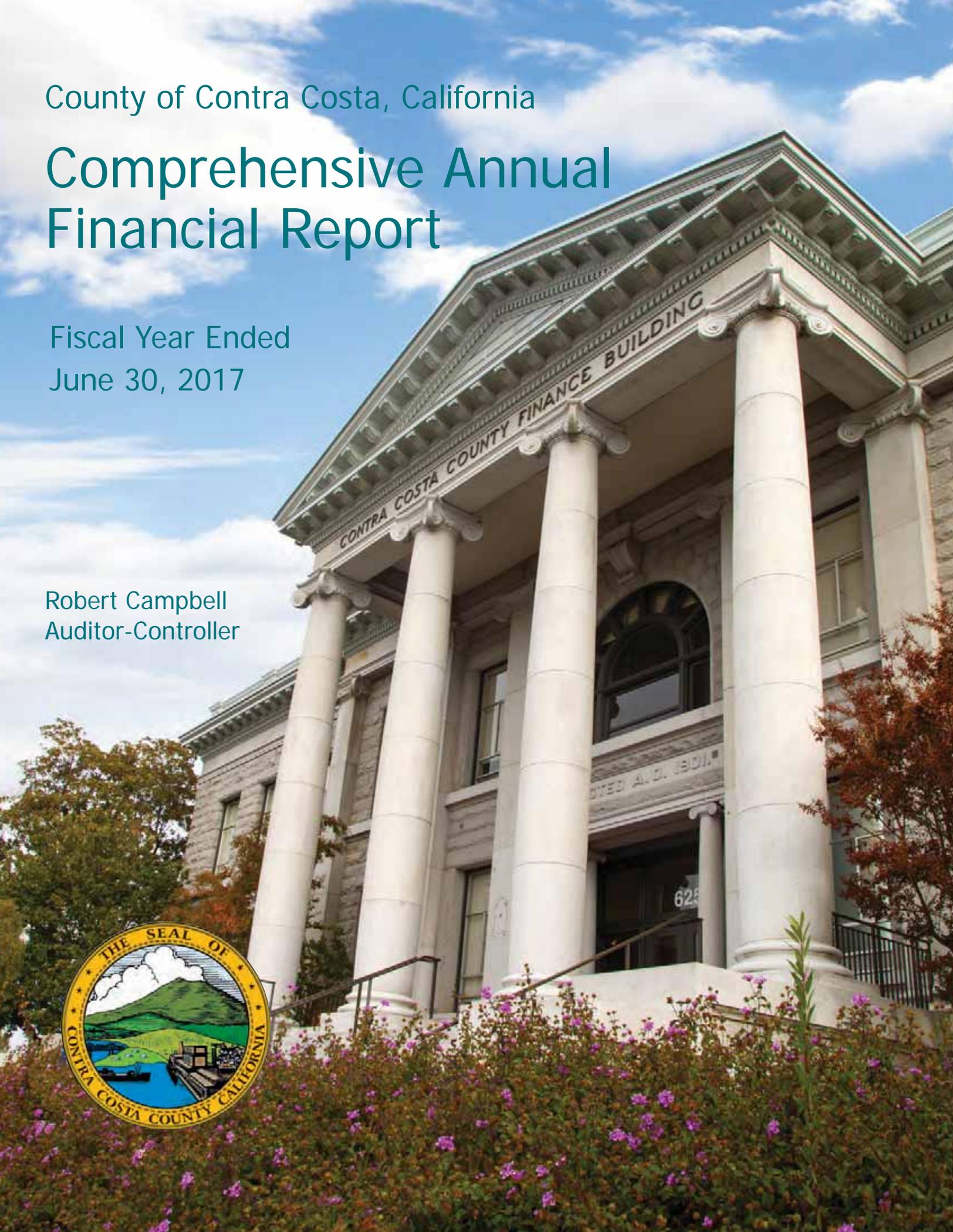


County of Contra Costa, California

# Comprehensive Annual Financial Report

Fiscal Year Ended  
June 30, 2017

Robert Campbell  
Auditor-Controller



**County of Contra Costa, California**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**Fiscal Year Ended June 30, 2017**

**Robert R. Campbell, Auditor-Controller**

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COUNTY OF CONTRA COSTA  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**TABLE OF CONTENTS**  
 June 30, 2017

Page

**Introductory Section (Unaudited)**

Letter to the Board of Supervisors and Citizens of Contra Costa County .....	i
Public Officials.....	xvii
Organizational Chart .....	xviii
Certificate of Achievement .....	xix

**Financial Section**

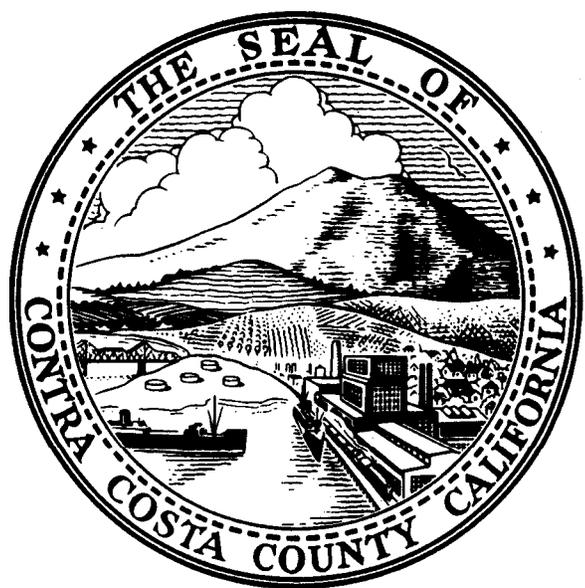
Independent Auditors’ Report.....	1
Management’s Discussion and Analysis (Required Supplementary Information).....	5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position .....	21
Statement of Activities.....	22
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet.....	24
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position .....	25
Statement of Revenues, Expenditures, and Changes in Fund Balances .....	26
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities.....	27
Proprietary Funds:	
Statement of Net Position.....	28
Statement of Revenues, Expenses, and Changes in Net Position .....	29
Statement of Cash Flows.....	30
Fiduciary Funds:	
Statement of Fiduciary Net Position .....	31
Statement of Changes in Fiduciary Net Position .....	32
Notes to the Basic Financial Statements:	
Summary of Significant Accounting Policies .....	33
Fund Equity .....	45
Stewardship, Compliance and Accountability .....	46
Cash and Investments .....	47
Receivables .....	57
Interfund Transactions.....	59
Capital Assets .....	63
Payables .....	65
Leases .....	66
Long-Term Obligations.....	68
Conduit Debt .....	74
Net Position/Fund Balances .....	74
Permanent Fund .....	79
Employees’ Retirement Plan .....	79

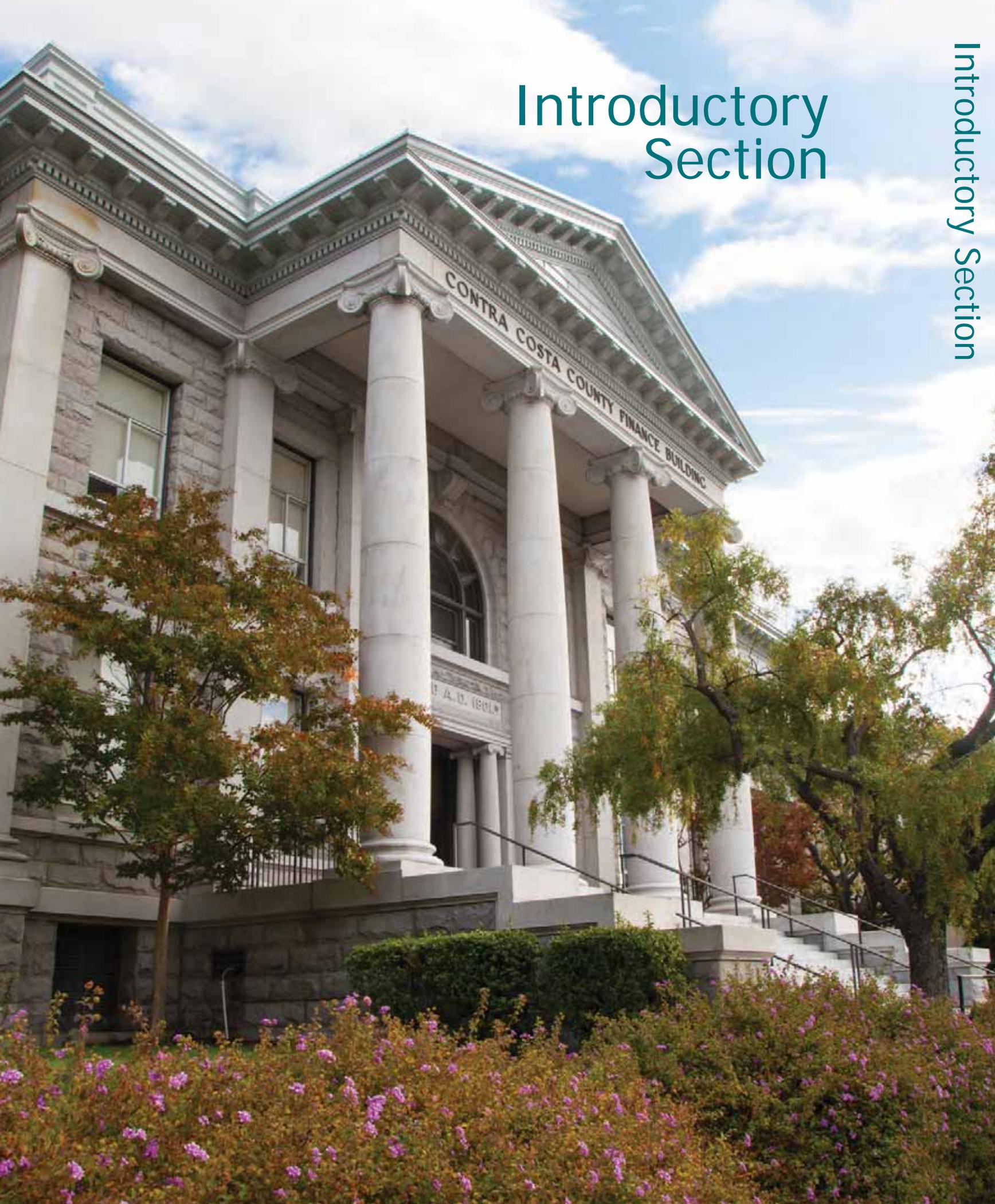
Other Postemployment Benefit (OPEB) .....	86
Patient Service Revenue and Receivables.....	97
Risk Management.....	98
Commitments and Contingencies .....	100
Subsequent Event .....	102
Required Supplementary Information (other than MD&A):	
Schedule of Changes in the Net OPEB Liability and Related Ratios .....	104
Schedule of OPEB Contributions.....	104
Annual Money-Weighted Rate of Return on OPEB Assets .....	105
Notes to Required Supplementary Information .....	105
Schedule of Funding Progress – Other Postemployment Benefits .....	106
Schedule of Proportionate Share of the Net Pension Liability .....	107
Schedule of Pension Contributions.....	108
Budgetary Comparison Schedules:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund.....	109
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - CCC Fire Protection District Special Revenue Fund.....	112
Note to Budgetary Comparison Schedules .....	113
Combining and Individual Fund Statements and Budgetary Schedules:	
Nonmajor Governmental Funds:	
Combining Balance Sheet.....	116
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances .....	117
Nonmajor Special Revenue Funds:	
Combining Balance Sheet.....	122
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances .....	124
Budgetary Comparison Schedules:	
Road Special Revenue Fund.....	126
Library Special Revenue Fund .....	127
Low & Moderate Income Housing Assets Special Revenue Fund.....	128
Other Fire Protection Special Revenue Fund .....	129
Health and Sanitation Special Revenue Fund .....	130
Land Development Special Revenue Fund .....	131
Service Areas Special Revenue Fund.....	132
Flood Control Special Revenue Fund.....	133
Law Enforcement Special Revenue Fund .....	134
Courts and Criminal Justice Special Revenue Fund .....	135
Recorder/Clerk Modernization Special Revenue Fund.....	136
Child Development Special Revenue Fund .....	137
In-Home Supportive Services Public Authority Special Revenue Fund.....	138
County Local Revenue Fund 2011 Special Revenue Fund .....	139
Other Special Revenue Fund.....	140
Nonmajor Debt Service Funds:	
Combining Balance Sheet.....	142
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances .....	144
Budgetary Comparison Schedules:	
Family Law Center Debt Service Fund .....	146
Retirement Litigation Settlement Debt Service Fund .....	147
CCC Fire Protection District Pension Bond Debt Service Fund.....	148
County Pension Bond Debt Service Fund .....	149

Nonmajor Capital Projects Fund .....	151
Nonmajor Permanent Fund .....	153
Nonmajor Enterprise Funds:	
Combining Statement of Net Position.....	156
Combining Statement of Revenues, Expenses and Changes in Fund Net Position.....	157
Combining Statement of Cash Flows.....	158
Internal Service Funds:	
Combining Statement of Net Position.....	160
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position.....	162
Combining Statement of Cash Flows.....	164
Fiduciary Funds:	
Private Purpose Trust Funds:	
Combining Statement of Fiduciary Net Position .....	168
Combining Statement of Changes in Fiduciary Net Position.....	169
Agency Funds:	
Statement of Changes in Fiduciary Assets and Liabilities .....	170

**Statistical Section (Unaudited)**

Financial Trends:	
Net Position by Component .....	176
Changes in Net Position .....	177
Fund Balances of Governmental Funds .....	179
Changes in Fund Balances of Governmental Funds.....	180
Revenue Capacity:	
Program Revenues by Function/Program .....	182
Government Funds – Tax Revenues by Source .....	183
Assessed Value of Taxable Property .....	184
Property Tax Rates, Direct and Overlapping Governments .....	185
Principal Property Taxpayers .....	186
Property Tax Levies and Collections.....	187
Debt Capacity:	
Outstanding Debt by Type .....	188
Direct and Overlapping Bond Debt .....	190
Legal Debt Margin Information .....	192
Economic & Demographic Information:	
Demographic and Economic Statistics.....	193
Principal Employers .....	194
Full-Time Equivalent County Employees by Function/Program .....	195
Operating Information:	
Operating Indicators by Function .....	196
Capital Asset Statistics by Function/Program .....	210
Miscellaneous Statistics.....	211





# Introductory Section

Introductory  
Section

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Assistant Auditor-Controller

**Harjit S. Nahal**  
Assistant Auditor-Controller

December 11, 2017

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 2016-2017 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 2016-2017 audit.

