond issuance	(180)	
Amortization of premiums - lease revenue bonds	780	
Amortization of premiums and discounts - tax allocation bonds	64	
Amortization of premiums - special assessments	1	
Change in accrued interest payable	1,535	
Change in OPEB obligation	(3,227)	
Amortization of deferred loss on refunding	<u>(473)</u>	30,460
Internal service funds are used by management to charge the costs of self insurance and fleet services to individual funds. The net expense of certain activities of the internal service funds is reported with governmental activities, except for the medical liability insurance fund.		<u>5,287</u>
Change in net position of governmental activities (page 23)	\$	<u><u>170,926</u></u>

See accompanying notes to the basic financial statements.

COUNTY OF CONTRA COSTA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
 JUNE 30, 2016
 (In Thousands)

	Enterprise Funds				Internal Service
	County Hospital	HMO Medi-Cal Plan	Nonmajor	Total	
Assets and Deferred Outflows of Resources:					
Assets:					
Current assets:					
Cash and investments	\$ 122,595	187,518	14,467	324,580	163,521
Accounts receivable and accrued revenue (net)	107,775	68,718	3,547	180,040	2,538
Inventories	4,350		20	4,370	361
Due from other funds	45,432	5	5,618	51,055	1,354
Prepaid items and deposits	8,166		383	8,549	
Total current assets	288,318	256,241	24,035	568,594	167,774
Noncurrent assets:					
Restricted cash and investments	21,993			21,993	
Capital assets:					
Nondepreciable	9,293		9,679	18,972	1,215
Depreciable, net	154,183		8,772	162,955	7,058
Total noncurrent assets	185,469		18,451	203,920	8,273
Total assets	473,787	256,241	42,486	772,514	176,047
Deferred Outflows of Resources:					
Loss on refunding of debt		4,259		4,259	
Deferred pension outflows	121,601	6,613	861	129,075	697
Total deferred outflows of resources	125,860	6,613	861	133,334	697
Total Assets and Deferred Outflows of Resources	\$ 599,647	262,854	43,347	905,848	176,744
Liabilities, Deferred Inflows of Resources, and Net Position (Deficit):					
Liabilities:					
Current liabilities:					
Accounts payable and accrued liabilities	\$ 34,465	157,657	13,163	205,285	391
Accrued interest payable	603			603	
Due to other funds	9,951	42,874	2,706	55,531	1,760
Unearned revenue		619	769	1,388	
Current portion of long-term liabilities	13,382	82	12	13,476	37,159
Total current liabilities	58,401	201,232	16,650	276,283	39,310
Noncurrent liabilities:					
Compensated absences	15,816	739	111	16,666	56
Net pension liability	310,344	16,877	2,198	329,419	1,780
Claims payable					138,765
Bonds and notes payable, net	135,121			135,121	
Landfill post closure	688			688	
Other noncurrent liabilities	165,699			165,699	
Total noncurrent liabilities	627,668	17,616	2,309	647,593	140,601
Total liabilities	686,069	218,848	18,959	923,876	179,911
Deferred Inflows of Resources:					
Deferred pension inflows	31,340	1,705	222	33,267	179
Total deferred inflows of resources	31,340	1,705	222	33,267	179
Net Position (Deficit):					
Net investment in capital assets	42,044		18,451	60,495	8,273
Unrestricted	(159,806)	42,301	5,715	(111,790)	(11,619)
Total net position (deficit)	(117,762)	42,301	24,166	(51,295)	(3,346)
Total Liabilities, Deferred Inflows of Resources, and Net Position (Deficit)	\$ 599,647	262,854	43,347	905,848	176,744

Reconciliation of enterprise funds net position to business-type net position:

Net position of enterprise funds	\$ (51,295)
Adjustment to reflect the consolidation of Medical Liability ISF activities related to enterprise funds.	908

Net position (deficit) of business-type activities (page 21) \$ (50,387)

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, 2016
(In Thousands)

	Enterprise Funds				
	County Hospital	HMO Medi-Cal Plan	Nonmajor	Total	Internal Service
Operating Revenues:					
Use of money and property	\$ 446		5,175	5,621	
Charges for services	507,785	660,637	75,169	1,243,591	55,712
Other revenue			432	432	11,952
Total operating revenues	<u>508,231</u>	<u>660,637</u>	<u>80,776</u>	<u>1,249,644</u>	<u>67,664</u>
Operating Expenses:					
Salaries and employee benefits	320,247	19,822	2,501	342,570	1,948
Services and supplies	173,227	592,847	84,959	851,033	19,930
Benefit and claim expense					40,399
Other charges	340	30,654	828	31,822	885
Expense transfers			339	339	
Depreciation	9,646		1,171	10,817	2,164
Total operating expenses	<u>503,460</u>	<u>643,323</u>	<u>89,798</u>	<u>1,236,581</u>	<u>65,326</u>
Operating income (loss)	<u>4,771</u>	<u>17,314</u>	<u>(9,022)</u>	<u>13,063</u>	<u>2,338</u>
Nonoperating Revenues (Expenses):					
State and federal grants	14,564		1,239	15,803	
Investment income					2,124
Bond issuance cost	(206)			(206)	
Interest expense	(8,739)	(194)	(35)	(8,968)	
Total nonoperating revenues (expenses)	<u>5,619</u>	<u>(194)</u>	<u>1,204</u>	<u>6,629</u>	<u>2,124</u>
Income (loss) before capital contributions and transfers	<u>10,390</u>	<u>17,120</u>	<u>(7,818)</u>	<u>19,692</u>	<u>4,462</u>
Capital contributions	4,245			4,245	
Transfers in	26,420		4,533	30,953	40
Transfers out	(7,595)	(423)	(168)	(8,186)	(105)
Change in net position	<u>33,460</u>	<u>16,697</u>	<u>(3,453)</u>	<u>46,704</u>	<u>4,397</u>
Total Net Position (Deficit) at Beginning of Year	<u>(151,222)</u>	<u>25,604</u>	<u>27,619</u>	<u>(97,999)</u>	<u>(7,743)</u>
Total Net Position (Deficit) at End of Year	<u>\$ (117,762)</u>	<u>42,301</u>	<u>24,166</u>	<u>(51,295)</u>	<u>(3,346)</u>

Reconciliation of enterprise funds change in net position to statement of activities:

Change in net position of enterprise funds.	\$ 46,704
Adjustment to reflect the Medical Liability ISF activities related to enterprise funds.	<u>(890)</u>
Change in net position of business-type activities (page 23)	<u>\$ 45,814</u>

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, 2016
(In Thousands)

	Enterprise Funds				Internal Service
	County Hospital	HMO Medi-Cal Plan	Nonmajor	Total	
Cash Flows from Operating Activities:					
Cash received from customers	\$ 482,209	668,603	86,868	1,237,680	67,080
Cash received from other funds		14,705	131	14,836	283
Cash payment to other funds	(24,586)		(7,853)	(32,439)	(237)
Cash payment to suppliers for goods and services	(173,056)	(579,986)	(82,112)	(835,154)	(58,865)
Cash payment to employees for services	(332,362)	(19,716)	(2,633)	(354,711)	(2,606)
Net Cash Provided by (Used for)					
Operating Activities	(47,795)	83,606	(5,599)	30,212	5,655
Cash Flows from Noncapital					
Financing Activities:					
State and federal grants	14,564		1,239	15,803	
Transfers in	26,420		4,533	30,953	40
Transfers out	(7,595)	(423)	(168)	(8,186)	(105)
Net Cash Provided by (Used for) Noncapital	33,389	(423)	5,604	38,570	(65)
Cash Flows from Capital and Related					
Financing Activities:					
Capital contributions	4,245			4,245	
Acquisition and construction of capital assets	(6,955)		(3,031)	(9,986)	(2,577)
Interest paid	(8,554)	(194)	(35)	(8,783)	
Principal payments on notes payable and other noncurrent liabilities	(1,176)			(1,176)	
Principal paid on debt	(10,547)			(10,547)	
Proceeds from issuance	26,156			26,156	
Payment for redemption of bonds	(9,701)			(9,701)	
Increase to other noncurrent liabilities	58,958			58,958	
Net Cash Provided by (Used for) Capital and Related	52,426	(194)	(3,066)	49,166	(2,577)
Cash Flows from Investing Activities:					
Interest received on investments					2,124
Net Increase (Decrease) in Cash and					
Cash Equivalents	38,020	82,989	(3,061)	117,948	5,137
Cash and Cash Equivalents at Beginning of Year	106,568	104,529	17,528	228,625	158,384
Cash and Cash Equivalents at End of Year	\$ 144,588	187,518	14,467	346,573	163,521
Reconciliation of Operating Income (Loss) to Net Cash					
Provided by (Used for) Operating Activities:					
Operating income (loss)	\$ 4,771	17,314	(9,022)	13,063	2,338
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for)					
Operating Activities:					
Depreciation and amortization	9,646		1,171	10,817	2,164
Changes in operating assets and liabilities:					
Decrease (increase) in:					
Accounts receivable and accrued revenue, net	(26,022)	7,966	6,107	(11,949)	(602)
Inventories	(452)		5	(447)	(30)
Due from other funds	(12,564)	1,202	(3,091)	(14,453)	(163)
Prepaid items and deposits	(177)		(120)	(297)	10
Deferred outflows of resources	(81,031)	(4,502)	(569)	(86,102)	(448)
Deferred charges					
Increase (decrease) in:					
Accounts payable and accrued liabilities	1,379	43,690	3,501	48,570	(459)
Claims payable					2,379
Due to other funds	(12,022)	13,503	(4,631)	(3,150)	209
Deferred inflows of resources	(78)	71	(5)	(12)	(14)
Net pension liability	67,094	4,222	445	71,761	289
Unearned revenue			613	613	
Compensated absences	1,661	140	(3)	1,798	(18)
Net Cash Provided by (Used for)					
Operating Activities	\$ (47,795)	83,606	(5,599)	30,212	5,655
Noncash investing, capital, and financing activities:					
Change in landfill post closure liability	\$ 699			699	

See accompanying notes to the basic financial statements.

COUNTY OF CONTRA COSTA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
 JUNE 30, 2016
 (In Thousands)

	Other Employee Benefit Trust	Investment Trust	Private- Purpose Trust Funds	Agency
Assets:				
Cash and investments	\$ 195,976	1,928,343	30,224	233,065
Receivables		44,456	685	42,331
Notes receivable, net			25	
Due from other governments			263	7,466
Taxes receivable				171,291
Restricted cash and investments			4,499	
Total assets	195,976	1,972,799	35,696	454,153
Deferred Outflows of Resources:				
Loss on refunding of debt			2,777	
Total deferred outflows of resources			2,777	
Liabilities:				
Warrants outstanding		72,855		46,729
Accounts payable and accrued liabilities		554	96	64,449
Due to other governments			772	71,745
Unapportioned taxes				124,779
Tax loss guarantees				77,371
Accrued interest payable			2,234	
Noncurrent liabilities:				
Due within one year			2,229	
Due in more than one year			87,392	
Due to other agencies and districts				69,080
Total liabilities		73,409	92,723	454,153
Net Position:				
Restricted for:				
Other postemployment benefits	195,976			
Participation in individually directed investment accounts		1,899,390	24,964	
Unrestricted deficit			(79,214)	
Total net position (deficit)	\$ 195,976	1,899,390	(54,250)	

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, 2016
(In Thousands)

	Other Employee Benefit Trust	Investment Trust	Private- Purpose Trust Funds
Additions:			
Employer contributions	\$ 76,279		
Plan member contributions	14,208		
Contributions to investment accounts		4,294,502	
Other revenue			20,080
Net investment income (loss)	2,528	(59,313)	33
Property tax distribution			9,055
Total additions	<u>93,015</u>	<u>4,235,189</u>	<u>29,168</u>
Deductions:			
Benefits paid	70,347		
Distribution from investment accounts		4,051,127	
Administrative and other expenses			1,542
Interest expense			5,485
Other			15,574
Project expenditures			1,241
Financial assistance payments			1,978
Total deductions	<u>70,347</u>	<u>4,051,127</u>	<u>25,820</u>
Change in net position	22,668	184,062	3,348
Net Position (Deficit) at Beginning of Year	<u>173,308</u>	<u>1,715,328</u>	<u>(57,598)</u>
Net Position (Deficit) at End of Year	<u>\$ 195,976</u>	<u>1,899,390</u>	<u>(54,250)</u>

See accompanying notes to the basic financial statements.

COUNTY OF CONTRA COSTA
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2016

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.

Blended Component Units

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
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2016

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 Contra Costa County Flood Control and Water Conservation District with the withdrawal of the Successor Agency of the RDA. The PFA was established to provide for the financing of public improvements, obligations, working capital and liability or other insurance programs. 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.

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 and management of the primary government has operational responsibility for the component unit. 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 38 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 and management of the primary government has operational responsibility for the component units. The 38 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 No. 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; and 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, which is reported as a major governmental fund.

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. While the Board of Supervisors is able to impose its will, the Commission

COUNTY OF CONTRA COSTA
NOTES TO THE BASIC FINANCIAL STATEMENTS

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does not meet the criteria for blending: i) the primary government has no management responsibility; ii) the Commission's services aren't exclusive or almost exclusive to the county; and iii) the Commission's debt outstanding is not expected to be repaid with resources of the county. 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. The Housing Authority's board members are the same as the county Board of Supervisors. While the county Board of Supervisors is able to impose its will, the Housing Authority 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

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. 72, *Fair Value Measurement and Application*, addressed accounting and financial reporting issues related to fair value measurements. It will provide guidance for determining a fair value measurement for financial reporting purposes and will also provide guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The requirements of this Statement will enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition

COUNTY OF CONTRA COSTA
NOTES TO THE BASIC FINANCIAL STATEMENTS

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of fair value and accepted valuation techniques. This Statement also will enhance fair value application guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurements on a government's financial position.

GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, improved the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. It established requirements for defined benefit pensions that are not within the scope of Statement No. 68, *Accounting and Financial Reporting for Pensions*, as well as for the assets accumulated for purposes of providing those pensions. The requirements of this Statement will improve financial reporting by establishing a single framework for the presentation of information about pensions, which will enhance the comparability of pension-related information reported by employers and nonemployer contributing entities. There was no financial statement effect as a result of the implementation of this statement.

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, identified-in the context of the current governmental financing reporting environment-the hierarchy of generally accepted accounting principles (GAAP). The requirements of this Statement improve financial reporting by (1) raising the category of GASB Implementation Guides in the GAAP hierarchy, thus providing the opportunity for broader public input on implementation guidance; (2) emphasizing the importance of analogies to authoritative literature when the accounting treatment for an event is not specified in the authoritative GAAP; and (3) requiring the consideration of consistency with the GASB Concepts Statements when evaluating accounting treatments specified in nonauthoritative literature.

GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, established accounting and financial reporting standards for qualifying external investment pools that elect to measure for financial reporting purposes all of their investments at amortized cost. This Statement also establishes accounting and financial reporting standards for state and local governments that participate in a qualifying external investment pool that measures for financial reporting purposes all of its investments at amortized cost. This Statement will enhance comparability of financial statements among governments by establishing specific criteria used to determine whether a qualifying external investment pool may elect to use an amortized cost exception to fair value measurement. Those criteria will provide qualifying external investment pools and participants in those pools with consistent application of an amortized cost-based measurement for financial reporting purposes. There was no financial statement effect as a result of the implementation of this statement.

Pronouncements to be Implemented in Subsequent Years

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, was established to improve the usefulness of information about postemployment benefits other than pensions (OPEB). This Statement requires the net OPEB liability to be measured as the total OPEB liability, less the amount of the OPEB plan's fiduciary net position. This Statement replaces GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, and GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*.

COUNTY OF CONTRA COSTA
NOTES TO THE BASIC FINANCIAL STATEMENTS

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The requirements of this Statement will improve financial reporting primarily through enhanced note disclosures and schedules of required supplementary information that will be presented by OPEB plans that are administered through trusts that meet the specific criteria. The new information will enhance decision-usefulness of the financial reports of those OPEB plans, their value for assessing accountability, and their transparency by providing information about measures of the net OPEB liabilities and explanations of how and why those liabilities changed from year to year. The requirements of this Statement will be effective for financial statements for periods beginning after June 15, 2016.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, was established to improve the decision-usefulness of information in employer and governmental nonemployer contributing entity financial reports and enhance its value for assessing accountability and interperiod equity by requiring recognition of the entire OPEB liability and a more comprehensive measure of OPEB expense. The requirements of this Statement will improve the decision-usefulness of information in employer and governmental nonemployer contributing entity financial reports and will enhance its value for assessing accountability and interperiod equity by requiring recognition of the entire OPEB liability and a more comprehensive measure of OPEB expense. The requirements of this Statement will be effective for financial statements for periods beginning after June 15, 2017.

GASB Statement No. 77, *Tax Abatement Disclosures*, will address financial reporting standards for tax abatement agreements entered into by state and local governments. The disclosures required by this Statement encompass tax abatements resulting from both (a) agreements that are entered into by the reporting government and (b) agreements that are entered into by other governments and that reduce the reporting government's tax revenues. The requirements of this Statement improve financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Disclosure of information about the nature and magnitude of tax abatements will make these transactions more transparent to financial statement users. The requirements of this Statement will be effective for financial statement for periods beginning after December 15, 2015.

GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, will address accounting and financial reporting standards for defined benefit pensions provided to the employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan (cost-sharing pension plan). This Statement amends the scope and applicability of Statement No. 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plans that (1) is not a state or local governmental pension plan, (2) used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). The requirements of this Statement will be effective for financial statements for periods beginning after December 15, 2015.

GASB Statement No. 80, *Blending Requirements for Certain Component Units*, established an additional blending requirement for the financial statement presentation of component units. Specifically, a

COUNTY OF CONTRA COSTA
NOTES TO THE BASIC FINANCIAL STATEMENTS

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component unit should be included in the reporting entity financial statements using the blending method if the component unit is organized as a not-for-profit corporation in which the primary government is the sole corporate member, as identified in the component unit's articles of incorporation or bylaws, and the component unit is included in the financial reporting entity pursuant to the provisions in paragraphs 21-37 of GASB Statement No. 14, *The Financial Reporting Entity*, as amended. The requirements of this Statement enhance the comparability of financial statements among governments. Greater comparability improves the decision-usefulness of information reported in financial statements and enhances its value for assessing government accountability. The requirements of this Statement will be effective for financial statements for periods beginning after June 15, 2016.

GASB Statement No. 81, *Irrevocable Split-Interest Agreements*, will improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The requirements of this statement enhance the comparability of financial statements by providing accounting and financial reporting guidance for irrevocable split-interest agreements in which a government is a beneficiary. The requirements of this Statement will be effective for financial statements for periods beginning after December 15, 2016.

GASB Statement No. 82, *Pension Issues*, will address accounting and financial reporting requirements for pension provided to the employees of state or local governmental employers. This Statement also establishes financial reporting requirements for pension plans administered through trusts that meet the criteria in paragraph 3 of GASB Statement No. 67, *Financial Reporting for Pension Plans-an amendment of GASB Statement No. 25*. The requirements of this Statement will improve financial reporting by enhancing consistency in the application of financial reporting requirements to certain pension issues. The requirements of this Statement will be effective for financial statements for periods beginning after June 15, 2016.

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.

COUNTY OF CONTRA COSTA
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2016

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, 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.

COUNTY OF CONTRA COSTA
NOTES TO THE BASIC FINANCIAL STATEMENTS

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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.
- *Other Employee Benefit Trust Fund* 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 is an external investment pool representing 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 L 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 OF CONTRA COSTA
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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 investment pool, and cash restricted for repayment of debt or as reserves to be cash equivalents. The County Treasurer's investment 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

The county records investment transactions on the trade date. Investments are reported at fair value. The county measures its investments at fair value and categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market

COUNTY OF CONTRA COSTA
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participants at the measurement date. Fair value is a market-based measurement, using observable market transactions or available market information. The county adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year. Investment income is allocated among funds on the basis of year-end fund balances in these funds. Investment income from cash and investments with trustees is credited directly to the related fund.

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 and the County Hospital's Pharmacy inventories are maintained using the weighted average method. Proprietary fund inventories, with the exception of the County Hospital's Pharmacy 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. 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. All of the noted cash and investments are included in Note 4 – Cash and Investments.

COUNTY OF CONTRA COSTA
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J. 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 using the straight-line method over their estimated useful lives or the capital lease period in the activities within the government-wide financial statements and proprietary funds.

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.

K. Bond Discounts, Bond Premiums, Insurance Costs, and Deferred Amounts on Refundings

In governmental fund financial statements, bond discounts, bond premiums, insurance costs, and deferred amounts on refundings are recognized in the period incurred. In the government-wide and proprietary fund financial statements, bond discounts, bond premiums, 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.

L. 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

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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 \$5,184,000 at June 30, 2016. The year-end balance in the TLRF was \$77,371,000. Amounts in the TLRF are considered to be held in a custodial capacity for the administration of the county's Teeter Plan.

M. 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 "due to/from other funds" (i.e., the current 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."

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.

N. 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

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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, 2016, were valued at \$66,414,000, which includes \$41,420,000 attributable to the General Fund, \$5,866,000 attributable to the Special Revenue Funds, \$18,518,000 recorded in Enterprise Funds, \$63,000 recorded in Internal Service Funds, \$183,000 recorded in the First 5 Contra Costa Children and Families Commission Component Unit, and \$364,000 recorded in the Housing Authority Component Unit (as of March 31, 2016). 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, 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.

O. 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

Government-wide Financial Statements – Restatement of Net Position

A restatement of beginning net position was necessary with the Housing Authority's implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*. The restatement of net position includes the adjustments to prior year ending net position, deferred outflows of resources, and deferred inflows of resources.

The Housing Authority recorded a restatement of beginning net position to account for the above GASB Statement No. 68 implementation activity using the most recent actuarial report available with a valuation date of December 31, 2015.

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

	Component Unit
	Housing Authority
Net position, at beginning of year, as previously reported	\$ 28,309
Net Pension Liability as of the measurement date December 31, 2014	(8,653)
Deferred inflows of resources-net difference between expected and actual experience in Total Pension Liability	(1,144)
Employer contributions made subsequent to the measurement date and up to March 31, 2015	609
Net position (deficit), at beginning of year, as restated	\$ 19,121

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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, 2016, business-type activities in the government-wide statement of net position had a deficit net position of \$50,387,000. The deficit is primarily due to the effects of GASB Statement No. 68.

The County Hospital Enterprise Fund had a deficit net position of \$117,762,000 at June 30, 2016. The deficit is due to the effects of GASB Statement No. 68.

Two internal service funds had deficit net positions at June 30, 2016. The Workers' Compensation Insurance County General Fund shows a deficit of \$21,731,000, a deficit increase of \$1,740,000 from a \$19,991,000 deficit at June 30, 2015. The Workers' Compensation Insurance Fire Protection Fund shows a deficit of \$7,253,000, a deficit decrease of \$4,152,000 from a \$11,405,000 deficit at June 30, 2015. These deficit net positions are attributed to an adjustment of insurance reserves for self-insurance funds per actuarial report dated June 30, 2016. 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	\$ 886,096	329,991	27,013	8,926	2,387,608
Restricted Cash and Investments	24,103	21,993		2,767	4,499
	\$ 910,199	351,984	27,013	11,693	2,392,107

*As of March 31, 2016

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The cash and investment balances of substantially all funds, except the Other Employee Benefit and Investment Trust Funds, are maintained in the county's 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 Public Agencies Retirement Services (PARS) directs the investment activity of the Other Employee Benefit Trust Fund.

A. Summary of Cash and Investments

Cash and investments at June 30, 2016 (March 31, 2016, 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	\$ 192,327	1,023,760	1,216,087
	Restricted cash and investments	3	46,093	46,096
First 5 Contra Costa Children and Families Commission	Cash and investments	1	27,012	27,013
Housing Authority	Cash and investments	8,926		8,926
	Restricted cash and investments	279	2,488	2,767
From the Statement of Fiduciary Net Position				
Other Employee Benefit Trust Fund	Cash and investments		195,976	195,976
Investment Trust Fund	Cash and investments	752	1,927,591	1,928,343
Private-Purpose Trust Funds	Cash and investments	9,086	21,138	30,224
	Restricted cash and investments		4,499	4,499
Agency Funds	Cash and investments	72	232,993	233,065
Total		<u>\$ 211,446</u>	<u>3,481,550</u>	<u>3,692,996</u>

B. Deposits and Investments

Deposits

Deposits include bank deposits at a carrying amount of \$211,446,000. The balance reported by various financial institutions was \$209,557,000. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit. Of the bank balance, \$2,826,000 was covered by federal depository insurance and \$203,668,000 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 \$3,063,000 as deposits. Of the certificates of deposit balance, \$253,000 was insured and \$2,810,000

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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.

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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.

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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, 2016, the county (March 31, 2016, for the Housing Authority) had the following investments and maturities (in thousands):

Investment Type:	Investment Maturities				Total
	Less than 1 year	1 to 3 years	3 to 5 years	Over 5 years	
U.S. Treasury notes & bonds	\$ 6,186	24,250	3,152		33,588
U.S. agencies - (FHLB, FNMA, FFCB, FHLMC)	214,013	483,649	60,485		758,147
Corporate notes	25,158	123,746	6,360		155,264
Municipal bonds	2,918	2,169			5,087
Asset backed securities	153	9,092	2,962		12,207
Commercial paper	1,032,481				1,032,481
Negotiable certificates of deposit	731,873	18,478			750,351
Mutual funds	284,134			198,209	482,343
Money market accounts	565				565
LAIF	211,753				211,753
CAMP	392				392
International Bank	33,813	5,559			39,372
Total	\$ 2,543,439	666,943	72,959	198,209	3,481,550

As of June 30, 2016, the portfolio contained \$40,686,000 of callable U.S. Agencies, representing 22.42% of investment cost at June 30, 2016.

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.

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

<u>Investment Type:</u>	Total (in thousands)	Quality Rating Range
U.S. Treasury notes, strips, bills	\$ 33,588	
Federal Home Loan Bank (FHLB)	257,488	AA+ to A-1+
Federal National Mortgage Association (FNMA)	106,117	AA+ to A-1+
Federal Farm Credit Bank (FFCB)	204,086	AA to A-1+
Federal Home Loan Mortgage-Corp (FHLMC)	168,016	AA+ to A-1+
Freddie Mac	21,854	AA+
Tennessee Valley Authority	586	AA+
Corporate notes	155,264	AAA to BBB+
Municipal bonds	5,087	AAA to AA-
Asset-backed securities	12,207	AAA to NOT RATED
Commercial paper	1,032,481	A-1+ to A-1
Negotiable certificates of deposit	750,351	AA- to A-1
Mutual funds	482,343	AAAm
Money market accounts	565	AAA to NOT RATED
LAIF	211,753	NOT RATED
CAMP	392	NOT RATED
International Bank	39,372	AAA to NA
Total	\$ 3,481,550	

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. Investments issued by or explicitly guaranteed by U.S. Government and investments in mutual funds, external investment pools, and other pooled investments are exempt from this requirement as they are normally diversified themselves. The county invested in FHLB, FFCB, and FHLMC, which represented 7.40%, 5.86%, and 6.18%, respectively, of the county's investments at June 30, 2016.

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, 2016, 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.

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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 is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the county's investment in the LAIF pool is reported in the accompanying financial statements at amounts based upon the county's pro rata share of the fair value provided by LAIF, for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. The total amount invested by all public agencies in LAIF as of June 30, 2016 is approximately \$22,712,000,000. LAIF is part of the Pooled Money Investment Account (PMIA) with a total portfolio of approximately \$75,369,000,000 as of June 30, 2016. Of that amount, 97.19% is invested in non-derivative financial products and 2.81% in structured notes and asset-backed securities. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members, as designated by state statute. The value of the pool shares in LAIF, which may be withdrawn, is determined on an amortized cost basis that is different than the fair value of the county's position in the pool. At June 30, 2016, these investments have an average maturity of 167 days. As of June 30, 2016, the county (excluding the Housing Authority) had \$210,815,000 invested in LAIF. The Housing Authority (March 31, 2016) had \$938,000 invested in LAIF.

As of June 30, 2016, the county had no derivative instruments in mutual funds.

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At June 30, 2016, (March 31, 2016, for the Housing Authority) the amount of assets restricted by legal and contractual requirements was as follows (in thousands):

	Governmental Activities		Business-type Activities	Fiduciary 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:					
2001 Revenue bonds		402			
2007A Lease revenue bonds		8,995			
2010B Lease revenue bonds		1,069			
2015A & 2015B Lease revenue bonds		135			
Pleasant Hill BART bond reserve 1987-1 reserve account		528			
San Ramon bond reserve 1989-1 reserve account		44			
Kensington reserve fund AD 91-1 reserve account		269			
San Pablo bond reserve AD 91-3 reserve account		29			
Pleasant Hill BART RFD 98 reserve account		594			
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			3,132		
2012A Lease revenue bond			1,404		
2015A & 2015B Lease revenue bonds			14,109		
Capital lease funds that have not been spent, operating revenues required by lender, and funds held on behalf of its clients					2,767
East Bay Regional Communication System	2,233				
Restricted program money	165				
Low & Moderate Income Housing Assets		7,675			
RDA Successor Agency				4,499	
Total restricted assets	\$ 2,398	21,705	21,993	4,499	2,767

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

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Fair Value Measurements

The county's internal pool categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Those principles recognize a fair value hierarchy as follows:

Level 1: Investments reflect prices quoted for identical assets in active markets that the county can access.

Level 2: Investments reflect prices that are based on a similar observable asset, either directly or indirectly, which may include inputs in markets that are not considered to be active.

The county's internal pool has the following recurring fair value measurements as of June 30, 2016 (in thousands):

		<u>Fair Value Measurement Using</u>	
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>
Investments by fair value level			
U.S. Treasury notes	\$ 33,588	33,588	
Federal Farm Credit Banks (FFCB)	204,086		204,086
Federal Home Loan Banks (FHLB)	257,488		257,488
Federal Home Loan Mortgage-Corp (FHLMC)	168,016		168,016
Federal National Mortgage Assn. (FNMA)	106,117		106,117
Freddie Mac	21,854		21,854
Tennessee Valley Authority	586		586
Asset-backed securities	12,207		12,207
Commercial paper	1,032,481		1,032,481
Corporate notes	155,264		155,264
Money market accounts	565		565
Municipal bonds	5,087		5,087
Negotiable certificates of deposit	750,351		750,351
International bank	4,200		4,200
Supranationals	35,172		35,172
Total investments at fair value	<u>2,787,062</u>	<u>33,588</u>	<u>2,753,474</u>
Investments not subject to fair value hierarchy			
LATF	211,753		
CAMP	392		
Mutual funds	482,343		
Total investments not subject to fair value hierarchy	<u>694,488</u>		
Total investments	<u>\$ 3,481,550</u>		

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C. 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 Other Employee Benefit Trust Fund, and does not issue separate financial statements.