The independent auditor concluded that the county's financial statements for the fiscal year ended June 30, 2017, 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 the county 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 auditor's 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 of the county.

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, refer to 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 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 prior to the start of the fiscal year. The budget is prepared by fund, function (e.g. public protection), department (e.g. Sheriff Custody Services), and object level (e.g. salary and benefits). Department heads, with the approval of the County Administrator, may make transfers of appropriations within the department; however, transfers between departments require the approval of the Board. For further information on the budget, refer to 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, 2017, the county's population was estimated at 1,139,513. This represents an increase of approximately 5.9% compared to the county's population as of January 1, 2013.

Between July 2016 and June 2017, the county's unemployment rate decreased from 4.9% to 4.1%, which was significantly below the statewide averages of 5.7% and 4.9%, 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		
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	1,126,824	2015	November	N/A
2017	1,139,513	2016	November	565,000

Retail Sales (Thousands)		Retail Sales Per Capita	
2013	\$ 14,471,988	2013	\$ 13,444
2014	15,030,047	2014	13,799
2015	15,670,053	2015	14,103
2016	N/A	2016	N/A
2017	N/A	2017	N/A

# Revised

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

N/A = Not available

The county's goal for fiscal year 2016-2017 was to adopt a General Fund budget that balanced annual expenses and revenues, preserved the fund balance, addressed revenue challenges and pension impacts, and continued the long-term strategy of rebalancing the structure of the budget. The county met those goals in fiscal year 2016-2017 and continues to be optimistic for the long term given the Board and employees' commitment to continued fiscal stability.

At the end of fiscal year 2016-2017, 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 2016-2017 adopted budget, assumed the following:

- growth of 5% 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 2016-2017 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 2016-2017 marked the tenth 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 2016-2017 budget did 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. Eight 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 179 of the Statistical Section. Restricted fund balance for the General Fund decreased by \$1.6 million, committed fund balance was unchanged, non-spendable fund balance decreased by \$2.3 million, assigned fund balance increased by \$7.2 million, and unassigned fund balance increased by \$66.9 million. The total fund balance grew by \$70.2 million in fiscal year 2016-2017, which increased the total fund balance as a percentage of total revenue from 26.3% to 29.9% (a 3.6% 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 2015-2016 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 reserve 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 25% is above the Moody's median benchmark for Large "Aa" Rated counties nationwide (with populations over 1 million) at 17% and above the median of cohort of California counties, both at 23%.
2. Total General Fund Balance as a percentage of Total General Fund Revenue: The county's performance at 26% is above the Moody's median benchmark for Large "Aa" Rated counties nationwide at 19% and equal to the median cohort of California counties at 26%.

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 0.29% is better than both the Moody's median for Large "Aa" counties nationwide, at 0.50%, and the median of cohort California counties at 0.34%.
2. Overall Debt to Assessed Valuation: The county's performance at 2.82% is better than both the Moody's median for Large "Aa" counties nationwide, at 3.50%, and the median of cohort of California counties at 3.15%.
3. Assessed Valuation per Capita: The county's performance at \$161,184 was higher than all benchmarks, including the Moody's median for Large "Aa" counties nationwide at \$106,981, Standard and Poor's "AAA" GO Median for Counties at \$132,136, and the median of cohort California counties at \$137,844.

4. Direct Debt per Capita: The county's performance at \$463 per capita was equal to the median cohort of California counties at \$463.
5. Direct Debt as Percentage of Governmental Funds Revenue: The county's performance at 26% was well under the Standard and Poor's AAA GO median for counties at 87%, and equal to the cohort of California counties at 26%.

S&P rated the county's issuer credit rating (ICR) 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 continued adherence to its financial management policies, the underlying strength of its wealth and assessed valuation demographics, and demonstrated track record in managing difficult economic cycles. S&P also rated the county's existing lease revenue bonds and pension obligation bonds at its "AA+" long-term and underlying rating (SPUR). Moody's currently rates the county's Issuer Rating at a high investment grade of "Aa2" and rates the county's existing lease revenue and pension obligation bonds at "Aa3" and "A1", respectively.

### **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 2016-2017 budget process again included a strategic planning and financing process for facilities renewal, 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 funding decisions using credible information. The following projects were completed in fiscal year 2016-2017:

- Site improvements at Training Center – Contra Costa County Fire Protection District (CCCYPD), 2945 Treat Blvd., Concord. Total project cost was \$206,700.
- Site improvements at Fire Station 15 (CCCYPD), 3338 Mt. Diablo Blvd., Lafayette. Total project cost was \$98,410.
- T-Bar Ceiling for Kitchen/Cafeteria – Contra Costa Regional Medical Center (CCRMC), 2500 Alhambra Ave., Martinez. Total project cost was \$100,000.
- Restroom Renovation on the 2<sup>nd</sup> Floor, 40 Douglas Dr., Martinez. Total project cost was \$193,000.
- Parking Lot Paving Repairs, 1305 MacDonald Ave., Richmond. Total project cost was \$250,000.
- Roof Repair/Replacement at Fire Station 1 (CCCYPD), 1330 Civic Dr., Walnut Creek. Total project cost was \$206,960.
- Library Administration Relocation, 777 Arnold Dr., Martinez. Total project cost was \$1,600,000.
- North Richmond Pump Station Diversion Project, North Richmond. Total project cost was \$1,000,000.
- Site Improvements at Fire Station 69, 4640 Appian Way, El Sobrante. Total project cost was \$93,382.
- Tenant improvements on the 1<sup>st</sup> Floor, 4041 Lone Tree Way, Antioch. Total project cost was \$139,493.
- Remodel the 3<sup>rd</sup> Floor for Labor Relations, 651 Pine St., Martinez. Total project cost was \$113,819.

- Americans with Disabilities Act (ADA) Restroom Conversion and Remodel, 1<sup>st</sup> Floor, 40 Douglas Dr., Martinez. Total project cost was \$128,876.
- Demolition of 1127/1139 Escobar St., Martinez. Total project cost was \$187,288.
- Upgrades to the Kitchen Waste Water System, 1000 Ward St., Martinez. Total project cost was \$832,570.
- Repair Driveway and Parking Lot between Juvenile Hall and Surplus, 202 Glacier Dr., Martinez. Total project cost was \$946,445.
- Security Door Installation and Upgrades, 651 Pine St., Martinez. Total project cost was \$42,678.
- Remodeling for the Assessor's Office, 2530 Arnold Dr., Martinez. Total project cost was \$1,231,689.
- Upgrade Heating, Ventilation, and Air Conditioning (HVAC) System, 40 Douglas Dr., Martinez. Total project cost was \$784,095.
- Tenant improvements on the 1<sup>st</sup> Floor, 2311 Loveridge Rd., Pittsburg (Pittsburg Health Clinic). Total project cost was \$140,418.
- Install Access Control at Los Medanos Community Healthcare District Entrance, 2311 Loveridge Rd., Pittsburg (Pittsburg Health Clinic). Total project cost was \$9,240.
- Relocation of Health Services IT, 2400 Bisso Ln., Concord. Total project cost was \$543,189.
- ADA Restroom improvements on the 3<sup>rd</sup> Floor, 2311 Loveridge Rd., Pittsburg (Pittsburg Health Clinic). Total project cost was \$132,200.
- Family Practice Clinic Expansion, Pittsburg Health Clinic located at 2311 Loveridge Rd., Pittsburg (Pittsburg Health Clinic). Total project cost was \$2,374,659.
- Landscaping, 2300 Hookston Rd., Pleasant Hill. Total project cost was \$408,394.
- Demolition of Buildings F & G at the Marsh Creek Detention Facility, Clayton. Total project cost was \$175,806.
- Replace Kitchen Sewer Waste Pipes (CCRMC), 2500 Alhambra Ave., Martinez. Total project cost was \$213,888.
- Remodeling of the Visitation Center, 555 Giant Highway, Richmond. Total project cost was \$358,620.
- Expand Emergency Department into Diagnostic Imaging (CCRMC), 2500 Alhambra Ave., Martinez. Total project cost was \$2,955,351.
- Roof Top Equipment, Accessibility Upgrades, 2530 Arnold Dr., Martinez. Total project cost was \$1,509,982.

**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 using data from the most recent GASB 45 Actuarial Valuation conducted on January 1, 2016 (except as otherwise noted), 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 OPEB has declined 78.4% (from \$130.6 million to \$28.2 million).
- The 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.
- As of the January 1, 2016, GASB 45 Actuarial Valuation, the county had pre-funded 18.6% of its OPEB obligation, with total OPEB trust assets of \$174.7 million. As of June 30, 2017, total OPEB trust assets were \$234.7 million.

GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions (GASB 75), was established to improve the decision-usefulness of information in employer and governmental nonemployer contributing entity financial reports and enhance its value for assess accountability and interperiod equity by requiring recognition of the entire OPEB liability in the county's financial statements and a more comprehensive measure of OPEB expense. The county implemented GASB 75 in fiscal year 2016-2017; however, a new Actuarial Valuation is not scheduled to be performed until January 1, 2018.

### **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, 2017, held assets in the approximate amount of \$3.7 billion. The Board approved the most recent update to the Investment Policy on June 6, 2017.

**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 2016-2017 confirms compliance with the reserve policy: the total General Fund balance was 29.9% of General Fund revenues and the unassigned portion was 20.4%.

**Budget Policy.** The Budget Policy objectives 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 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 21, 2017.

**Investment Pool Rating.** The Contra Costa County Investment Pool (Pool) was rated by Standard & Poor's (S&P) on September 29, 2017. 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 funded at 91% as of June 30, 2017. The county payments have increased to approximately \$25 million annually to the Workers' Compensation Internal Service Fund and continues to meet the Board's funding objective.

## **Major Initiatives**

### **Agriculture**

The Department performed 406 point-of-sale (price verification) inspections in 2016. The Department issued 126 violation notices and 16 administrative actions that involved \$13,800 in fines.

The University of California Cooperative Extension Horticulture Program Coordinator trained and managed 257 Master Gardener volunteers who contributed 21,596 hours (valued by the Independent Sector at \$539,900) educating local residents on a wide range of topics that promote healthy and sustainable homes and communities, proper plant problem diagnosis, safe pest management techniques, water conservation and drought tolerant landscaping, composting and green waste reduction, and home food production that promotes food security and healthy eating. The Master Gardener Program continues to increase its volunteer base and outreach into West and East County.

Surveys were completed of 49 sites, which were historically infested with Japanese Dodder, an A-rated parasitic weed. No new occurrences of this weed have been found for three consecutive years. The Department considers this pest to be eradicated from Contra Costa County.

The Canine Program continues to be a success. The two teams continue to work regionally in twelve Greater Bay Area counties at FedEx and UPS. The Canine Program continues to work in two U.S. Post Office facilities and will be working at more facilities in the future. The canine teams have successfully intercepted packages that could have severe economic impact to California's agriculture and environment in parcel facilities throughout the state.

### **Animal Services**

The Department finalized its strategic plan in 2016 and implemented it in 2017. The strategic plan focused on: public health and public safety; increasing community spay and neuter services; increasing adoptions; increasing animal welfare services; and increasing human education services.

The Department established and implemented a pet retention program, which significantly decreased pet owner surrenders. The Department also decreased its pet owner surrenders by 36% this reporting period.

A total of 3,292 animals were adopted at the shelter this reporting period, which is an increase of 14% since 2014.

### **Assessor**

The Department migrated the Assessment Appeals Database from Access to SQL Server.

As part of an office re-model, the Department provided workstations that improved ergonomics and job functionality.

The Department cross trained clerical staff to improve daily workflows and customer service. This ensured staff met deadlines during peak workloads in all divisions.

## **Clerk-Recorder/Elections**

The Clerk-Recorder division extended County Clerk service hours until 7:30 pm every Thursday during the months of June through September 2016. The division completed a total of 368 transactions during that timeframe, which is a 120% increase in the number of transactions compared to the summer of 2015.

The Elections division successfully prepared for and conducted the November 2016 Presidential General Election.

The Elections division also introduced seven satellite Early Voting Centers across the county. They are conveniently located regional sites, where voters from anywhere in the county can vote or drop off their ballots.

The "Vote-n-Go" program continues to be very successful. The Civic Engagement team developed and introduced this program in 2015. All City Clerk offices in the county and several county libraries provided secure ballot drop-off locations. Voters dropped off over 53,722 ballots at "Vote-n-Go" sites for November 2016, which is a 629% increase compared to June 2016.

## **Conservation and Development**

The county was the conduit bond issuer for \$211 million in tax-exempt bonds for affordable housing development. The Department also provided \$12.4 million in federal funds for affordable housing development. The tax-exempt bonds and federal funds will support the development or rehabilitation of 635 affordable apartments

The Department participated on the Contra Costa Transit Authority (CCTA) Expenditure Plan Advisory Committee advancing localized employment and consumer goods movement considerations; continued collaboration with UC-Berkeley on an "Industrial Land and Jobs Study" resulting in ABAG's consideration of establishing Priority Production Areas; worked with developers, brokers, international site selectors, and the Governor's Office of Business and Economic Development to promote the Northern Waterfront; and were recognized as a best practice by the Bay Area Council Economic Institute in their Roadmap for Economic Resilience: Bay Area Regional Economic Strategy publication.

## **Contra Costa Fire Protection District**

The District responded to approximately 65,500 incidents in calendar year 2016. This represents a 4.6% increase in call volume compared to calendar year 2015.

The District conducted 17,700 life safety inspections and plan reviews of new and existing buildings and fire/life safety systems for compliance with state and local fire and building codes during calendar year 2016. This represents an 11% increase compared to calendar year 2015.

The dispatching of ambulance units was fully transitioned to the District, which reduced call processing time by an average of 51 seconds.

The District conducted a comprehensive energy usage assessment and entered into an energy services contract and equipment lease-purchase agreement to implement long-term energy conservation measures, including the installation of solar panels at three sites.

## **County Counsel**

In November 2016, voters passed the Control, Regulate, and Tax Adult use of Marijuana Act (AUMA), which is a statewide measure to legalize the recreational use of marijuana. The Office provided legal services to the Department of Conservation and Development related to the implementation of those laws, including drafting two interim urgency ordinances to prohibit the cultivation and delivery of medical marijuana. The Office also participated in a multi-departmental task force established to address the implementation of those state laws.

## **Department of Information Technology**

The Department improved the County's computer Wide Area Network speed and reliability by upgrading the remote office connections to AT&T ASE (switched Ethernet) fiber-optic service.

## **District Attorney**

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 22 in 2016. 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 (EHSD)**

EHSD continues to make substantial progress as a data driven organization and effectively using technology to assist customers in obtaining services and for staff to provide services. The Program Technology Advisory Council (PTAC) focuses on innovation and the effective use of technology. A subcommittee of the PTAC developed a five-year strategic technology plan that provides the structure and guiding principles. A state evaluation team in October 2016 praised the level of technology used by EHSD to assist customers. In addition, EHSD has added resources in its technology divisions and includes technology as an integral part of its budget preparation process.

Aging and Adult Services has increased capacity in Adult Protective Services by adding social workers and filling vacancies. The program has also increased capacity in In-Home Supportive Services by adding a new unit dedicated to providing intake services for the program and enhancing the accountability for the intake process.

## **Health Services**

The Contra Costa Regional Medical Center and Health Centers had a successful triennial survey under "The Joint Commission's Hospital Accreditation Program" and received full accreditation for another three years. The Laboratory also is fully accredited for another two years.

Health Services Environmental Health processed, reviewed, and inspected the construction of 21 drinking water wells, 12 irrigation wells, one geothermal heat exchange, 14 cathodic protection, and 1,709 monitoring wells.

Health Services Environmental Health approved the plans and oversaw the construction of 7 conventional on-site wastewater treatment systems (OWTS), 2 conventional replacement OWTS, 12 alternative OWTS, 4 alternative system replacement OWTS, 24 septic tank replacements, and 47 septic tank abandonments.

Health Services Environmental Health successfully shutdown and cleaned up illegal dumping at 14 transfer stations.

The Transition Team continues to perform a critical role in providing short term intensive case management services to individuals needing extra support and linkage to multiple services. The Transition Team serves clients in nontraditional settings such as shelters, streets, homes of their own, crisis residential programs, board and care homes, hospital, dual diagnosis, and substance abuse programs; meeting clients wherever they are and connecting them to needed community resources-mental health, primary care, and housing. The Transition Team continues to meet the goal of increasing access by being flexible with service provision and remaining committed to providing services for the community, wherever the clients are located.

### **Human Resources**

The Department deployed the Tactical Employment Team (TET) and collaborated with the Employment and Human Services Department in response to layoffs resulting from the closure of the Covered California Call Center. Alternate County positions were offered to all 79 impacted employees.

### **Library**

The Library received an Innovation Grant from the Pacific Library Partnership in the amount of \$25,000 for system enhancements for the *Discover & Go*, Museum Pass Reservation System. The enhancements to the *Discover & Go* platform bring the software up-to-date with current mobile platforms and improve the administrative interface of the software. Contra Costa County Library, in partnership with the San Francisco Public Library, is testing and developing new enhancements to the software. As a result of the project, *Discover & Go* will include more mobile friendly enhancements such as text messaging notification, wireless printing, and geolocation service. A Spanish language interface is also being added to the *Discover & Go* website.

### **Probation**

The rapid implementation of Assembly Bill 109 and creation of the mandatory Community Corrections Partnership defined partnerships and facilitated healthy communication to provide supportive services to adults re-entering the community from prison as well as providing improved services to the probation population now serving time in jail. The County Probation Officer is an active member of the Contra Costa County Police Chief's Association and continues to work on enhancing collaborative opportunities with local law enforcement as well as local community-based organizations. Partnerships are further fostered through collaborative grants and other funding projects.

## **Public Defender**

In fiscal year 2016-2017, the Public Defender's Clean Slate program expanded and coordinated its countywide record clearance work. The Clean Slate program continued to handle a very high volume of cases, and since the passage of Proposition 47 in November 2014, the program has grown considerably. The Public Defender's Office has not only obtained reductions of over 5,000 felony cases since the passage of Proposition 47, but has also conducted extensive community outreach, hosted countywide Clean Slate events and formed partnerships with various government departments and community-based organizations. Because of this aggressive community outreach, the number of requests received for both Clean Slate and Proposition 47 assistance continued to be quite high and services were expanded to meet those needs.

Over the past year, the Public Defender's Office continued to participate in many community events organized by our partners throughout the county, such as Project Homeless Connect, the Veteran's Stand Down, and various job fairs. The Clean Slate staff became embedded on site at the Reentry Success Center in Richmond to offer Clean Slate consultations several days a week, launched a twice-monthly clinic at the Monument Crisis Center in Concord, and renewed a partnership with the newly re-opened Central and East Network of Services funded by the Community Corrections Partnership.

## **Public Works**

Public Works identified several opportunities for transportation grants and were successful in generating approximately \$10.5 million in additional funding. The efforts resulted in receiving almost \$37 for every \$1 of staff time. This exceeded the strategic goal of receiving a minimum of \$4 for every \$1 in staff time to prepare the applications.

Public Works completed approximately 50 county capital building projects in 2016. This included deferred maintenance projects such as roofing, paving, utility line/infrastructure upgrade, landscaping, fire life and safety, Americans with Disability Act upgrade, mechanical upgrade, tenant improvement and demolition projects, and other projects such as the Health Clinic.

The Streetlight Program partnered with Pacific Gas and Electric (PG&E) to convert County owned streetlights to light emitting diode (LED) within County Service Area L-100 to improve reliability, energy efficiency, and lighting quality. 1,099 streetlight conversions were completed in 2015 and 563 were completed in 2016. PG&E also converted all PG&E streetlights in unincorporated Contra Cost County.

## **Treasurer-Tax Collector**

The Treasurer-Tax Collector's Office issued 369,024 secured and 44,528 unsecured tax bills through June 30, 2017. Collections through June 30, 2017, were 99.14% of secured taxes and 96.70% of unsecured taxes, which is 0.03% and 1.80% greater than the same timeframe last year respectively. The Department's efforts toward promoting a cleaner and healthier environment with paperless billing resulted in over 105,000 electronic transactions processed for secured and unsecured property taxes contributing to more than \$423 million in revenues for fiscal year 2016-2017. The collaboration with the California Franchise Tax Board Personal Income Tax Intercept program resulted in \$80,244 of tax revenues that otherwise may have been uncollectible.

The Department completed \$53.5 billion in banking transactions, processed \$7.48 billion in deposits and funded \$7.11 billion in warrants during fiscal 2016-2017. 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.

The State Controller's Office reinstated the Property Tax Postponement program and began accepting applications on October 1, 2016, for fiscal year 2016-2017 property taxes. The Treasurer-Tax Collector's proactive efforts were successful in increasing public awareness of the program for senior citizens and disabled persons. As a result, Contra Costa County experienced the highest proportion of participants to qualify for the program. There were 90 applications submitted to the State Controller's Office in fiscal year 2016-2017 with 69 of those claims approved and paid for a total of \$224,508. With Resolution Number 2017/8 adopted by the County Board of Supervisors, the Treasurer-Tax Collector's Office has the ability to further help this segment of the community by relieving some of their tax burdens that remained as the result of the State suspending the program in 2009.

### **Veterans Service**

The Veterans Service Office conducted 7,852 interviews and 135 field visits, and participated in 26 outreach events which resulted in 2,522 claims being filed. Interviews conducted represent a 37% increase over the prior year's reported data. Adding an additional day in our Brentwood location has increased the East County service level by 20%.

The Veterans Service Office received a perfect score from the California Department of Veterans Affairs audit that allowed preserving subvention funding.

### **Office of the County Administrator**

The County Administrator's Office established the Office of Reentry and Justice (ORJ) as a pilot project of the County Administrator's Office to build on, align, and formalize a cohesive structure for the county's advancement of its public safety realignment, reentry, and justice initiatives. The ORJ oversees the Assembly Bill 109 funded Community Programs (which provide housing, job training, mentoring, and family reunification services for returning citizens and launched the Reentry Success Center and the Reentry Network of Services), the development of a countywide Ceasefire Program, the update of the county's Reentry Strategic Plan, the implementation of the county's Youth Justice Initiative, and the facilitation and data analysis services for the Racial Justice Task Force.

The County Budget has been structurally balanced for six consecutive years. The county received the Government Finance Officers Association of the United States and Canada Distinguished Budget Presentation Award for each of those six years.

### **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, 2016. 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, 2016. This was the thirty-fifth 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 fluid and cursive, with the first name "Robert" and last name "Campbell" clearly distinguishable.

Robert R. Campbell  
Auditor-Controller

## COUNTY OF CONTRA COSTA

### PUBLIC OFFICIALS

June 30, 2017

#### ELECTED OFFICIALS

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Supervisor, District 1	John M. Gioia
Supervisor, District 2	Candace Andersen
Supervisor, District 3	Diane Burgis
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	Vacant
Sheriff-Coroner	David O. Livingston
Treasurer-Tax Collector	Russell V. Watts

#### APPOINTED OFFICIALS

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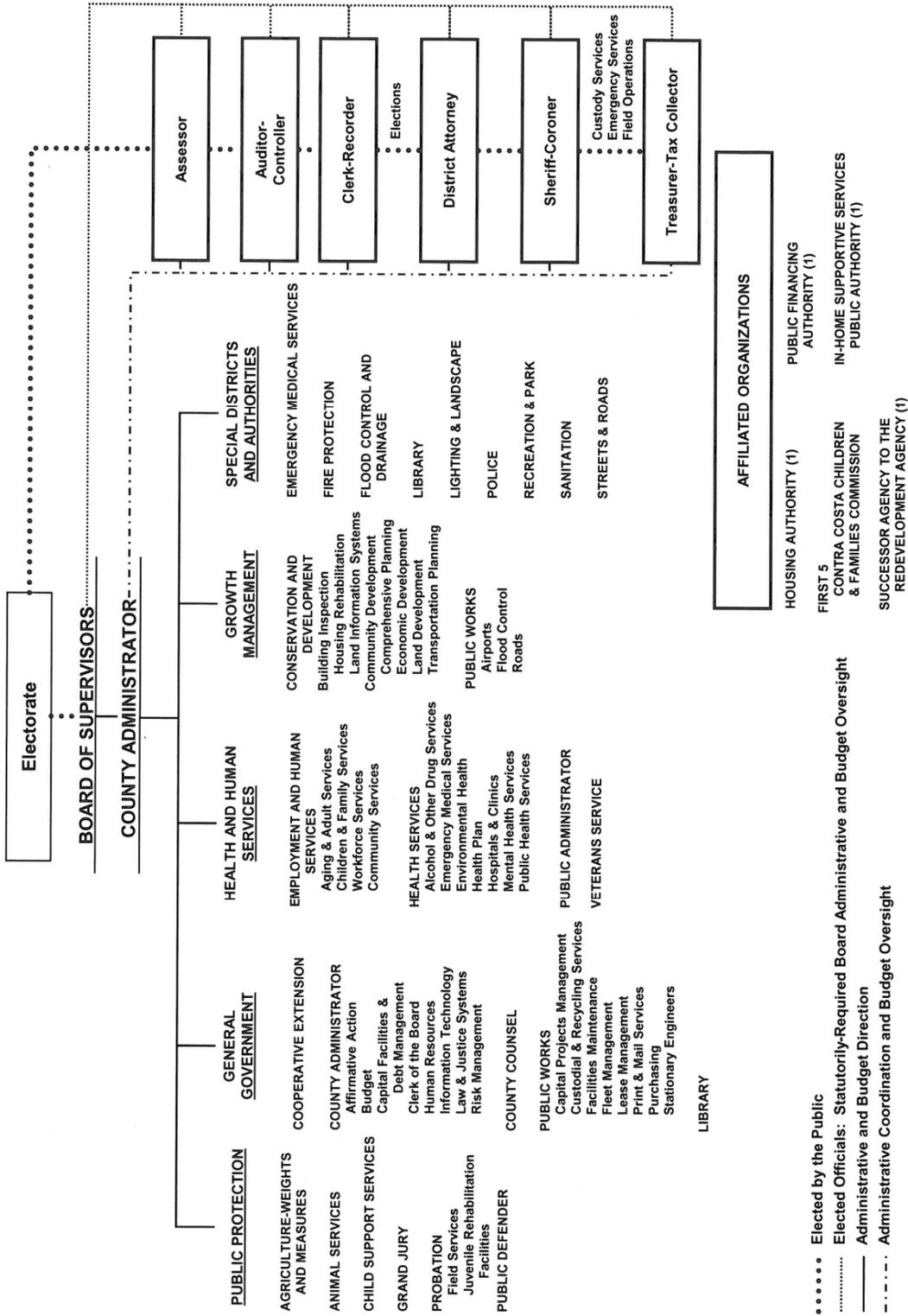
County Administrator	David Twa
County Counsel	Sharon Anderson
County Librarian	Melinda Cervantes
County Probation Officer	Todd Billeci
Director of Animal Services	Beth Ward
Director of Child Support Services	Melinda Self
Director of Conservation and Development	John Kopchik
Director of Cooperative Extension	Shelley Murdock
Director of Employment and Human Services	Kathy Gallagher
Director of Health Services-Public Administrator	William Walker, MD
Director of Human Resources	Dianne Dinsmore
Director of Public Works	Julie Bueren
Agricultural Commissioner-Director of Weights and Measures	Chad A. Godoy
Chief Information Officer	Vacant
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