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

	Target Mix	Allocation Ranges		Maximum % of Plan Portfolio	Maximum % in Single Issuer
		Minimum	Maximum		
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
International 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 commingled funds that invest in REIT.

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At June 30, 2016, the Other Employee Benefit Trust held \$195,976,000 in mutual funds in the following segments (in thousands):

	Market Value at June 30, 2016	Portfolio Allocation
Total Domestic Equity:		
Large Cap	\$ 30,347	16%
Mid Cap	6,613	3%
Small Cap	16,149	8%
Global Equity	12,203	6%
International Equity (Developed)	20,346	10%
Fixed Income	70,911	36%
Real Estate	8,853	5%
Cash (Money Market)	9,265	5%
Alternatives	21,289	11%
	\$ 195,976	

Investment Risk

Investments are subject to certain types of risks, including interest rate risk and credit risk (including custodial credit risk, concentrations of credit risk, 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, 2016, 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 6.18 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, 2016, 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. 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-

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June 30, 2016

diversified portfolio. At June 30, 2016, 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, 2016, 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):

<u>Governmental Activities</u>	<u>General</u>	<u>CCC Fire Protection District Special Revenue</u>	<u>Nonmajor Governmental Funds</u>	<u>Internal Service</u>	<u>Total Governmental Activities</u>
Taxes receivable	\$ 2,457	1,066	383		3,906
Accounts receivable	150,242	4,104	32,882	2,538	189,766
Advances receivable	98				98
Gross receivables	<u>152,797</u>	<u>5,170</u>	<u>33,265</u>	<u>2,538</u>	<u>193,770</u>
Less: Allowance for uncollectibles	(4)				(4)
Total receivables (net)	<u>\$ 152,793</u>	<u>5,170</u>	<u>33,265</u>	<u>2,538</u>	<u>193,766</u>
<u>Business-type Activities</u>	<u>County Hospital</u>	<u>HMO Medi-Cal Plan</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total Business-type Activities</u>	
Accounts receivable	\$ 309,044	68,718	3,547	381,309	
Gross receivables	<u>309,044</u>	<u>68,718</u>	<u>3,547</u>	<u>381,309</u>	
Less: Allowance for uncollectibles	(201,269)			(201,269)	
Total receivables (net)	<u>\$ 107,775</u>	<u>68,718</u>	<u>3,547</u>	<u>180,040</u>	

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.

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At June 30, 2016, 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)	\$ 87,499	
Advances not yet earned		6,557
Other receivables and advances		14,157
CCC Fire Protection District Special Revenue:		
Resources received that do not yet meet the criteria for revenue recognition	82	
Nonmajor Governmental:		
Notes receivable	17,596	
Advances not yet earned		164
Other receivables and advances		3,241
Resources received that do not yet meet the criteria for revenue recognition	221	
Total Governmental Activities	\$ 105,398	24,119
Business-type Activities:		
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		769
Total Business-type Activities		\$ 1,388

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6. INTERFUND TRANSACTIONS

A. Interfund Receivables/Payables

The composition of interfund balances as of June 30, 2016, is as follows (in thousands):

Due To/From Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	CCC Fire Protection District Special Revenue Fund	\$ 254
	Nonmajor Governmental Funds	98,321
	County Hospital Enterprise Fund	9,885
	HMO Medi-Cal Enterprise Fund	3,273
	Nonmajor Enterprise Funds	94
	Internal Service Funds	<u>1,635</u>
		<u>113,462</u>
CCC Fire Protection District Special Revenue Fund	General Fund	1
	HMO Medi-Cal Enterprise Fund	274
	Nonmajor Enterprise Funds	31
	Internal Service Funds	<u>50</u>
		<u>356</u>
Nonmajor Governmental Funds	General Fund	7,684
	CCC Fire Protection District Special Revenue Fund	27
	Nonmajor Governmental Funds	2,230
	County Hospital Enterprise Fund	58
	HMO Medi-Cal Enterprise Fund	6
	Nonmajor Enterprise Funds	53
	Internal Service Funds	<u>10</u>
		<u>10,068</u>
County Hospital Enterprise Fund	General Fund	7,139
	Nonmajor Governmental Funds	250
	HMO Medi-Cal Enterprise Fund	35,491
	Nonmajor Enterprise Funds	2,519
	Internal Service Funds	<u>33</u>
		<u>45,432</u>
HMO Medi-Cal Enterprise Fund	Internal Service Funds	<u>5</u>
		<u>5</u>
Nonmajor Enterprise Funds	General Fund	1,788
	HMO Medi-Cal Enterprise Fund	<u>3,830</u>
		<u>5,618</u>
Internal Service Funds	General Fund	1,183
	Nonmajor Governmental Funds	127
	County Hospital Enterprise Fund	8
	Nonmajor Enterprise Funds	9
	Internal Service Funds	<u>27</u>
		<u>1,354</u>
Total		\$ <u>176,295</u>

Balances in the due to/from other funds accounts resulted from: (1) interfund cash transactions recorded after the cash cut-off on June 30, 2016, much of which consisted of distributions of revenues and expenditures among funds; and, (2) cash overdrafts.

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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, 2016, were as follows (in thousands):

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Nonmajor Governmental Funds	\$ 19,863	Transfer a portion of Salaries and Benefits Expense to the Pension Obligation Bond fund.
	Nonmajor Governmental Funds	1,892	Transfer a portion of Salaries and Benefits Expense for the Retirement Litigation Settlement.
	Nonmajor Governmental Funds	1,054	Transfer to Road Special Revenue fund for various projects.
	Nonmajor Governmental Funds	200	Transfer funds to Special Districts for administrative and project costs.
	Nonmajor Governmental Funds	110	Transfer funds for the Sheriff's Patrol usage of helicopter.
	Nonmajor Governmental Funds	85	Transfer a portion of funds to Special Districts to cover expended amounts greater than what had been appropriated.
	Nonmajor Governmental Funds	35	Transfer funds to Service Areas for grant and administrative costs.
	County Hospital Enterprise Fund	23,072	Provide subsidy to cover portion of the County Hospital's operation.
	Nonmajor Enterprise Funds	4,236	Provide subsidy to cover a portion of the HMO's operation.
	Nonmajor Enterprise Funds	297	Provide subsidy to cover a portion of Law Enforcement Training Center operations.
Total		<u>\$ 50,844</u>	

(continued)

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<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
Nonmajor Governmental Funds	General Fund	\$ 167	Transfer funds to cover the purchase of the Animal Service Adoption vehicle.
	General Fund	155	Transfer funds to cover prior year costs and year-end balancing.
	CCC Fire Protection District Special Revenue Fund	10	Transfer funds remaining in the POB Debt Service Fund to the POB Stabilization fund.
	Nonmajor Governmental Funds	7,114	Transfer SLESA Realignment funds to the Supplemental Law Enforcement fund.
	Nonmajor Governmental Funds	1,420	Transfer a portion of Salaries and Benefits Expense to the Pension Obligation Bond fund.
	Nonmajor Governmental Funds	467	Transfer funds from the Assessment District to the Public Financing Authority.
	Nonmajor Governmental Funds	177	Transfer funds from the Family Law Debt Service Fund to the Courthouse Construction fund.
	Nonmajor Governmental Funds	137	Transfer a portion of Salaries and Benefits Expense for the Retirement Litigation Settlement.
	Nonmajor Governmental Funds	107	Transfer funds to cover cost overages in the NPP and the WXN programs.
	County Hospital Enterprise Fund	3,348	Transfer lease revenue reserve funds from the Public Financing Authority to the County Hospital.
Total		<u>\$ 13,102</u>	
County Hospital Enterprise Fund	Nonmajor Governmental Funds	\$ 6,911	Transfer a portion of the Salaries and Benefits Expense to the Pension Obligation Bond fund.
	Nonmajor Governmental Funds	684	Transfer a portion of Salaries and Benefits Expense for the Retirement Litigation Settlement.
Total		<u>\$ 7,595</u>	
HMO Medi-Cal Plan	Nonmajor Governmental Funds	\$ 386	Transfer a portion of the Salaries and Benefits Expense to the Pension Obligation Bond fund.
	Nonmajor Governmental Funds	37	Transfer a portion of the Salaries and Benefits Expense for the Retirement Litigation Settlement.
Total		<u>\$ 423</u>	
Nonmajor Enterprise Funds	General Fund	\$ 92	Transfer funds back to the General Fund to balance budget for the Law Enforcement Training Operation.
	Nonmajor Governmental Funds	70	Transfer a portion of the Salaries and Benefits Expense to the Pension Obligation Bond fund.
	Nonmajor Governmental Funds	6	Transfer a portion of the Salaries and Benefits Expense for the Retirement Litigation Settlement.
Total		<u>\$ 168</u>	
Internal Service Funds	General Fund	\$ 21	Transfer a portion of funds for water damage.
	CCC Fire Protection District Special Revenue Fund	1	Claim expense reimbursement to CCC Fire Protection District for stolen property.
	Nonmajor Governmental Funds	39	Transfer a portion of the Salaries and Benefits Expense to the Pension Obligation Bond fund.
	Nonmajor Governmental Funds	4	Transfer a portion of the Salaries and Benefits Expense for the Retirement Litigation Settlement.
	Internal Service Funds	40	Transfer portion of Public Liability Internal Service fund allocation to Automotive Liability Internal Service fund.
Total		<u>\$ 105</u>	

(concluded)

COUNTY OF CONTRA COSTA
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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
2014	\$ 30,473
2015	23,535
2016	27,605

7. CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2016 was as follows (in thousands):

	Balance July 1, 2015	Additions	Retirements	Transfers & Adjustments	Balance June 30, 2016
Governmental Activities:					
<i>Capital assets, not being depreciated:</i>					
Land	\$ 67,566	740			68,306
Construction in progress	100,628	39,393	(1,314)	(43,031)	95,676
Total capital assets, not being depreciated	168,194	40,133	(1,314)	(43,031)	163,982
<i>Capital assets, being depreciated:</i>					
Infrastructure	571,213	3,775	(6,724)	35,193	603,457
Structures and improvements	681,177	3,345		935	685,457
Equipment	155,530	8,595	(10,253)	6,903	160,775
Intangibles	11,635	3,108			14,743
Total capital assets, being depreciated	1,419,555	18,823	(16,977)	43,031	1,464,432
Less accumulated depreciation for:					
Infrastructure	(178,284)	(11,909)	360		(189,833)
Structures and improvements	(449,617)	(16,451)			(466,068)
Equipment	(115,840)	(10,902)	10,003		(116,739)
Intangibles	(4,896)	(2,801)			(7,697)
Total accumulated depreciation	(748,637)	(42,063)	10,363		(780,337)
Total capital assets, being depreciated, net	670,918	(23,240)	(6,614)	43,031	684,095
Governmental activities capital assets, net	\$ 839,112	16,893	(7,928)		848,077

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NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2016

	Balance July 1, 2015	Additions	Retirements	Transfers & Adjustments	Balance June 30, 2016
Business-type Activities:					
<i>Capital assets, not being depreciated:</i>					
Land	\$ 16,368				16,368
Construction in progress	725	2,207		(328)	2,604
Total capital assets, not being depreciated	17,093	2,207		(328)	18,972
<i>Capital assets, being depreciated:</i>					
Structures and improvements	287,777	3,412		328	291,517
Equipment	51,074	4,394	(967)		54,501
Intangibles	3,180				3,180
Total capital assets, being depreciated	342,031	7,806	(967)	328	349,198
Less accumulated depreciation for:					
Structures and improvements	(135,577)	(7,217)			(142,794)
Equipment	(40,125)	(2,540)	940		(41,725)
Intangibles	(664)	(1,060)			(1,724)
Total accumulated depreciation	(176,366)	(10,817)	940		(186,243)
Total capital assets, being depreciated, net	165,665	(3,011)	(27)	328	162,955
Business-type activities capital assets, net	\$ 182,758	(804)	(27)		181,927

	Balance July 1, 2015	Additions	Retirements	Transfers & Adjustments	Balance June 30, 2016
Component Unit:					
First 5 Contra Costa Children and Families Commission					
<i>Capital assets, not being depreciated:</i>					
Land	\$ 246				246
Total capital assets, not being depreciated	246				246
<i>Capital assets, being depreciated:</i>					
Structures and improvements	680				680
Equipment	132				132
Total capital assets, being depreciated	812				812
Less accumulated depreciation for:					
Structures and improvements	(207)	(28)			(235)
Equipment	(117)	(5)			(122)
Total accumulated depreciation	(324)	(33)			(357)
Total capital assets, being depreciated, net	488	(33)			455
Component unit capital assets, net	\$ 734	(33)			701

COUNTY OF CONTRA COSTA
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2016

	Balance April 1, 2015	Additions	Retirements	Transfers & Adjustments	Balance March 31, 2016
Component Unit:					
Housing Authority of the County of Contra Costa					
<i>Capital assets, not being depreciated:</i>					
Land	\$ 2,977				2,977
Construction in progress	570	252		(618)	204
Total capital assets, not being depreciated	<u>3,547</u>	<u>252</u>		<u>(618)</u>	<u>3,181</u>
<i>Capital assets, being depreciated:</i>					
Structures and improvements	130,984			618	131,602
Equipment	2,968	141			3,109
Total capital assets, being depreciated	<u>133,952</u>	<u>141</u>		<u>618</u>	<u>134,711</u>
Less accumulated depreciation for:					
Structures and improvements	(96,336)	(2,993)			(99,329)
Equipment	(2,348)	(75)			(2,423)
Total accumulated depreciation	<u>(98,684)</u>	<u>(3,068)</u>			<u>(101,752)</u>
Total capital assets, being depreciated, net	<u>35,268</u>	<u>(2,927)</u>		<u>618</u>	<u>32,959</u>
Component unit capital assets, net	<u>\$ 38,815</u>	<u>(2,675)</u>			<u>36,140</u>

Depreciation

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

General government	\$ 17,379
Public protection	9,536
Health and sanitation	657
Public assistance	2,246
Education	388
Public ways and facilities	9,573
Recreation and culture	120
Capital assets held by the county's internal service funds are charged to the various functions based on their usage of the assets.	<u>2,164</u>
Total depreciation expense - governmental functions	<u>\$ 42,063</u>

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

County Hospital	\$ 9,646
Nonmajor Enterprise Funds	<u>1,171</u>
Total depreciation expense - business-type functions	<u>\$ 10,817</u>

COUNTY OF CONTRA COSTA
NOTES TO THE BASIC FINANCIAL STATEMENTS

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8. PAYABLES

Accounts payable and accrued liabilities as of June 30, 2016, were as follows (in thousands):

<u>Governmental Activities</u>	<u>General</u>	<u>CCC Fire Protection District Special Revenue</u>	<u>Nonmajor Governmental Funds</u>	<u>Internal Service</u>	<u>Total Governmental Activities</u>
Accounts payable	\$ 35,808	3,478	16,313	278	55,877
Accrued payroll	<u>30,745</u>	<u>4,401</u>	<u>4,158</u>	<u>113</u>	<u>39,417</u>
Total accounts payable and accrued liabilities	<u>\$ 66,553</u>	<u>7,879</u>	<u>20,471</u>	<u>391</u>	<u>95,294</u>
<u>Business-type Activities</u>	<u>County Hospital</u>	<u>HMO Medi-Cal Plan</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total Business-type Activities</u>	
Accounts payable	\$ 12,337	156,318	12,979	181,634	
Accrued payroll	<u>22,128</u>	<u>1,339</u>	<u>184</u>	<u>23,651</u>	
Total accounts payable and accrued liabilities	<u>\$ 34,465</u>	<u>157,657</u>	<u>13,163</u>	<u>205,285</u>	

9. LEASES

A. Operating Leases

Total rental expense for the year ended June 30, 2016, (March 31, 2016 for the Housing Authority), for all operating leases and month-to-month lease arrangements amounted to: \$13,812,000 for the General Fund; \$362,000 for the CCC Fire Protection District Special Revenue Fund; \$344,000 for the nonmajor governmental funds; \$5,104,000 for the County Hospital Enterprise Fund; \$208,000 for the HMO Medi-Cal Plan Fund; and \$98,000 for nonmajor enterprise funds.

At June 30, 2016, 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):

<u>Fiscal Year Ending June 30</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
2017	\$ 8,338	1,825
2018	7,576	1,673
2019	7,514	1,358
2020	6,540	1,357
2021	5,807	1,222
2022-2026	29,474	5,572
2027-2031	16,420	4,765
Thereafter	<u>2,281</u>	<u>4,527</u>
	<u>\$ 83,950</u>	<u>22,299</u>

COUNTY OF CONTRA COSTA
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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 \$12,325,000 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 \$1,064,000 for buildings and improvements, and \$9,421,000 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, 2016 (in thousands):

Fiscal Year Ending June 30	Governmental Activities	Business-type Activities
2017	\$ 3,273	117
2018	2,883	
2019	2,330	
2020	1,952	
2021	1,541	
2022-2026	4,827	
Total	<u>16,806</u>	<u>117</u>
Less: Amount representing interest	<u>(1,468)</u>	<u>(2)</u>
Present value of future minimum lease payments	<u>\$ 15,338</u>	<u>115</u>

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, 2016, amounted to \$1,439,000 for the General Fund, \$390,000 for nonmajor governmental funds, \$60,000 for the County Hospital Enterprise Fund, and \$4,045,000 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 \$1,553,000; including cost of \$3,692,000 and accumulated depreciation of \$2,139,000. 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.

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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, 2016 (in thousands):

Fiscal Year Ending June 30	Governmental Activities	Business-type Activities
2017	\$ 276	2,668
2018	171	2,568
2019	63	2,480
2020	13	2,423
2021		2,423
2022-2026		11,852
2027-2031		11,782
2032-2036		9,441
2037-2041		6,287
2042-2046		3,166
2047-2051		454
	\$ 523	55,544

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June 30, 2016

10. LONG-TERM OBLIGATIONS

The following is a summary of long-term liabilities transactions for the year ended June 30, 2016 (in thousands):

	Balance July 1, 2015 [#]	Additions	Retirements	Principal Adjustments	Balance June 30, 2016	Amounts Due Within One Year
Governmental activities						
Compensated absences	\$ 44,742	41,121	(38,514)		47,349	4,735
Claims payable (Note 17)	169,617	39,900	(38,082)		171,435	35,339
Net OPEB obligation (Note 15)	494,795	3,227			498,022	
Retirement litigation settlement debt service	16,563		(1,435)		15,128	1,550
Net pension liability (Note 14)	666,995	203,325			870,320	
Capital leases	13,098	5,670	(3,430)		15,338	2,921
Pension bonds payable	329,725		(32,265)		297,460	36,090
Notes payable	1,146		(133)		1,013	137
Other bonds payable	885		(430)		455	455
Lease revenue bonds	114,373	47,561	(59,313)		102,621	10,973
Add: unamortized premium	2,516	6,784	(780)		8,520	703
Lease revenue bonds, net	<u>116,889</u>	<u>54,345</u>	<u>(60,093)</u>		<u>111,141</u>	<u>11,676</u>
Tax allocation bonds	90,400		(2,135)		88,265	2,165
Add: unamortized premium	1,470		(67)		1,403	67
Less: unamortized discounts	(49)		3		(46)	(3)
Tax allocation bonds, net	<u>91,821</u>		<u>(2,199)</u>		<u>89,622</u>	<u>2,229</u>
Special assessments	6,069		(694)		5,375	710
Add: unamortized premium	18		(1)		17	1
Special assessments, net	<u>6,087</u>		<u>(695)</u>		<u>5,392</u>	<u>711</u>
Other noncurrent liabilities	4,603	1,029	(1,770)	(129)	3,733	
Total governmental activities	<u>\$ 1,956,966</u>	<u>348,617</u>	<u>(179,046)</u>	<u>(129)</u>	<u>2,126,408</u>	<u>95,843</u>
Business-type activities						
Compensated absences	\$ 16,721	18,541	(16,744)		18,518	1,852
Medical liability claims payable (Note 17)	3,922	2,878	(2,317)		4,483	1,814
Net pension liability (Note 14)	257,658	71,760			329,418	
Capital leases	227		(112)		115	115
Notes payable	1,193		(113)		1,080	117
Other noncurrent liabilities	107,691	58,958	(950)		165,699	
Landfill post closure and closure liability ⁽¹⁾	699				699	10
Lease revenue bonds payable	138,131	23,554	(20,248)		141,437	10,722
Add: unamortized premium	3,047	2,602	(703)		4,946	703
Less: unamortized discounts	(886)		43		(843)	(43)
Lease revenue bonds, net	<u>140,292</u>	<u>26,156</u>	<u>(20,908)</u>		<u>145,540</u>	<u>11,382</u>
Total business-type activities	<u>\$ 528,403</u>	<u>178,293</u>	<u>(41,144)</u>		<u>665,552</u>	<u>15,290</u>
Component units						
First 5 Children and Families Commission						
Compensated absences	\$ 179	164	(160)		183	18
Net pension liability (Note 14)	1,683	782			2,465	
	<u>1,862</u>	<u>946</u>	<u>(160)</u>		<u>2,648</u>	<u>18</u>
Housing Authority of the County of Contra Costa (as of March 31, 2016)						
Compensated absences	362	2			364	261
Notes payable	14,381		(502)		13,879	513
Net pension liability#	8,653	2,135			10,788	
Other noncurrent liabilities (incl. Net OPEB)	5,647		(186)		5,461	
	<u>29,043</u>	<u>2,137</u>	<u>(688)</u>		<u>30,492</u>	<u>774</u>
Total component units						
- Long-term obligations - net	<u>\$ 30,905</u>	<u>3,083</u>	<u>(848)</u>		<u>33,140</u>	<u>792</u>

[#]Beginning balance adjusted due to implementation of GASB Statement No. 68 for the Housing Authority of the County of Contra Costa.

COUNTY OF CONTRA COSTA
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2016

Individual issues of bonds and notes outstanding at June 30, 2016, are as follows (in thousands):

Type of indebtedness (purpose)	Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2016
Governmental activities					
Pension obligation bonds ^{(4),(5)} :					
2003 Issue	2022	3.98-5.14	\$ 0-44,925	\$ 322,710	\$ 212,765
2005 CCCFPD Issue	2023	4.11-5.06	1,620-10,900	129,900	84,695
					<u>297,460</u>
Lease revenue bonds ⁽⁸⁾ :					
2007A Lease revenue	2028	4.00-5.00	0-13,294	95,544	28,242
2007B Lease revenue	2018	5.00	1,170-4,525	40,337	5,518
2009A Lease revenue	2024	4.48	1,119-2,057	23,121	14,189
2010B Lease revenue	2025	2.50-5.00	921-1,509	16,808	11,877
2015A Lease revenue	2035	3.00-5.00	396-534	4,571	4,144
2015B Lease revenue	2028	3.00-5.00	1,101-5,894	42,990	38,651
					<u>102,621</u>
Tax allocation bonds ⁽³⁾ :					
1999 Tax allocation bond	2029	4.00-5.125	478-3,250	44,615	7,625
2003A Tax allocation bond	2034	3.00-5.85	375-5,055	43,345	5,730
2007A Tax allocation bond	2038	4.00-5.00	285-6,600	87,705	61,340
2007B Tax allocation bond	2038	4.00-5.00	380-1,090	16,665	13,570
					<u>88,265</u>
Special assessment debt					
with government commitment ⁽⁶⁾ :					
Pleasant Hill BART CFD 98-1	2017	4.20-5.10	135-3,075	4,785	460
2013 Special Tax Refunding Bonds	2032	4.10-6.10	110-495	7,220	4,915
					<u>5,375</u>
Other bonds payable ⁽²⁾ :					
CCC PFA revenue bonds 2001	2017	4.00-5.69	360-570	6,575	455
Notes payable ⁽⁷⁾ :					
State Energy Commission	2024	3.95	68-122	1,332	884
PG and E - 1275 Hall Avenue	2023		2-9	94	58
PG and E - 4800 Imhoff Avenue	2019		3-17	168	71
					<u>1,013</u>
Total governmental activities					\$ <u>495,189</u>

COUNTY OF CONTRA COSTA
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June 30, 2016

<u>Type of indebtedness (purpose)</u>	<u>Maturity</u>	<u>Interest Rates</u>	<u>Annual Principal Installments</u>	<u>Original Issue Amount</u>	<u>Outstanding at June 30, 2016</u>
Business-type activities					
Notes payable ⁽⁷⁾ :					
State Energy Commission	2025	3.95%	\$ 83-149	\$ 1,628	\$ <u>1,080</u>
					<u>1,080</u>
Lease revenue bonds ⁽⁸⁾ :					
Hospital Enterprise					
2007A Lease revenue	2028	4.00-5.00	0-3,691	26,521	55,678
2007B Lease revenue	2018	5.00	2,485-9,615	69,928	12,212
2009A Lease revenue	2024	4.48	94-173	1,940	1,191
2010A Lease revenue	2040	3.00-7.00	475-1,900	40,620	37,910
2010B Lease revenue	2025	2.50-5.00	34-56	627	443
2012 Lease revenue	2027	2.68	784-1,105	13,102	10,688
2015A Lease revenue	2035	3.00-5.00	119-1,010	14,484	14,356
2015B Lease revenue	2028	3.00-5.00	69-1,424	9,070	8,959
					<u>141,437</u>
Total business-type activities					\$ <u>142,517</u>

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 subject to changes resulting from inflation, technology, or changes in applicable laws or regulations.
- (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 \$149,763,000. For the current year, the principal and interest paid were \$7,557,000 and property tax revenues were \$9,055,000 through the Successor Agency. The tax allocation bonds required 83.5% 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 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.

COUNTY OF CONTRA COSTA
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(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 \$6,904,000. For the current year, principal and interest paid were \$892,000 and revenues were \$878,000. The special assessment debt required 101.6% 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, net pension liabilities, 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, net pension liability, claims payable, and other noncurrent liabilities that have indefinite maturities, outstanding at June 30, 2016 (in thousands):

Fiscal Year Ending June 30	Capital Lease Obligations		Pension Obligation Bonds		Other Bonds Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 2,921	352	36,090	15,553	455	13
2018	2,578	305	40,240	13,691		
2019	2,090	240	44,805	11,514		
2020	1,766	186	49,720	9,087		
2021	1,399	142	55,010	6,391		
2022-2026	4,584	243	71,595	3,682		
Total	\$ 15,338	1,468	297,460	59,918	455	13

COUNTY OF CONTRA COSTA
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2016

Fiscal Year Ending June 30	Lease Revenue Bonds		Retirement Litigation Settlement	
	Principal	Interest	Principal	Interest
2017	\$ 10,973	4,610	1,550	1,210
2018	10,957	4,135	1,673	1,086
2019	11,080	3,692	1,807	953
2020	10,135	3,241	1,952	808
2021	10,631	2,748	2,108	652
2022-2026	41,259	7,180	6,038	888
2027-2031	7,586	452		
Total	\$ 102,621	26,058	15,128	5,597

Fiscal Year Ending June 30	Tax Allocation Bonds		Special Assessment Debt		Notes Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 2,165	5,301	710	168	137	34
2018	2,295	4,857	255	150	141	30
2019	2,410	4,413	260	145	121	26
2020	2,545	4,287	270	139	117	22
2021	2,660	4,154	275	133	122	18
2022-2026	16,520	18,374	1,485	538	375	26
2027-2031	22,125	13,377	1,750	249		
2032-2036	30,640	6,322	370	7		
2037-2041	6,905	413				
Total	\$ 88,265	61,498	5,375	1,529	1,013	156

As of June 30, 2016, annual debt service requirements of business-type activities to maturity, except for compensated absences, net pension liability, 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	Capital Lease Obligations		Notes Payable		Lease Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 115	2	117	42	10,722	7,198
2018			122	37	11,753	6,667
2019			127	32	12,200	6,150
2020			132	27	12,720	5,605
2021			137	22	13,307	5,008
2022-2026			445	31	43,456	16,377
2027-2031					14,919	9,491
2032-2036					13,350	5,540
2037-2041					9,010	1,607
Total	\$ 115	2	1,080	191	141,437	63,643

New Bonds Issued

On August 25, 2015, the County of Contra Costa Public Financing Authority (PFA) closed its 2015 Lease Revenue Bond issuance in a par amount of \$71,115,000. It is composed of \$19,055,000 of 2015 Series A and \$52,060,000 of 2015 Series B refunding bonds.

COUNTY OF CONTRA COSTA
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The 2015 Series A bonds were issued to fund two new capital projects: i) Solar Photovoltaic Panels on canopies at six locations throughout the County, and; ii) Construction of a Behavioral Health and Medical Clinic adjacent to the current West County Health Clinic. The 2015 Series A bonds have a final maturity date of June 1, 2035, with annual coupons ranging from 3% to 5%.

The 2015 Series B bonds were issued to fund a current refunding of the 1999 Series A for \$11,240,000, 2002 Series A for \$575,000, 2002 Series B for \$5,350,000, and 2003 Series A Lease Revenue Bonds for \$1,565,000. In addition, 2015 Series B proceeds funded an advance refunding of a portion of the 2007 Series A Lease Revenue Bonds in the amount of \$37,265,000. The 2015 Series B bonds have a final maturity date of June 1, 2028, with annual coupons ranging from 3% to 5%. A net present value (NPV) savings of \$4,577,000, or 8.17%, was realized from the issuance of the 2015 Series B refunding bonds. A deferred loss on refunding of \$3,278,000 was recognized in the financial statements.

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, 2016, \$37,265,000 in outstanding obligations is considered to be defeased.

Legal Debt Limit

As of June 30, 2016, the county's debt limit (5% of valuation subject to taxation) was \$8.780 billion. The total amount of debt applicable to the debt limit was \$292 million, net of assets in the debt service funds and other deductions allowed by law. The resulting legal debt margin was \$8.488 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, 2016, the county does not expect to incur 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

COUNTY OF CONTRA COSTA
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2016

obligated in any manner for repayment of the indebtedness. Accordingly, no liability has been recorded in the basic financial statements.

As of June 30, 2016, 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 \$255,654,000.

Not included in the above amount are two defeased issues totaling \$26,630,000.

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. The restricted assets are reduced by liabilities and deferred inflows of resources related to those assets and are used to arrive at restricted net position.
- *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, 2016, 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.

COUNTY OF CONTRA COSTA
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- *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.