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

*Organizational Chart of Contra Costa County*



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



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

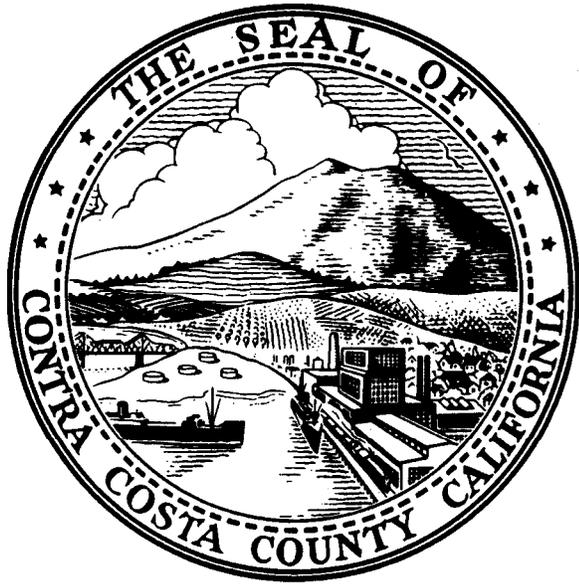
Presented to

**County of Contra Costa  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2016**

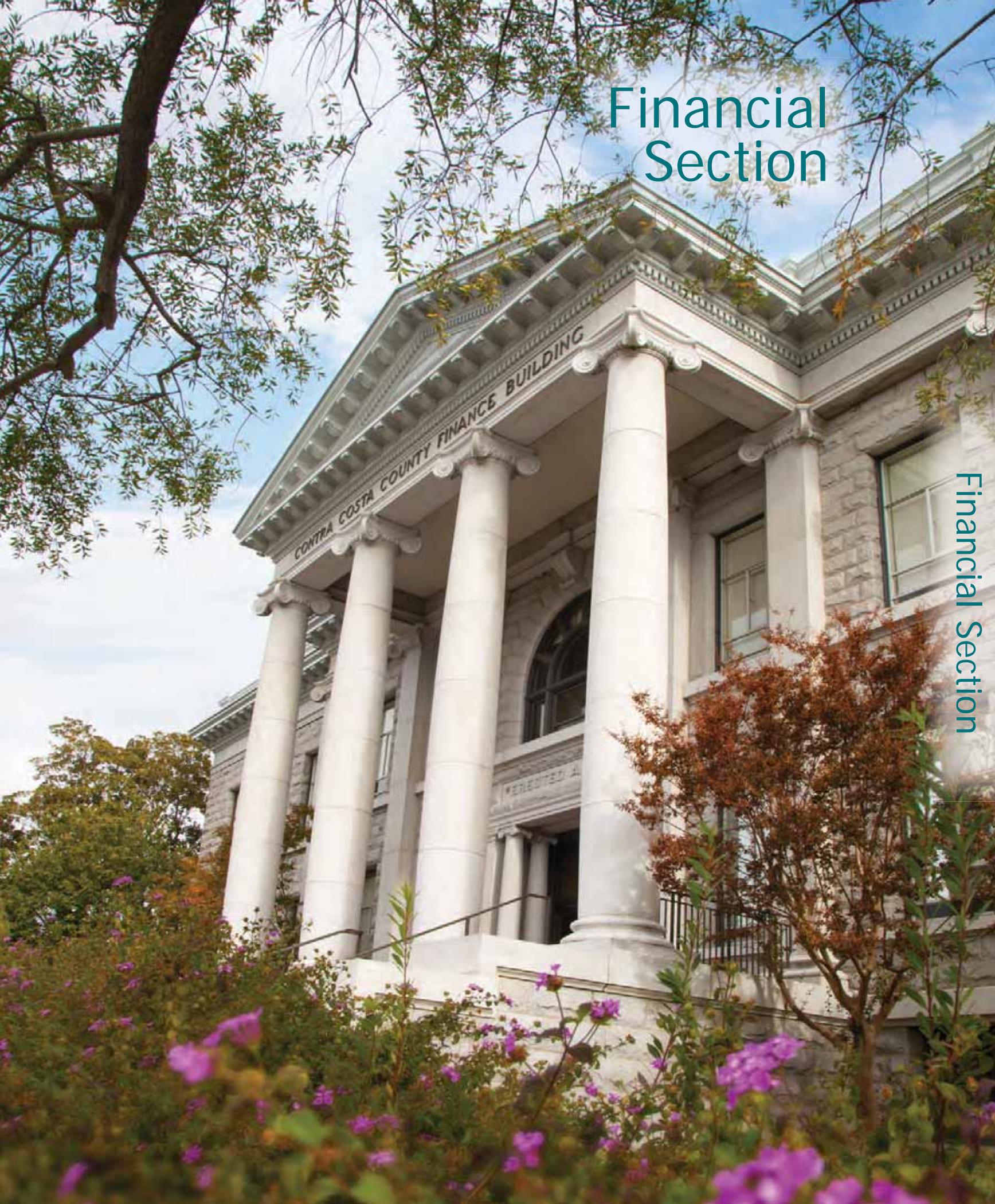
Executive Director/CEO



# Financial Section

CONTRA COSTA COUNTY FINANCE BUILDING

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

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the 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, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Emphasis of Matter***

### *Implementation of New Accounting Pronouncement*

As discussed in Note 1.B to the financial statements, effective as of July 1, 2016, the County adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to these matters.

## ***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 changes in the Net OPEB liability and related ratios, the schedule of OPEB contributions, the annual money-weighted rate of return on OPEB assets, the schedule of funding progress for other postemployment benefits, the schedule of proportionate share of the net pension liability, the schedule of pension contributions, and the budgetary comparison schedules of the General Fund and major special revenue fund, 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, the 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.

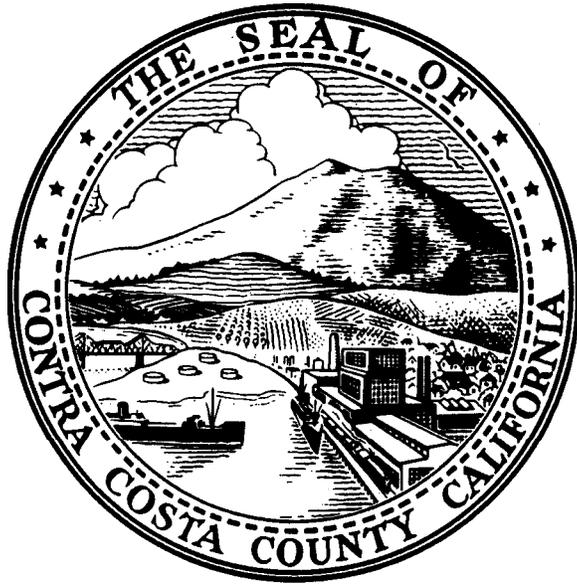
The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2017 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 solely 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 the effectiveness of the 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, slightly slanted style.

Walnut Creek, California  
December 11, 2017



COUNTY OF CONTRA COSTA  
**MANAGEMENT'S DISCUSSION & ANALYSIS**  
**(Required Supplementary Information - Unaudited)**  
June 30, 2017

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, 2017. 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**

- At the close of fiscal year 2016-2017, the county's government-wide assets and deferred outflows of resources exceeded its liabilities and deferred outflows, which resulted in an increase of the county's total net position from the prior year to \$83,836,000. The components of the county's total net position include an increase in net investments in capital assets to \$829,706,000, an increase in restricted net position for specific purposes to \$613,345,000, and an increase to the deficit of the unrestricted net position, which is available to meet the ongoing obligation to its citizens and creditors, of \$1,359,215,000. Continued application of GASB Statement No. 68 and implementation of GASB Statement No. 75 in fiscal year 2016-2017 have contributed to the deficit of the county's unrestricted net position.
- As of June 30, 2017, the county's governmental funds reported in the fund financial statements ending fund balance of \$1,058,401,000, an increase of 25.6% from the prior year. Of this total amount, \$528,625,000 (49.9%), 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 \$424,579,000 at year end or 31.4% of its total expenditures for the year.
- As of June 30, 2017, the county's enterprise funds reported, in the fund financial statements, a deficit ending net position of \$36,919,000, an increase to net position before restatement of 28.0% from the prior year. Additionally, a restatement of beginning net position was recorded with the implementation of GASB Statement No. 75 reducing net position by \$32,405,000.
- Net position of the internal service funds was \$7,248,000, an increase to net position of 275.1% from the prior year's restated net deficit.
- The county's total debt increased by \$37,974,000 (5.7%) during fiscal year 2016-2017.

**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, 2017

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, 2017

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, 2017

**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 changes in the net OPEB liability and related ratios, schedule of OPEB contributions, annual money-weighted rate of return on OPEB assets, 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, 2017 and 2016  
(In Thousands)

	Governmental Activities		Business-type Activities		Total		Increase/ (Decrease)
	2017	2016 <sup>#</sup>	2017	2016	2017	2016 <sup>#</sup>	Percent Change
<b>Assets:</b>							
Current and other assets	\$ 1,483,278	1,237,879	650,042	540,447	2,133,320	1,778,326	20.0 %
Capital assets	869,049	848,077	184,505	181,927	1,053,554	1,030,004	2.3
Total assets	<u>2,352,327</u>	<u>2,085,956</u>	<u>834,547</u>	<u>722,374</u>	<u>3,186,874</u>	<u>2,808,330</u>	13.5 %
<b>Deferred Outflows of Resources:</b>							
Loss on refunding of debt	6,812	6,442	2,675	4,259	9,487	10,701	(11.3) %
Deferred pension outflows	276,084	337,308	102,580	129,075	378,664	466,383	(18.8)
Total deferred outflows of resources	<u>282,896</u>	<u>343,750</u>	<u>105,255</u>	<u>133,334</u>	<u>388,151</u>	<u>477,084</u>	(18.6) %
<b>Liabilities:</b>							
Current and other liabilities	153,035	134,078	265,870	207,276	418,905	341,354	22.7 %
Long-term liabilities	2,282,862	2,126,408	684,911	665,552	2,967,773	2,791,960	6.3
Total liabilities	<u>2,435,897</u>	<u>2,260,486</u>	<u>950,781</u>	<u>872,828</u>	<u>3,386,678</u>	<u>3,133,314</u>	8.1 %
<b>Deferred Inflows of Resources:</b>							
Deferred pension inflows	75,668	93,964	24,183	33,267	99,851	127,231	(21.5) %
Deferred OPEB inflows	3,934		726		4,660		
Total deferred inflows of resources	<u>79,602</u>	<u>93,964</u>	<u>24,909</u>	<u>33,267</u>	<u>104,511</u>	<u>127,231</u>	(17.9)
<b>Net Position (Deficit):</b>							
Net investments in capital assets	751,853	728,388	77,853	60,495	829,706	788,883	5.2 %
Restricted <sup>#</sup>	613,345	467,605			613,345	467,605	31.2
Unrestricted <sup>#</sup>	<u>(1,245,474)</u>	<u>(1,120,737)</u>	<u>(113,741)</u>	<u>(110,882)</u>	<u>(1,359,215)</u>	<u>(1,231,619)</u>	(10.4)
Total net position (deficit)	<u>\$ 119,724</u>	<u>75,256</u>	<u>(35,888)</u>	<u>(50,387)</u>	<u>83,836</u>	<u>24,869</u>	237.1 %

# Revised

COUNTY OF CONTRA COSTA  
**MANAGEMENT'S DISCUSSION & ANALYSIS**  
**(Required Supplementary Information - Unaudited)**  
June 30, 2017

**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 \$83,836,000 at June 30, 2017. The largest portion of the county's total net position, \$829,706,000 (989.7%), 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, \$613,345,000 (731.6%), represents resources that are subject to external restrictions on usage. The major restriction on net position, \$504,058,000, is for legally segregated taxes, grants, and fees.

The remaining portion of the total net position is a deficit of \$1,359,215,000 (1,621.3%) and is unrestricted. The unrestricted net position of governmental activities is a deficit of \$1,245,474,000 and continues to be negative primarily due to the inclusion of the governmental activities share of the net pension liability of \$812,989,000 and the net OPEB liability of \$663,104,000.

The unrestricted net position of business-type activities is a deficit of \$113,741,000 and continues to be negative primarily due to the inclusion of the business-type activities share of the net pension liability of \$294,735,000 and the net OPEB liability of \$30,462,000.

COUNTY OF CONTRA COSTA  
**MANAGEMENT'S DISCUSSION & ANALYSIS**  
**(Required Supplementary Information - Unaudited)**  
June 30, 2017

**COUNTY'S CHANGE IN NET POSITION**  
For the Fiscal Years Ended June 30, 2017 and 2016  
(In Thousands)

	Governmental Activities		Business-type Activities		Total		Increase/ (Decrease) Percent Change
	2017	2016	2017	2016	2017	2016	
<b>Revenues:</b>							
Program revenues:							
Charges for services	\$ 400,131	358,613	1,402,526	1,251,032	1,802,657	1,609,645	12.0 %
Operating grants and contributions	812,454	759,278	20,597	15,803	833,051	775,081	7.5
Capital grants and contributions	17,845	12,535	7,180	4,245	25,025	16,780	49.1
General revenues:							
Taxes	567,632	535,837			567,632	535,837	5.9
Grants/contributions not restricted	16,963	14,653			16,963	14,653	15.8
Investment earnings	38,187	40,423			38,187	40,423	(5.5)
Other	17,504	21,078	969	432	18,473	21,510	(14.1)
Total revenues	<u>1,870,716</u>	<u>1,742,417</u>	<u>1,431,272</u>	<u>1,271,512</u>	<u>3,301,988</u>	<u>3,013,929</u>	<u>9.6</u>
<b>Expenses:</b>							
General government	129,516	156,974			129,516	156,974	(17.5)
Public protection	658,909	590,047			658,909	590,047	11.7
Health and sanitation	246,583	239,340			246,583	239,340	3.0
Public assistance	491,230	467,741			491,230	467,741	5.0
Education	27,308	24,829			27,308	24,829	10.0
Public ways and facilities	35,231	36,298			35,231	36,298	(2.9)
Recreation and culture	1,936	627			1,936	627	208.8
Interest on debt	32,663	32,868			32,663	32,868	(0.6)
County Hospital			543,039	515,115	543,039	515,115	5.4
Airport			4,893	4,349	4,893	4,349	12.5
Sheriff Law Enforcement Training Center			903	1,427	903	1,427	(36.7)
HMO Medi-Cal Plan			787,338	643,517	787,338	643,517	22.3
HMO Commercial			75,459	84,056	75,459	84,056	(10.2)
Major Risk Medical Insurance				1		1	(100.0)
Total expenses	<u>1,623,376</u>	<u>1,548,724</u>	<u>1,411,632</u>	<u>1,248,465</u>	<u>3,035,008</u>	<u>2,797,189</u>	<u>8.5</u>
Change in net position before transfers	247,340	193,693	19,640	23,047	266,980	216,740	23.2
Transfers	<u>(27,264)</u>	<u>(22,767)</u>	<u>27,264</u>	<u>22,767</u>			
<b>Change in net position</b>	<u>220,076</u>	<u>170,926</u>	<u>46,904</u>	<u>45,814</u>	<u>266,980</u>	<u>216,740</u>	<u>23.2</u>
<b>Net Position, Beginning of Year</b>	75,256	(95,670)	(50,387)	(96,201)	24,869	(191,871)	(113.0)
Adjustments to beginning net position	<u>(175,608)</u>		<u>(32,405)</u>		<u>(208,013)</u>		
<b>Net Position (Deficit), Beginning of Year, as Restated</b>	<u>(100,352)</u>	<u>(95,670)</u>	<u>(82,792)</u>	<u>(96,201)</u>	<u>(183,144)</u>	<u>(191,871)</u>	<u>4.5</u>
<b>Net Position (Deficit), End of Year</b>	<u>\$ 119,724</u>	<u>75,256</u>	<u>(35,888)</u>	<u>(50,387)</u>	<u>83,836</u>	<u>24,869</u>	<u>(237.1) %</u>

COUNTY OF CONTRA COSTA  
**MANAGEMENT'S DISCUSSION & ANALYSIS**  
**(Required Supplementary Information - Unaudited)**  
 June 30, 2017

**Analysis of the Changes in Government-wide Net Position**

As a result of current year activity, the county's net position increased by \$266,980,000 during fiscal year 2016-2017. Governmental activities increased the county's net position by \$220,076,000 and business-type activities increased the county's net position by \$46,904,000. The changes are explained below in the governmental activities and business-type activities discussions.

**Governmental Activities**

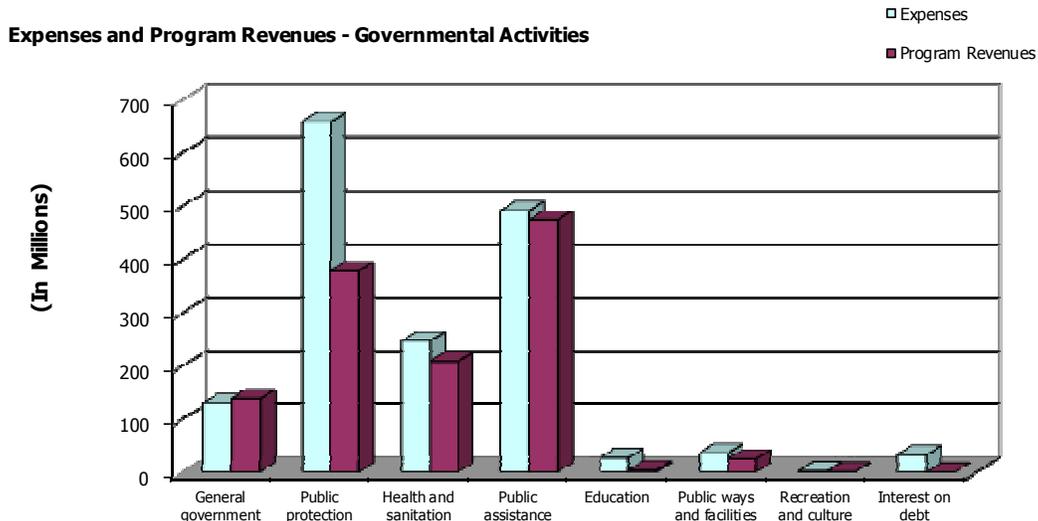
Current year governmental activities increased the county's net position by \$220,076,000, which is more than the \$170,926,000 increase in the prior year. The increase in net position primarily is due to an overall current year increase in revenues, most notably charges for services and grants and contributions. Additionally, an adjustment to beginning net position of \$175,608,000 was necessary due to the implementation of GASB Statement No. 75.

Charges for services increased by \$41,518,000 (11.6%) due mainly to the Contra Costa County Fire Protection District continuing to provide emergency ambulance services to the county and an increase in road, permits, and development fees for services provided.

Capital grants and contributions increased by \$5,310,000 (42.4%) due mainly to an increase in grants received by the Public Works Department for improvements in road services.

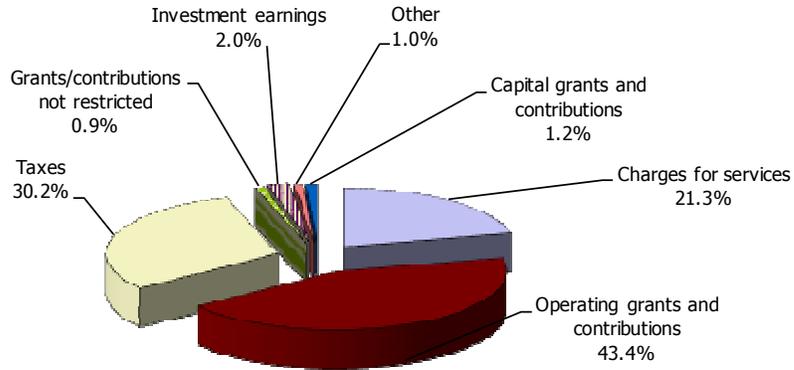
Expenses increased by \$1,309,000 (208.8%) in recreation & culture due to the acquisition of Livorna Park Bocce Court, CSA Hemme Park Dev, and R10 Lefty Gomez worth \$2.3 million.

Expenses increased by \$68,862,000 (11.7%) in public protection due to Pension Obligation Bond allocation, retirement litigation, and pension plan expense.



COUNTY OF CONTRA COSTA  
**MANAGEMENT'S DISCUSSION & ANALYSIS**  
**(Required Supplementary Information - Unaudited)**  
 June 30, 2017

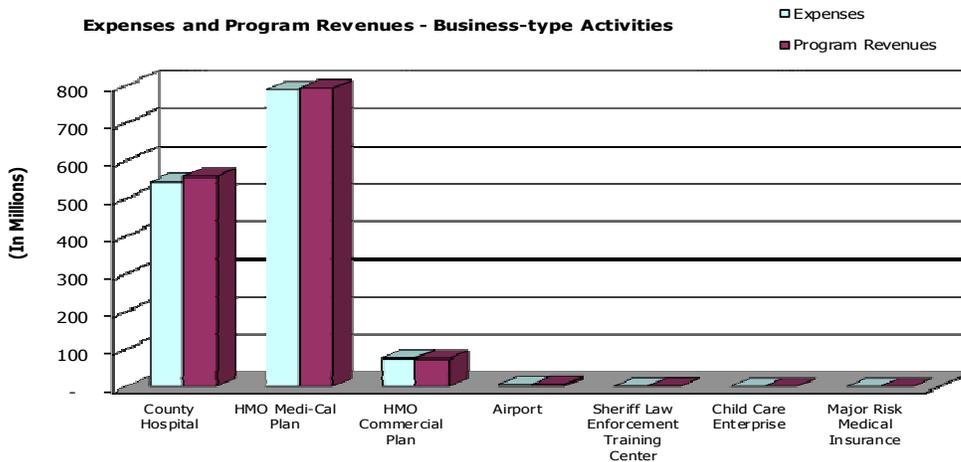
**Revenues by Source - Governmental Activities**



**Business-type Activities**

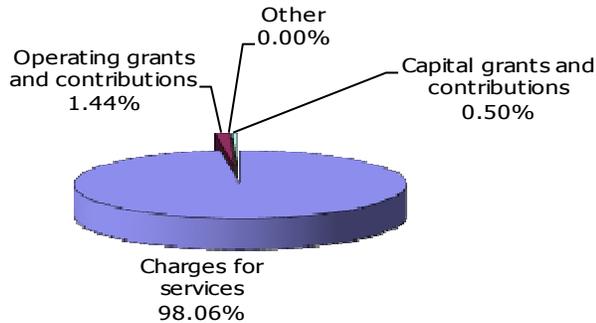
Overall, current year business type activities increased the county's net position by \$46,904,000. Program revenues increased by \$159,223,000 (12.5%). The increase was due to charges for services within the HMO Medi-Cal Plan for increases in Managed Care Organization Tax received through capitation premiums and Hospital Quality Assurance fees. Additionally, an adjustment to beginning net position of \$32,405,000 was necessary due to the implementation of GASB Statement No. 75.

Expenses exceeded program revenue for HMO Commercial Plan due to an increase in permanent and temporary salaries including overtime of \$1,900,000 which is attributed to filling vacant positions, newly created positions, and salary increases per the collective bargaining agreement.



COUNTY OF CONTRA COSTA  
**MANAGEMENT'S DISCUSSION & ANALYSIS**  
**(Required Supplementary Information - Unaudited)**  
June 30, 2017

**Revenues by Source - Business-type Activities**



**FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS**

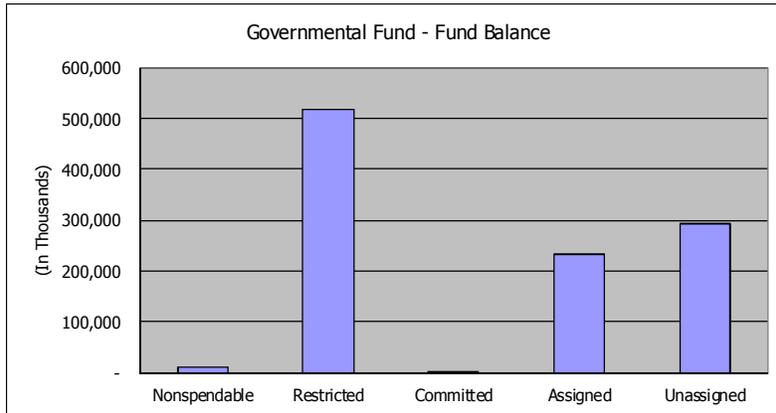
The county uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The following is an analysis of the activities of the county's funds for fiscal year 2016-2017 as reported in the fund-basis financial statements.

**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, 2017, the county's governmental funds reported combined ending fund balances of \$1,058,401,000, an increase of \$215,770,000 in comparison with the prior year. Approximately \$528,625,000 (49.9%) of those fund balances is available to meet the county's current and future needs. The remainder of the fund balances, \$529,776,000 (50.1%), is either nonspendable or restricted for specific spending.

COUNTY OF CONTRA COSTA  
**MANAGEMENT'S DISCUSSION & ANALYSIS**  
**(Required Supplementary Information - Unaudited)**  
 June 30, 2017



**General Fund**

The General Fund is the primary operating fund of the county. At June 30, 2017, the unrestricted fund balance was \$424,579,000, an increase of \$74,097,000 (21.1%) in comparison with the prior year, while total General Fund balance was \$440,313,000, an increase of \$70,155,000 (19.0%) 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 31.4% of total General Fund expenditures, while total fund balance represents 32.6%. For the prior year, those figures were 27.3% and 28.8%, respectively.

General Fund revenues increased by \$62,811,000 (4.5%), while expenditures increased by \$65,806,000 (5.1%) in comparison with the prior year. Revenues exceeded expenditures by \$120,693,000 (8.9%), in comparison with \$123,688,000 in the prior year.

Revenues

Taxes increased by \$21,186,000 (5.8%). This increase mainly was due to an increase in property taxes. There continued to be a rise in the assessed valuations of real property.

Other revenue increased by \$14,195,000 (5.4%). The increase was due to the increase in state aid.

Use of money and property decreased by \$3,025,000 (40.3%). The decrease was due to a decrease in contractual obligations for rental office space and rent on real estate.

Expenditures

General Government expenditures increased by \$14,384,000 (8.6%). The majority of the increase was due to facility maintenance and improvements on various county sites.

Public Assistance expenditures increased by \$19,124,000 (4.6%). The most significant increase was in Community Development-Housing Rehabilitation where monies were utilized to pay for a Sustainability Coordinator and the Community Choice Aggregation program. There was an offsetting decrease of \$5,604,000 in Employment and Human Services (EHSD) Cal Health Benefit Marketplace where the contract with Covered California was reduced by \$4 million and terminated December 31, 2016.

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

June 30, 2017

**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. Fund balance increased by \$21,853,000 (56.1%) during fiscal year 2016-2017.

Revenues increased by \$45,838,000 (34.8%), while expenditures increased by \$28,858,000 (22.0%). The revenue increase was mainly due to an increase in charges for services for the new ambulance service. Billing for the new ambulance service did not begin until February 2016.

Expenditures increased due to implementation of new ambulance services. The county started using American Medical Response (AMR) for ambulance service in January 2016 (halfway through the fiscal year) and incurred expense for January through June of fiscal year 2015-2016. In fiscal year 2016-2017 the county incurred a full year of ambulance service expense (July 2016 - June 2017).

**Nonmajor Funds**

The fund balance for the nonmajor special revenue funds increased by \$40,641,000 (10.2%) during fiscal year 2016-2017. Use of money and property increased by 155.4% and other revenue increased by 50.3%, while fines, forfeitures and penalties decreased by 9.6%. Expenditures increased by \$27,001,000 (6.5%) mainly due to an increase in recreation and culture (169.3%) for acquisition of buildings, while there was a decrease (57.7%) in general government where the payment of court fines and fees to cover shortfalls were no longer needed; and, the extent of work needed on 900 Ward Street and 651 Pine Street in 2015-2016 were not as extensive in 2016-2017.

Debt service funds had an increase in fund balance of \$83,121,000 (269.9%) due mainly to the issuance of 2017 A & B 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, 2017, was a deficit of \$110,156,000 for the County Hospital Enterprise Fund. The net deficit of the County Hospital Enterprise fund decreased by \$38,332,000 (25.8%). Operating income decreased by \$10,529,000 (220.7%) as compared to prior year. Use of money and property increased (206.7%), which is attributed to pooled earnings distributions due in large part to payments received from the State for participation in the PRIME, Whole Person Care, and Global Payment System programs. Charges for services increased by \$19,795,000 (3.9%) due to an increase of 10% for all services rendered.