COUNTY OF CONTRA COSTA
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Fund balances for all of the major and nonmajor governmental funds as of June 30, 2016, were distributed as follows (in thousands):

	General Fund	CCC Fire Protection District Special Revenue	Nonmajor Governmental Funds	Total
Nonspendable:				
Nonspendable in form:				
Inventories	\$ 1,667	704		2,371
Prepaid items and deposits	8,140	1,216	2,094	11,450
Legally nonspendable:				
Permanent fund			1,729	1,729
Total nonspendable	<u>9,807</u>	<u>1,920</u>	<u>3,823</u>	<u>15,550</u>
Restricted for:				
Board of Supervisors	2			2
County Administrator's Office	180			180
Board Mitigation Programs	439			439
Employee/Retirement Benefits	2,859			2,859
Sheriff	260			260
Vehicle Theft	962			962
Probation	855			855
Emergency Services	259			259
Environmental Health Programs	807			807
Keller Canyon Mitigation Fund	595			595
AIDS (HOPWA) grant	254			254
East Bay Regional Communication Systems (EBRCS) Investment	2,232			2,232
Lease purchases	165			165
Fire Protection		5,285	461	5,746
Road			55,162	55,162
Library Services			6,800	6,800
Low & Moderate Income Housing Assets			16,563	16,563
Health and Sanitation			51,047	51,047
Land Development			20,744	20,744
Service Areas - Public Protection			6,690	6,690
Service Areas - Education			394	394
Service Areas - Recreation and Parks			2,878	2,878
Service Areas - Public Ways			10,746	10,746
Flood control			63,878	63,878
Law Enforcement			17,540	17,540
Recorder/Clerk Modernization			8,866	8,866
Child Development			301	301
In-Home Support Services			98	98
County Local Revenue Fund 2011			55,096	55,096
Other Special Revenue			40,438	40,438
Capital Projects			745	745
Public Financing Authority			12,043	12,043
Family Law Center			2,129	2,129
CCC Fire Protection District Pension Bond			11,270	11,270
County Pension Bond			3,084	3,084
Assessment Districts			2,273	2,273
Library programs (spendable perm funds)			107	107
Total restricted	<u>9,869</u>	<u>5,285</u>	<u>389,353</u>	<u>404,507</u>
Committed to:				
Transient Occupancy Tax Programs	1,440			1,440
Service Areas - Public Protection			17	17
Crockett Cogeneration			324	324
Total committed	<u>1,440</u>		<u>341</u>	<u>1,781</u>

(continued)

COUNTY OF CONTRA COSTA
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2016

	General Fund	CCC Fire Protection District Special Revenue	Nonmajor Governmental Funds	Total
Assigned to:				
Equipment Replacement	\$ 4,114			4,114
Litigation and Audit	10,000			10,000
General Fund Capital Reserve	14,093			14,093
Board of Supervisors	229			229
County Administrator	6,071			6,071
Auditor-Controller	71			71
Treasurer-Tax collector	106			106
Assessor	31			31
Management Information System	1,834			1,834
County Counsel	603			603
Human Resources	11			11
Child Care	110			110
Elections	2,187			2,187
Telecommunications	106			106
General County Building Occupancy	895			895
Minor Building Improvements	783			783
Facilities Life Cycle Improvements	25,011			25,011
Capital Facilities	25,731			25,731
Economic Promotion	250			250
Retiree Health Care	12,887			12,887
Information Technology	58			58
Print and Mail	110			110
Trial Court Programs	117			117
Law and Justice	6,700			6,700
District Attorney	265			265
Public Defender	7			7
Conflict Defense Services	400			400
Sheriff	423			423
Sheriff Detention	70			70
Health Services-Detention Inmates	15			15
Probation Programs	140			140
Probation Facilities	184			184
County Drainage Maintenance	76			76
Agriculture-Weights/Measures	165			165
Clerk Recorder	157			157
Emergency Services	121			121
Animal Services	267			267
Public Health	106			106
Environmental Health	89			89
Health Services-Homeless Program	13			13
Alcohol and Other Drug Services	18			18
Employment and Human Services	537			537
Children and Family Services	3			3
Aging and Adult Services	45			45
Workforce Services	22			22
Cal Health Benefit Marketplace	50			50
Veterans Service Office	19			19
Workforce Investment Board	34			34
Neighborhood Preservation Program	100			100
Public Works	655			655
Fire Protection		31,725	4	31,729
Road			4,161	4,161
Library Services			13,632	13,632
Health and Sanitation			41	41
Low & Moderate Income Housing Assets			528	528
Land Development			45	45
Service Areas - Public Protection			287	287
Service Areas - Recreation and Parks			643	643
Service Areas - Public Ways			911	911
Flood Control			3,028	3,028
Law Enforcement			14,238	14,238
Child Development			1	1
Other Special Revenue			2,507	2,507
Total assigned	<u>116,089</u>	<u>31,725</u>	<u>40,026</u>	<u>187,840</u>
Unassigned	<u>232,953</u>			<u>232,953</u>
Total	<u>\$ 370,158</u>	<u>38,930</u>	<u>433,543</u>	<u>842,631</u>

(concluded)

COUNTY OF CONTRA COSTA
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June 30, 2016

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, 2016, the county's General Fund has a total of \$51,204,000 in encumbrances, which were reported as part of assigned fund balance on the governmental fund balance sheet. Additionally, total encumbrances are \$1,231,000 in the Contra Costa County Fire Protection District Special Revenue Fund, and \$1,502,000 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 \$1,637,000, the Health Maintenance Organization Medi-Cal Plan Enterprise Fund reports \$134,000, the nonmajor enterprise funds report \$30,000, and the internal service funds report \$1,561,000 in encumbrances at June 30, 2016, which are reported as part of unrestricted net position on the proprietary fund statement of net position.

COUNTY OF CONTRA COSTA
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June 30, 2016

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, \$107,000 at June 30, 2016, is shown on the Statement of Net Position as Net Position Restricted for Permanent Fund—expendable portion.

14. EMPLOYEES' RETIREMENT PLAN

A. General Information about the Pension Plan

Plan Description

The Contra Costa County Employees' Retirement Association (CCCERA) is a cost-sharing multiple-employer defined benefit pension plan (the plan) and is governed by the Board of Retirement (Board) under the County Employees Retirement Law of 1937 (CERL) and the California 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.

The management of CCCERA is vested with the CCCERA Board of Retirement. The Board consists of twelve trustees. Of the twelve members, three are alternates. Four trustees are appointed by the County Board of Supervisors; four trustees (including the Safety alternate) are elected by CCCERA's active members; two trustees (including one alternate) are elected by the retired membership. Board members serve three-year terms, with the exception of the County Treasurer who is elected by the general public and serves during his tenure in office.

Pensions

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

Benefits Provided

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.

CCCERA provides service retirement, disability, death and survivor benefits to eligible employees. All regular full-time employees of the county or participating agencies become members of CCCERA effective

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on the first day of the first full pay period after employment. Part-time employees in permanent positions must work at least 20 hours a week in order to be a member of CCCERA. There are separate retirement plans for General and Safety member employees. Safety membership is extended to those involved in active law enforcement, fire suppression, and certain other "Safety" classifications. There are currently five tiers applicable to Safety members. Safety members with membership dates before January 1, 2013, are included in Tier A (Enhanced and Non-Enhanced). County Sheriff's Department Safety members hired on or after January 1, 2007, but before January 1, 2013, are placed in Safety Tier C Enhanced. Any new Safety Member who becomes a member on or after January 1, 2013, is designated PEPRA Safety Tier D or E (Safety Members from certain bargaining units) and is subject to the provisions of California Public Employees' Pension Reform Act of 2013 (PEPRA), California Government Code §7522 et seq.

All other employees are classified as General members. There are currently eight tiers applicable to General members. General Tier 1 (Enhanced and Non-Enhanced) includes general members hired before July 1, 1980, and electing not to transfer to Tier 2 Plan. In addition, certain General members with membership dates before January 1, 2013, hired by specific employers who did not adopt Tier 2 are placed in Tier 1. General Tier 2 includes most General members hired on or after August 1, 1980, and all General members hired before July 1, 1980, electing to transfer to the Tier 2 plan. Effective October 1, 2002, for the County, Tier 2 was eliminated and all County employees (excluding CNA employees) in Tier 2 were placed in Tier 3 (Enhanced and Non-Enhanced). Effective January 1, 2005, all CNA employees in Tier 2 were placed in Tier 3. New General Members who become a member on or after January 1, 2013, are designated as PEPRA General Tier 4 (hired by specific employers who did not adopt Tier 2) and Tier 5 (with 2%/3% maximum COLAs) and are subject to the provisions of California Government Code §7522 et seq.

General members prior to January 1, 2013, are eligible to retire once they attain the age of 70 regardless of service or at age 50 and have acquired 10 or more years of retirement service credit. A member with 30 years of service is eligible to retire regardless of age. General members who are first hired on or after January 1, 2013, are eligible to retire once they have attained the age of 70 regardless of service or at age 52, and have acquired five years of retirement service credit.

Safety members prior to January 1, 2013, are eligible to retire once they attain the age of 70 regardless of service or at age 50 and have acquired 10 or more years of retirement service credit. A member with 20 years of service is eligible to retire regardless of age. Safety members who are first hired on or after January 1, 2013, are eligible to retire once they have attained the age of 70 regardless of service or at age 50, and have acquired five years of retirement service credit.

General Tier 1 and Tier 3 benefits are calculated pursuant to the provisions of Sections 31676.11 and 31676.16 for Non-Enhanced and Enhanced benefit formulae, respectively. The monthly allowance is equal to 1/60th (Non-Enhanced) and 1/50th (Enhanced) of final compensation times years of accrued retirement service credit times age factor from either section §31676.11 (Non-Enhanced) or 31676.16 (Enhanced). General Tier 2 benefit is calculated pursuant to the provisions of Sections §31752. General member benefits for those with membership dates on or after January 1, 2013, (PEPRA General Tier 4 and 5) are calculated pursuant to the provisions found in California Government Code Section

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§7522.20(a). The monthly allowance is equal to the final compensation multiplied by years of accrued retirement credit multiplied by the age factor from Section §7522.20(a).

Safety member benefits are calculated pursuant to the provisions of California Government Code Sections §31664 and §31664.1 for Non-Enhanced and Enhanced formulae, respectively. The monthly allowance is equal to 1/50th (or 2%) of final compensation times years of accrued retirement service credit times age factor from Section §31664 (Non-Enhanced) or 3% of final compensation times years of accrued retirement service credit times age factor from §31664.1 (Enhanced). For those Safety member with membership dates on or after January 1, 2013, (PEPRA Safety Tier D and Tier E) benefits are calculated pursuant to the provisions found in California Government Code Section §7522.25(d). The monthly allowance is equal to the final compensation multiplied by years of accrued retirement service credit multiplied by the age factor from Section §7522.25(d).

For members with membership dates before January 1, 2013, the maximum monthly retirement allowance is 100% of final compensation. There is no final compensation limit in the maximum retirement benefit for members with membership dates on or after January 1, 2013.

Final average compensation consists of the highest 12 consecutive months for General Tier 1, General Tier 3 (non-disability) and Safety Tier A members and the highest 36 consecutive months for General Tier 2, General Tier 3 (disability), PEPRA General Tier 4, PEPRA Tier 5, Safety Tier C, PEPRA Safety Tier D, and PEPRA Safety Tier E members.

CCCERA provides an annual cost-of-living benefit to all retirees. The cost-of-living adjustment, based on the Consumer Price Index for the San Francisco-Oakland-San Jose Area, is capped at 3.0% for General Tier 1, General Tier 3 (non-disability benefits), PEPRA General Tier 4, PEPRA General Tier 5-3% (non-disability benefits), Safety Tier A and PEPRA Safety Tier D. The cost of living adjustment is capped at 4.0% for General Tier 3 (disability benefits), General Tier 2 and PEPRA General Tier 5-3% (disability benefits). The cost-of-living adjustment is capped at 2.0% for General Tier 5-2%, Safety Tier C and PEPRA Safety Tier E.

Contributions

The County of Contra Costa and participating agencies contribute to the retirement plan based upon actuarially determined contribution rates adopted by the Board of Retirement. Employer contribution rates are adopted annually based upon recommendations received from CCCERA's actuary after the completion of the annual actuarial valuation. The average employer contribution rate as of December 31, 2015, for the fiscal year beginning July 1, 2015, (based on the December 31, 2013, valuation) was 43.58% of compensation. Contributions in relation to the actuarially determined contribution were \$260,919,000.

Members are required to make contributions to CCCERA regardless of the retirement plan or tier in which they are included. The average member contribution rate as of December 31, 2015, (based on the December 31, 2013 valuation) was 11.91% of compensation.

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A copy of CCCERA's Comprehensive Annual Financial Report for calendar year end December 31, 2015, can be located at www.cccera.org.

B. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pension

Per the GASB 68 Actuarial Report provided by CCCERA the Net Pension Liability (NPL) allocation to its member employers was based on the following definition of covered payroll:

"Only compensation earnable and pensionable compensation that would possibly go into the determination of retirement benefits are included."

For the purposes of allocating the NPL within the county's CAFR, the GASB Statement No. 68 definition of covered payroll was used. Covered payroll under this definition includes the payroll of employees that are provided with pensions through the pension plan. The allocation of the NPL provided by CCCERA for the county did not include Contra Costa County Fire Protection District (CCCFPD) and In Home Supportive Services (IHSS) because the NPL was identified and provided for those entities separately. The county's NPL allocation for reporting purposes was combined with the CCCFPD and IHSS NPLs to produce the overall county NPL.

At June 30, 2016, the county reported a liability of \$1,199,738,000 for its proportionate share of the net pension liability which includes Pension Obligation Bond proceeds. The net pension liability was measured as of December 31, 2015, and the total pension liability (TPL) used to calculate the net pension liability was based on an actuarial valuation as of December 31, 2015. The county's proportion of the net pension liability was based on a projection of the county's covered payroll for fiscal year 2015-2016 relative to the covered payroll of all Pension Plan participants. At December 31, 2015, the county's proportion was 79.61%.

Plan Fiduciary Net Position (plan assets) was valued as of the measurement date while the TPL was determined based upon rolling forward the TPL from actuarial valuations as of December 31, 2014, and 2013, respectively. As of December 31, 2015, the Plan Fiduciary Net Position was \$6,976,582,000.

For the year ended June 30, 2016, the County recognized pension expense of \$202,502,000. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/lost, actuarial gain/loss, actuarial assumptions or method, and plan benefits.

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At June 30, 2016, the county reported deferred outflows of resources and deferred inflows of resources related to pension for the following sources (in thousands):

	Deferred Outflows of Resources			
	Governmental activities	Business-type activities	First 5 Contra Costa Children and Families Commission	Housing Authority
Differences between expected and actual experience	\$ 27,287	8,981		
Changes in proportion	32,463	12,287	363	402
Net difference between projected and actual earnings on retirement plan investments	192,617	72,906	546	2,388
Contributions subsequent to the measurement date	84,941	34,901	337	557
Changes in assumptions			92	
Total	<u>\$ 337,308</u>	<u>129,075</u>	<u>1,338</u>	<u>3,347</u>

	Deferred Inflows of Resources			
	Governmental activities	Business-type activities	First 5 Contra Costa Children and Families Commission	Housing Authority
Differences between expected and actual experience	\$ 87,863	33,258		1,089
Changes in assumptions	25	9		
Net difference between projected and actual earnings on retirement plan investments			249	
Changes in proportion	6,076			92
Total	<u>\$ 93,964</u>	<u>33,267</u>	<u>249</u>	<u>1,181</u>

Deferred outflows of resources and deferred inflows of resources above represent the unamortized portion of changes to net pension liability to be recognized in future periods in a systematic and rational manner.

\$84,941,000 and \$34,901,000 reported as deferred outflows of resources for governmental and business-type activities, respectively, related to pension resulting from county contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows (in thousands):

Fiscal Year Ended	Governmental activities Amount	Buisness-type activities Amount
06/30/17	\$ 32,084	12,710
06/30/18	32,084	12,710
06/30/19	41,213	15,713
06/30/20	53,023	19,776
Total	<u>\$ 158,404</u>	<u>60,909</u>

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Actuarial Assumptions

The Total Pension Liability (TPL) as of December 31, 2015, was measured by (1) valuing the TPL as of December 31, 2014, (before the roll forward) to include the following actuarial assumptions that the Retirement Board has adopted for use in the pension funding valuation as of December 31, 2015, and (2) using this TPL in rolling forward the results from December 31, 2014, to December 31, 2015. In particular, the following actuarial assumptions were applied to all periods included in the December 31, 2015, measurement:

Inflation	2.75%
Salary increases	General: 4.00% to 13.25% and Safety: 4.00% to 13.75%, varying by service, including inflation
Investment rate of return	7.00%

Mortality rates for member contribution rates for General Members were based on the weighted RP-2014 Healthy Annuitant Mortality Table projected generationally with a two-dimensional MP-2015 projected scale, set back three years, weighted 30% male and 70% female. Safety members were based on the RP-2014 Healthy Annuitant Mortality Table projected to 2034 with a two-dimensional MP-2015 projected scale, set back three years, weighted 85% male and 15% female.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap U.S. Equity	6.00 %	5.75 %
Developed International Equity	10.00	6.99
Emerging Markets Equity	14.00	8.95
Short-Term Govt/Credit	24.00	0.20
U.S. Treasury	2.00	0.30
Real Estate	7.00	4.45
Cash & Equivalents	1.00	(0.46)
Risk Diversifying Strategies	2.00	4.30
Private Credit	17.00	6.30
Private Equity	17.00	8.10
Total	100.00 %	

Discount Rate

The discount rate used to measure the TPL was 7.00% and 7.25% as of December 31, 2015, and December 31, 2014, respectively. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rates and that employer contributions will be made at rates equal to the actuarially determined contribution rates. For this

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purpose, only employee and employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL as of both December 31, 2015, and December 31, 2014.

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the County's proportionate share of the Net Pension Liability (NPL) of CCCERA as of December 31, 2015, which is allocated to all employers, calculated using the discount rate of 7.00%, as well as what the county's NPL would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate (in thousands):

	1% Decrease 6.00%	Discount Rate 7.00%	1% Increase 8.00%
County's proportionate share of the net pension plan liability	\$ 2,176,740	\$ 1,199,738	\$ 404,153

C. First 5 Contra Costa Children and Families Commission

First 5 Contra Costa Children and Families Commission is a discretely presented component unit and is an active participant of CCCERA. As of June 30, 2016, the proportionate share of net pension liability was \$2,465,000.

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

D. Housing Authority of the County of Contra Costa

The Housing Authority is a discretely presented component unit and is an active participant of CCCERA. As of March 31, 2016, the proportionate share of net pension liability was \$10,788,000.

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

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15. OTHER POSTEMPLOYMENT BENEFIT (OPEB)

A. Plan Description

The county is the plan sponsor and administers a multiple-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

- 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.

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- 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	8,645	26	83
Retirees and beneficiaries receiving benefits	6,396	2	70

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, 2016, the funding was based on the "pay-go" basis plus a contribution of \$20,140,000 to the Contra Costa County Other Employee Benefit Trust Fund. For fiscal year ended June 30, 2016, the county paid \$50,207,000 as the "pay-go" cost (approximately 71.37% of total premiums).

Plan members receiving benefits contributed \$14,208,000, or approximately 20.20% of the total premiums, through their required contribution. The contributions for fiscal year ended June 30, 2016, were as follows (in thousands):

		<u>Retirees</u>	
Total blended premiums at \$10,998 per plan member	\$	70,347	
Employer pre-funding contributions		20,140	
Less: member contributions		<u>(14,208)</u>	
Total Employer Contributions	\$	<u><u>76,279</u></u>	

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.

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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):

	Primary Government	Component Units	
		First 5 Contra Costa Children and Families Commission	Housing Authority
Annual required contribution	\$ 89,170	36	380
Interest on net OPEB obligation	28,203	(7)	96
Adjustment to annual required contribution	(37,867)	10	(105)
Annual OPEB cost (expense)	79,506	39	371
Contributions made	(76,279)	(36)	(371)
Increase in net OPEB obligation	3,227	3	0
Net OPEB obligation (asset), beginning of year	494,795	(110)	2,395
Net OPEB obligation (asset), end of year	\$ 498,022	(107)	2,395

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, 2016, and the two 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
06/30/16	\$ 79,506	95.9 %	\$ 498,022
06/30/15	79,756	96.9	494,795
06/30/14	80,575	95.1	492,327

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

E. Funded Status and Funding Progress

As of January 1, 2016, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$939,053,000 of which \$174,724,000 is funded. The covered payroll for fiscal year 2015-2016 (annual payroll of active employees covered by the plan) was \$695,680,000, and the ratio of the unfunded accrued actuarial liability (UAAL) to the covered payroll was 109.87%.

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

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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, 2016, 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 6.13% 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-three 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 \$20,000,000 to pre-fund the OPEB liability in fiscal year ending June 30, 2016. Until January 1, 2015, CCCERA personnel were employees of the county. The OPEB obligation of employees of CCCERA who retired as county employees before January 1, 2015, is included with the county's data.

G. 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, 2016, 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)
06/30/16	\$ 38	94.0 %	\$ (107)
06/30/15	27	93.0	(110)
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

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H. 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, 2016, 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
03/31/16	\$ 371	100.0 %	\$ 2,395
03/31/15	379	68.6	2,395
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, 2014, and June 30, 2014, respectively. As such, the cost reports for the prior year are still under review by fiscal intermediaries and have not been settled due to certain unresolved reimbursement issues. As of June 30, 2016, the county reported \$166,699,000 as other noncurrent liabilities, 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.

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Net receivables from patients and third-party payers at June 30, 2016, are summarized as follows (in thousands):

Medicare	\$	404
Medi-Cal		20,439
Private insurance		<u>4,535</u>
Total Net Patient Receivables	\$	<u><u>25,378</u></u>

The net receivables from patients and third-party payers exclude non-patient receivables of approximately \$82,394,000.

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 through the 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 above \$1 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 \$550 million shared aggregate.
- Property insurance - earthquake in excess of 2% per unit, \$100,000 minimum, to a limit of \$715 million shared aggregate.
- Property insurance - terrorism to a limit of \$200 million with a \$500,000 deductible.

COUNTY OF CONTRA COSTA
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2016

- 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.
- Pollution liability to a limit of \$100 million.
- Cyber liability to a limit of \$20 million.

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 2015-2016.

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 \$175,918,000 at June 30, 2016, 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 factors.

COUNTY OF CONTRA COSTA
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2016

Changes in claims liabilities:

Changes to the liability amount for fiscal years 2014-2015 and 2015-2016 are as follows (in thousands):

	Internal Service Funds	HMO Medi-Cal Plan Enterprise Fund
Liability at June 30, 2014	\$ 169,396	21,709
FY 2014-2015 claims and changes in estimates	44,767	508,769
FY 2014-2015 claim payments	<u>(40,624)</u>	<u>(486,366)</u>
Liability at June 30, 2015	173,539	44,112
FY 2015-2016 claims and changes in estimates	42,778	584,392
FY 2015-2016 claim payments	<u>(40,399)</u>	<u>(562,076)</u>
Liability at June 30, 2016	<u>\$ 175,918</u>	<u>66,428</u>

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, 2016, 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 53.6%-98.4% of Kaiser Permanente, 46.8%-81.7% of Health Net (HMO), 33.8%-59.1% of Health Net (PPO) and 71.9%-98.0% of CCHP A and 67.2%-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

COUNTY OF CONTRA COSTA
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2016

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 2015-2016 for active employees was \$93,705,000. 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, 2016, there were outstanding commitments of \$5,121,000 for the West County Detention Center, \$2,206,000 for the replacement bridge on Orwood Road, \$1,570,000 for the renovations and remodeling of the Finance Building, \$1,466,000 for the Ed and Imaging Expansion, \$1,374,000 for the expansion of the Family Practice Clinic, and \$1,363,000 for the Canal Road sidewalk and bike lane.

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, 2016.

19. SUBSEQUENT EVENT

Whole Person Care Medi-Cal Waiver Pilot Program

On October 18, 2016, the Board authorized the Health Services Department to submit an application for the Whole Person Care (WPC) Medi-Cal Waiver Pilot Program and authorized the Health Services Director to execute the subsequent agreement with the State Department of Health Care Services. The pilot program will provide \$20 million net annually over a five year period to lead entities for identifying high cost Medi-Cal utilizers that may benefit from the development and provision of low cost alternative services.

REQUIRED SUPPLEMENTARY INFORMATION (Other than MD&A)

COUNTY OF CONTRA COSTA
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, 2016	\$ 174,724	\$ 939,053	\$ 764,329	18.6 %	\$ 695,680	109.87 %
Jan. 1, 2014	129,426	923,848	794,422	14.0	649,770	122.26
Jan. 1, 2012	65,491	1,033,801	968,310	6.3	595,245	162.67
First 5 Contra Costa Children and Families Commission						
June 30, 2015	661	733	72	90.00	1,161	6.16
June 30, 2013	561	553	(8)	101.00	1,138	(0.69)
July 1, 2011		537	537	0.00	1,121	47.90
Housing Authority						
Apr. 1, 2016	108	5,136	5,028	2.00	5,151	97.62
Apr. 1, 2014		5,017	5,017	0.00	4,750	105.61
Apr. 1, 2012		5,105	5,105	0.00	5,057	100.95

COUNTY OF CONTRA COSTA
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 CURRENT YEAR AND ONE YEAR AGO
 (In Thousands)

	Reporting Date for Employer under GASB 68 as of June 30	Proportion of the Net Pension Liability	Proportionate Share of Net Pension Liability	Covered Employee Payroll	Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
County	2016	67.95 %	\$ 1,024,105	642,218	159.46 %	83.30 %
CCCYPD	2016	11.57	174,341	44,016	396.09	81.54
IHSS	2016	0.09	1,293	721	179.33	77.84
TOTAL 2016		<u>79.61 %</u>	<u>\$ 1,199,739</u>	<u>686,955</u>	<u>174.65% %</u>	
County	2015	67.52 %	\$ 807,350	599,275	134.72 %	86.21 %
CCCYPD	2015	9.72	116,263	39,759	292.42	86.85
IHSS	2015	0.09	1,040	607	171.33	79.57
TOTAL 2015		<u>77.33 %</u>	<u>\$ 924,653</u>	<u>639,641</u>	<u>144.56% %</u>	
First 5 Contra Costa Children and Families Commission	2016	0.16 %	\$ 2,465	1,963	125.57 %	82.24 %
	2015	0.14	1,683	1,735	97.01	85.25
Housing Authority of the County of Contra Costa#	2016	0.72 %	\$ 10,788	4,842	222.80 %	80.83 %

The Housing Authority of the County of Contra Costa implemented GASB Statement No. 68 in 2016.

COUNTY OF CONTRA COSTA
SCHEDULE OF CONTRIBUTIONS
 CURRENT YEAR AND ONE YEAR AGO
 (In Thousands)

	Reporting Date for Employer under GASB 68 as of June 30	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution ¹	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
County	\$ 2016	237,357	237,357		642,218	36.96 %
CCCYPD	2016	23,266	23,266		44,016	52.86
IHSS	2016	296	296		721	41.05
TOTAL 2016	\$	<u>260,919</u>	<u>260,919</u>		<u>686,955</u>	
County	\$ 2015	215,795	215,795		599,275	36.01 %
CCCYPD	2015	17,825	17,825		39,759	44.83
IHSS	2015	244	244		607	40.20
TOTAL 2015	\$	<u>233,864</u>	<u>233,864</u>		<u>639,641</u>	
First 5 Contra Costa Children and Families Commission	\$ 2016	604	604		2,026	29.84
	2015	595	595		1,852	32.11 %
Housing Authority of the County of Contra Costa ²	\$ 2016	2,330	2,330		357	7.38 %

¹ The county prepays an annual contribution in July and CCCERA recognizes the payment over the course of the fiscal year.

² The Housing Authority of the County of Contra Costa implemented GASB Statement No. 68 in 2016.

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, 2016
 (In Thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 341,240	341,240	364,391	23,151
Licenses, permits and franchise fees	11,476	11,476	13,142	1,666
Fines, forfeitures and penalties	26,423	26,244	27,606	1,362
Use of money and property	11,301	2,479	7,500	5,021
Intergovernmental	549,444	554,775	515,374	(39,401)
Charges for services	217,492	233,112	219,953	(13,159)
Other revenue	264,693	264,620	261,356	(3,264)
Total revenues	1,422,069	1,433,946	1,409,322	(24,624)
Expenditures:				
Current:				
General government:				
Administrator	16,671	16,648	11,619	5,029
Assessment Litigation Services		441	441	
Assessor	17,296	16,855	15,342	1,513
Auditor-Controller	9,311	8,851	8,071	780
Board Mitigation Programs	2,070	2,070	234	1,836
Board of Supervisors	6,191	6,503	5,584	919
Building Maintenance	41,796	48,512	46,190	2,322
Building Occupancy Cost	14,320	14,474	14,367	107
Clerk of the Board	1,070	1,070	790	280
County Counsel	6,995	7,003	5,694	1,309
Crockett-Rodeo Revenues	680	680	483	197
Economic Development	479	493	343	150
Elections	10,684	10,804	7,579	3,225
Employee Benefits	19,381	19,381	6,805	12,576
Facility Life Cycle Improvement Program	30,088	30,088	6,980	23,108
Fleet Services	429	429		429
General Services Outside Agency Service	943	941	699	242
Human Resources	9,507	9,507	8,170	1,337
Information Technology	4,918	4,978	4,104	874
Insurance and Risk Management	9,795	9,795	8,989	806
Keller Canyon Mitigation	1,889	1,889	1,454	435
Management Information Systems	2,001	2,001	695	1,306
Personnel Merit Board	88	88	77	11
Plant Acquisition	23,913	26,332	2,859	23,473
Print and Mail Services	999	1,305	1,194	111
Purchasing	919	714	712	2
Telecommunications	4,538	5,163	5,163	
Treasurer-Tax Collector	4,903	4,915	4,613	302
UAAL Pension Bond Debt Service Transfer	(1,992)	(1,992)	(1,992)	
Total general government	239,882	249,938	167,259	82,679

(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, 2016
 (In Thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Public protection:				
Agriculture	6,137	6,137	5,570	567
Animal Services	11,794	11,794	11,309	485
Child Support Services	(146)			
Civil Grand Jury	156	151	146	5
Conflict Defense Services	5,000	5,000	4,184	816
Coroner	2,867	2,874	2,872	2
Criminal Grand Jury	88	82	78	4
District Attorney	35,765	36,617	36,271	346
Emergency Services	7,138	7,526	6,520	1,006
Flood Control	744	741	666	75
Jail	69,801	69,667	69,667	
Jail - Health Services	23,035	22,465	22,395	70
Law and Justice Systems	1,211	1,211	1,211	
Local Agency Information	194	217	217	
Probation - Programs	32,047	32,421	29,632	2,789
Probation - Facilities	28,090	28,251	27,330	921
Probation - Care of Court Wards	11,264	11,264	10,949	315
Public Administrator	293	99	80	19
Public Defender	21,383	21,573	21,566	7
Recorder	3,464	3,464	3,313	151
Sheriff	139,009	139,175	132,496	6,679
Trial Court Programs	17,078	18,056	18,052	4
Vehicle Theft Programs	1,805	1,805	899	906
UAAL Pension Bond Debt Service Transfer	(11,582)	(11,582)	(11,582)	
Total public protection	406,635	409,008	393,841	15,167
Health and sanitation:				
Children's Services	9,804	9,195	9,195	
Conservator/Guardianship	3,164	3,096	3,096	
Environmental Health	19,911	17,457	17,399	58
Health Services Homeless Program	4,438	4,837	4,824	13
Mental Health	175,014	179,698	179,319	379
Public Administrator		453	326	127
Public Health	47,150	46,026	45,919	107
Solid Waste Management	459	459	368	91
Substance Abuse	14,446	16,639	15,623	1,016
UAAL Pension Bond Debt Service Transfer	(3,027)	(3,027)	(3,027)	
Total health and sanitation	271,359	274,833	273,042	1,791

(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, 2016
 (In Thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Public assistance:				
Cal Health Benefit Marketplace	13,767	13,767	9,237	4,530
Community Development	10,465	10,465	6,607	3,858
Community Services	35,795	35,795	31,846	3,949
Housing Rehabilitation	541	566	286	280
EHSD - Administration	5,256	5,860	5,114	746
EHSD - Aging & Adult	55,579	54,845	51,080	3,765
EHSD - Ann Adler Child & Family	80	80	74	6
EHSD - Children and Family	100,953	100,953	94,399	6,554
EHSD - Services Integration	135	135	49	86
EHSD - Workforce Services	219,163	219,163	210,756	8,407
EHSD - WFRC Investment Board	9,731	9,731	7,570	2,161
Veterans Services	1,034	1,039	1,017	22
Zero Tolerance Domestic Violence Initiative	3,360	3,360	2,397	963
UAAL Pension Bond Debt Service Transfer	(4,411)	(4,411)	(4,411)	
Total public assistance	<u>451,448</u>	<u>451,348</u>	<u>416,021</u>	<u>35,327</u>
Public ways and facilities:				
Public Works	40,261	40,496	34,696	5,800
Road Construction	10,957	10,957	1,387	9,570
UAAL Pension Bond Debt Service Transfer	(742)	(742)	(742)	
Total public ways and facilities	<u>50,476</u>	<u>50,711</u>	<u>35,341</u>	<u>15,370</u>
Debt service:				
Principal	93	93	92	1
Interest	38	38	38	
Total debt service	<u>131</u>	<u>131</u>	<u>130</u>	<u>1</u>
Total expenditures	<u>1,419,931</u>	<u>1,435,969</u>	<u>1,285,634</u>	<u>150,335</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,138</u>	<u>(2,023)</u>	<u>123,688</u>	<u>125,711</u>
Other Financing Sources (Uses):				
Transfers in	937	937	435	(502)
Transfers out	(31,375)	(28,274)	(50,844)	(22,570)
Capital lease financing			1,542	1,542
Total other financing sources (uses)	<u>(30,438)</u>	<u>(27,337)</u>	<u>(48,867)</u>	<u>(21,530)</u>
Net change in fund balances	<u>(28,300)</u>	<u>(29,360)</u>	<u>74,821</u>	<u>104,181</u>
Fund Balance at Beginning of Year	<u>295,337</u>	<u>295,337</u>	<u>295,337</u>	
Fund Balance at End of Year	<u>\$ 267,037</u>	<u>265,977</u>	<u>370,158</u>	<u>104,181</u>

(concluded)

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, 2016
 (In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 99,289	99,289	102,569	3,280
Use of money and property	11	11	2	(9)
Intergovernmental	6,373	7,222	6,650	(572)
Charges for services	9,192	23,292	22,156	(1,136)
Other revenue	168	168	247	79
Total revenues	115,033	129,982	131,624	1,642
Expenditures:				
Public protection				
Salaries and benefits	90,695	87,695	83,604	4,091
Services and supplies	10,924	27,677	25,272	2,405
Other charges	8,344	8,394	8,394	
Capital assets	3,982	5,080	457	4,623
Expenditure transfers	13,383	16,559	13,554	3,005
Total expenditures	127,328	145,405	131,281	14,124
Excess (deficiency) of revenues over (under) expenditures	(12,295)	(15,423)	343	15,766
Other Financing Sources (Uses):				
Transfers in	2,610	5,610	11	(5,599)
Transfers out	(5,221)	(5,221)		5,221
Capital lease financing			4,129	4,129
Total other financing sources (uses)	(2,611)	389	4,140	3,751
Net change in fund balance	(14,906)	(15,034)	4,483	19,517
Fund Balance at Beginning of the Year	34,447	34,447	34,447	
Fund Balance at End of Year	\$ 19,541	19,413	38,930	19,517

See note to required supplementary information

COUNTY OF CONTRA COSTA
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2016

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.



**COMBINING AND INDIVIDUAL FUND STATEMENTS AND BUDGETARY
SCHEDULES**

COUNTY OF CONTRA COSTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2016
 (In Thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Fund	Permanent Fund	Total
Assets:					
Cash and investments	\$ 462,417	19,171	720	107	482,415
Accounts receivable and accrued revenue	30,791	2,474			33,265
Due from other funds	9,125	943			10,068
Notes receivable	17,596				17,596
Prepaid items and deposits	2,094				2,094
Land held for resale	9,021				9,021
Restricted cash and investments	7,675	12,275	26	1,729	21,705
Total assets	\$ 538,719	34,863	746	1,836	576,164
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities:					
Accounts payable and accrued liabilities	\$ 17,356	3,114	1		20,471
Due to other funds	100,038	890			100,928
Unearned revenue	3,345	60			3,405
Total liabilities	120,739	4,064	1		124,804
Deferred Inflows of Resources:					
Unavailable revenue	17,817				17,817
Total deferred inflows of resources	17,817				17,817
Fund Balances:					
Nonspendable	2,094			1,729	3,823
Restricted	357,702	30,799	745	107	389,353
Committed	341				341
Assigned	40,026				40,026
Unassigned					
Total fund balances	400,163	30,799	745	1,836	433,543
Total liabilities, deferred inflows of resources, and fund balances	\$ 538,719	34,863	746	1,836	576,164

COUNTY OF CONTRA COSTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016
 (In Thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Fund	Permanent Fund	Total
Revenues:					
Taxes	\$ 71,237	12,292			83,529
Licenses, permits and franchise fees	18,848				18,848
Fines, forfeitures and penalties	5,992				5,992
Use of money and property	1,678	28,248		25	29,951
Intergovernmental	249,788				249,788
Charges for services	50,915				50,915
Other revenue	26,056	16,217			42,273
Total revenues	<u>424,514</u>	<u>56,757</u>		<u>25</u>	<u>481,296</u>
Expenditures:					
Current:					
General government	4,004	4,830			8,834
Public protection	154,689				154,689
Health and sanitation	46,331				46,331
Public assistance	121,955	11,419			133,374
Education	25,286				25,286
Public ways and facilities	58,856				58,856
Recreation and culture	1,525				1,525
Debt service:					
Principal		96,272			96,272
Interest	17	36,053			36,070
Debt issuance cost		512			512
Total expenditures	<u>412,663</u>	<u>149,086</u>			<u>561,749</u>
Excess (deficiency) of revenues over (under) expenditures	<u>11,851</u>	<u>(92,329)</u>		<u>25</u>	<u>(80,453)</u>
Other Financing Sources (Uses):					
Transfers in	8,882	31,916			40,798
Transfers out	(9,100)	(4,002)			(13,102)
Issuance of debt		47,561			47,561
Premium on debt issued		6,784			6,784
Total other financing sources (uses)	<u>(218)</u>	<u>82,259</u>			<u>82,041</u>
Net change in fund balances	11,633	(10,070)		25	1,588
Fund Balances at Beginning of Year	<u>388,530</u>	<u>40,869</u>	<u>745</u>	<u>1,811</u>	<u>431,955</u>
Fund Balances at End of Year	<u>\$ 400,163</u>	<u>30,799</u>	<u>745</u>	<u>1,836</u>	<u>433,543</u>



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.

HEALTH AND SANITATION FUND

This 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.

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.



COUNTY OF CONTRA COSTA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2016
 (In Thousands)

	Road	Library	Low & Moderate Income Housing Assets	Other Fire Protection	Health & Sanitation	Land Development	Service Areas
Assets:							
Cash and investments	\$ 60,837	20,535	477	581	86,535	21,799	29,860
Accounts receivable and accrued revenue	3,761	1,752		14	4,828	899	494
Due from other funds	2,279	12				849	332
Notes receivable			7,335			2,467	
Prepaid items and deposits	4	195		4	19	465	
Land held for resale			9,021				
Restricted cash and investments			7,675				
Total assets	\$ 66,881	22,494	24,508	599	91,382	26,479	30,686
Liabilities, Deferred Inflows of Resources, and Fund Balances							
Liabilities:							
Accounts payable and accrued liabilities	\$ 2,145	1,592	6	130	439	1,643	7,800
Due to other funds	2,565	275	5		39,836	891	320
Unearned revenue	2,844		71			3	
Total liabilities	7,554	1,867	82	130	40,275	2,537	8,120
Deferred Inflows of Resources							
Unavailable revenue			7,335			2,688	
Total deferred inflows of resources			7,335			2,688	
Fund Balances:							
Nonspendable	4	195		4	19	465	
Restricted	55,162	6,800	16,563	461	51,047	20,744	20,708
Committed							17
Assigned	4,161	13,632	528	4	41	45	1,841
Total fund balances	59,327	20,627	17,091	469	51,107	21,254	22,566
Total liabilities, deferred inflows of resources, and fund balances	\$ 66,881	22,494	24,508	599	91,382	26,479	30,686

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
67,011	43,175		8,986	33		77,191	45,397	462,417
913	254	359	24	1,949	579	12,528	2,437	30,791
230	107	945		407	653	3,283	28	9,125
							7,794	17,596
750				291	2		364	2,094
								9,021
								7,675
<u>68,904</u>	<u>43,536</u>	<u>1,304</u>	<u>9,010</u>	<u>2,680</u>	<u>1,234</u>	<u>93,002</u>	<u>56,020</u>	<u>538,719</u>
332	321		73	1,089	85		1,701	17,356
916	11,113	1,304	71	733	1,049	37,906	3,054	100,038
				265			162	3,345
<u>1,248</u>	<u>11,434</u>	<u>1,304</u>	<u>144</u>	<u>2,087</u>	<u>1,134</u>	<u>37,906</u>	<u>4,917</u>	<u>120,739</u>
							7,794	17,817
							7,794	17,817
750				291	2		364	2,094
63,878	17,540		8,866	301	98	55,096	40,438	357,702
	324							341
<u>3,028</u>	<u>14,238</u>			<u>1</u>			<u>2,507</u>	<u>40,026</u>
<u>67,656</u>	<u>32,102</u>		<u>8,866</u>	<u>593</u>	<u>100</u>	<u>55,096</u>	<u>43,309</u>	<u>400,163</u>
<u>68,904</u>	<u>43,536</u>	<u>1,304</u>	<u>9,010</u>	<u>2,680</u>	<u>1,234</u>	<u>93,002</u>	<u>56,020</u>	<u>538,719</u>

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, 2016
 (In Thousands)

	Road	Library	Low & Moderate Income Housing Assets	Other Fire Protection	Health & Sanitation	Land Development	Service Areas
Revenues:							
Taxes	\$ 14,282	24,736		474	4,697		7,228
Licenses, permits and franchise fees	455					15,889	78
Fines, forfeitures and penalties					2,093		
Use of money and property	255	109	27		420	101	234
Intergovernmental	12,535	3,264		94	32,115	596	226
Charges for services	4,698	650		14		8,128	14,131
Other revenue	7,353	566	501	80	8	5,657	443
Total revenues	<u>39,578</u>	<u>29,325</u>	<u>528</u>	<u>662</u>	<u>39,333</u>	<u>30,371</u>	<u>22,340</u>
Expenditures:							
Current:							
General government							
Public protection				523		22,674	20,534
Health and sanitation					46,331		
Public assistance			253			426	
Education		25,284					2
Public ways and facilities	54,282					3,718	804
Recreation and culture							1,525
Debt service:							
Interest					3	2	
Total expenditures	<u>54,282</u>	<u>25,284</u>	<u>253</u>	<u>523</u>	<u>46,334</u>	<u>26,820</u>	<u>22,865</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(14,704)</u>	<u>4,041</u>	<u>275</u>	<u>139</u>	<u>(7,001)</u>	<u>3,551</u>	<u>(525)</u>
Other Financing Sources (Uses):							
Transfers in	1,054					107	320
Transfers out	(155)	(402)			(27)	(449)	
Total other financing sources (uses)	<u>899</u>	<u>(402)</u>			<u>(27)</u>	<u>(342)</u>	<u>320</u>
Net change in fund balances	<u>(13,805)</u>	<u>3,639</u>	<u>275</u>	<u>139</u>	<u>(7,028)</u>	<u>3,209</u>	<u>(205)</u>
Fund Balances at Beginning of Year	<u>73,132</u>	<u>16,988</u>	<u>16,816</u>	<u>330</u>	<u>58,135</u>	<u>18,045</u>	<u>22,771</u>
Fund Balances at End of Year	<u>\$ 59,327</u>	<u>20,627</u>	<u>17,091</u>	<u>469</u>	<u>51,107</u>	<u>21,254</u>	<u>22,566</u>

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
10,676	8,561						583	71,237
2,313							113	18,848
267	1,248	2,412		9			239	5,992
520	55	2		17,128	2,011	155,464	199	1,678
16,785	2,134		1,969				23,701	249,788
2,099	1,620			6,412	189		2,920	50,915
	333						2,415	26,056
<u>32,660</u>	<u>13,951</u>	<u>2,414</u>	<u>1,969</u>	<u>23,549</u>	<u>2,200</u>	<u>155,464</u>	<u>30,170</u>	<u>424,514</u>
		2,588					1,416	4,004
27,990	19,425		1,915			38,851	22,777	154,689
				23,322	2,200	93,358	2,396	46,331
							52	121,955
								25,286
								58,856
								1,525
		3					9	17
<u>27,990</u>	<u>19,425</u>	<u>2,591</u>	<u>1,915</u>	<u>23,322</u>	<u>2,200</u>	<u>132,209</u>	<u>26,650</u>	<u>412,663</u>
<u>4,670</u>	<u>(5,474)</u>	<u>(177)</u>	<u>54</u>	<u>227</u>		<u>23,255</u>	<u>3,520</u>	<u>11,851</u>
	7,224	177						8,882
	(77)		(22)	(155)		(7,114)	(699)	(9,100)
	7,147	177	(22)	(155)		(7,114)	(699)	(218)
4,670	1,673		32	72		16,141	2,821	11,633
<u>62,986</u>	<u>30,429</u>		<u>8,834</u>	<u>521</u>	<u>100</u>	<u>38,955</u>	<u>40,488</u>	<u>388,530</u>
<u>67,656</u>	<u>32,102</u>		<u>8,866</u>	<u>593</u>	<u>100</u>	<u>55,096</u>	<u>43,309</u>	<u>400,163</u>

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
ROAD SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes			14,282	14,282
Licenses, permits, and franchise fees	540	545	455	(90)
Use of money and property	321	321	255	(66)
Intergovernmental	39,404	39,410	12,535	(26,875)
Charges for services	4,992	6,928	4,698	(2,230)
Other revenue	8,988	8,988	7,353	(1,635)
Total revenues	54,245	56,192	39,578	(16,614)
Expenditures:				
Public ways and facilities				
Services and supplies	41,193	41,419	22,691	18,728
Other charges	3,943	4,775	4,536	239
Capital assets	565	687	544	143
Expenditure transfers	30,768	33,020	26,511	6,509
Total public ways and facilities	76,469	79,901	54,282	25,619
Total expenditures	76,469	79,901	54,282	25,619
Deficiency of revenues under expenditures	(22,224)	(23,709)	(14,704)	9,005
Other Financing Sources (Uses):				
Transfers in			1,054	1,054
Transfers out			(155)	(155)
Total other financing sources (uses)			899	899
Net change in fund balance	(22,224)	(23,709)	(13,805)	9,904
Fund Balance at Beginning of Year	73,132	73,132	73,132	
Fund Balance at End of Year	\$ 50,908	49,423	59,327	9,904

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
LIBRARY SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016
 (In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 23,744	23,744	24,736	992
Use of money and property	106	106	109	3
Intergovernmental	3,026	3,026	3,264	238
Charges for services	723	723	650	(73)
Other revenue	256	256	566	310
Total revenues	<u>27,855</u>	<u>27,855</u>	<u>29,325</u>	<u>1,470</u>
Expenditures:				
General government				
Capital assets	676	676		676
Total general government	<u>676</u>	<u>676</u>		<u>676</u>
Education				
Salaries and benefits	21,213	21,163	18,031	3,132
Services and supplies	7,881	7,878	4,867	3,011
Other charges	2,426	2,479	2,160	319
Capital assets	582	582	174	408
Expenditure transfers	69	69	52	17
Total education	<u>32,171</u>	<u>32,171</u>	<u>25,284</u>	<u>6,887</u>
Total expenditures	<u>32,847</u>	<u>32,847</u>	<u>25,284</u>	<u>7,563</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,992)</u>	<u>(4,992)</u>	<u>4,041</u>	<u>9,033</u>
Other Financing Sources (Uses):				
Transfers in	26	26		(26)
Transfers out			(402)	(402)
Total other financing sources (uses)	<u>26</u>	<u>26</u>	<u>(402)</u>	<u>(428)</u>
Net change in fund balance	(4,966)	(4,966)	3,639	8,605
Fund Balance at Beginning of Year	<u>16,988</u>	<u>16,988</u>	<u>16,988</u>	
Fund Balance at End of Year	<u>\$ 12,022</u>	<u>12,022</u>	<u>20,627</u>	<u>8,605</u>

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
LOW & MODERATE INCOME HOUSING ASSETS SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016
 (In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ 385	385	27	(358)
Charges for services	200	200		(200)
Other revenue	7,000	7,000	501	(6,499)
Total revenues	<u>7,585</u>	<u>7,585</u>	<u>528</u>	<u>(7,057)</u>
Expenditures:				
Public assistance				
Services and supplies	3,555	3,555	177	3,378
Other charges	2,030	2,030	46	1,984
Expenditure transfers	2,000	2,001	30	1,971
Total public assistance	<u>7,585</u>	<u>7,586</u>	<u>253</u>	<u>7,333</u>
Total expenditures	<u>7,585</u>	<u>7,586</u>	<u>253</u>	<u>7,333</u>
Excess (deficiency) of revenues over (under) expenditures		<u>(1)</u>	<u>275</u>	<u>276</u>
Net change in fund balance		<u>(1)</u>	<u>275</u>	<u>276</u>
Fund Balance at Beginning of Year	<u>16,816</u>	<u>16,816</u>	<u>16,816</u>	
Fund Balance at End of Year	<u>\$ 16,816</u>	<u>16,815</u>	<u>17,091</u>	<u>276</u>

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
OTHER FIRE PROTECTION SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016
 (In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 439	439	474	35
Intergovernmental	4	4	94	90
Charges for services	14	14	14	
Other revenue	14	14	80	66
Total revenues	<u>471</u>	<u>471</u>	<u>662</u>	<u>191</u>
Expenditures:				
Public protection				
Salaries and benefits	224	224	182	42
Services and supplies	509	509	213	296
Other charges	132	132	128	4
Total public protection	<u>865</u>	<u>865</u>	<u>523</u>	<u>342</u>
Total expenditures	<u>865</u>	<u>865</u>	<u>523</u>	<u>342</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(394)</u>	<u>(394)</u>	<u>139</u>	<u>533</u>
Other Financing Sources:				
Transfers in	64	64		(64)
Total other financing sources	<u>64</u>	<u>64</u>		<u>(64)</u>
Net change in fund balance	<u>(330)</u>	<u>(330)</u>	<u>139</u>	<u>469</u>
Fund Balance at Beginning of the Year	<u>330</u>	<u>330</u>	<u>330</u>	
Fund Balance at End of Year	<u>\$</u>	<u></u>	<u>469</u>	<u>469</u>

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEULE
HEALTH AND SANITATION SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016
 (In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 4,711	4,697	4,697	
Fines, forfeitures and penalties	1,692	1,950	2,093	143
Use of money and property	272	275	420	145
Intergovernmental	42,843	34,679	32,115	(2,564)
Charges for services	229	92		(92)
Other revenue			8	8
Total revenues	<u>49,747</u>	<u>41,693</u>	<u>39,333</u>	<u>(2,360)</u>
Expenditures:				
Current:				
Health and sanitation				
Salaries and benefits	1,259	1,040	1,009	31
Services and supplies	8,254	3,835	3,153	682
Other charges	2,310	3,011	2,564	447
Expenditure transfers	42,959	39,606	39,605	1
Total health and sanitation	<u>54,782</u>	<u>47,492</u>	<u>46,331</u>	<u>1,161</u>
Debt service:				
Interest	3	3	3	
Total expenditures	<u>54,785</u>	<u>47,495</u>	<u>46,334</u>	<u>1,161</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,038)</u>	<u>(5,802)</u>	<u>(7,001)</u>	<u>(1,199)</u>
Other Financing Sources (Uses):				
Transfers in	149	149		(149)
Transfers out	(4,219)	(54)	(27)	27
Total other financing sources (uses)	<u>(4,070)</u>	<u>95</u>	<u>(27)</u>	<u>(122)</u>
Net change in fund balance	(9,108)	(5,707)	(7,028)	(1,321)
Fund Balance at Beginning of Year	<u>58,135</u>	<u>58,135</u>	<u>58,135</u>	
Fund Balance at End of Year	<u>\$ 49,027</u>	<u>52,428</u>	<u>51,107</u>	<u>(1,321)</u>

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
LAND DEVELOPMENT SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016
 (In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Licenses, permits and franchise fees	\$ 13,958	14,264	15,889	1,625
Use of money and property	215	215	101	(114)
Intergovernmental	1,957	2,082	596	(1,486)
Charges for services	13,851	13,910	8,128	(5,782)
Other revenue	6,882	6,882	5,657	(1,225)
Total revenues	36,863	37,353	30,371	(6,982)
Expenditures:				
Current:				
Public protection				
Salaries and benefits	20,778	19,524	17,180	2,344
Services and supplies	8,096	8,048	2,553	5,495
Other charges	1,844	2,170	2,167	3
Capital assets	410	495	209	286
Expenditure transfers	519	1,469	565	904
Total public protection	31,647	31,706	22,674	9,032
Public assistance				
Services and supplies	1,932	1,632		1,632
Other charges	18	18	2	16
Expenditure transfers	8	433	424	9
Total public assistance	1,958	2,083	426	1,657
Public ways and facilities				
Services and supplies	216	133	133	
Other charges	492	471	34	437
Expenditure transfers	8,439	8,850	3,551	5,299
Total public ways and facilities	9,147	9,454	3,718	5,736
Debt service:				
Interest	2	2	2	
Total expenditures	42,754	43,245	26,820	16,425
Excess (deficiency) of revenues over (under) expenditures	(5,891)	(5,892)	3,551	9,443
Other Financing Sources (Uses):				
Transfers in	150	150	107	(43)
Transfers out	(4)	(4)	(449)	(445)
Total other financing sources (uses)	146	146	(342)	(488)
Net change in fund balance	(5,745)	(5,746)	3,209	8,955
Fund Balance at Beginning of Year	18,045	18,045	18,045	
Fund Balance at End of Year	\$ 12,300	12,299	21,254	8,955

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
SERVICE AREAS SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016
 (In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 5,995	6,067	7,228	1,161
Licenses, permits and franchise fees	8	8	78	70
Use of money and property	478	478	234	(244)
Intergovernmental	2,070	2,070	226	(1,844)
Charges for services	12,255	12,255	14,131	1,876
Other revenue	864	987	443	(544)
Total revenues	21,670	21,865	22,340	475
Expenditures:				
Public protection				
Services and supplies	25,099	24,915	17,029	7,886
Other charges	2,636	2,829	2,829	
Expenditure transfers	604	676	676	
Total public protection	28,339	28,420	20,534	7,886
Education				
Other charges	152	152	2	150
Expenditure transfers	235	235		235
Total education	387	387	2	385
Public ways and facilities				
Services and supplies	6,581	6,481	387	6,094
Other charges	122	172	115	57
Capital assets	347	347	26	321
Expenditure transfers	344	394	276	118
Total public ways and facilities	7,394	7,394	804	6,590
Recreation and culture				
Services and supplies	1,090	1,165	591	574
Other charges	1,081	1,110	424	686
Capital assets	4,445	4,443	278	4,165
Expenditure transfers	555	577	232	345
Total recreation and culture	7,171	7,295	1,525	5,770
Total expenditures	43,291	43,496	22,865	20,631
Deficiency of revenues under expenditures	(21,621)	(21,631)	(525)	21,106
Other Financing Sources (Uses):				
Transfers in	77	87	320	233
Transfers out		(1)		1
Total other financing sources (uses)	77	86	320	234
Net change in fund balance	(21,544)	(21,545)	(205)	21,340
Fund Balance at Beginning of Year	22,771	22,771	22,771	
Fund Balance at End of Year	\$ 1,227	1,226	22,566	21,340

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
FLOOD CONTROL SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016
 (In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 10,013	10,013	10,676	663
Licenses, permits and franchise fees	203	263	2,313	2,050
Use of money and property	85	85	267	182
Intergovernmental	598	728	520	(208)
Charges for services	16,709	17,045	16,785	(260)
Other revenue	890	890	2,099	1,209
Total revenues	28,498	29,024	32,660	3,636
Expenditures:				
Current:				
Public protection				
Services and supplies	76,489	75,264	14,481	60,783
Other charges	3,952	5,185	3,596	1,589
Capital assets	188	371	120	251
Expenditure transfers	10,473	10,807	9,793	1,014
Total public protection	91,102	91,627	27,990	63,637
Total expenditures	91,102	91,627	27,990	63,637
Excess (deficiency) of revenues over (under) expenditures	(62,604)	(62,603)	4,670	67,273
Other Financing Sources (Uses):				
Transfers in	425	425		(425)
Transfers out	(63)	(63)		63
Total other financing sources (uses)	362	362		(362)
Net change in fund balance	(62,242)	(62,241)	4,670	66,911
Fund Balance at Beginning of Year	62,986	62,986	62,986	
Fund Balance at End of Year	\$ 744	745	67,656	66,911

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
LAW ENFORCEMENT SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016
 (In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 8,178	8,387	8,561	174
Fines, forfeitures and penalties	1,123	1,123	1,248	125
Use of money and property	44	44	55	11
Intergovernmental	2,329	2,329	2,134	(195)
Charges for services	1,248	1,248	1,620	372
Other revenue	443	443	333	(110)
Total revenues	13,365	13,574	13,951	377
Expenditures:				
General government				
Services and supplies	443	443		443
Other charges	21	21		21
Expenditure transfers	2,077	2,077		2,077
Total general government	2,541	2,541		2,541
Public protection				
Salaries and benefits	1,755	1,757	1,542	215
Services and supplies	20,720	19,397	156	19,241
Other charges	3,402	3,899	3,108	791
Capital assets	272	311		311
Expenditure transfers	19,814	21,314	14,619	6,695
Total public protection	45,963	46,678	19,425	27,253
Total expenditures	48,504	49,219	19,425	29,794
Deficiency of revenues under expenditures	(35,139)	(35,645)	(5,474)	30,171
Other Financing Sources (Uses):				
Transfers in	7,919	8,414	7,224	(1,190)
Transfers out	(2,852)	(2,869)	(77)	2,792
Total other financing sources (uses)	5,067	5,545	7,147	1,602
Net change in fund balance	(30,072)	(30,100)	1,673	31,773
Fund Balance at Beginning of Year	30,429	30,429	30,429	
Fund Balance at End of Year	\$ 357	329	32,102	31,773

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
COURTS AND CRIMINAL JUSTICE SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016
 (In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines, forfeitures and penalties	\$ 2,065	2,065	2,412	347
Use of money and property			2	2
Total revenues	<u>2,065</u>	<u>2,065</u>	<u>2,414</u>	<u>349</u>
Expenditures:				
Current:				
General government				
Other charges	2,607	3,337	2,588	749
Total general government	<u>2,607</u>	<u>3,337</u>	<u>2,588</u>	<u>749</u>
Debt service:				
Interest	3	3	3	
Total expenditures	<u>2,610</u>	<u>3,340</u>	<u>2,591</u>	<u>749</u>
Deficiency of revenues under expenditures	<u>(545)</u>	<u>(1,275)</u>	<u>(177)</u>	<u>1,098</u>
Other Financing Sources (Uses):				
Transfers in	1,615	1,615	177	(1,438)
Transfers out	(1,070)	(1,070)		1,070
Total other financing sources (uses)	<u>545</u>	<u>545</u>	<u>177</u>	<u>(368)</u>
Net change in fund balance		(730)		730
Fund Balance at Beginning of Year				
Fund Balance at End of Year	\$	<u>(730)</u>		<u>730</u>

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
RECORDER/CLERK MODERNIZATION SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016
 (In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 1,645	1,645	1,969	324
Total revenues	<u>1,645</u>	<u>1,645</u>	<u>1,969</u>	<u>324</u>
Expenditures:				
Public protection				
Salaries and benefits	1,291	1,291	909	382
Services and supplies	8,416	8,416	680	7,736
Other charges	520	520	326	194
Capital assets	250	250		250
Total public protection	<u>10,477</u>	<u>10,477</u>	<u>1,915</u>	<u>8,562</u>
Total expenditures	<u>10,477</u>	<u>10,477</u>	<u>1,915</u>	<u>8,562</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,832)</u>	<u>(8,832)</u>	<u>54</u>	<u>8,886</u>
Other Financing Uses:				
Transfers out			(22)	(22)
Total other financing uses			<u>(22)</u>	<u>(22)</u>
Net change in fund balance	(8,832)	(8,832)	32	8,864
Fund Balance at Beginning of Year	<u>8,834</u>	<u>8,834</u>	<u>8,834</u>	
Fund Balance at End of Year	<u>\$ 2</u>	<u>2</u>	<u>8,866</u>	<u>8,864</u>