Salaries and employee benefits increased by \$15,792,000 (4.9%) in the County Hospital Enterprise Fund due to the cost of living increases that the doctors and dentists union, nurses union, and Local 21 members received. Services and supplies increased by \$15,110,000 (8.7%) due to various services rendered for pharmaceuticals, medical liability fees, and building occupancy costs to name a few. Other Charges decreased (17.9%) mainly due to a decreased Health Services bailout repayment amount in the current year.

COUNTY OF CONTRA COSTA  
**MANAGEMENT'S DISCUSSION & ANALYSIS**  
**(Required Supplementary Information - Unaudited)**  
June 30, 2017

Net position at June 30, 2017, was \$45,132,000 for the HMO Medi Cal Plan, and \$28,105,000 for the nonmajor enterprise funds. Net position of the net HMO Medi Cal Plan increased by \$4,370,000. Operating income for the HMO Medi Cal Plan decreased by \$12,035,000 (69.5%). Salaries and Employee Benefits increased by \$3,301,000 (16.7%) due to increase in permanent and temporary salaries to fill vacant positions, payment of overtime, and accommodate salary increases per the collective bargaining agreement. Other charges increased by \$118,561,000 (386.8%) due to the computation of Managed Care Organization (MCO) tax rate that had a change in formula effective July 1, 2016, that went from 3.9375% capitation rate to a flat amount based on enrollment data.

Charges for services increased for HMO Medi-Cal Plan by \$131,535,000 (19.9%) due to an increase in the MCO tax received through capitation premiums. There was also an increase in pass through revenue for the Hospital Quality Assurance Fees (SB 239 and 203).

Net position of the internal service funds was \$7,248,000 at June 30, 2017. Net position for the Workers' Compensation Insurance Fire Protection Internal Service fund increased by \$4,281,000 for the year, decreasing the deficit net position balance in that fund to \$2,972,000. Net position for the Workers' Compensation County General Internal Service fund increased by \$3,916,000 decreasing the deficit net position balance to \$17,815,000. The remaining internal service funds had an overall increase of \$3,190,000.

The County Hospital Enterprise Fund, HMO Medi-Cal Plan Enterprise Fund, Nonmajor Enterprise Funds, and Fleet Internal Service Fund recorded restatements of beginning net position for \$33,198,000 due to the implementation of GASB Statement No. 75.

### **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 decreased by \$1,542,000 (0.1%) in the final budget. Actual revenues were more than final budgeted revenues by \$4,026,000 (0.3%). Total budgeted expenditures increased by \$401,000 (0.02%) in the final budget. Actual expenditures were less than final budgeted expenditures by \$152,846,000 (10.2%). Significant factors impacting those changes were as follows:

#### **Original Budget vs. Final Budget**

##### **Revenue Variances**

- Charges for services budget decreased primarily due to a decrease in Mental Health Services–Medi-Cal revenue.
- Other revenue budget increased due to an increase in Children and Family Services program activity. Additionally, Mental Health Services–Medi-Cal was adjusted based on the most current estimates.

##### **Expenditure Variances**

- The Final Budget for General Government Plant Acquisition included an increase to appropriations for approved General Fund Plant Acquisition capital projects.

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

June 30, 2017

- The Final Budget for Health and Sanitation–Environmental Health decreased to reflect current estimates.
- The Final Budget for Public Assistance–EHSD Children and Family increased due to approval to fill 49 new positions based on a funding increase as well as EHSD's redistribution of funding among their divisions to more accurately reflect the management of their contracts.
- The Final Budget for Public Assistance–Cal Health Benefit Marketplace decreased due to the shortening of the contract termination date by six months. This resulted in staff and expenditure savings.

**Final Budget vs. Actual Amounts**

**Revenue Variances**

- Tax revenue, mainly property taxes, was higher than expected by \$21,103,000.
- Intergovernmental revenue was lower than expected, by \$10,706,000, primarily due to federal revenue for Employment and Human Services Department–Children and Family Services being lower than anticipated, as well as federal aid–community services administration being lower than anticipated.
- Other revenue was lower than expected by \$12,551,000, primarily due to the Sheriff Detention, Mental Health Services, Children and Family Services, and Public Works other revenues 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 capital projects being fully budgeted for at the beginning of a year and then taking longer than one year to complete. Planned expenditures have been re-encumbered in 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 fully in the initial year of the project and taking longer than one year to complete.
- Public Protection–Law and Justice Systems expenditures for services and supplies, mostly related to Case Management System (CMS), were less than anticipated. This has been rebudgeted in the next fiscal year.

COUNTY OF CONTRA COSTA  
**MANAGEMENT'S DISCUSSION & ANALYSIS**  
**(Required Supplementary Information - Unaudited)**  
June 30, 2017

**Capital Assets**

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

<b>COUNTY'S CHANGES IN CAPITAL ASSETS</b>							
(Net of Depreciation)							
(In Thousands)							
	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>		<u>Increase/ (Decrease)</u>
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>Percent Change</u>
Infrastructure	\$ 432,798	413,624			432,798	413,624	4.6 %
Land	68,250	68,306	16,368	16,368	84,618	84,674	(0.1)
Structures and improvements	212,426	219,389	145,385	148,723	357,811	368,112	(2.8)
Equipment	55,355	44,036	14,445	12,776	69,800	56,812	22.9
Intangibles	5,392	7,046	478	1,456	5,870	8,502	(31.0)
Construction in progress	94,828	95,676	7,829	2,604	102,657	98,280	4.5
Total	<u>\$ 869,049</u>	<u>848,077</u>	<u>184,505</u>	<u>181,927</u>	<u>1,053,554</u>	<u>1,030,004</u>	<u>2.3 %</u>

The county's investment in capital assets for its governmental and business-type activities as of June 30, 2017, was \$1,053,554,000 (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 2016-2017 increased by 2.3% (a 2.5% increase for governmental activities and a 1.4% increase 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:

Equipment	\$16,576,000
Building and building construction in progress	29,840,000

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

Construction in progress-Buildings	5,483,000
------------------------------------	-----------

Construction projects during the year included projects such as Orwood Road bridge replacement, Canal Road Sidewalk and Bike Lane, Camino Tassajara Safety Improvement, and the Balfour widening project. At June 30, 2017, the county had outstanding construction commitments of \$26,502,000 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, 2017

**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)

	Governmental activities		Business-type activities		Total		Increase/ (Decrease)
	2017	2016	2017	2016	2017	2016	Percent Change
Retirement litigation settlement	13,578	15,128			13,578	15,128	(10.2)
Capital lease obligations	17,594	15,338		115	17,594	15,453	13.9
Pension obligation bonds	261,370	297,460			261,370	297,460	(12.1)
Notes payable	876	1,013	963	1,080	1,839	2,093	(12.1)
Other bonds payable		455				455	(100.0)
Lease revenue bonds	193,425	102,621	127,720	141,437	321,145	244,058	31.6
Tax allocation bonds	86,100	88,265			86,100	88,265	(2.5)
Special assessment debt	4,635	5,375			4,635	5,375	(13.8)
Total	\$ 577,578	525,655	128,683	142,632	706,261	668,287	5.7 %

At June 30, 2017, the county had total long-term debt outstanding of \$706,261,000. The county's legal debt limit was \$9,297,791,000. During the year, the county's liabilities for long-term debt increased by \$37,974,000 (5.7%). 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 \$99,810,000 for capital improvements and the refunding of the PFA's 2007 Series A, 2007 Series B, and 2009 Series A lease revenue bonds. The county also undertook another significant long-term debt transaction that provided \$100,285,000 for capital projects.

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

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.

COUNTY OF CONTRA COSTA  
**MANAGEMENT'S DISCUSSION & ANALYSIS**  
**(Required Supplementary Information - Unaudited)**  
 June 30, 2017

The outlook on the county's credit ratings continued to be "stable" by both S&P and Moody's during fiscal year 2016-2017. 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; however, the county and the Successor Agency to the former Redevelopment Agency refunded the vast majority of eligible debt, taking advantage of historically low interest rates. The upgrades to the county's long-term issuer credit and underlying lease revenue bond ratings received over the past three years continue to 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 5.78%.
- Continuing to fund OPEB obligation at \$20 million per year.
- Labor agreements were negotiated for the majority of Bargaining Units during fiscal year 2015-16; the majority of labor contracts will expire June 30, 2019.
- Labor contracts impacting the hospital and clinics (California Nurses Association and Physicians' and Dentists' Organization) will be open in fiscal year 2017-2018.
- 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 2017-2018.

**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, 2017  
 (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*
<b>Assets:</b>					
Cash and investments	\$ 1,043,257	452,223	1,495,480	25,457	7,786
Receivables (net)	187,137	172,717	359,854	1,662	2,163
Inventories	2,582	4,191	6,773		
Internal balances	8,886	(8,886)			
Notes receivable	110,016		110,016	214	382
Prepaid items and deposits	9,516	8,735	18,251	133	185
Land held for resale	7,672		7,672		
Prepaid OPEB asset				105	
Other noncurrent assets					136
Restricted assets:					
Restricted cash and investments	114,212	21,062	135,274		2,834
Capital assets:					
Nondepreciable	163,078	24,197	187,275	246	3,304
Depreciable, net	705,971	160,308	866,279	422	31,326
<b>Total assets</b>	<b>2,352,327</b>	<b>834,547</b>	<b>3,186,874</b>	<b>28,239</b>	<b>48,116</b>
<b>Deferred Outflows of Resources:</b>					
Loss on refunding of debt	6,812	2,675	9,487		
Deferred pension outflows	276,084	102,580	378,664	1,254	2,911
<b>Total deferred outflows of resources</b>	<b>282,896</b>	<b>105,255</b>	<b>388,151</b>	<b>1,254</b>	<b>2,911</b>
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	102,436	264,169	366,605	317	1,765
Accrued interest payable	6,467	422	6,889		46
Due to other agencies				42	
Welfare program advances	10,217		10,217		
Unearned revenue	33,915	1,279	35,194	938	299
Noncurrent liabilities:					
Due within one year	106,780	15,578	122,358	22	755
Due in more than one year	2,176,082	669,333	2,845,415	2,618	28,816
<b>Total liabilities</b>	<b>2,435,897</b>	<b>950,781</b>	<b>3,386,678</b>	<b>3,937</b>	<b>31,681</b>
<b>Deferred Inflows of Resources:</b>					
Deferred pension inflows	75,668	24,183	99,851	199	897
Deferred OPEB inflows	3,934	726	4,660		
<b>Total deferred inflows of resources</b>	<b>79,602</b>	<b>24,909</b>	<b>104,511</b>	<b>199</b>	<b>897</b>
<b>Net Position:</b>					
Net investment in capital assets	751,853	77,853	829,706	668	19,506
Restricted for:					
Legally segregated taxes, grants and fees	504,058		504,058		
Tenant deposits					2,045
Debt service	107,452		107,452		
Permanent fund:					
Expendable portion	125		125		
Nonexpendable portion	1,710		1,710		
Total restricted net position	613,345		613,345		2,045
Unrestricted	(1,245,474)	(113,741)	(1,359,215)	24,689	(3,102)
<b>Total net position (deficit)</b>	<b>\$ 119,724</b>	<b>(35,888)</b>	<b>83,836</b>	<b>25,357</b>	<b>18,449</b>

\* Housing Authority of the County of Contra Costa reported as of March 31, 2017.  
 See accompanying notes to the basic financial statements.

COUNTY OF CONTRA COSTA  
**STATEMENT OF ACTIVITIES**  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
 (In Thousands)

Function/Program Activities:	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 129,516	124,993	13,268	
Public protection	658,909	177,423	201,160	
Health and sanitation	246,583	88,314	120,037	
Public assistance	491,230	2,154	472,580	
Education	27,308	659	3,103	
Public ways and facilities	35,231	6,580	1,204	17,845
Recreation and culture	1,936	8	1,102	
Interest on debt	32,663			
<b>Total governmental activities</b>	<b>1,623,376</b>	<b>400,131</b>	<b>812,454</b>	<b>17,845</b>
Business-type activities:				
County Hospital	543,039	531,248	18,809	7,180
HMO Medi-Cal Plan	787,338	792,172		
HMO Commercial Plan	75,459	73,646		
Airport	4,893	4,292	1,569	
Sheriff Law Enforcement Training Center	903	1,123	219	
Major Risk Medical Insurance		45		
<b>Total business-type activities</b>	<b>1,411,632</b>	<b>1,402,526</b>	<b>20,597</b>	<b>7,180</b>
<b>Total primary government</b>	<b>\$ 3,035,008</b>	<b>1,802,657</b>	<b>833,051</b>	<b>25,025</b>
<b>Component units:</b>				
First 5 Contra Costa Children and Families Commission	\$ 12,612		9,974	
Housing Authority of the County of Contra Costa	115,197	6,557	105,487	1,050

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, 2017.  
 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*
8,745		8,745		
(280,326)		(280,326)		
(38,232)		(38,232)		
(16,496)		(16,496)		
(23,546)		(23,546)		
(9,602)		(9,602)		
(826)		(826)		
(32,663)		(32,663)		
<u>(392,946)</u>		<u>(392,946)</u>		
	14,198	14,198		
	4,834	4,834		
	(1,813)	(1,813)		
	968	968		
	439	439		
	45	45		
	<u>18,671</u>	<u>18,671</u>		
<u>(392,946)</u>	<u>18,671</u>	<u>(374,275)</u>		
			(2,638)	
				(2,103)
\$ 536,311		536,311		
16,147		16,147		
15,174		15,174		
16,963		16,963		
38,187		38,187	271	2
17,504	969	18,473	238	1,284
(27,264)	27,264			
<u>613,022</u>	<u>28,233</u>	<u>641,255</u>	<u>509</u>	<u>1,286</u>
<u>220,076</u>	<u>46,904</u>	<u>266,980</u>	<u>(2,129)</u>	<u>(817)</u>
75,256	(50,387)	24,869	27,486	19,266
(175,608)	(32,405)	(208,013)		
<u>(100,352)</u>	<u>(82,792)</u>	<u>(183,144)</u>	<u>27,486</u>	<u>19,266</u>
<u>\$ 119,724</u>	<u>(35,888)</u>	<u>83,836</u>	<u>25,357</u>	<u>18,449</u>

COUNTY OF CONTRA COSTA  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
 JUNE 30, 2017  
 (In Thousands)