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
CHILD DEVELOPMENT SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016
 (In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$		9	9
Intergovernmental	16,281	16,394	17,128	734
Other revenue	7,030	7,030	6,412	(618)
Total revenues	<u>23,311</u>	<u>23,424</u>	<u>23,549</u>	<u>125</u>
Expenditures:				
Public assistance				
Salaries and benefits	7,101	7,602	7,447	155
Services and supplies	3,868	2,915	2,907	8
Other charges	4,208	4,943	4,939	4
Capital assets	50	50		50
Expenditure transfers	8,180	8,068	8,029	39
Total public assistance	<u>23,407</u>	<u>23,578</u>	<u>23,322</u>	<u>256</u>
Total expenditures	<u>23,407</u>	<u>23,578</u>	<u>23,322</u>	<u>256</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(96)</u>	<u>(154)</u>	<u>227</u>	<u>381</u>
Other Financing Uses:				
Transfers out			(155)	(155)
Total other financing uses			<u>(155)</u>	<u>(155)</u>
Net change in fund balance	(96)	(154)	72	226
Fund Balance at Beginning of Year	521	521	521	
Fund Balance at End of Year	<u>\$ 425</u>	<u>367</u>	<u>593</u>	<u>226</u>

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016
 (In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 2,264	2,264	2,011	(253)
Other revenue	183	183	189	6
Total revenues	<u>2,447</u>	<u>2,447</u>	<u>2,200</u>	<u>(247)</u>
Expenditures:				
Public assistance				
Salaries and benefits	1,327	1,317	1,212	105
Services and supplies	222	222	165	57
Other charges	814	814	637	177
Capital assets	2	2		2
Expenditure transfers	179	189	186	3
Total public assistance	<u>2,544</u>	<u>2,544</u>	<u>2,200</u>	<u>344</u>
Total expenditures	<u>2,544</u>	<u>2,544</u>	<u>2,200</u>	<u>344</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(97)</u>	<u>(97)</u>		<u>97</u>
Net change in fund balance	(97)	(97)		97
Fund Balance at Beginning of Year	<u>100</u>	<u>100</u>	<u>100</u>	
Fund Balance at End of Year	<u>\$ 3</u>	<u>3</u>	<u>100</u>	<u>97</u>

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
COUNTY LOCAL REVENUE FUND 2011 SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016
 (In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 148,265	144,483	155,464	10,981
Total revenues	<u>148,265</u>	<u>144,483</u>	<u>155,464</u>	<u>10,981</u>
Expenditures:				
Current:				
Public protection				
Other charges	4	4	4	
Fixed assets		50		50
Expenditure transfers	50,785	49,556	38,847	10,709
Total public protection	<u>50,789</u>	<u>49,610</u>	<u>38,851</u>	<u>10,759</u>
Public assistance				
Expenditure transfers	93,358	93,358	93,358	
Total public assistance	<u>93,358</u>	<u>93,358</u>	<u>93,358</u>	
Total expenditures	<u>144,147</u>	<u>142,968</u>	<u>132,209</u>	<u>10,759</u>
Excess of revenues over expenditures	<u>4,118</u>	<u>1,515</u>	<u>23,255</u>	<u>21,740</u>
Other Financing Uses:				
Transfers out	(4,119)	(4,119)	(7,114)	(2,995)
Total other financing uses	<u>(4,119)</u>	<u>(4,119)</u>	<u>(7,114)</u>	<u>(2,995)</u>
Net change in fund balance	(1)	(2,604)	16,141	18,745
Fund Balance at Beginning of Year	<u>38,955</u>	<u>38,955</u>	<u>38,955</u>	
Fund Balance at End of Year	<u>\$ 38,954</u>	<u>36,351</u>	<u>55,096</u>	<u>18,745</u>

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
OTHER SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016
 (In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 535	535	583	48
Licenses, permits and franchise fees	122	122	113	(9)
Fines, forfeitures and penalties	155	155	239	84
Use of money and property	98	98	199	101
Intergovernmental	23,882	23,833	23,701	(132)
Charges for services	3,655	3,655	2,920	(735)
Other revenue	2,315	2,315	2,415	100
Total revenues	<u>30,762</u>	<u>30,713</u>	<u>30,170</u>	<u>(543)</u>
Expenditures:				
Current:				
General government				
Services and supplies	1,716	1,661	974	687
Other charges	305	265	97	168
Expenditure transfers	254	349	345	4
Total general government	<u>2,275</u>	<u>2,275</u>	<u>1,416</u>	<u>859</u>
Public protection				
Salaries and benefits	17,576	16,972	16,127	845
Services and supplies	5,988	6,318	2,747	3,571
Other charges	2,844	2,914	928	1,986
Capital assets	47	114	104	10
Expenditure transfers	4,383	4,790	2,871	1,919
Total public protection	<u>30,838</u>	<u>31,108</u>	<u>22,777</u>	<u>8,331</u>
Public assistance				
Salaries and benefits	260	260	253	7
Services and supplies	1,975	1,965	1,013	952
Other charges	226	226	194	32
Expenditure transfers	1,480	1,490	936	554
Total public assistance	<u>3,941</u>	<u>3,941</u>	<u>2,396</u>	<u>1,545</u>
Public ways and facilities				
Expenditure transfers	782	782	52	730
Total public ways and facilities	<u>782</u>	<u>782</u>	<u>52</u>	<u>730</u>
Debt service:				
Interest	10	10	9	1
Total expenditures	<u>37,846</u>	<u>38,116</u>	<u>26,650</u>	<u>11,466</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,084)</u>	<u>(7,403)</u>	<u>3,520</u>	<u>10,923</u>
Other Financing Sources (Uses):				
Transfers in	28	346		(346)
Transfers out	(3,127)	(3,127)	(699)	2,428
Total other financing sources (uses)	<u>(3,099)</u>	<u>(2,781)</u>	<u>(699)</u>	<u>2,082</u>
Net change in fund balance	<u>(10,183)</u>	<u>(10,184)</u>	<u>2,821</u>	<u>13,005</u>
Fund Balance at Beginning of Year	<u>40,488</u>	<u>40,488</u>	<u>40,488</u>	
Fund Balance at End of Year	<u>\$ 30,305</u>	<u>30,304</u>	<u>43,309</u>	<u>13,005</u>

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.

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, 2016
 (In Thousands)

	Public Financing Authority	Family Law Center	Retirement Litigation Settlement
Assets:			
Cash and investments	\$ 1,442	2,306	2,530
Accounts receivable and accrued revenue			
Due from other funds		713	230
Restricted cash and investments	10,601		
Total assets	\$ 12,043	3,019	2,760
Liabilities and Fund Balances			
Liabilities:			
Accounts payable and accrued liabilities	\$		2,760
Due to other funds		890	
Unearned revenue			
Total liabilities		890	2,760
Fund Balances:			
Restricted	12,043	2,129	
Total fund balances	12,043	2,129	
Total liabilities and fund balances	\$ 12,043	3,019	2,760

CCC Fire Protection District Pension Bond	County Pension Bond	Assessment Districts	Total
11,270	668	955	19,171
	2,413	61	2,474
			943
	3	1,671	12,275
<u>11,270</u>	<u>3,084</u>	<u>2,687</u>	<u>34,863</u>
		354	3,114
		60	890
		60	60
		414	4,064
<u>11,270</u>	<u>3,084</u>	<u>2,273</u>	<u>30,799</u>
<u>11,270</u>	<u>3,084</u>	<u>2,273</u>	<u>30,799</u>
<u>11,270</u>	<u>3,084</u>	<u>2,687</u>	<u>34,863</u>

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, 2016
 (In Thousands)

	Public Financing Authority	Family Law Center	Retirement Litigation Settlement
Revenues:			
Taxes	\$		
Use of money and property	28,240		
Other revenue	1,652		
Total revenues	<u>29,892</u>		
Expenditures:			
Current:			
General government	4,830		
Public assistance			
Debt service:			
Principal	61,878		1,435
Interest	17,346		1,325
Debt issuance cost	512		
Total expenditures	<u>84,566</u>		<u>2,760</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(54,674)</u>		<u>(2,760)</u>
Other Financing Sources (Uses):			
Transfers in	467		2,760
Transfers out	(3,348)	(177)	
Issuance of debt	47,561		
Premium on debt issued	6,784		
Total other financing sources (uses)	<u>51,464</u>	<u>(177)</u>	<u>2,760</u>
Net change in fund balances	(3,210)	(177)	
Fund Balances at Beginning of Year	<u>15,253</u>	<u>2,306</u>	
Fund Balances at End of Year	<u>\$ 12,043</u>	<u>2,129</u>	

CCC Fire Protection District Pension Bond	County Pension Bond	Assessment Districts	Total
		12,292	12,292
	3	5	28,248
13,383	1,182		16,217
13,383	1,185	12,297	56,757
			4,830
		11,419	11,419
8,110	24,155	694	96,272
4,424	12,760	198	36,053
			512
12,534	36,915	12,311	149,086
849	(35,730)	(14)	(92,329)
	28,689		31,916
(10)		(467)	(4,002)
			47,561
			6,784
(10)	28,689	(467)	82,259
839	(7,041)	(481)	(10,070)
10,431	10,125	2,754	40,869
11,270	3,084	2,273	30,799

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
FAMILY LAW CENTER DEBT SERVICE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016
 (In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
\$				
Total revenues				
Expenditures:				
Public assistance				
Services and supplies	1,761	1,761		1,761
Total public assistance	1,761	1,761		1,761
Total expenditures	1,761	1,761		1,761
Excess (deficiency) of revenues over (under) expenditures	(1,761)	(1,761)		1,761
Other Financing Uses:				
Transfers out	(545)	(545)	(177)	368
Total other financing uses	(545)	(545)	(177)	368
Net change in fund balance	(2,306)	(2,306)	(177)	2,129
Fund Balance at Beginning of Year	2,306	2,306	2,306	
Fund Balance at End of Year	\$		2,129	2,129

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
RETIREMENT LITIGATION SETTLEMENT DEBT SERVICE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016
 (In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
\$				
Total revenues				
Expenditures:				
Debt service:				
Principal	1,435	1,435	1,435	
Interest	1,325	1,325	1,325	
Total expenditures	2,760	2,760	2,760	
Deficiency of revenues under expenditures	(2,760)	(2,760)	(2,760)	
Other Financing Sources:				
Transfers in	2,760	2,760	2,760	
Total other financing sources	2,760	2,760	2,760	
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, 2016
 (In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ 10	10		(10)
Other revenue	2,114	2,114	13,383	11,269
Total revenues	<u>2,124</u>	<u>2,124</u>	<u>13,383</u>	<u>11,259</u>
Expenditures:				
Debt service:				
Principal	8,121	8,121	8,110	11
Interest	4,424	4,424	4,424	
Total expenditures	<u>12,545</u>	<u>12,545</u>	<u>12,534</u>	<u>11</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,421)</u>	<u>(10,421)</u>	<u>849</u>	<u>11,270</u>
Other Financing Uses:				
Transfers out	(10)	(10)	(10)	
Total other financing uses	<u>(10)</u>	<u>(10)</u>	<u>(10)</u>	
Net change in fund balance	<u>(10,431)</u>	<u>(10,431)</u>	<u>839</u>	<u>11,270</u>
Fund Balance at Beginning of Year	<u>10,431</u>	<u>10,431</u>	<u>10,431</u>	
Fund Balance at End of Year	<u>\$</u>	<u></u>	<u>11,270</u>	<u>11,270</u>

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
COUNTY PENSION BOND DEBT SERVICE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016
 (In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ 800	800	3	(797)
Other revenue			1,182	1,182
Total revenues	<u>800</u>	<u>800</u>	<u>1,185</u>	<u>385</u>
Expenditures:				
Current:				
General government				
Other charges	3	3		3
Total general government	<u>3</u>	<u>3</u>		<u>3</u>
Debt service:				
Principal	24,155	24,155	24,155	
Interest	22,885	22,885	12,760	10,125
Total expenditures	<u>47,043</u>	<u>47,043</u>	<u>36,915</u>	<u>10,128</u>
Deficiency of revenues under expenditures	<u>(46,243)</u>	<u>(46,243)</u>	<u>(35,730)</u>	<u>10,513</u>
Other Financing Sources:				
Transfers in	36,118	36,118	28,689	(7,429)
Total other financing sources	<u>36,118</u>	<u>36,118</u>	<u>28,689</u>	<u>(7,429)</u>
Net change in fund balance	<u>(10,125)</u>	<u>(10,125)</u>	<u>(7,041)</u>	<u>3,084</u>
Fund Balance at Beginning of Year	<u>10,125</u>	<u>10,125</u>	<u>10,125</u>	
Fund Balance at End of Year	<u>\$</u>	<u></u>	<u>3,084</u>	<u>3,084</u>



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 106).

ASSESSMENT DISTRICTS FUND

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



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 106).

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.



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.

CHILDCARE 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, 2016
 (In Thousands)

	Airport	Sheriff Law Enforcement Training Center	Child Care Enterprise	HMO Commercial Plan	Major Risk Medical Insurance	Total
Assets and Deferred Outflows of Resources:						
Assets:						
Current assets:						
Cash and investments	\$ 4,234		16	10,217		14,467
Accounts receivable and accrued revenue (net)	95	107		3,305	40	3,547
Inventories	20					20
Due from other funds		337		5,281		5,618
Prepaid items and deposits	109	274				383
Total current assets	4,458	718	16	18,803	40	24,035
Noncurrent assets:						
Capital assets:						
Nondepreciable	9,679					9,679
Depreciable, net	8,490	254		28		8,772
Total noncurrent assets	18,169	254		28		18,451
Total assets	22,627	972	16	18,831	40	42,486
Deferred Outflows of Resources:						
Deferred pension outflows	612	249				861
Total Assets and Deferred Outflows of Resources	\$ 23,239	1,221	16	18,831	40	43,347
Liabilities, Deferred Inflows of Resources, and Net Position:						
Liabilities:						
Current liabilities:						
Accounts payable and accrued liabilities	\$ 445	99		12,619		13,163
Due to other funds	101	21		2,545	39	2,706
Unearned revenue	141	2		626		769
Current portion of long-term liabilities	11	1				12
Total current liabilities	698	123		15,790	39	16,650
Noncurrent portion of long-term liabilities:						
Compensated absences	100	11				111
Net pension liability	1,562	636				2,198
Total noncurrent portion of long-term liabilities	1,662	647				2,309
Total liabilities	2,360	770		15,790	39	18,959
Deferred Inflows of Resources:						
Deferred pension inflows	157	65				222
Total deferred inflows of resources	157	65				222
Net Position:						
Net investments in capital assets	18,169	254		28		18,451
Unrestricted	2,553	132	16	3,013	1	5,715
Total net position	20,722	386	16	3,041	1	24,166
Total liabilities, Deferred Inflows of Resources, and Net Position	\$ 23,239	1,221	16	18,831	40	43,347

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, 2016
 (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	\$ 4,140			1,035		5,175
Charges for services	22	996		74,150	1	75,169
Other revenue	386	46				432
Total operating revenues	<u>4,548</u>	<u>1,042</u>		<u>75,185</u>	<u>1</u>	<u>80,776</u>
Operating Expenses:						
Salaries and employee benefits	1,684	817				2,501
Services and supplies	1,179	266		83,514		84,959
Other charges	300	130		397	1	828
Expense transfers	196	143				339
Depreciation	990	71		110		1,171
Total operating expenses	<u>4,349</u>	<u>1,427</u>		<u>84,021</u>	<u>1</u>	<u>89,798</u>
Operating income (loss)	<u>199</u>	<u>(385)</u>		<u>(8,836)</u>		<u>(9,022)</u>
Nonoperating Revenues (Expenses):						
State and federal grants	856	381		2		1,239
Interest expense				(35)		(35)
Total nonoperating revenues (expenses)	<u>856</u>	<u>381</u>		<u>(33)</u>		<u>1,204</u>
Income (Loss) Before Transfers	1,055	(4)		(8,869)		(7,818)
Transfers in		297		4,236		4,533
Transfers out	(64)	(104)				(168)
Change in net position	991	189		(4,633)		(3,453)
Total Net Position at Beginning of Year	<u>19,731</u>	<u>197</u>	<u>16</u>	<u>7,674</u>	<u>1</u>	<u>27,619</u>
Total Net Position at End of Year	<u>\$ 20,722</u>	<u>386</u>	<u>16</u>	<u>3,041</u>	<u>1</u>	<u>24,166</u>

COUNTY OF CONTRA COSTA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(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	\$ 4,478	974		81,231	185	86,868
Cash received from other funds	28				103	131
Cash payment to other funds		(174)		(7,392)	(287)	(7,853)
Cash payment to suppliers for goods and services	(1,643)	(664)		(79,804)	(1)	(82,112)
Cash payment to employees for services	(1,762)	(871)				(2,633)
Net Cash Provided by (Used for) Operating Activities	<u>1,101</u>	<u>(735)</u>		<u>(5,965)</u>		<u>(5,599)</u>
Cash Flows from Noncapital Financing Activities:						
State and federal grants	856	381		2		1,239
Transfers received		297		4,236		4,533
Transfers paid	(64)	(104)				(168)
Net Cash Provided by Noncapital Financing Activities	<u>792</u>	<u>574</u>		<u>4,238</u>		<u>5,604</u>
Cash Flows from Capital and Related Financing Activities:						
Acquisition and construction of capital assets	(2,796)	(235)				(3,031)
Interest paid				(35)		(35)
Net Cash Used for Capital and Related Financing Activities	<u>(2,796)</u>	<u>(235)</u>		<u>(35)</u>		<u>(3,066)</u>
Net Decrease in Cash and Cash Equivalents	(903)	(396)		(1,762)		(3,061)
Cash and Cash Equivalents at Beginning of Year	<u>5,137</u>	<u>396</u>	<u>16</u>	<u>11,979</u>		<u>17,528</u>
Cash and Cash Equivalents at End of Year	<u>\$ 4,234</u>		<u>16</u>	<u>10,217</u>		<u>14,467</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:						
Operating income (loss)	\$ 199	(385)		(8,836)		(9,022)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:						
Depreciation	990	71		110		1,171
Changes in operating assets and liabilities:						
Decrease (increase) in:						
Accounts receivable and accrued revenue	(55)	(68)		6,046	184	6,107
Inventories	5					5
Due from other funds	4	(170)		(3,028)	103	(3,091)
Prepaid items and deposits	(16)	(104)				(120)
Deferred outflows of resources	(402)	(167)				(569)
Increase (decrease) in:						
Accounts payable and accrued liabilities	43	(23)		3,481		3,501
Due to other funds	24	(4)		(4,364)	(287)	(4,631)
Deferred inflows of resources	(6)	1				(5)
Net pension liability	303	142				445
Unearned revenue	(15)	2		626		613
Compensated absences	27	(30)				(3)
Net Cash Provided by (Used for) Operating Activities	<u>\$ 1,101</u>	<u>(735)</u>		<u>(5,965)</u>		<u>(5,599)</u>

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, 2016
 (In Thousands)

	Fleet Services	Employee Dental Insurance	Long-Term Disability Insurance	Workers' Compensation Insurance County General
Assets and Deferred Outflows of Resources:				
Assets:				
Current assets:				
Cash and investments	\$ 3,014	4,185	3,070	95,905
Accounts receivable and accrued revenue (net)	59			1,957
Inventories	361			
Due from other funds	1,262			40
Total current assets	<u>4,696</u>	<u>4,185</u>	<u>3,070</u>	<u>97,902</u>
Noncurrent assets:				
Capital assets:				
Nondepreciable	1,215			
Depreciable, net	7,058			
Total noncurrent assets	<u>8,273</u>			
Total assets	<u>12,969</u>	<u>4,185</u>	<u>3,070</u>	<u>97,902</u>
Deferred Outflows of Resources:				
Deferred pension outflows	697			
Total deferred outflows of resources	<u>697</u>			
Total assets and deferred outflows of resources	<u>\$ 13,666</u>	<u>4,185</u>	<u>3,070</u>	<u>97,902</u>
Liabilities, Deferred Inflows of Resources, and Net Position:				
Liabilities:				
Current liabilities:				
Accounts payable	\$ 374		9	
Due to other funds	531	118		488
Claims payable		1,018	2,267	19,507
Compensated absences payable	6			
Total current liabilities	<u>911</u>	<u>1,136</u>	<u>2,276</u>	<u>19,995</u>
Noncurrent liabilities:				
Claims payable			453	99,638
Compensated absences payable	56			
Net pension liability	1,780			
Total noncurrent liabilities	<u>1,836</u>		<u>453</u>	<u>99,638</u>
Total liabilities	<u>2,747</u>	<u>1,136</u>	<u>2,729</u>	<u>119,633</u>
Deferred Inflows of Resources:				
Deferred pension inflows	179			
Total deferred inflows of resources	<u>179</u>			
Net Position (Deficit):				
Net investment in capital assets	8,273			
Unrestricted net position (deficit)	2,467	3,049	341	(21,731)
Total net position (deficit)	<u>10,740</u>	<u>3,049</u>	<u>341</u>	<u>(21,731)</u>
Total liabilities, deferred inflows of resources, and net position (deficit)	<u>\$ 13,666</u>	<u>4,185</u>	<u>3,070</u>	<u>97,902</u>

Workers' Compensation Insurance Fire Protection	Automotive Liability Insurance	Public Liability Insurance	State Unemployment Insurance	Medical Liability Insurance	Special District Property Insurance	Total
27,379	3,124	12,281	6,956	5,411	2,196	163,521
357		2	163			2,538
4	21	15		12		361
<u>27,740</u>	<u>3,145</u>	<u>12,298</u>	<u>7,119</u>	<u>5,423</u>	<u>2,196</u>	<u>1,354</u>
						1,215
						7,058
						8,273
<u>27,740</u>	<u>3,145</u>	<u>12,298</u>	<u>7,119</u>	<u>5,423</u>	<u>2,196</u>	<u>176,047</u>
						697
						697
<u>27,740</u>	<u>3,145</u>	<u>12,298</u>	<u>7,119</u>	<u>5,423</u>	<u>2,196</u>	<u>176,744</u>
						391
72	10	484	1		7	1,760
5,534	546	4,596	10	32	15	37,153
			1,871	1,814		6
<u>5,606</u>	<u>556</u>	<u>5,080</u>	<u>1,882</u>	<u>1,846</u>	<u>22</u>	<u>39,310</u>
29,387	1,103	5,515		2,669		138,765
						56
						1,780
<u>29,387</u>	<u>1,103</u>	<u>5,515</u>		<u>2,669</u>		<u>140,601</u>
<u>34,993</u>	<u>1,659</u>	<u>10,595</u>	<u>1,882</u>	<u>4,515</u>	<u>22</u>	<u>179,911</u>
						179
						179
						8,273
<u>(7,253)</u>	<u>1,486</u>	<u>1,703</u>	<u>5,237</u>	<u>908</u>	<u>2,174</u>	<u>(11,619)</u>
<u>(7,253)</u>	<u>1,486</u>	<u>1,703</u>	<u>5,237</u>	<u>908</u>	<u>2,174</u>	<u>(3,346)</u>
<u>27,740</u>	<u>3,145</u>	<u>12,298</u>	<u>7,119</u>	<u>5,423</u>	<u>2,196</u>	<u>176,744</u>

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, 2016
(In Thousands)

	Fleet Services	Employee Dental Insurance	Long-Term Disability Insurance	Workers' Compensation Insurance County General
Operating Revenues:				
Charges for services	\$ 176	10,813	1,270	25,035
Other revenue	11,380		409	
Total operating revenues	<u>11,556</u>	<u>10,813</u>	<u>1,679</u>	<u>25,035</u>
Operating Expenses:				
Salaries and employee benefits	1,948			
Services and supplies	5,830	702	12	6,982
Benefit and claim expense		9,949	1,523	21,393
Other charges	885			
Depreciation	2,164			
Total operating expenses	<u>10,827</u>	<u>10,651</u>	<u>1,535</u>	<u>28,375</u>
Operating Income (Loss)	<u>729</u>	<u>162</u>	<u>144</u>	<u>(3,340)</u>
Nonoperating Revenues:				
Investment income		9	8	1,600
Total nonoperating revenues		<u>9</u>	<u>8</u>	<u>1,600</u>
Income (loss) before transfers	729	171	152	(1,740)
Transfers in				
Transfers out	(64)			
Change in net position	<u>665</u>	<u>171</u>	<u>152</u>	<u>(1,740)</u>
Total Net Position (Deficit) at Beginning of Year	<u>10,075</u>	<u>2,878</u>	<u>189</u>	<u>(19,991)</u>
Total Net Position (Deficit) at End of Year	<u>\$ 10,740</u>	<u>3,049</u>	<u>341</u>	<u>(21,731)</u>

Workers' Compensation Insurance	Fire Protection	Automotive Liability Insurance	Public Liability Insurance	State Unemployment Insurance	Medical Liability Insurance	Special District Property Insurance	Total
4,434	163	229	8,448	2,077	1,820	1,410	55,712
<u>4,597</u>		<u>229</u>	<u>8,448</u>	<u>2,077</u>	<u>1,820</u>	<u>1,410</u>	<u>11,952</u>
							67,664
							1,948
623	230	451	4,528	8	393	401	19,930
		789	2,831	833	2,317	534	40,399
							885
							<u>2,164</u>
<u>853</u>	<u>1,240</u>	<u>7,359</u>	<u>841</u>	<u>2,710</u>	<u>935</u>		<u>65,326</u>
<u>3,744</u>	<u>(1,011)</u>	<u>1,089</u>	<u>1,236</u>	<u>(890)</u>	<u>475</u>		<u>2,338</u>
<u>408</u>	<u>13</u>	<u>68</u>	<u>18</u>				<u>2,124</u>
<u>408</u>	<u>13</u>	<u>68</u>	<u>18</u>				<u>2,124</u>
4,152	(998)	1,157	1,254	(890)	475		4,462
	40						40
		(40)			(1)		(105)
<u>4,152</u>	<u>(958)</u>	<u>1,117</u>	<u>1,254</u>	<u>(890)</u>	<u>474</u>		<u>4,397</u>
<u>(11,405)</u>	<u>2,444</u>	<u>586</u>	<u>3,983</u>	<u>1,798</u>	<u>1,700</u>		<u>(7,743)</u>
<u>(7,253)</u>	<u>1,486</u>	<u>1,703</u>	<u>5,237</u>	<u>908</u>	<u>2,174</u>		<u>(3,346)</u>

COUNTY OF CONTRA COSTA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016
 (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	\$ 11,510	10,814	1,679	24,548
Cash received from other funds	26	60		85
Cash payment to other funds	(229)			
Cash payment to suppliers for goods and services	(6,745)	(10,681)	(1,923)	(21,649)
Cash payment to employees for services	(2,600)		(6)	
Net Cash Provided by (Used for) Operating Activities	<u>1,962</u>	<u>193</u>	<u>(250)</u>	<u>2,984</u>
Cash Flows from Noncapital Financing Activities:				
Transfers received				
Transfers paid out	(64)			
Net Cash Provided by (used for) Noncapital Financing Activities	<u>(64)</u>			
Cash Flows from Capital and Related Financing Activities:				
Acquisition and construction of capital assets	(2,577)			
Net Cash Used for Capital and Related Financing Activities	<u>(2,577)</u>			
Cash Flows from Investing Activities:				
Interest received on investments		9	8	1,600
Net Cash Provided by Investing Activities		<u>9</u>	<u>8</u>	<u>1,600</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(679)	202	(242)	4,584
Cash and Cash Equivalents at Beginning of Year	<u>3,693</u>	<u>3,983</u>	<u>3,312</u>	<u>91,321</u>
Cash and Cash Equivalents at End of Year	<u>\$ 3,014</u>	<u>4,185</u>	<u>3,070</u>	<u>95,905</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Operating Income (Loss)	\$ 729	162	144	(3,340)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:				
Depreciation	2,164			
Changes in operating assets and liabilities:				
Decrease (increase) in:				
Accounts receivable and accrued revenue	(56)	1		(487)
Inventories	(30)			
Due from other funds	(229)			35
Prepaid expense	10			
Deferred outflows of resources	(448)			
Increase (decrease) in:				
Accounts payable and accrued liabilities	(461)		(6)	
Claims payable		(30)	(388)	6,726
Due to other funds	26	60		50
Deferred inflows of resources	(14)			
Net pension liability	289			
Compensated absences	(18)			
Net Cash Provided by (Used for) Operating Activities	<u>\$ 1,962</u>	<u>193</u>	<u>(250)</u>	<u>2,984</u>

Workers' Compensation Insurance	Automotive Liability Insurance	Public Liability Insurance	State Unemployment Insurance	Medical Liability Insurance	Special District Property Insurance	Total
4,529	229	8,450	2,084	1,820	1,417	67,080
5	4	79		10	14	283
	(1)		(6)	(1)		(237)
(3,473)	(790)	(9,257)	(1,263)	(2,149)	(935)	(58,865)
<u>1,061</u>	<u>(558)</u>	<u>(728)</u>	<u>815</u>	<u>(320)</u>	<u>496</u>	<u>5,655</u>
	40					40
		(40)			(1)	(105)
	40	(40)			(1)	(65)
						(2,577)
						(2,577)
408	13	68	18			2,124
408	13	68	18			2,124
1,469	(505)	(700)	833	(320)	495	5,137
25,910	3,629	12,981	6,123	5,731	1,701	158,384
27,379	3,124	12,281	6,956	5,411	2,196	163,521
3,744	(1,011)	1,089	1,236	(890)	475	2,338
						2,164
(68)		2	6			(602)
						(30)
3	4	14		10		(163)
						10
						(448)
			1		7	(459)
(2,620)	450	(1,898)	(422)	561		2,379
2	(1)	65	(6)	(1)	14	209
						(14)
						289
						(18)
<u>1,061</u>	<u>(558)</u>	<u>(728)</u>	<u>815</u>	<u>(320)</u>	<u>496</u>	<u>5,655</u>



FIDUCIARY FUNDS

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 FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
 JUNE 30, 2016
 (In Thousands)

	Successor Agency to the Contra Costa County Redevelopment Agency	Other Private- Purpose Trust	Total
Assets:			
Cash and investments	\$ 5,849	24,375	30,224
Receivables		685	685
Notes receivable, net	25		25
Due from other governments	263		263
Restricted cash and investments	4,499		4,499
Total assets	10,636	25,060	35,696
Deferred Outflows of Resources:			
Loss on refunding of debt	2,777		2,777
Total outflows of resources	2,777		2,777
Liabilities:			
Accounts payable and accrued liabilities		96	96
Due to other governments	772		772
Accrued interest payable	2,234		2,234
Noncurrent liabilities:			
Due within one year	2,229		2,229
Due in more than one year	87,392		87,392
Total liabilities	92,627	96	92,723
Net Position (Deficit):			
Restricted for participation in individually directed investment accounts		24,964	24,964
Unrestricted deficit	(79,214)		(79,214)
Total net position (deficit)	\$ (79,214)	24,964	(54,250)

COUNTY OF CONTRA COSTA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016
 (In Thousands)

	Successor Agency to the Contra Costa County Redevelopment Agency	Other Private- Purpose Trust	Total
Additions:			
Property tax distribution	\$ 9,055		9,055
Other revenue	148	19,932	20,080
Investment income		33	33
Total additions	<u>9,203</u>	<u>19,965</u>	<u>29,168</u>
Deductions:			
Project expenditures	1,241		1,241
Financial assistance payments	1,978		1,978
Interest and fiscal charges	5,485		5,485
Administrative and other expenses	321	1,221	1,542
Other		15,574	15,574
Total deductions	<u>9,025</u>	<u>16,795</u>	<u>25,820</u>
Change in net position	178	3,170	3,348
Net Position (Deficit) at Beginning of Year	<u>(79,392)</u>	<u>21,794</u>	<u>(57,598)</u>
Net Position (Deficit) at End of Year	<u>\$ (79,214)</u>	<u>24,964</u>	<u>(54,250)</u>

COUNTY OF CONTRA COSTA
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016
 (In Thousands)

	Balance July 1, 2015	Additions	Deductions	Balance June 30, 2016
Tax Losses Reserve:				
Assets:				
Cash and investments	\$ 99,759	14,372	22,158	91,973
Due from other governments	6,260	7,466	6,260	7,466
Total assets	\$ 106,019	21,838	28,418	99,439
Liabilities:				
Due to other governments	\$ 22,000	22,068	22,000	22,068
Tax loss guarantees	84,019	15,578	22,226	77,371
Total liabilities	\$ 106,019	37,646	44,226	99,439
Unapportioned Taxes:				
Assets:				
Cash and investments	\$	1,335,761	1,300,582	35,179
Accounts receivable	25,079	27,334	30,050	22,363
Taxes receivable	170,328	1,467,227	1,466,264	171,291
Total assets	\$ 195,407	2,830,322	2,796,896	228,833
Liabilities:				
Accounts payable	\$ 40,607	89,048	75,278	54,377
Due to other governments	31,024	49,677	31,024	49,677
Unapportioned taxes	123,776	933,384	932,381	124,779
Total liabilities	\$ 195,407	1,072,109	1,038,683	228,833
Other Agencies:				
Assets:				
Cash and investments	\$ 98,726	1,768,128	1,760,941	105,913
Accounts receivable	17,136	42,588	39,756	19,968
Due from other governments		1,338	1,338	
Total assets	\$ 115,862	1,812,054	1,802,035	125,881
Liabilities:				
Warrants outstanding	\$ 36,426	602,438	592,135	46,729
Accounts payable	10,967	1,071,677	1,072,572	10,072
Due to other governments		4,272	4,272	
Due to other agencies and districts	68,469	216,199	215,588	69,080
Total liabilities	\$ 115,862	1,894,586	1,884,567	125,881

(continued)

COUNTY OF CONTRA COSTA
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016
 (In Thousands)

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2016</u>
Totals-Agency Funds:				
Assets:				
Cash and investments	\$ 198,485	3,118,261	3,083,681	233,065
Accounts receivable	42,215	69,922	69,806	42,331
Due from other governments	6,260	8,804	7,598	7,466
Taxes receivable	<u>170,328</u>	<u>1,467,227</u>	<u>1,466,264</u>	<u>171,291</u>
Total assets	\$ <u>417,288</u>	<u>4,664,214</u>	<u>4,627,349</u>	<u>454,153</u>
Liabilities:				
Warrants outstanding	\$ 36,426	602,438	592,135	46,729
Accounts payable	51,574	1,160,725	1,147,850	64,449
Due to other governments	53,024	76,017	57,296	71,745
Unapportioned taxes	123,776	933,384	932,381	124,779
Tax loss guarantees	84,019	15,578	22,226	77,371
Due to other agencies and districts	<u>68,469</u>	<u>216,199</u>	<u>215,588</u>	<u>69,080</u>
Total liabilities	\$ <u>417,288</u>	<u>3,004,341</u>	<u>2,967,476</u>	<u>454,153</u>

(concluded)



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

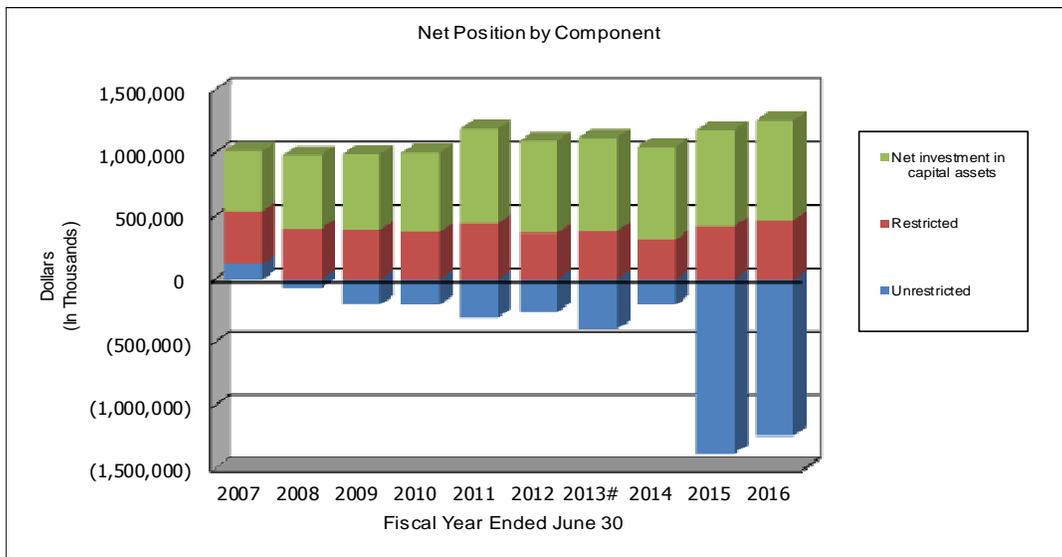
These schedules offer demographic and economic indicators to help the reader understand the environment within which the county's financial activities take place.

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 COMPONENT¹
 LAST TEN FISCAL YEARS
 (Accrual basis of accounting)
 (In Thousands)
 (Unaudited)

	2007	2008	2009	2010	2011	2012	2013#	2014	2015	2016
Governmental activities										
Net investment in capital assets ²	\$ 415,045	524,350	543,582	574,525	673,641	672,378	684,743	692,980	712,986	728,388
Restricted	401,842	380,563	369,912	361,709	431,646	358,796	382,997	317,075	424,030	471,899
Unrestricted	104,895	(75,238)	(203,042)	(209,290)	(341,145)	(297,523)	(433,332)	(260,330)	(1,232,686)	(1,125,031)
Total governmental activities net position	921,782	829,675	710,452	726,944	764,142	733,651	634,408	749,725	(95,670)	75,256
Business-type activities										
Net investment in capital assets	62,470	57,778	55,131	53,936	74,056	57,593	54,497	42,521	48,565	60,495
Restricted	18,483	24,591	26,121	14,177	16,360	10,535				
Unrestricted	17,559	10,487	5,157	9,616	41,289	40,900	39,991	60,032	(144,766)	(110,882)
Total business-type activities net position	98,512	92,856	86,409	77,729	131,705	109,028	94,488	102,553	(96,201)	(50,387)
Primary government										
Net investment in capital assets	477,515	582,128	598,713	628,461	747,697	729,971	739,240	735,501	761,551	788,883
Restricted	420,325	405,154	396,033	375,886	448,006	369,331	382,997	317,075	424,030	471,899
Unrestricted	122,454	(64,751)	(197,885)	(199,674)	(299,856)	(256,623)	(393,341)	(200,298)	(1,377,452)	(1,235,913)
Total primary government net position	\$ 1,020,294	922,531	796,861	804,673	895,847	842,679	728,896	852,278	(191,871)	24,869



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)

	2007	2008	2009	2010	2011	2012	2013#	2014	2015	2016
Expenses										
Governmental activities										
General government	\$ 165,911	211,224	199,218	213,086	169,789	158,709	153,960	177,482	138,979	162,094
Public protection	500,698	566,154	552,037	510,384	493,927	507,852	522,648	536,087	539,353	590,047
Health and sanitation	181,922	234,551	240,383	229,002	234,120	230,517	222,567	231,673	228,861	239,340
Public assistance	426,503	468,892	461,159	422,492	422,722	408,330	429,816	438,255	445,016	467,741
Education	25,452	30,040	28,983	24,868	23,335	23,288	23,508	23,188	22,867	24,829
Public ways and facilities	99,630	86,443	60,726	36,300	43,971	42,252	30,453	37,067	41,426	36,298
Recreation and culture	1,298	1,141	1,447	991	1,101	1,139	1,036	1,138	1,843	627
Interest on debt	81,243	73,873	61,239	56,651	53,477	52,033	42,850	40,797	36,353	27,748
Total governmental activities expenses	1,482,657	1,672,318	1,605,192	1,493,774	1,442,442	1,424,120	1,426,838	1,485,687	1,454,698	1,548,724
Business-type activities										
County Hospital	325,208	353,511	372,416	382,306	395,819	464,449	482,522	486,797	472,557	515,115
Airport	4,972	5,183	5,127	4,480	4,563	4,310	4,746	4,394	4,182	4,349
Sheriff Law Enforcement										
Training Center	1,504	1,331	1,266	1,219	1,202	1,347	1,382	1,456	1,370	1,427
Childcare Enterprise		6	12	31	68	59	35			
HMO Medi-Cal Plan	81,703	85,645	97,827	113,302	150,557	184,007	290,289	343,805	576,801	643,517
HMO Commercial Plan	90,646	100,855	112,316	92,789	114,232	136,726	120,423	102,258	86,207	84,056
Major risk medical insurance	1,892	1,288	1,013	1,026	1,047	803	1,208	744	422	1
Total business-type activities expenses	505,925	547,819	589,977	595,153	667,488	791,701	900,605	939,454	1,141,539	1,248,465
Total primary government expenses	\$ 1,988,582	2,220,137	2,195,169	2,088,927	2,109,930	2,215,821	2,327,443	2,425,141	2,596,237	2,797,189
Program revenues										
Governmental activities										
Charges for services										
General government	\$ 97,371	102,339	100,315	91,709	96,052	92,228	102,981	110,444	117,899	117,946
Public protection	140,065	135,403	130,270	141,489	130,956	117,274	121,439	122,238	121,529	138,613
Health and sanitation	64,449	65,823	76,938	79,166	81,333	80,941	76,448	84,029	88,885	89,855
Public assistance	2,323	3,068	2,242	6,597	4,110	3,647	3,431	2,539	2,205	2,123
Education	866	923	992	820	854	861	817	794	741	650
Public ways and facilities	22,240	28,133	14,100	10,440	15,841	4,022	5,517	7,559	13,250	9,413
Recreation and culture	144	214	117	262	21	10	14	87	40	13
Operating grants and contributions	660,371	673,571	622,097	663,766	661,239	639,592	693,133	721,594	750,821	759,278
Capital grants and contributions	8,970	21,797	19,943	38,400	25,372	23,089	14,444	15,738	22,385	12,535
Total governmental activities program revenues	996,799	1,031,271	967,014	1,032,649	1,015,778	961,664	1,018,224	1,065,022	1,117,755	1,130,426
Business-type activities										
Charges for services										
County Hospital	248,401	271,565	310,221	329,559	400,667	433,253	446,197	473,664	505,641	510,051
HMO Medi-Cal Plan	77,261	86,163	98,211	113,835	151,921	188,148	292,130	350,655	603,042	660,637
HMO Commercial Plan	62,010	65,246	68,845	62,744	63,631	63,508	65,098	78,423	83,200	75,185
Airport	3,321	3,433	3,446	3,459	3,482	3,528	3,730	3,842	4,019	4,162
Sheriff Law Enforcement										
Training Center	927	879	768	756	527	686	921	1,174	1,101	996
Major risk medical insurance	1,383	1,364	936	855	875	795	950	1,003	422	1
Operating grants and contributions	134,915	145,413	135,026	127,900	158,115	80,147	63,210	26,783	14,523	15,803
Capital grants and contributions	8,866	7,239	7,377	6,278	8,847	5,755	5,750	5,749	5,808	4,245
Total business-type activities program revenues	537,084	581,302	624,830	645,386	788,065	775,820	877,986	941,293	1,217,756	1,271,080
Total primary government program revenues	\$ 1,533,883	1,612,573	1,591,844	1,678,035	1,803,843	1,737,484	1,896,210	2,006,315	2,335,511	2,401,506
Net (Expense)/Revenue ¹										
Governmental activities	\$ (485,858)	(641,047)	(638,178)	(461,125)	(426,664)	(462,456)	(408,614)	(420,665)	(336,943)	(418,298)
Business-type activities	31,159	33,483	34,853	50,233	120,577	(15,881)	(22,619)	1,839	76,217	22,615
Total primary government net expense	\$ (454,699)	(607,564)	(603,325)	(410,892)	(306,087)	(478,337)	(431,233)	(418,826)	(260,726)	(395,683)

¹ 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

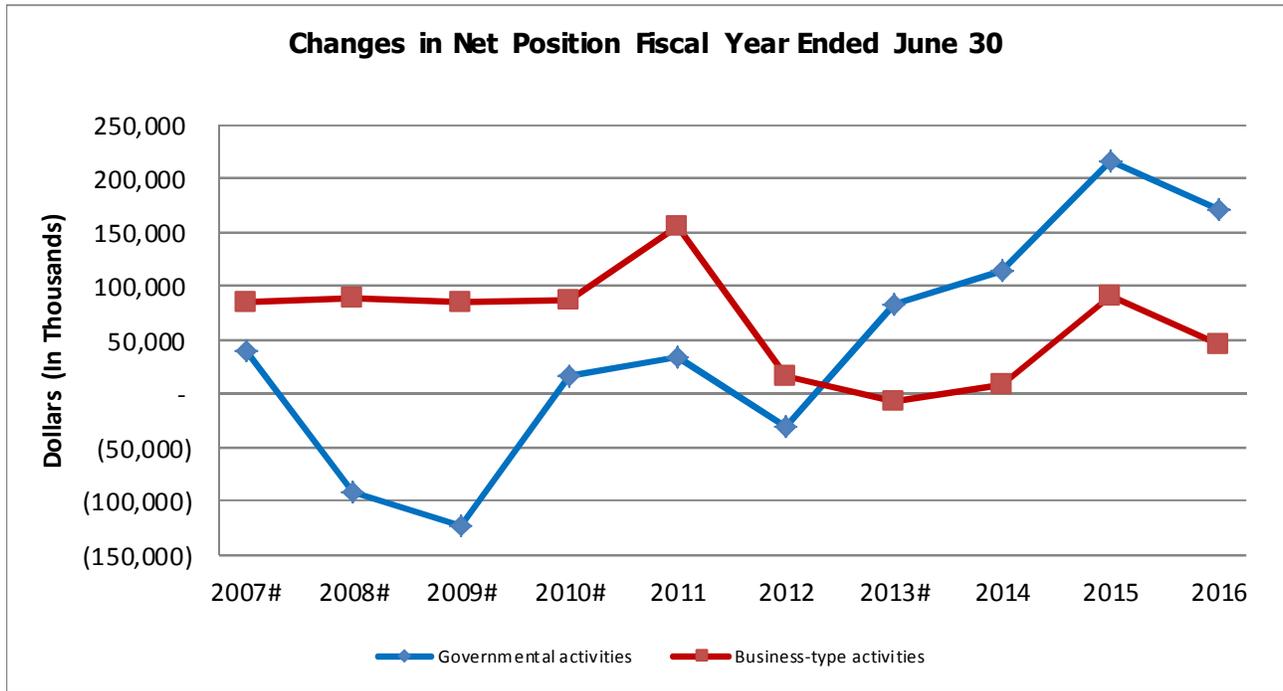
Source: Comprehensive Annual Financial Report - County of Contra Costa, California

(continued)

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

	2007#	2008#	2009#	2010#	2011	2012	2013#	2014	2015	2016
General Revenues and Other Changes in Net Position										
Governmental activities										
Taxes										
Property	\$ 437,658	459,739	451,180	418,001	400,719	395,191	396,751	423,121	459,850	506,219
Sales	13,064	14,073	13,444	12,957	14,026	13,191	14,766	15,813	14,328	14,178
Other	16,941	22,179	26,709	21,693	20,849	21,369	22,639	23,693	24,870	15,440
Grants/contributions not restricted	16,120	11,300	14,089	15,809	14,974	14,422	14,346	15,524	17,008	14,653
Investment earnings	62,024	60,239	47,051	34,033	30,927	53,419	34,950	34,950	34,741	40,423
Other	32,661	35,344	12,935	10,905	22,034	16,657	23,021	28,823	16,718	21,078
Net Extraordinary gain/(loss) ¹						(51,655)				
Transfers	(53,287)	(53,934)	(49,098)	(35,837)	(42,167)	(30,629)	(15,124)	(5,942)	(13,611)	(22,767)
Total governmental activities	<u>525,181</u>	<u>548,940</u>	<u>516,310</u>	<u>477,561</u>	<u>461,362</u>	<u>431,965</u>	<u>491,349</u>	<u>535,982</u>	<u>553,904</u>	<u>589,224</u>
Business-type activities										
Investment earnings	386	455	429	279	128					
Other	1,082	1,746	987	749	2,204	1,164	304	284	413	432
Transfers	53,287	53,934	49,098	35,837	32,799	30,629	15,124	5,942	13,611	22,767
Total business-type activities	<u>54,755</u>	<u>56,135</u>	<u>50,514</u>	<u>36,865</u>	<u>35,131</u>	<u>31,793</u>	<u>15,428</u>	<u>6,226</u>	<u>14,024</u>	<u>23,199</u>
Total primary government	<u>\$ 579,936</u>	<u>605,075</u>	<u>566,824</u>	<u>514,426</u>	<u>496,493</u>	<u>463,758</u>	<u>506,777</u>	<u>542,208</u>	<u>567,928</u>	<u>612,423</u>
Change in Net Position										
Governmental activities	\$ 39,323	(92,107)	(121,868)	16,436	34,698	(30,491)	82,735	115,317	216,961	170,926
Business-type activities	85,914	89,618	85,367	87,098	155,708	15,912	(7,191)	8,065	90,241	45,814
Total primary government	<u>\$ 125,237</u>	<u>(2,489)</u>	<u>(36,501)</u>	<u>103,534</u>	<u>190,406</u>	<u>(14,579)</u>	<u>75,544</u>	<u>123,382</u>	<u>307,202</u>	<u>216,740</u>

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



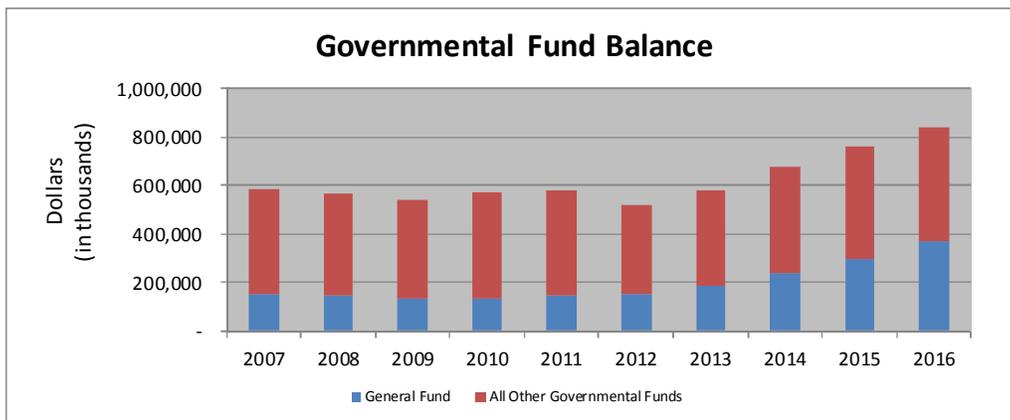
¹ On December 29, 2011, the California State Supreme Court upheld Assembly Bill 1X 26 that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the county's reporting entity, which reported the activities of the former Contra Costa County Redevelopment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

(concluded)

COUNTY OF CONTRA COSTA
FUND BALANCES OF GOVERNMENTAL FUNDS¹
 LAST TEN FISCAL YEARS
 (Modified accrual basis of accounting)
 (In Thousands)
 (Unaudited)

	Fiscal Year Ending June 30		
	2007	2008	2009
General Fund			
Reserved	\$ 33,003	24,098	25,464
Unreserved	116,113	121,516	105,260
Total general fund	<u>149,116</u>	<u>145,614</u>	<u>130,724</u>
All Other Governmental Funds			
Reserved			
Special Revenue Funds	28,086	49,997	47,315
Capital Projects Funds	82,021	62,182	55,016
Debt Service Funds	33,306	31,306	36,722
Permanent Funds	1,800	1,770	1,749
Total Reserved	<u>145,213</u>	<u>145,255</u>	<u>140,802</u>
Unreserved			
Special Revenue Funds	280,208	269,570	254,668
Capital Projects Funds	11,969	5,169	13,529
Total Unreserved	<u>292,177</u>	<u>274,739</u>	<u>268,197</u>
Total all other governmental funds	<u>437,390</u>	<u>419,994</u>	<u>408,999</u>
Total Governmental Funds			
Total Reserved	178,216	169,353	166,266
Total Unreserved	408,290	396,255	373,457
Total governmental funds	<u>\$ 586,506</u>	<u>565,608</u>	<u>539,723</u>

	Fiscal Year Ending June 30						
	2010	2011	2012	2013	2014	2015	2016
General Fund							
Nonspendable	\$ 18,460	9,387	16,474	6,103	7,946	10,764	9,807
Restricted	3,900	10,696	6,388	6,798	7,254	9,013	9,869
Committed	12,750	14,277	711	1,335	1,575	1,508	1,440
Assigned	30,287	31,941	47,246	57,754	78,136	94,169	116,089
Unassigned	67,972	76,371	81,541	115,518	142,293	179,883	232,953
Total general fund	<u>133,369</u>	<u>142,672</u>	<u>152,360</u>	<u>187,508</u>	<u>237,204</u>	<u>295,337</u>	<u>370,158</u>
All Other Governmental Funds							
Nonspendable	2,606	9,301	14,453	13,337	4,164	4,948	5,743
Restricted	389,452	397,478	346,926	361,481	391,569	395,849	394,638
Committed	7,700	13,646	353	324	342	342	341
Assigned	36,311	25,403	18,633	25,056	41,272	65,263	71,751
Unassigned	(141)	(9,291)	(12,391)	(7,851)	(776)		
Total all other governmental funds	<u>435,928</u>	<u>436,537</u>	<u>367,974</u>	<u>392,347</u>	<u>436,571</u>	<u>466,402</u>	<u>472,473</u>
Total Governmental Funds							
Nonspendable	21,066	18,688	30,927	19,440	12,110	15,712	15,550
Restricted	393,352	408,174	353,314	368,279	398,823	404,862	404,507
Committed	20,450	27,923	1,064	1,659	1,917	1,850	1,781
Assigned	66,598	57,344	65,879	82,810	119,408	159,432	187,840
Unassigned	67,831	67,080	69,150	107,667	141,517	179,883	232,953
Total governmental funds	<u>\$ 569,297</u>	<u>579,209</u>	<u>520,334</u>	<u>579,855</u>	<u>673,775</u>	<u>761,739</u>	<u>842,631</u>



¹The county has implemented GASB Statement No. 54 under which governmental fund balances are reported as nonspendable, restricted, committed, assigned, and 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			
	2007	2008	2009	2010
Revenues:				
Taxes	\$ 484,472	508,058	505,424	468,458
Licenses, permits and franchise fees	43,018	29,853	25,485	21,458
Fines, forfeitures and penalties	18,300	29,430	19,604	18,717
Use of money and property	57,908	59,829	39,610	30,805
Intergovernmental	669,343	689,528	642,158	705,292
Charges for services	265,453	275,699	279,693	277,710
Other revenue	144,858	141,007	157,295	122,008
Total revenues	<u>1,683,352</u>	<u>1,733,404</u>	<u>1,669,269</u>	<u>1,644,448</u>
Expenditures:				
Current:				
General government	195,909	176,350	173,240	137,431
Public protection	551,970	575,163	560,416	541,064
Health and sanitation	190,749	206,942	219,008	222,252
Public assistance	445,690	473,525	459,552	444,916
Education	25,863	26,394	27,261	25,449
Public ways and facilities	137,726	141,684	121,152	98,056
Recreation and culture	1,642	1,076	1,553	1,166
Debt service:				
Principal	62,335	38,417	43,038	52,352
Debt issuance cost	3,314	363	326	
Interest	57,535	64,265	61,099	56,047
Other charges	1,539			
Total expenditures	<u>1,674,272</u>	<u>1,704,179</u>	<u>1,666,645</u>	<u>1,578,733</u>
Excess of revenues over (under) expenditures	<u>9,080</u>	<u>29,225</u>	<u>2,624</u>	<u>65,715</u>
Other Financing Sources (Uses):				
Transfers in	60,957	73,094	84,199	85,401
Transfers out	(116,239)	(126,926)	(138,458)	(121,542)
Proceeds from issuance of debt	222,685	36,617	23,121	
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	(118,998)			
Payment to refunded bond escrow agent				
Capital lease financing	3,578	2,375	2,629	
Total other financing sources (uses)	<u>59,684</u>	<u>(50,123)</u>	<u>(28,509)</u>	<u>(36,141)</u>
Net Extraordinary gain/(loss)				
Net change in fund balances	<u>68,764</u>	<u>(20,898)</u>	<u>(25,885)</u>	<u>29,574</u>
Fund Balances at Beginning of Year	517,742	586,506	565,608	539,723
Fund Balances at End of Year	<u>\$ 586,506</u>	<u>565,608</u>	<u>539,723</u>	<u>569,297</u>
Debt Service:				
Principal	\$ 62,335	38,417	43,038	52,352
Interest	57,535	64,265	61,099	56,047
Total Debt Service	<u>\$ 119,870</u>	<u>102,682</u>	<u>104,137</u>	<u>108,399</u>
NonCapital Expenditures:				
Total Expenditures	\$ 1,674,272	1,704,179	1,666,645	1,578,733
Function Expenditures	63,519	106,522	68,522	59,545
Total NonCapital Expenditures	<u>\$ 1,610,753</u>	<u>1,597,657</u>	<u>1,598,123</u>	<u>1,519,188</u>
Debt service as a percentage of noncapital expenditures	7.44%	6.43%	6.52%	7.14%

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

2011	2012	2013	2014	2015	2016
449,671	443,281	448,502	478,153	516,057	550,489
24,291	21,662	23,314	27,471	29,199	31,990
23,430	21,754	35,757	37,277	34,363	33,598
27,857	50,481	33,837	34,047	33,000	37,453
688,868	664,600	709,009	737,940	773,249	771,812
279,188	253,648	249,994	262,329	280,945	293,024
125,305	183,233	254,513	288,783	291,671	303,876
<u>1,618,610</u>	<u>1,638,659</u>	<u>1,754,926</u>	<u>1,866,000</u>	<u>1,958,484</u>	<u>2,022,242</u>
146,106	135,497	138,361	150,770	164,140	176,093
521,664	553,699	569,496	594,366	656,473	679,811
230,233	224,990	264,214	291,820	304,913	319,373
448,569	468,310	495,515	513,200	538,796	549,395
22,737	22,692	22,998	22,941	24,773	25,286
93,138	79,157	75,422	79,763	97,025	94,197
1,239	1,121	878	1,104	1,736	1,525
71,469	84,028	69,304	73,360	45,123	96,364
258		238			512
53,163	49,575	45,169	40,774	36,302	36,108
<u>1,588,576</u>	<u>1,619,069</u>	<u>1,681,595</u>	<u>1,768,098</u>	<u>1,869,281</u>	<u>1,978,664</u>
30,034	19,590	73,331	97,902	89,203	43,578
90,092	114,858	77,722	89,272	48,132	41,244
(128,355)	(145,411)	(92,758)	(95,068)	(61,662)	(63,946)
16,808	262	5,619			47,561
	3,120				
389		20			6,784
		(5,721)			
944	361	1,308	1,814	12,291	5,671
<u>(20,122)</u>	<u>(26,810)</u>	<u>(13,810)</u>	<u>(3,982)</u>	<u>(1,239)</u>	<u>37,314</u>
	(51,655)				
9,912	(58,875)	59,521	93,920	87,964	80,892
569,297	579,209	520,334	579,855	673,775	761,739
<u>579,209</u>	<u>520,334</u>	<u>579,855</u>	<u>673,775</u>	<u>761,739</u>	<u>842,631</u>
71,469	84,028	69,304	73,360	45,123	96,364
53,163	49,575	45,169	40,774	36,302	36,108
<u>124,632</u>	<u>133,603</u>	<u>114,473</u>	<u>114,134</u>	<u>81,425</u>	<u>132,472</u>
1,588,576	1,619,069	1,681,595	1,768,098	1,869,281	1,978,664
41,488	47,599	38,304	43,909	60,091	56,331
<u>1,547,088</u>	<u>1,571,470</u>	<u>1,643,291</u>	<u>1,724,189</u>	<u>1,809,190</u>	<u>1,922,333</u>
8.06%	8.50%	6.97%	6.62%	4.50%	6.89%

COUNTY OF CONTRA COSTA
PROGRAM REVENUES BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS
 (Accrual basis of accounting)
 (In Thousands)
 (Unaudited)