	General	CCC Fire Protection District Special Revenue	Nonmajor	Total
<b>Assets:</b>				
Cash and investments	\$ 267,351	71,613	539,497	878,461
Accounts receivable and accrued revenue (net)	144,355	1,586	38,617	184,558
Inventories	1,398	731		2,129
Due from other funds	134,908	2,203	5,238	142,349
Notes receivable	92,559		17,457	110,016
Prepaid items and deposits	6,103	112	2,401	8,616
Land held for resale			7,672	7,672
Restricted cash and investments	2,094		112,118	114,212
<b>Total assets</b>	<b>\$ 648,768</b>	<b>76,245</b>	<b>723,000</b>	<b>1,448,013</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ 67,805	15,179	18,807	101,791
Due to other funds	8,167	164	125,009	133,340
Welfare program advances	10,217			10,217
Unearned revenue	29,707		4,208	33,915
<b>Total liabilities</b>	<b>115,896</b>	<b>15,343</b>	<b>148,024</b>	<b>279,263</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenue	92,559	119	17,671	110,349
<b>Total deferred inflows of resources</b>	<b>92,559</b>	<b>119</b>	<b>17,671</b>	<b>110,349</b>
<b>Fund Balances:</b>				
Nonspendable	7,501	843	4,111	12,455
Restricted	8,233	6,592	502,496	517,321
Committed	1,440		342	1,782
Assigned	123,302	53,348	56,144	232,794
Unassigned	299,837		(5,788)	294,049
<b>Total fund balances</b>	<b>440,313</b>	<b>60,783</b>	<b>557,305</b>	<b>1,058,401</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 648,768</b>	<b>76,245</b>	<b>723,000</b>	<b>1,448,013</b>

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, 2017  
 (In Thousands)

Fund balances - total governmental funds (page 24)	\$	1,058,401
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 \$8,681)		860,368
Accrued revenue, which is not available soon enough to pay for the current period's expenditures, is deferred in the governmental funds.		334
Notes receivable are not available to pay current-period expenditures and, therefore, are deferred in the governmental funds.		110,015
Internal service funds are used by management to charge the costs of self insurance and fleet services to individual funds. The assets, deferred outflows, liabilities, and deferred inflows of these funds, except for the medical liability insurance fund, are included as governmental activities in the statement of net position.		6,217
Interest on long-term debt is recognized as it accrues, regardless of when it is due.		(6,467)
Insurance costs on bond issuance are not recognized as current expenditures and are amortized over the life of the bonds.		826
Loss on refunding of debt is recognized as a deferred outflow of resources		6,812
Deferred pension outflows represent a consumption of net position applicable to a future reporting period. (net of internal service fund balance of \$487)		275,597
Deferred pension inflows represent an acquisition of net position applicable to a future reporting period. (net of internal service fund balance of \$115)		(75,553)
Deferred OPEB inflows represent an acquisition of net position applicable to a future reporting period. (net of internal service fund balance of \$18)		(3,916)
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	\$	(193,425)
Notes payable		(876)
Tax allocation bonds		(86,100)
Special assessment bonds		(4,635)
Pension obligation bonds		(261,370)
Retirement litigation settlement		(13,578)
Net pension liability (net of internal service fund balance of \$1,400)		(811,589)
Capital lease obligations		(17,594)
Compensated absences (net of internal service fund balance of \$76)		(50,553)
Net OPEB liability (net of internal service fund balance of \$745)		(662,359)
Other noncurrent liabilities		(3,203)
Premiums and discounts		(7,628)
		<u>(2,112,910)</u>
Net position (deficit) of governmental activities (page 21)	\$	<u><u>119,724</u></u>

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, 2017  
 (In Thousands)

	General	CCC Fire Protection District Special Revenue	Nonmajor	Total
<b>Revenues:</b>				
Taxes	\$ 385,577	110,283	88,732	584,592
Licenses, permits and franchise fees	12,779		21,653	34,432
Fines, forfeitures and penalties	27,807		5,416	33,223
Use of money and property	4,475	1	31,465	35,941
Intergovernmental	541,797	10,325	278,179	830,301
Charges for services	224,147	55,373	52,957	332,477
Other revenue	275,551	1,480	54,455	331,486
<b>Total revenues</b>	<u>1,472,133</u>	<u>177,462</u>	<u>532,857</u>	<u>2,182,452</u>
<b>Expenditures:</b>				
Current:				
General government	181,643		2,445	184,088
Public protection	410,458	160,139	170,304	740,901
Health and sanitation	287,681		44,604	332,285
Public assistance	435,145		145,869	581,014
Education			28,321	28,321
Public ways and facilities	36,383		56,128	92,511
Recreation and culture			4,107	4,107
Debt service:				
Principal	96		92,890	92,986
Interest	34		31,527	31,561
Debt issuance cost			351	351
<b>Total expenditures</b>	<u>1,351,440</u>	<u>160,139</u>	<u>576,546</u>	<u>2,088,125</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>120,693</u>	<u>17,323</u>	<u>(43,689)</u>	<u>94,327</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	552	3	42,614	43,169
Transfers out	(52,293)		(18,010)	(70,303)
Issuance of debt			142,694	142,694
Capital lease financing	1,203	4,527	153	5,883
<b>Total other financing sources (uses)</b>	<u>(50,538)</u>	<u>4,530</u>	<u>167,451</u>	<u>121,443</u>
<b>Net change in fund balances</b>	70,155	21,853	123,762	215,770
<b>Fund Balances at Beginning of Year</b>	<u>370,158</u>	<u>38,930</u>	<u>433,543</u>	<u>842,631</u>
<b>Fund Balances at End of Year</b>	<u>\$ 440,313</u>	<u>60,783</u>	<u>557,305</u>	<u>1,058,401</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, 2017  
(In Thousands)

Net change in fund balances - total governmental funds (page 26)		\$ 215,770
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.		4,951
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	\$ 61,751	
Less loss on disposal/retirement of capital assets	(1,137)	
Less current year depreciation	<u>(40,050)</u>	20,564
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	(142,694)	
Principal payments	93,027	
Capital lease payments	3,627	
Issuance of capital lease	(5,883)	
Issuance of noncurrent liabilities	(1,237)	
Expenditures made on other noncurrent liabilities	<u>1,767</u>	(51,393)
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	(3,268)	
Bond insurance cost	72	
Deferred loss on refunding	1,669	
Change in net pension liability	56,951	
Deferred pension outflows activity	(61,014)	
Deferred pension inflows activity	18,232	
Amortization of insurance cost of bond issuance	(165)	
Cost of insurance on refunded bonds	(201)	
Amortization of premiums - lease revenue bonds	2,201	
Amortization of premiums and discounts - tax allocation bonds	64	
Amortization of premiums - special assessments	1	
Change in accrued interest payable	(887)	
Change in net OPEB liability	10,480	
Deferred OPEB inflows activity	(3,916)	
Amortization of deferred loss on refunding	<u>(1,299)</u>	18,920
Internal service funds are used by management to charge the costs of self insurance and fleet services to individual funds. The net revenue of certain activities of the internal service funds is reported with governmental activities, except for the medical liability insurance fund.		<u>11,264</u>
Change in net position of governmental activities (page 23)		<u>\$ 220,076</u>

See accompanying notes to the basic financial statements.

COUNTY OF CONTRA COSTA  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
JUNE 30, 2017  
(In Thousands)

	Enterprise Funds				
	County	HMO	Nonmajor	Total	Internal
	Hospital	Medi-Cal Plan			
<b>Assets and Deferred Outflows of Resources:</b>					
<b>Assets:</b>					
Current assets:					
Cash and investments	\$ 211,346	214,369	20,987	446,702	170,317
Accounts receivable and accrued revenue (net)	86,054	83,473	3,190	172,717	2,579
Inventories	4,170		21	4,191	453
Due from other funds	27,729	725	1,149	29,603	1,451
Prepaid items and deposits	8,289		446	8,735	74
<b>Total current assets</b>	<b>337,588</b>	<b>298,567</b>	<b>25,793</b>	<b>661,948</b>	<b>174,874</b>
Noncurrent assets:					
Restricted cash and investments	21,062			21,062	
Capital assets:					
Nondepreciable	12,651		11,546	24,197	822
Depreciable, net	152,558		7,750	160,308	7,859
<b>Total noncurrent assets</b>	<b>186,271</b>		<b>19,296</b>	<b>205,567</b>	<b>8,681</b>
<b>Total assets</b>	<b>523,859</b>	<b>298,567</b>	<b>45,089</b>	<b>867,515</b>	<b>183,555</b>
<b>Deferred Outflows of Resources:</b>					
Loss on refunding of debt	2,675			2,675	
Deferred pension outflows	96,094	5,940	546	102,580	487
<b>Total deferred outflows of resources</b>	<b>98,769</b>	<b>5,940</b>	<b>546</b>	<b>105,255</b>	<b>487</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 622,628</b>	<b>304,507</b>	<b>45,635</b>	<b>972,770</b>	<b>184,042</b>
<b>Liabilities, Deferred Inflows of Resources, and Net Position (Deficit):</b>					
<b>Liabilities:</b>					
Current liabilities:					
Accounts payable and accrued liabilities	\$ 42,082	209,459	12,628	264,169	645
Accrued interest payable	422			422	
Due to other funds	7,743	28,336	2,378	38,457	1,606
Unearned revenue	100	619	560	1,279	
Current portion of long-term liabilities	13,299	101	13	13,413	37,533
<b>Total current liabilities</b>	<b>63,646</b>	<b>238,515</b>	<b>15,579</b>	<b>317,740</b>	<b>39,784</b>
Noncurrent liabilities:					
Compensated absences	17,613	913	119	18,645	68
Net pension liability	276,101	17,064	1,570	294,735	1,400
Net OPEB liability	28,885	1,446	131	30,462	745
Claims payable					134,664
Bonds and notes payable, net	119,014			119,014	
Landfill post closure	687			687	
Reserves for supplemental payments	203,497			203,497	
<b>Total noncurrent liabilities</b>	<b>645,797</b>	<b>19,423</b>	<b>1,820</b>	<b>667,040</b>	<b>136,877</b>
<b>Total liabilities</b>	<b>709,443</b>	<b>257,938</b>	<b>17,399</b>	<b>984,780</b>	<b>176,661</b>
<b>Deferred Inflows of Resources:</b>					
Deferred pension inflows	22,653	1,402	128	24,183	115
Deferred OPEB inflows	688	35	3	726	18
<b>Total deferred inflows of resources</b>	<b>23,341</b>	<b>1,437</b>	<b>131</b>	<b>24,909</b>	<b>133</b>
<b>Net Position (Deficit):</b>					
Net investment in capital assets	58,557		19,296	77,853	8,681
Unrestricted	(168,713)	45,132	8,809	(114,772)	(1,433)
<b>Total net position (deficit)</b>	<b>(110,156)</b>	<b>45,132</b>	<b>28,105</b>	<b>(36,919)</b>	<b>7,248</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Net Position (Deficit)</b>	<b>\$ 622,628</b>	<b>304,507</b>	<b>45,635</b>	<b>972,770</b>	<b>184,042</b>

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

Net position of enterprise funds	\$ (36,919)
Adjustment to reflect the consolidation of Medical Liability ISF activities related to enterprise funds.	<u>1,031</u>

Net position (deficit) of business-type activities (page 21) \$ (35,888)

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 FISCAL YEAR ENDED JUNE 30, 2017  
(In Thousands)

	Enterprise Funds				
	County Hospital	HMO Medi-Cal Plan	Nonmajor	Total	Internal Service
<b>Operating Revenues:</b>					
Use of money and property	\$ 1,368		6,407	7,775	
Charges for services	527,580	792,172	72,699	1,392,451	56,492
Other revenue			969	969	13,144
<b>Total operating revenues</b>	<u>528,948</u>	<u>792,172</u>	<u>80,075</u>	<u>1,401,195</u>	<u>69,636</u>
<b>Operating Expenses:</b>					
Salaries and employee benefits	336,039	23,123	2,286	361,448	1,701
Services and supplies	188,337	614,555	75,151	878,043	21,379
Benefit and claim expense					31,637
Other charges	279	149,215	2,255	151,749	895
Expense transfers			264	264	
Depreciation	10,051		1,239	11,290	2,479
<b>Total operating expenses</b>	<u>534,706</u>	<u>786,893</u>	<u>81,195</u>	<u>1,402,794</u>	<u>58,091</u>
<b>Operating income (loss)</b>	<u>(5,758)</u>	<u>5,279</u>	<u>(1,120)</u>	<u>(1,599)</u>	<u>11,545</u>
<b>Nonoperating Revenues (Expenses):</b>					
State and federal grants	18,809		1,788	20,597	
Investment income					(27)
Bond issuance cost	(133)			(133)	
Interest expense	(6,023)	(445)	(61)	(6,529)	
<b>Total nonoperating revenues (expenses)</b>	<u>12,653</u>	<u>(445)</u>	<u>1,727</u>	<u>13,935</u>	<u>(27)</u>
<b>Income (loss) before capital contributions and transfers</b>	6,895	4,834	607	12,336	11,518
Capital contributions	7,180			7,180	
Transfers in	31,759		3,741	35,500	49
Transfers out	(7,502)	(464)	(269)	(8,235)	(180)
<b>Change in net position</b>	<u>38,332</u>	<u>4,370</u>	<u>4,079</u>	<u>46,781</u>	<u>11,387</u>
<b>Total Net Position (Deficit) at Beginning of Year</b>	(117,762)	42,301	24,166	(51,295)	(3,346)
Adjustments to beginning net position	(30,726)	(1,539)	(140)	(32,405)	(793)
<b>Total Net Position (Deficit) at Beginning of Year, as Restated</b>	<u>(148,488)</u>	<u>40,762</u>	<u>24,026</u>	<u>(83,700)</u>	<u>(4,139)</u>
<b>Total Net Position (Deficit) at End of Year</b>	<u>\$ (110,156)</u>	<u>45,132</u>	<u>28,105</u>	<u>(36,919)</u>	<u>7,248</u>

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

Change in net position of enterprise funds.	\$ 46,781
Adjustment to reflect the Medical Liability ISF activities related to enterprise funds.	<u>123</u>
Change in net position of business-type activities (page 23)	<u>\$ 46,904</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, 2017  
(In Thousands)