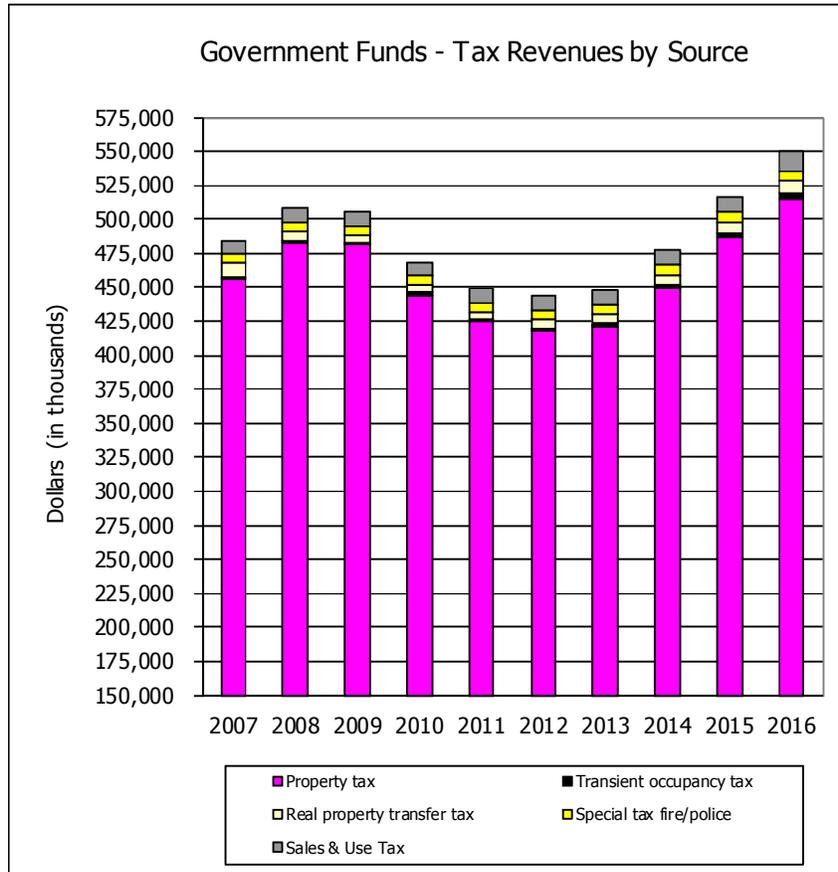
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities - program revenues										
Charges for services										
General government	\$ 97,371	102,339	100,315	91,709	96,052	92,228	102,981	110,444	117,899	117,946
Public Protection	140,065	135,403	130,270	141,489	130,956	117,274	121,439	122,238	121,529	138,613
Health and sanitation	64,449	65,823	76,938	79,166	81,333	80,941	76,448	84,029	88,885	89,855
Public assistance	2,323	3,068	2,242	6,597	4,110	3,647	3,431	2,539	2,205	2,123
Education	866	923	992	820	854	861	817	794	741	650
Public ways and facilities	22,240	28,133	14,100	10,440	15,841	4,022	5,517	7,559	13,250	9,413
Recreation and culture	144	214	117	262	21	10	14	87	40	13
Subtotal	<u>327,458</u>	<u>335,903</u>	<u>324,974</u>	<u>330,483</u>	<u>329,167</u>	<u>298,983</u>	<u>310,647</u>	<u>327,690</u>	<u>344,549</u>	<u>358,613</u>
Operating grants and contributions										
General government	11,151	13,386	11,148	12,525	11,286	7,434	4,427	6,283	17,575	9,683
Public protection	135,827	130,103	122,280	120,794	130,129	152,808	174,031	182,559	183,588	189,931
Health and sanitation	94,059	111,516	97,607	147,891	126,456	106,428	110,564	101,623	103,795	104,061
Public assistance	371,183	372,251	371,390	369,877	381,964	362,453	398,985	423,051	440,166	450,825
Education	4,055	3,642	3,423	4,201	3,848	2,684	2,674	2,760	2,798	3,266
Public ways and facilities	43,389	42,591	16,095	8,467	7,482	7,774	2,440	5,110	2,807	1,337
Recreation and culture	707	82	154	11	74	11	12	208	92	175
Subtotal	<u>660,371</u>	<u>673,571</u>	<u>622,097</u>	<u>663,766</u>	<u>661,239</u>	<u>639,592</u>	<u>693,133</u>	<u>721,594</u>	<u>750,821</u>	<u>759,278</u>
Capital grants and contributions										
General government							148			
Public protection	12									
Public ways and facilities	8,958	21,797	19,943	38,400	25,372	23,089	14,296	15,738	22,385	12,535
Subtotal	<u>8,970</u>	<u>21,797</u>	<u>19,943</u>	<u>38,400</u>	<u>25,372</u>	<u>23,089</u>	<u>14,444</u>	<u>15,738</u>	<u>22,385</u>	<u>12,535</u>
Total governmental activities program revenues	<u>996,799</u>	<u>1,031,271</u>	<u>967,014</u>	<u>1,032,649</u>	<u>1,015,778</u>	<u>961,664</u>	<u>1,018,224</u>	<u>1,065,022</u>	<u>1,117,755</u>	<u>1,130,426</u>
Business-type activities program revenues										
Charges for services										
County Hospital	248,401	271,565	310,221	329,559	400,667	433,253	446,197	473,664	505,641	510,051
HMO Medi-Cal Plan	77,261	86,163	98,211	113,835	151,921	188,148	292,130	350,655	603,042	660,637
HMO Commercial Plan	62,010	65,246	68,845	62,744	63,631	63,508	65,098	78,423	83,200	75,185
Airport	3,321	3,433	3,446	3,459	3,482	3,528	3,730	3,842	4,019	4,162
Sheriff Law Enforcement Training Center	927	879	768	756	527	686	921	1,174	1,101	996
Major risk medical insurance	1,383	1,364	936	855	875	795	950	1,003	422	1
Subtotal	<u>393,303</u>	<u>428,650</u>	<u>482,427</u>	<u>511,208</u>	<u>621,103</u>	<u>689,918</u>	<u>809,026</u>	<u>908,761</u>	<u>1,197,425</u>	<u>1,251,032</u>
Operating grants and contributions										
County Hospital	20,995	22,604	9,257	18,662	9,542	8,947	7,800	5,289	13,963	14,564
HMO Commercial Plan	24,819	30,117	38,157	27,269	46,764	69,866	52,333	21,224	92	2
Airport	1,813	222	326	71	65	1,137	2,850	70	97	856
Sheriff Law Enforcement Training Center	391	237	239	214	216	197	227	200	371	381
Subtotal	<u>48,018</u>	<u>53,180</u>	<u>47,979</u>	<u>46,216</u>	<u>56,587</u>	<u>80,147</u>	<u>63,210</u>	<u>26,783</u>	<u>14,523</u>	<u>15,803</u>
Capital grants and contributions										
County Hospital	7,677	5,941	6,428	5,289	5,764	5,755	5,750	5,749	5,808	4,245
Subtotal	<u>7,677</u>	<u>5,941</u>	<u>6,428</u>	<u>5,289</u>	<u>5,764</u>	<u>5,755</u>	<u>5,750</u>	<u>5,749</u>	<u>5,808</u>	<u>4,245</u>
Total business-type activities program revenues	<u>448,998</u>	<u>487,771</u>	<u>536,834</u>	<u>562,713</u>	<u>683,454</u>	<u>775,820</u>	<u>877,986</u>	<u>941,293</u>	<u>1,217,756</u>	<u>1,271,080</u>
Total primary government program revenues	<u>\$ 1,445,797</u>	<u>1,519,042</u>	<u>1,503,848</u>	<u>1,595,362</u>	<u>1,699,232</u>	<u>1,737,484</u>	<u>1,896,210</u>	<u>2,006,315</u>	<u>2,335,511</u>	<u>2,401,506</u>

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
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
2015		486,697	2,820	8,332	7,490	10,718	516,057
2016		515,708	3,148	9,510	7,574	14,549	550,489

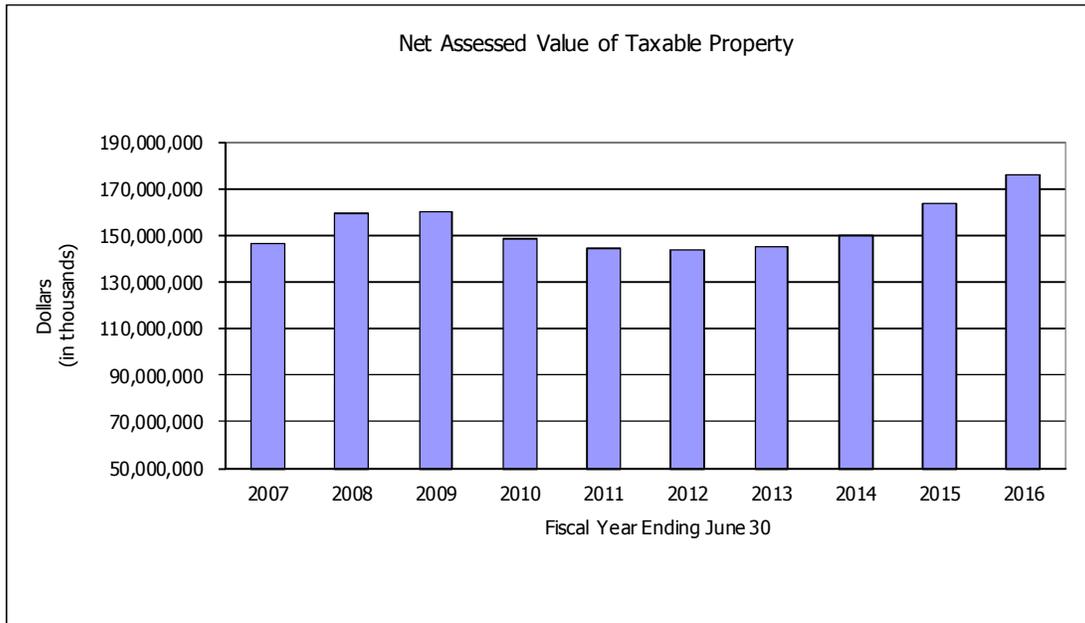
Revised



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						Net Increase (Decrease)	
	Real Property	Personal Property	Total	Exemptions	Net Assessed Value of Taxable Property	Total Direct Tax Rate	Amount	Percentage
2007	\$ 145,844,300	3,408,666	149,252,966	2,845,728 #	146,407,238 #	1.00	146,407,238 #	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
2015	165,375,782	3,381,581	168,757,363	5,245,692	163,511,671	1.00	13,381,842	8.91
2016	177,534,793	3,543,798	181,078,591	5,471,705	175,606,886	1.00	12,095,215	7.40



Revised

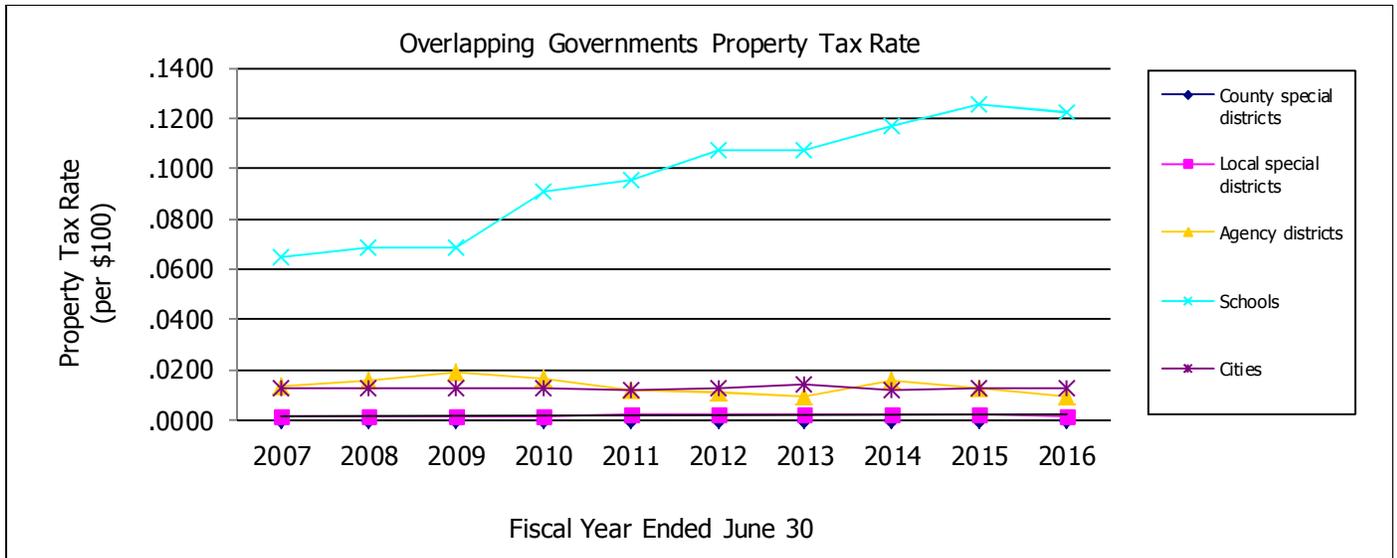
¹ Assessed values are those defined under California Revenue and Taxation Code Sections: 601 and 721 et. seq. Article XIII A, added to California Constitution by Proposition 13 in 1978, fixed the base for valuation of property subject to taxes at the full cash value which appeared on the Assessor's 1975-76 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 Special Districts	Agency Districts	Schools	Cities	Total
	County	Other	Total						
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
2015	.1328	.8672	1.0000	.0000	.0021	.0131	.1254	.0125	1.1531
2016	.1321	.8679	1.0000	.0000	.0020	.0094	.1227	.0128	1.1469

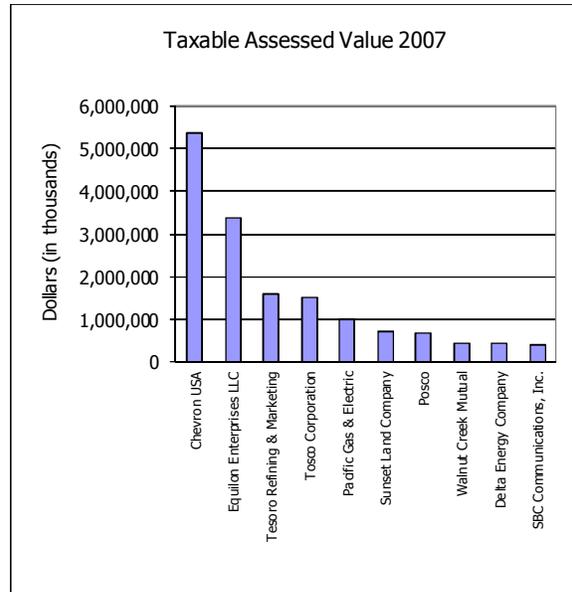
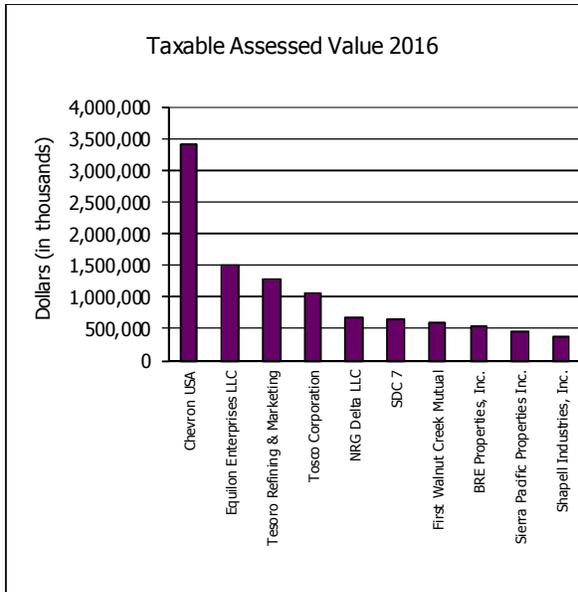


¹ In June 1978, California voters approved Proposition 13 which restricted the taxing power of local government agencies. Individual agencies do not establish their own property tax rates, except for voter approved indebtedness. Instead, a countywide rate is levied with the proceeds distributed to all 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.

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

COUNTY OF CONTRA COSTA
PRINCIPAL PROPERTY TAXPAYERS
RANKED BY ASSESSED VALUE¹
 CURRENT YEAR AND NINE YEARS AGO
 (In Thousands)
 (Unaudited)

Taxpayers	Fiscal Year Ended June 30, 2016			Fiscal Year Ended June 30, 2007		
	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	\$ 3,410,625	1	2.02 %	\$ 5,372,494	1	3.84 %
Equilon Enterprises LLC	1,516,729	2	0.90	3,384,896	2	2.42
Tesoro Refining & Marketing	1,273,356	3	0.75	1,595,843	3	1.14
Tosco Corporation	1,048,546	4	0.62	1,500,771	4	1.07
NRG Delta LLC	669,335	5	0.40			
SDC 7	642,914	6	0.38			
First Walnut Creek Mutual	585,049	7	0.35			
BRE Properties, Inc.	534,903	8	0.32			
Sierra Pacific Properties Inc.	464,005	9	0.27			
Shapell Industries, Inc.	385,772	10	0.23			
Pacific Gas & Electric				1,008,158	5	0.72
Sunset Land Company				713,614	6	0.51
Posco				666,479	7	0.48
Walnut Creek Mutual				448,075	8	0.32
Delta Energy Company				438,200	9	0.31
SBC Communications, Inc.				393,488	10	0.28
Total	\$ 10,531,234		6.24 %	\$ 15,522,018		11.09 %



¹Beginning 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 [#]
2007	\$ 1,967,771	1,886,919	95.89 %	\$ 80,456	\$ 1,967,375	99.98 %
2008	2,077,283	1,971,251	94.90	105,482	2,076,733	99.97
2009	2,061,930	1,975,895	95.83	85,192	2,061,087	99.96
2010	1,964,724	1,909,306	97.18	54,310	1,963,616	99.94
2011	1,932,504	1,896,819	98.15	33,924	1,930,743	99.91
2012	1,973,646	1,918,653	97.21	52,388	1,971,041	99.87
2013	1,974,838	1,953,215	98.91	18,174	1,971,389	99.83
2014	2,092,732	2,072,121	99.02	16,309	2,088,430	99.79
2015	2,286,998	2,266,716	99.11	13,487	2,280,203	99.70
2016	2,425,972	2,405,237	99.15		2,405,237	99.15

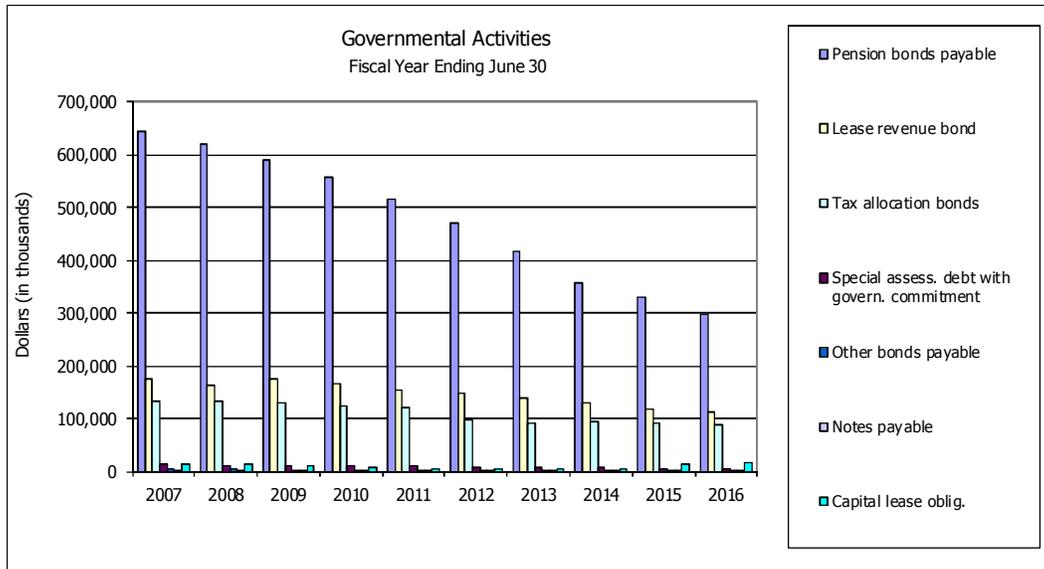
Revised

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)

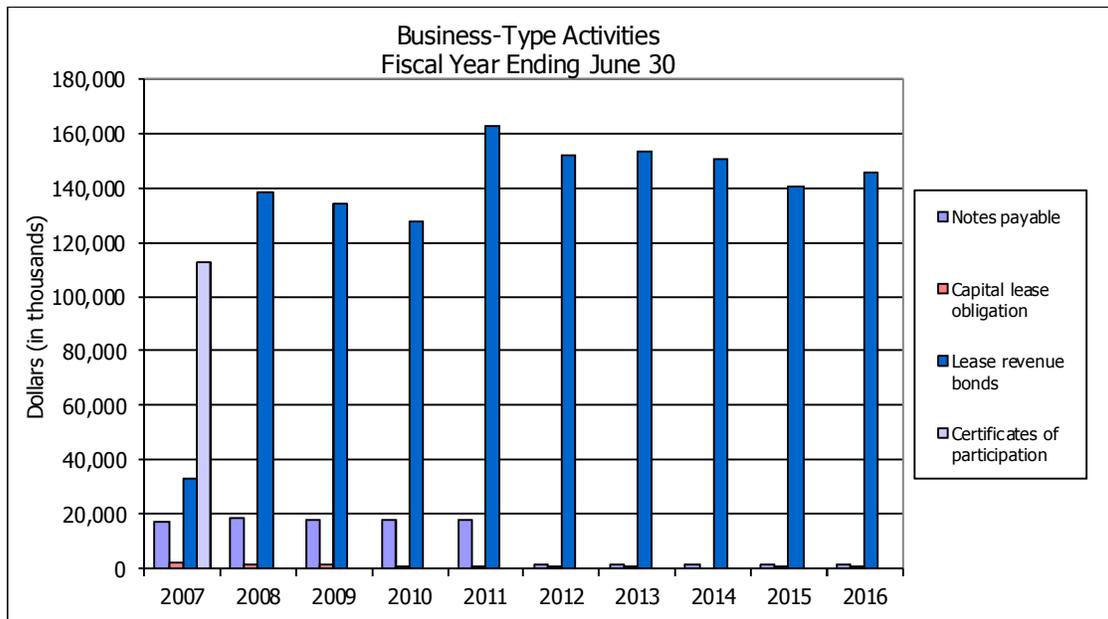
Governmental Activities

Fiscal Year Ended June 30 ¹	Pension Bonds Payable	Lease Revenue Bonds	Tax Allocation Bonds	Special Assess. Debt with Govern. Commitment	Other Bonds Payable	Notes Payable	Capital Lease Oblig.	Total
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
2015	329,725	116,889	91,821	6,087	885	1,146	13,098	559,651
2016	297,460	111,141	89,622	5,392	455	1,013	15,338	520,421



Business-Type Activities

Fiscal Year Ended June 30 ¹	Notes Payable	Capital Lease Obligation	Lease Revenue Bonds	Certificates of Participation	Total	Government Total	Ratio Debt to Net Assessed Value	Percentage of Personal Income ²	Net Debt Per Capita [#]
2007	\$ 17,255	1,899	33,037	112,845	165,036	1,147,400	0.72 %	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	0.72	1.93	1,015
2010	17,922	939	127,945		146,806	1,014,519	0.70	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	0.61	1.33	830
2013	1,456	104	153,371		154,931	817,603	0.54	1.18	760
2014	1,327		150,823		152,150	746,764	0.46	1.05	686
2015	1,193	227	140,292		141,712	701,363	0.40	N/A	631
2016	1,080	115	145,540		146,735	667,156	0.38	N/A	594



¹ Effective 2013, presentation of outstanding debt by type is net of associated premiums, discounts, and deferred amounts on refunding.

² Ratios are calculated using personal income and population data shown in the schedule of Demographic and Economic statistics.

Revised

N/A Not Available

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

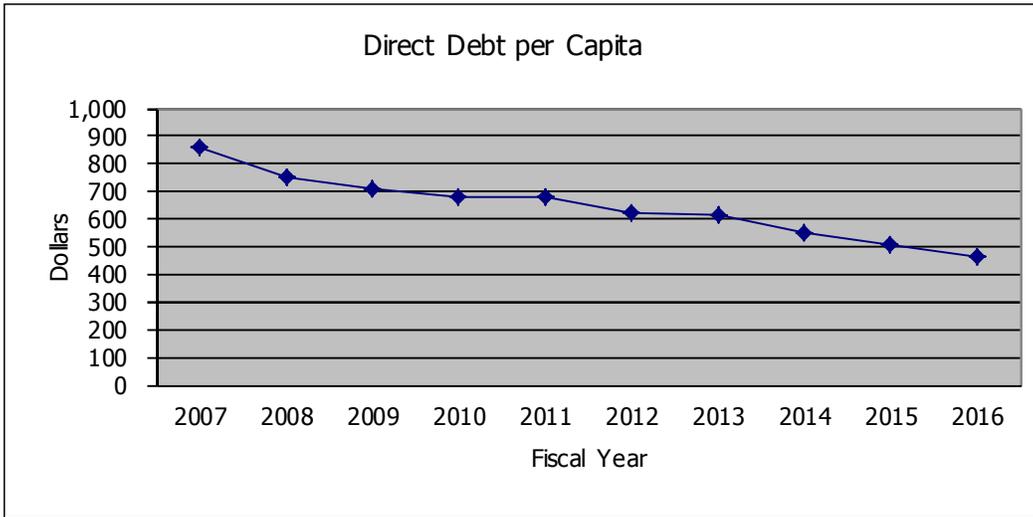
COUNTY OF CONTRA COSTA
DIRECT AND OVERLAPPING BOND DEBT
(In Thousands)
(Unaudited)

	Debt Applicable July 1, 2016 ¹	
	Percentage	Amount
2015-2016 Assessed Value of Taxable Property (includes unitary utility valuation)		\$ 175,606,886
Less: Redevelopment Dissolution Increments		18,458,312
Adjusted Assessed Valuation		\$ 157,148,574
DIRECT GENERAL FUND OBLIGATION DEBT:		
Contra Costa County Pension Obligations	100	\$ 297,460
Lease Revenue Bond	100	111,141
Tax Allocation Bonds	100	89,622
Special Assessment Debt with Governmental Commitment	100	5,392
Other Bonds Payable	100	455
Notes Payable	100	1,013
Capital Lease Obligation	100	15,338
TOTAL DIRECT DEBT		520,421
OVERLAPPING GENERAL FUND OBLIGATIONS DEBT		
City of Richmond General Fund Obligations	100	153,470
City of Richmond Pension Obligations	100	92,314
Contra Costa County Fire Protection District Pension Obligation	100	84,695
Other Cities' General Fund Obligations	100	81,908
City of Brentwood General Fund Obligations	100	17,150
Pittsburg Unified School District Certificates of Participation	100	20,830
City of Pittsburg Pension Obligations	100	36,091
City of San Ramon General Fund and Pension Obligations	100	25,055
City of Concord General Fund Obligations	100	2,220
Antioch Unified School District Certificates of Participation	100	42,316
West Contra Costa Unified School District General Fund Obligation	100	6,250
San Ramon Valley Fire Protection District Certificates of Participation	100	13,826
Other School Districts' General Fund Obligations	100	4,771
Alameda-Contra Costa Transit District Certificates of Participation	10.46	2,226
Other Special District Certificates of Participation	Various	2,798
San Ramon Valley School District General Fund Obligations	100	31,424
Moraga-Orinda Fire Protection District Pension Obligation	100	18,565
Total Overlapping General Fund Obligations Debt		635,909
OVERLAPPING TAX AND ASSESSMENT DEBT:		
West Contra Costa Unified School District	100	1,095,052
1915 Act Assessment Bonds (Estimate)	100	298,598
Community Facilities Districts	100	139,169
San Ramon Valley Unified School District	100	423,149
Contra Costa Community College District	100	432,135
Mt. Diablo Unified School District	100	449,333
Acalanes and Liberty Union High School Districts	100	248,832
Bay Area Rapid Transit District	28.62	150,851
Pittsburg Unified School District	100	222,288
East Bay Regional Park District	43.85	65,751
Other School Districts	100	151,262
Brentwood Union School District	100	39,910
Walnut Creek School District	100	24,326
Cities and City Special Tax Districts	100	43,880
Oakley Union School District	100	17,980
West Contra Costa Healthcare District Parcel Tax Obligation	100	58,040
Lafayette School District	100	11,285
Martinez Unified School District	100	43,795
Pleasant Hill Recreation and Park District	100	26,155
East Bay Municipal Water District and Special District No. 1	5.80	426
Total Overlapping Tax and Assessment Debt		3,942,217
TOTAL OVERLAPPING DEBT		4,578,126
TOTAL DIRECT AND OVERLAPPING DEBT		\$ 5,098,547

(continued)

COUNTY OF CONTRA COSTA
DIRECT AND OVERLAPPING BOND DEBT
(In Thousands)
(Unaudited)

	Ratio to Adjusted Assessed Valuation Value (%)		Per Capita
Population ²			1,123,429
Direct Debt	0.33	\$	463
Total Direct and Overlapping Debt	3.24		4,538



Source: ¹ California Municipal Statistics, Inc.

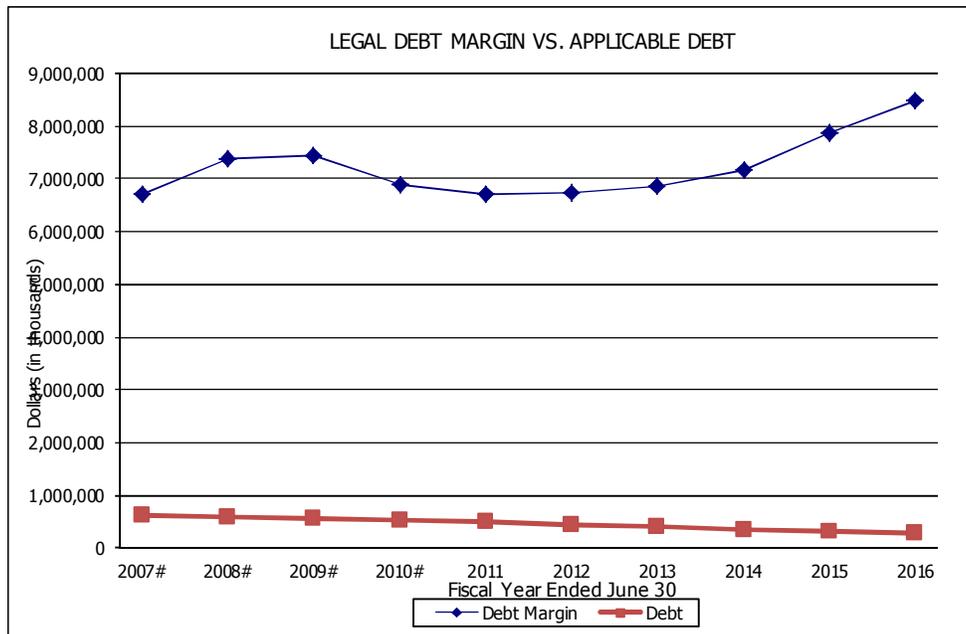
- a. Percentage of overlapping agency's assessed valuation located within boundaries of the county.
- b. Excludes tax and revenue anticipation notes, revenue, mortgage, revenue and tax allocation bonds and non-bonded capital lease obligations.

² Not in thousands

(concluded)

COUNTY OF CONTRA COSTA
LEGAL DEBT MARGIN INFORMATION
 LAST TEN FISCAL YEARS
 (In Thousands)
 (Unaudited)

	2007#	2008#	2009#	2010#	2011	2012	2013	2014	2015	2016
Assessed value of taxable property	\$ 146,407,238	159,330,335	159,818,836	148,644,215	144,144,610	143,622,830	144,808,527	150,129,829	163,511,671	175,606,886
Debt limit - 5% of assessed value ¹	(A) \$ 7,320,362	7,966,517	7,990,942	7,432,211	7,207,231	7,181,142	7,240,426	7,506,491	8,175,584	8,780,344
Amount of debt applicable to debt limit ²										
Total bonded debt	648,815	625,275	596,335	559,060	521,375	454,765	404,500	350,945	327,320	301,030
Less: Assets of debt service funds	25,602	26,191	32,509	22,258	20,427	11,820	12,290	13,958	15,517	8,863
Total net general obligation debt	(B) 623,213	599,084	563,826	536,802	500,948	442,945	392,210	336,987	311,803	292,167
Legal debt margin	(A - B) \$ 6,697,149	7,367,433	7,427,116	6,895,409	6,706,283	6,738,197	6,848,216	7,169,504	7,863,781	8,488,177
Total net general obligation debt applicable to the limit as a percentage of debt limit	8.51%	7.51%	7.06%	7.22%	6.95%	6.17%	5.42%	4.49%	3.81%	3.33%
Total net general obligation debt applicable to the Assessed value of taxable property	0.43%	0.38%	0.35%	0.36%	0.35%	0.31%	0.27%	0.22%	0.19%	0.17%
Population ³	1,035,097	1,048,185	1,061,325	1,073,055	1,056,064	1,066,602	1,076,429	1,089,219	1,111,143	1,123,429
Total net general obligation debt per capita ⁴	\$ 602.08	571.54	531.25	500.26	474.35	415.29	364.36	309.38	280.61	260.07



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

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	
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		1,076,429		69,375,880		63,403	38.0	38.4	283,527	7.3	
2014		1,089,219		70,849,779		63,752	38.8	39.7	296,436	6.0	
2015		1,111,143		N/A		N/A	N/A	N/A	N/A	4.9	#
2016		1,123,429		N/A		N/A	N/A	N/A	N/A	4.9	

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 EMPLOYERS¹
 CURRENT YEAR AND EIGHT YEARS AGO
 (Unaudited)

Employer	2016 ²			2008 ³		
	Estimated Employees	Rank	Percentage of Total County Employment	Estimated Employees	Rank	Percentage of Total County Employment
Chevron Corporation	10,000+	1	1.90 %	4,700	1	0.94 %
AAA Northern California, Nevada & Utah	5,000-9,999	2	1.42			
Bay Alarm Co.	1,000-4,999	T-3	0.47			
Bay Area Rapid Transit	1,000-4,999	T-3	0.47			
Bio-Rad Laboratories, Inc.	1,000-4,999	T-3	0.47	1,700	4	0.34
John Muir Medical Center	1,000-4,999	T-3	0.47	1,900	3	0.38
Kaiser Permanente	1,000-4,999	T-3	0.47	900	9	0.18
La Raza Market	1,000-4,999	T-3	0.47			
St. Mary's College	1,000-4,999	T-3	0.47			
USS-POSCO Industries	1,000-4,999	T-3	0.47	975	8	0.19
John Muir/Mt. Diablo Medical Center				1,500	5	0.30
Doctors Medical Center				1,000	6-7	0.20
Liberty Mutual Insurance Co.				1,000	6-7	0.20
Kaiser Foundation Hospital				2,300	2	0.46
Sutter Delta Medical Center				850	10	0.17
All Others	489,500		92.92	484,375		96.64
Total	527,000 ⁴		100.00 %	501,200		100.00 %

Contra Costa County Employment by Industry ⁵	
2015* Annual Average	
Educational & Health Services	18.26%
Trade, Transportation, & Utilities	17.83%
Professional & Business Services	14.34%
Government	14.11%
Leisure & Hospitality	10.97%
Financial Activities	7.49%
Mining, Logging, & Construction	6.46%
Manufacturing	4.34%
Other Services	3.60%
Information	2.37%
Farm	0.23%

¹ Government Employers Excluded

² State of California Employment Development Department, June 2016

³ Rich's Everyday Sales, Prospecting Directory (2008) - Contra Costa County

⁴ State of California Employment Development Department, June 2016

⁵ State of California Employment Development Department, June 2015

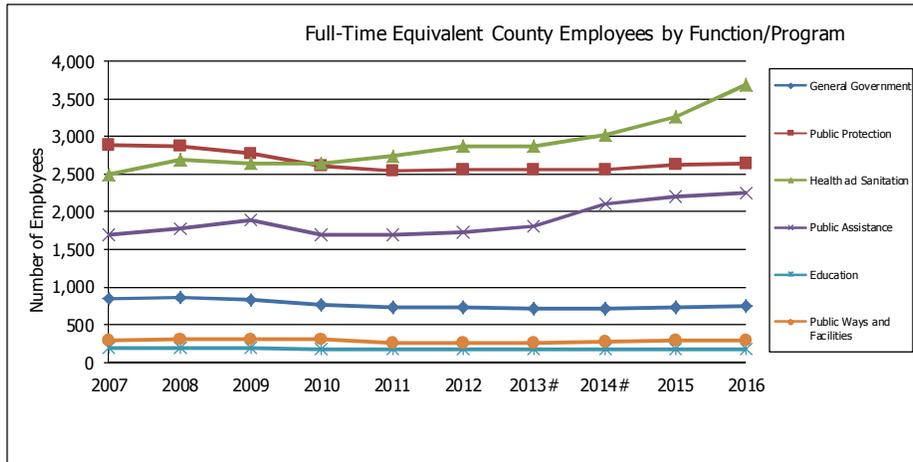
* Information not posted for 2016

Note: Percentage of total county employment and number of estimated employees for all other employers are based on the midpoints in the ranges given.

COUNTY OF CONTRA COSTA
FULL-TIME EQUIVALENT COUNTY EMPLOYEES BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS
 (Unaudited)

Function	2007	2008	2009	2010	2011	2012	2013#	2014#	2015	2016
General Government	852	854	825	770	735	728	707	712	728	739
Public Protection	2,883	2,880	2,773	2,618	2,538	2,565	2,565	2,566	2,624	2,637
Health and Sanitation	2,499	2,689	2,645	2,639	2,735	2,876	2,866	3,014	3,259	3,693
Public Assistance	1,697	1,775	1,884	1,692	1,702	1,722	1,815	2,106	2,203	2,245
Education	187	197	197	174	169	175	175	175	178	180
Public Ways and Facilities	291	302	301	298	263	263	263	279	281	284
Total	8,409	8,697	8,625	8,191	8,142	8,329	8,391	8,852	9,273	9,778

Revised



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)

<u>Function</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Government			
<u>Assessor</u>			
Number of Assessment Roll Units - Secured	353,469	355,637	356,213
Number of Assessment Roll Units - Unsecured	49,909	48,963	48,281
<u>Auditor-Controller</u>			
Tax Rate Areas Administered	1,040	1,057	1,064
<u>County Counsel</u>			
Tort Claims Filed Against County Transferred to County Counsel	255	255	277
Juvenile Law Contests Set for Each Child	3,449	2,596	1,873
Juvenile Law New Dependency Cases Opened			1,486
Standard Forms Services Agreements			1,486
Attorney Overtime Hours			1,486
Formal Written County Counsel Opinions			26
<u>Clerk-Recorder</u>			
New Voter Registration	32,304	63,003	79,155
Updates to Voter Registration	49,838	113,810	77,250
Cancelled Voter Registration	30,063	21,328	24,461
Total Voter Registration	464,042	493,315	524,229
Recorded Documents	447,969	332,167	305,382
<u>Human Resources</u>			
Employment Applications Processed	26,334	24,048	13,557
Examinations Conducted	223	248	229
Personnel Transactions Processed	12,185	31,700	24,903
Appointments	1,329	841	404
Percentage of Applications Received as a result of the Online Application Process	53.30%	80.50%	82.00%
<u>Information Technology</u>			
Enterprise Server Transactions Monthly	3,026,138	2,246,295	2,100,000
Enterprise Server Availability	99.00%	99.98%	99.00%
Viruses Stopped	47,879	3,000	5,000
Spam Emails Stopped	73,000,000	180,000,000	190,000,000

2010	2011	2012	2013	2014	2015	2016
356,247	357,315	357,644	357,854	359,327	360,368	361,802
47,048	46,235	45,592	45,757	45,751	45,178	42,595
1,089	1,095	1,094	1,094	1,100	1,101	1,105
243	263	263	212	207	237	
2,322	1,152	1,411	1,280	1,519	1,318	
		639	616	494	465	
1,709	1,730	1,651	1,701	1,345	1,444	
		2,019	2,354	2,421	2,458	
47	35					
19,235	31,015	23,688	74,870	19,246	28,781	
9,156	19,112	18,181	34,371	33,703	38,422	
13,512	24,538	16,721	57,294	15,315	21,977	
523,981	513,129	520,098	527,136	528,429	523,465	
311,038	333,945	320,827	401,725	273,673	274,339	
19,793	27,467	29,068	39,726	32,076	37,865	28,623
159	215	185	131	137	179	169
26,803	13,412	19,310	23,472	24,313	21,206	29,693
252	869	1,129	1,254	1,514	1,659	1,654
82.76%	90.71%	91.46%	92.19%	92.06%	100.00%	100.00%
2,507,144	2,700,000	4,784,008		2,180,137	2,003,706	1,567,815
99.00%	99.00%	99.00%		98.00%	98.50%	98.00%
133,547	183,547	2,500,000		136,182	84,900	50,856
82,800,000	172,000,000	37,000,000		16,230,600	18,195,400	14,691,516

(continued)

COUNTY OF CONTRA COSTA
OPERATING INDICATORS BY FUNCTION
 LAST TEN FISCAL YEARS
 FOR THE FISCAL YEAR ENDED JUNE 30
 (Unaudited)

<u>Function</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Government (continued)			
<u>Public Works</u>			
Fleet Operations			
Fleet Size	1,464	1,526	1,518
Customer Satisfaction (Repairs)			
Customer Satisfaction (Preventative Maintenance)			
Alternative Fuel Vehicles			
Real Estate Services			
Leases Renewed or Amended	26	12	17
Leased Buildings Managed	209	205	198
County Owned Buildings	257	261	267
Purchasing/Materials Management			
Requisitions to Delivery of Purchase Orders (Avg. No. of Days)			
Purchase Orders Processed	4,433	4,560	5,249
Tonnage of Recycled Material			
Facilities Maintenance			
Work Requests Completed	11,112	14,054	10,834
Emergency Requests Received	6,006	6,149	6,209
Percentage of Green supplies used for Custodial Maintenance			
Capital Projects			
Number of Projects			57
Special Districts			
Street Lights Number of County Repairs (Days)			
Street Lights Number of Average Repair Time (Days)			
Street Lights County Owned			
Street Lights County Outages			
<u>Tax Collector-Treasurer</u>			
Secured Tax Bills	345,429	353,607	355,847
Unsecured Tax Bills	54,139	52,401	51,814
Supplemental Tax Bills	56,995	22,932	25,180
Business Licenses Issued	6,387	6,231	6,256
Public Protection			
<u>Agriculture</u>			
Number of Shipments Inspected/Profiled	88,094	74,797	69,934
Pest Control Inspections	741	651	657
Number of Taxis Inspected	224	198	375
Number of Petroleum Dispensing Devices Inspected	4,819	6,159	6,040

2010	2011	2012	2013	2014	2015	2016
1,468	1,442	1,458	1,501	1,533	1,557	1,609
						90.00%
						86.00%
						258
5	4	5	9	10	16	21
195	153	150	148	136	118	106
270	293	284	282	224	229	197
						7.90
4,069	4,250	5,017	4,666	4,645	4,132	4,359
			862	739	967	701
13,015	16,538	18,051	18,876	21,144	29,826	30,938
377	454	402	720	619	260	116
	87.00%	87.00%	87.00%	87.00%	87.00%	87.00%
42	29	40	51	68	86	72
						30
						53
						1,000
						43
356,359	363,141	364,313		364,949	366,429	
49,737	51,140	49,221		49,726	48,364	
15,878	23,721	19,765		32,185	28,177	
6,006	5,588	5,737		5,352	5,292	
64,835	68,286	50,857	51,548	50,964	44,395	
575	563	583	581	505	580	
355	284	257	448	675	988	
7,130	6,077	7,527	4,621	7,035	6,027	

(continued)

COUNTY OF CONTRA COSTA
OPERATING INDICATORS BY FUNCTION
 LAST TEN FISCAL YEARS
 FOR THE FISCAL YEAR ENDED JUNE 30
 (Unaudited)

<u>Function</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Public Protection (continued)			
<u>Animal Services</u>			
Licenses Sold	41,054	37,753	39,936
Animals Handled	23,987	18,706	24,815
Animals Adopted	5,606	6,746	6,862
Animals Returned to Owner	2,364	2,366	2,303
 <u>Child Support Services</u>			
Number of Cases	37,657	36,416	35,952
 <u>Conservation and Development</u>			
Number of Land Use Applications Received	1,080	917	
Number of Land Use Entitlements Issued	521	486	
Solid Waste Diverted from Landfills	50%	54%	
Number of Affordable Housing Units Provided			
Financial Assistance	767	432	486
Building Inspection			
Plans Reviewed	2,035	1,986	
Permits Issued	13,492	11,415	
Inspections Performed	95,189	78,024	
Code Enforcement Cases Opened*	1,537	1,431	
<i>* reflects shift to early intervention model</i>			
Housing and Community Improvement			
Number of Dwellings Weatherized**			
Number of Households rebated under SEP***			
<i>** 2011 and 2012 Weatherization statistics reflect a one-time ARRA funding</i>			
<i>***SEP = State Energy Plan, only available in FY 2011-2012</i>			
<u>Fire Protection Services</u>			
Contra Costa Fire Protection District			
Emergency Calls	45,188	45,504	44,491
Fire Calls	2,175	1,940	1,770
Medical Calls	30,401	30,244	29,997
Inspections Performed	1,970	2,180	5,433
Active Fire Companies	30	30	30

2010	2011	2012	2013	2014	2015	2016
37,220	37,166	41,000	42,388	48,481	50,567	52,779
23,170	23,830	15,410	14,483	17,220	23,451	17,231
6,328	6,317	6,682	6,885	6,509	6,785	6,833
2,203	2,175	1,906	1,778	1,686	1,470	1,587
34,643	31,940	30,484	30,972	29,653	28,816	27,897
617	480	505	742	978	926	916
254	204	312	148	84	53	747
	189	157	268	156	204	
6,554	7,168	7,211	8,241	8,482	12,395	13,390
8,868	8,500	8,334	9,213	10,347	11,498	12,130
43,656	39,171	37,940	45,161	51,126	55,155	60,981
2,633	1,298	1,083	969	926	719	791
	925	1,551	375	258	307	292
		218				
40,641	41,676	42,175	42,804	45,036	46,989	47,202
1,357	1,362	1,578	1,608	1,897	2,603	2,157
26,788	28,820	29,349	30,110	30,649	32,756	34,186
6,589	13,726	14,242	16,396	14,731	14,819	17,832
30	29	29	24	23	24	24

(continued)

COUNTY OF CONTRA COSTA
OPERATING INDICATORS BY FUNCTION
 LAST TEN FISCAL YEARS
 FOR THE FISCAL YEAR ENDED JUNE 30
 (Unaudited)

<u>Function</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Public Protection (continued)			
<u>District Attorney (Calendar Year)</u>			
Felony Cases Filed	5,081	4,319	3,620
Misdemeanor Cases Filed	11,108	10,895	10,938
<u>Probation</u>			
Court Reports	10,320	9,417	7,986
Average Supervision Caseload (Including Home Sup.)	6,902	7,555	4,906
Juvenile Hall Detention Care Days	51,684	62,179	63,432
Youth Rehabilitation Care Days	35,171	35,437	36,409
Juvenile Community Service Days Worked	3,405	3,275	
<u>Public Administrator</u>			
Cases Opened	156	162	177
Cases Closed	136	141	162
<u>Public Defender (Calendar Year)</u>			
Cases Handled			
Felony	3,458	2,998	2,907
Misdemeanor	8,196	7,666	7,466
Juvenile			
Criminal	2,953	3,787	1,938
Conservatorship	486	470	431
Superior Court/Probation Violation	2,336	2,314	1,895
Other/Expungements	979	1,110	597
Miscellaneous			
<u>Sheriff</u>			
Calls for Service			
Priority 1 - Respond immediately	123,871	115,936	113,595
Priority 2 - Respond as soon as possible	55,804	52,248	51,982
Priority 3 - Respond when available	156,484	163,112	151,825
Citations Issued	20,026	15,455	13,154
Crime Reports Processed	34,024	32,092	29,164
Warrants Served	7,730	7,514	8,806

2010	2011	2012	2013	2014	2015	2016
4,053	3,305	3,688	3,902	4,130	2,978	
9,529	8,999	7,708	10,366	7,985	7,139	
10,000		8,000	7,400	7,200	6,650	6,400
6,395		5,700	5,300	5,600	5,300	5,300
74,610		53,996	47,352	52,925	53,048	53,609
34,820		34,569	30,700	31,025	23,877	24,145
200	253					
209	270					
	2,651	2,803	3,851	4,422	4,042	
	7,596	4,999	4,693	6,856	7,312	
	1,810	1,510	1,145	935	772	
	422	417	628	373	307	
	1,826	3,042	3,761	4,875	4,906	
	662	945	1,459	1,795	597	
					160	
99,801	95,426	88,699	80,810	81,688	92,072	84,147
48,569	47,480	51,394	42,983	33,994	38,391	39,374
136,209	135,192	134,560	123,427	127,248	122,188	151,115
15,250	16,469	15,469	16,186	16,672	14,680	15,093
25,661	21,926	23,543	24,825	25,858	21,963	20,509
11,821	8,947	5,095	5,136	6,621	6,603	6,592

(continued)

COUNTY OF CONTRA COSTA
OPERATING INDICATORS BY FUNCTION
 LAST TEN FISCAL YEARS
 FOR THE FISCAL YEAR ENDED JUNE 30
 (Unaudited)

<u>Function</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Public Protection (continued)			
<u>Sheriff continued</u>			
Custody Services			
Bookings - Detention Facility	24,955	23,556	23,126
Bookings - Custody Alternative	3,333	4,259	4,268
Average Daily Population - All Facilities	1,639	1,552	1,494
<i>**Includes custody alternative bookings</i>			
Health and Sanitation			
<u>Health Services</u>			
Mental Health			
Inpatient Average Daily Census	323	303	287
Outpatient Visits	300,883	317,256	432,667
Conservatorship Clients	9,176	9,119	9,234
Alcohol & Other Drugs			
Residential Days	77,844	72,024	70,616
Outpatient Visits	64,785	64,767	61,409
Detention - Average Monthly Inmates	1,631	1,560	1,547
Public Health			
AIDS/HIV Tests	2,765	2,738	2,431
Immunizations Given	19,926	21,108	21,129
Senior Nutrition Meals Served	452,722	488,119	491,144
Environmental Health			
Hazardous Material Incident Responses	3,248	3,713	3,029
Environmental Health Inspections	38,864	53,787	58,110
California Child Serves Cases	3,054	3,195	3,239
Homeless Clients in Shelters	721	736	791
Public Assistance			
<u>Employment and Human Services</u>			
Average Number of Households Receiving Food Stamps	13,777	15,182	18,785
Welfare Warrants Issued	13,046		
Number of Adult Protective Service Reports	1,724	1,964	1,977
Average Monthly Number of Medi-Cal Beneficiaries	111,780	114,105	122,523
Number of Children Served by Child Welfare	3,680	3,486	2,932
Number of Families Receiving Childrens Services	2,100	2,017	1,770
Average Number of Children in Foster Care	1,717	1,141	1,049
Average Number of Families receiving CalWORKS Assistance	8,956	9,152	9,973
Average Number of Welfare to Work Participants	3,504	3,605	4,410
Average Participants for In-Home Support Services	6,562	7,111	7,574
Number of Children Served (Head Start)	3,120	3,350	3,553
Number of Dwellings Weatherized	434	303	271

2010	2011	2012	2013	2014	2015	2016
23,170	23,621	23,310	23,069	24,644	25,356	26,634
3,836	3,220	2,982	2,936	2,916	2,355	2,835
1,516	1,545	1,502	1,529	1,929**	1,751	1,817
280	290	269	245	303	290	291
433,982	457,937	430,713	432,793	460,618	469,613	441,828
9,700	9,950	10,242	10,466	10,524	10,224	10,646
65,038	72,836	49,492	59,808	62,104	55,540	49,099
49,974	39,836	29,994	35,692	31,470	27,701	27,192
1,513	1,699	1,503	1,524	1,568	1,432	1,407
1,708	1,600	2,105	1,941	1,736	1,522	1,001
66,276	25,144	18,022	16,067	13,332	9,634	9,612
499,474	514,455	540,586	542,283	500,514	541,754	584,942
2,692	3,780	3,182	2,876	2,835	3,555	4,826
57,900	54,281	50,207	54,357	46,540	44,532	34,218
3,940	3,694	3,725	3,841	4,092	4,157	4,210
849	877	1,114	1,165	1,252	1,195	1,208
23,886	28,583	32,791	33,232	34,147	35,450	35,370
1,564	1,713	1,791	1,701	1,640	2,607	3,115
131,818	135,988	141,360	159,748	155,102	224,052	266,064
2,357	2,087	2,232	2,362	2,517	2,512	2,482
1,398	1,246	1,316	1,551	1,873	1,922	1,865
920	801	798	781	858	867	822
10,819	11,322	10,948	10,592	10,243	10,160	8,909
3,542	3,125	2,562	3,109	2,934	2,952	1,954
7,262	7,409	7,065	6,971	7,614	8,081	8,583
3,678	4,667	3,225	3,198	2,717	2,801	2,564
509	1,113	1,014	195	146	160	138

(continued)

COUNTY OF CONTRA COSTA
OPERATING INDICATORS BY FUNCTION
 LAST TEN FISCAL YEARS
 FOR THE FISCAL YEAR ENDED JUNE 30
 (Unaudited)

<u>Function</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Public Assistance (continued)			
<u>Veteran Services</u>			
Claims/Appeals Filed for the Benefit of Veterans	2,039	2,193	2,140
Interviews	5,143	5,500	5,467
Incoming Calls Received			14,798
State of California College Fee Waiver Applications			372
Number of Veterans receiving monthly benefits			941
Number of Veterans, Family Members, Dependents or Survivors receiving retroactive or lump sum benefits			1,069
Education			
<u>Library</u>			
Library Visits	3,426,151	3,742,311	3,878,217
Items Circulated	5,428,511	6,132,207	6,728,411
Annual Hours Open	55,484	56,940	57,148
<u>Cooperative Education</u>			
4-H Club Membership	836	906	
Youth Federal Nutrition Program	3,859	3,214	
Public Ways and Facilities			
<u>Public Works</u>			
Pavement Condition Index Rating	85	83	79
Flood Control Level of Protection	90.00%	90.00%	90.00%
Flood Control Community Rating System			
Roads Level of Service			
Bridge Condition (Congestion Grade Level, General Plan Standard)			
Collisions on County Roads		383	350
Land Development Reviews	79	47	31
Percentage of Improvement Plans reviewed within 6 weeks			
Encroachment Permits			

2010	2011	2012	2013	2014	2015	2016
2,360	2,077	1,890	2,503	2,615	2,522	
6,112	6,283	5,910	6,087	6,300	6,425	
15,546	14,815	13,228	16,350	17,525	17,600	
350	401	384	435	485	419	
1,098	822	597	2,457	2,187	2,135	
822	729	491	2,457	2,303	2,212	
4,049,654	4,098,136	3,959,334	4,068,772	4,063,830	3,768,045	3,591,552
6,944,422	7,489,545	7,483,487	7,222,059	6,890,877	6,548,953	6,071,733
50,953	50,772	54,113	53,895	56,654	56,524	54,977
934	683	667	679			
2,876	1,709	4,993	4,005			
75	72	69	68	71	73	72
90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%
6	6	6	6	6	6	6
			A	A	A	
				8.90%	5.40%	4.30%
308	321	299	327	345		
9	69	49	29	23	36	41
						70.00%
	1,066	1,112	1,014	1,339	1,259	1,299
						(continued)

COUNTY OF CONTRA COSTA
OPERATING INDICATORS BY FUNCTION
 LAST TEN FISCAL YEARS
 FOR THE FISCAL YEAR ENDED JUNE 30
 (Unaudited)

<u>Function</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Enterprise Activities			
<u>Hospital</u>			
Hospital & Clinics			
Inpatient Days	47,026	45,126	44,716
Outpatient Visits	418,236	433,541	452,486
<u>Health Maintenance Plans</u>			
CCHP M-Cal Plan Enrollees	44,744	48,393	53,195
CCHP Commercial Plan Enrollees	21,749	31,218	29,035
CCHP Major Risk Enrollees	85	68	54
<u>Sheriff Training Center</u>			
Law Enforcement Training Academy - LETC			
Number of Students - Academy	102	120	95
Number of Students - In Service	2,905	2,690	2,007
Hours of Instruction - Academy	2,603	2,776	2,200
Hours of Instruction - In Service	2,575	2,228	2,436
<u>Airport (Calendar Year)</u>			
Aircraft Operations (Take off / Landing)			
Buchanan	93,881	92,951	93,881
Byron (Estimated)	50,000	50,000	50,000
Tenant Satisfaction (goal of 90% or better)			
Safety Deviations	157	157	103
Noise Complaints			100.00%

Source: Contra Costa County Departments

2010	2011	2012	2013	2014	2015	2016
44,947	44,722	45,264	44,236	45,077	49,586	48,728
461,567	449,019	455,993	377,152	421,972	453,093	480,367
58,495	66,244	77,338	92,179	124,217	159,685	181,405
28,460	32,350	31,705	26,024	13,310	11,876	11,011
54	51	54	48	10	1	
212	200	182	218	280	263	177
2,031	2,185	3,000	3,834	4,056	3,405	5,391
2,946	3,125	3,383	3,240	3,843	3,445	3,037
2,596	3,096	2,400	2,418	2,997	2,563	2,619
88,124	79,000	75,000	79,098	93,000	109,000	114,000
50,000	50,000	50,000	50,000	50,000	6,000	60,000
98.00%	95.00%	97.00%	96.00%	100.00%	98.00%	95.00%
87	108	74	47	60	81	152
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

(concluded)

COUNTY OF CONTRA COSTA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS
 (Unaudited)

Function	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government										
<u>Clerk-Recorder</u>										
DFM Mark-A-Vote System										
Data General Terminal	1	1	1	1	1					
Card Readers	20	20	20	20	19					
BCWin Terminal	4	4	4	4	4					
<u>Election Systems and Software</u>										
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	5	6	6	6	6	6	6	6	
Public Protection										
<u>Animal Services</u>										
Animal Shelters	2	2	2	2	2	2	2	2	2	2
<u>Fire Protection Services</u>										
Contra Costa Fire Protection District										
Fire Stations	30	30	30	30	30	30	30	30	30	30
Fire Engines/Trucks/Other Apparatus	91	90	97	80	80	81	82	82	83	98
<u>Probation</u>										
Juvenile Hall - Certified Beds	290	290	290	290		290	290	290	290	290
Orin Allen Youth Rehabilitation Facility - Certified Beds	100	100	100	100		100	100	100	100	100
<u>Sheriff</u>										
Square Miles Patrolled	521	521	521	521	521	521	521	521	521	521
Patrol Vehicles						145	145	150	150	193
Waterways Patrolled						250	250	250	250	250
Patrol Vessels						8	9	9	11	11
Detention Facilities	3	3	3	3	3	3	3	3	3	3
Education										
<u>Library</u>										
Community Libraries	25	25	25	25	25	26	26	26	26	26
Public Ways and Facilities										
<u>Public Works</u>										
Miles of Road Maintained	664	664	664	670	670	660	670	672	666	666
Miles of Creek/Channels Maintained	75	75	75	75	75	75	79	79	79	79
Enterprise Activities										
<u>Hospital</u>										
Hospital	1	1	1	1	1	1	4	4	2	4
<u>Sheriff Training Center</u>										
Law Enforcement Training Academy - LETC	1	1	1	1	1	1	1	1	1	1
<u>Airport</u>										
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 3, 2015 Special General Election	June 7, 2016 Statewide Primary Election
REGISTERED VOTERS	12,206	558,523
NUMBER VOTING	2,693	278,127
PERCENT VOTING	22.06%	49.80%

Source: County Clerk-Recorder Department, Elections Division

The following includes excerpts from "**County Veterans Buildings-A History**" by Robert Driscoll, Mt. Diablo Silverado Council Troop 277

".....Most of the county's veteran halls were built just after World War I. World War I was called the "War to End All Wars" and at the end of that war, veterans came home including those from Contra Costa County. The country wanted to honor those who had served in the military and they did that by building memorials and memorial buildings.

The Martinez Veterans Memorial Building is located at 930 Ward Street, Martinez. The Veterans Building was built in 1925 and dedicated to Sidney Severns.

The Antioch Veterans Memorial Building is located at 406 6th Street, Antioch. The building was built in 1919.

Brentwood Veterans Hall is located at 757 1st Street, Brentwood. The Brentwood Veterans Memorial Building was built in 1920 and has served Brentwood and the surrounding communities for over 95 years.

The Concord Veterans Memorial Building is located at 2290 Willow Pass Road, Concord. Constructed in 1929 (or 1920), The Veterans Memorial Building served briefly as city hall.

The Veterans Memorial Building of San Ramon Valley is located at 400 Hartz Avenue, Danville. Since 1925, the Danville Veterans Memorial Building has provided an activity center for the San Ramon Veteran Community.

The El Cerrito Veterans Memorial Hall is located at 6401 Stockton Avenue, El Cerrito. The El Cerrito Veterans Memorial Building was built in 1920.

Lafayette Veterans Memorial Center is located at 3780 Mt. Diablo Blvd, Lafayette. The governing body of the Veterans Memorial Building in Lafayette is the Lafayette War Veterans, Inc., a non-profit veterans' organization incorporated in 1958.

The Pittsburg Veterans Memorial Building is located at 186 E Leland Road, Pittsburg. The Pittsburg Veterans Memorial Building was constructed in 1980.

The Richmond Veterans Memorial Hall is located at 968 23rd Street, Richmond....."

On behalf of the staff of the Office of the Auditor-Controller, thank you to all those who have served and protected our country and citizens.