	Enterprise Funds				Internal Service
	County Hospital	HMO Medi-Cal Plan	Nonmajor	Total	
<b>Cash Flows from Operating Activities:</b>					
Cash received from customers	\$ 550,769	776,696	84,926	1,412,391	69,570
Cash received from other funds	17,703		400	18,103	
Cash received for supplemental payments	39,007			39,007	
Cash payment to other funds	(2,208)		(285)	(2,493)	(325)
Cash payment to suppliers for goods and services	(182,769)	(726,472)	(78,946)	(988,187)	(57,649)
Cash payment to employees for services	(350,791)	(22,464)	(2,690)	(375,945)	(1,755)
<b>Net Cash Provided by (Used for)</b>					
<b>Operating Activities</b>	<u>71,711</u>	<u>27,760</u>	<u>3,405</u>	<u>102,876</u>	<u>9,841</u>
<b>Cash Flows from Noncapital</b>					
<b>Financing Activities:</b>					
State and federal grants	18,809		1,788	20,597	
Transfers in	31,759		3,741	35,500	49
Transfers out	(7,502)	(464)	(269)	(8,235)	(180)
<b>Net Cash Provided by (Used for) Noncapital</b>					
<b>Financing Activities</b>	<u>43,066</u>	<u>(464)</u>	<u>5,260</u>	<u>47,862</u>	<u>(131)</u>
<b>Cash Flows from Capital and Related</b>					
<b>Financing Activities:</b>					
Capital contributions	7,180			7,180	
Acquisition and construction of capital assets	(11,784)		(2,084)	(13,868)	(2,887)
Interest paid	(7,194)	(445)	(61)	(7,700)	
Principal paid on debt	(3,479)			(3,479)	
Proceeds from issuance	57,401			57,401	
Payment for redemption of bonds	(69,081)			(69,081)	
<b>Net Cash Provided by (Used for) Capital and Related</b>					
<b>Financing Activities</b>	<u>(26,957)</u>	<u>(445)</u>	<u>(2,145)</u>	<u>(29,547)</u>	<u>(2,887)</u>
<b>Cash Flows from Investing Activities:</b>					
Interest received on investments					154
Interest payment on investments					(181)
<b>Net Cash Used for Investing Activities</b>					<u>(27)</u>
<b>Net Increase (Decrease) in Cash and</b>					
<b>Cash Equivalents</b>	87,820	26,851	6,520	121,191	6,796
<b>Cash and Cash Equivalents at Beginning of Year</b>	<u>144,588</u>	<u>187,518</u>	<u>14,467</u>	<u>346,573</u>	<u>163,521</u>
<b>Cash and Cash Equivalents at End of Year</b>	<u>\$ 232,408</u>	<u>214,369</u>	<u>20,987</u>	<u>467,764</u>	<u>170,317</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash</b>					
<b>Provided by (Used for) Operating Activities:</b>					
Operating income (loss)	\$ (5,758)	5,279	(1,120)	(1,599)	11,545
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for)					
Operating Activities:					
Depreciation and amortization	10,051		1,239	11,290	2,479
Changes in operating assets and liabilities:					
Decrease (increase) in:					
Accounts receivable and accrued revenue, net	21,721	(14,756)	357	7,322	(41)
Inventories	180		(1)	179	(92)
Due from other funds	17,703		4,469	22,172	(97)
Prepaid items and deposits	(123)	(720)	(63)	(906)	(74)
Deferred outflows of resources	25,507	674	315	26,496	210
Deferred charges	100			100	
Increase (decrease) in:					
Accounts payable and accrued liabilities	7,617	51,804	(535)	58,886	254
Claims payable					(3,729)
Due to other funds	(2,208)	(14,538)	(328)	(17,074)	(154)
Deferred inflows of resources	(7,999)	(270)	(91)	(8,360)	(64)
Net pension liability	(34,243)	187	(628)	(34,684)	(380)
Net OPEB liability	(1,841)	(93)	(9)	(1,943)	(30)
Unearned revenue			(209)	(209)	
Supplemental payments	39,007			39,007	
Compensated absences	1,997	193	9	2,199	14
<b>Net Cash Provided by (Used for)</b>					
<b>Operating Activities</b>	<u>\$ 71,711</u>	<u>27,760</u>	<u>3,405</u>	<u>102,876</u>	<u>9,841</u>

See accompanying notes to the basic financial statements.

COUNTY OF CONTRA COSTA  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
 JUNE 30, 2017  
 (In Thousands)

	Other Employee Benefit Trust	Investment Trust	Private- Purpose Trust Funds	Agency
<b>Assets:</b>				
Cash and investments	\$ 8,095	2,067,101	37,765	185,354
Investments in OPEB trust:				
Large cap equities	38,138			
Mid cap equities	10,405			
Small cap equities	18,565			
International equities	30,012			
Global equities	16,075			
Real estate	6,924			
Fixed income	84,133			
Alternative investments	22,869			
Receivables		6,087	146	40,009
Notes receivable, net			25	
Due from other governments				6,982
Taxes receivable				166,961
Restricted cash and investments			7,676	
<b>Total assets</b>	<u>235,216</u>	<u>2,073,188</u>	<u>45,612</u>	<u>399,306</u>
<b>Deferred Outflows of Resources:</b>				
Loss on refunding of debt			2,602	
<b>Total deferred outflows of resources</b>			<u>2,602</u>	
<b>Liabilities:</b>				
Warrants outstanding		95,839		42,461
Accounts payable and accrued liabilities		2,223	92	65,922
Due to other governments			773	28,562
Unapportioned taxes				126,911
Tax loss guarantees				69,309
Accrued interest payable			2,184	
Noncurrent liabilities:				
Due within one year			2,359	
Due in more than one year			85,033	
Due to other agencies and districts				66,141
<b>Total liabilities</b>		<u>98,062</u>	<u>90,441</u>	<u>399,306</u>
<b>Net Position:</b>				
Restricted for:				
Other postemployment benefits	235,216			
Participation in individually directed investment accounts		1,975,126	35,257	
Unrestricted deficit			(77,484)	
<b>Total net position (deficit)</b>	<u>\$ 235,216</u>	<u>1,975,126</u>	<u>(42,227)</u>	

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, 2017  
 (In Thousands)

	Other Employee Benefit Trust	Investment Trust	Private- Purpose Trust Funds
<b>Additions:</b>			
Employer contributions	\$ 76,253		
Plan member contributions	14,235		
Contributions to investment accounts		5,013,333	
Other revenue			30,503
Net investment income (loss)	18,705	(1,455)	72
Property tax distribution			9,969
<b>Total additions</b>	<u>109,193</u>	<u>5,011,878</u>	<u>40,544</u>
<b>Deductions:</b>			
Benefits paid	69,953		
Distribution from investment accounts		4,936,142	
Administrative and other expenses			1,487
Interest expense			5,362
Other			18,944
Project expenditures			750
Financial assistance payments			1,978
<b>Total deductions</b>	<u>69,953</u>	<u>4,936,142</u>	<u>28,521</u>
<b>Change in net position</b>	39,240	75,736	12,023
<b>Net Position (Deficit) at Beginning of Year</b>	<u>195,976</u>	<u>1,899,390</u>	<u>(54,250)</u>
<b>Net Position (Deficit) at End of Year</b>	<u>\$ 235,216</u>	<u>1,975,126</u>	<u>(42,227)</u>

See accompanying notes to the basic financial statements.

COUNTY OF CONTRA COSTA  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2017

**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, 2017

*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 to 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 37 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 37 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; 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

COUNTY OF CONTRA COSTA  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2017

serves on the Commission. While the Board of Supervisors is able to impose its will, the Commission 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 31<sup>st</sup> 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. 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 replaced 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**

June 30, 2017

The requirements of this Statement improved financial reporting primarily through enhanced note disclosures and schedules of required supplementary information that were 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. There was no financial statement impact as a result of the implementation of the Statement.

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 implementation of this Statement resulted in a restatement decreasing beginning net position of the primary government by \$208,013,000.

GASB Statement No. 77, *Tax Abatement Disclosures*, addressed 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 improved financial reporting by giving users of financial statements essential information that was not consistently or comprehensively reported to the public. Disclosure of information about the nature and magnitude of tax abatements make these transactions more transparent to financial statement users. There was no financial statement impact as a result of the implementation of the Statement.

GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, addressed 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 amended 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). There was no financial statement impact as a result of the implementation of the Statement.

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 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

COUNTY OF CONTRA COSTA  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2017

for assessing government accountability. There was no financial statement impact as a result of the implementation of the Statement.

GASB Statement No. 82, *Pension Issues*, addressed 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 improved financial reporting by enhancing consistency in the application of financial reporting requirements to certain pension issues. Required supplementary information has been updated with the implementation of this statement.

Pronouncements to be Implemented in Subsequent Years

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. 83, *Certain Asset Retirement Obligations*, establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for certain asset retirement obligations (AROs). This Statement requires that recognition occur when the liability is both incurred and reasonably estimable. The determination of when the liability is incurred should be based on the occurrence of external laws, regulations, contracts, or court judgments, together with the occurrence of an internal event that obligates a government to perform asset retirement activities. This Statement will enhance comparability of financial statements among governments by establishing uniform criteria for governments to recognize and measure certain AROs, including obligations that may not have been previously reported. This Statement also will enhance the decision-usefulness of the information provided to financial statement users by requiring disclosures related to those AROs. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018.

GASB Statement No. 84, *Fiduciary Activities*, establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. Greater consistency and comparability enhances the value provided by the information reported in financial statements for assessing government accountability and stewardship. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

GASB Statement No. 85, *Omnibus 2017*, addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and OPEB). The requirements of this Statement will enhance consistency in the application of

COUNTY OF CONTRA COSTA  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2017

accounting and financial reporting requirements. Consistent reporting will improve the usefulness of information for users of state and local government financial statements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017.

GASB Statement No. 86, *Certain Debt Extinguishment Issues*, will improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement will also improve accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017.

GASB Statement No. 87, *Leases*, increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

**C. Basis of Presentation**

Government-wide Financial Statements

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

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

The statement of net position reports the county's financial and capital resources, including infrastructure, as well as the county's long-term obligations. The difference between the county's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, is its net position.

COUNTY OF CONTRA COSTA  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2017

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 charges for services such as ambulance service, fire prevention plan review, and inspections.

The county reports the following as major enterprise funds:

- The *County 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 expenses are capitation payments and costs related to Medi-Cal eligibles enrolled in the Medi-Cal Plan.

COUNTY OF CONTRA COSTA  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2017

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 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.

COUNTY OF CONTRA COSTA  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2017

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 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

COUNTY OF CONTRA COSTA  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2017

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 those 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. As such, notes receivable are recorded with an offset to deferred inflows of resources in the fund financial statements because the amounts are unavailable. For federal source loans, any repayment of principal or interest is treated as program revenue, the use of which is restricted by federal regulations. 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 and other legal or grantor restrictions. All of the noted cash and investments are included in Note 4 – Cash and Investments.

**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. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition

COUNTY OF CONTRA COSTA  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2017

value rather than fair value. 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 1<sup>st</sup>, which is also the lien date. State code requires tax rates to be set no later than October 3<sup>rd</sup> of each year. Property taxes on the secured roll are due in two installments: November 1<sup>st</sup> and February 1<sup>st</sup> and become delinquent after December 10<sup>th</sup> and April 10<sup>th</sup>, 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

COUNTY OF CONTRA COSTA  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2017

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 1<sup>st</sup>), and become delinquent if unpaid by August 31<sup>st</sup>.

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 1<sup>st</sup> 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 \$5,336,000 at June 30, 2017. The year-end balance in the TLRF was \$69,309,000. 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 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.

COUNTY OF CONTRA COSTA  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2017

Compensated absences as of June 30, 2017, were valued at \$71,982,000, which includes \$44,473,000 attributable to the General Fund, \$6,081,000 attributable to the Special Revenue Funds, \$20,715,000 recorded in Enterprise Funds, \$75,000 recorded in Internal Service Funds, \$216,000 recorded in the First 5 Contra Costa Children and Families Commission Component Unit, and \$422,000 recorded in the Housing Authority Component Unit (as of March 31, 2017). 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 implementation of GASB Statement No. 75. The restatement of net position includes the adjustments to prior year ending net position and the elimination of the net OPEB obligation.

The County Hospital Enterprise Fund, HMO Medi-Cal Plan Enterprise Fund, Nonmajor Enterprise Funds, and Fleet Internal Service fund recorded restatements of beginning net position to account for the above GASB Statement No. 75 implementation activity.

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

<u>Government-wide Financial Statements-Restatement of Net Position</u>				
	<u>Governmental Activities</u>	<u>Business-type Activities</u>		
Net position, at beginning of year, as previously reported	\$ 75,256	(50,387)		
Set up of net OPEB liability	(673,630)	(32,405)		
Removal of net OPEB obligation based upon previous standards	498,022			
Net position (deficit), at beginning of year, as restated	<u>\$ (100,352)</u>	<u>(82,792)</u>		
 <u>Fund basis Financial Statement-Restatement of Net Position</u>				
	<u>County Hospital Enterprise Fund</u>	<u>HMO Medi-Cal Plan Enterprise Fund</u>	<u>Nonmajor Enterprise Funds</u>	<u>Internal Service Funds</u>
Net position, at beginning of year, as previously reported	\$ (117,762)	42,301	24,166	(3,346)
Set up of net OPEB liability	(30,726)	(1,539)	(140)	(793)
Net position (deficit), at beginning of year, as restated	<u>\$ (148,488)</u>	<u>40,762</u>	<u>24,026</u>	<u>(4,139)</u>

COUNTY OF CONTRA COSTA  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2017

**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 information 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, 2017, business-type activities in the government-wide statement of net position had a deficit net position of \$35,888,000. The deficit is primarily due to the implementation of GASB Statement No. 68 in 2015 and the implementation of GASB Statement No. 75 in the current year recognizing a net OPEB liability of \$30,462,000.

The County Hospital Enterprise Fund had a deficit net position of \$110,156,000 at June 30, 2017. The deficit is due to the implementation of GASB Statement No. 68 in 2015 and the implementation of GASB Statement No. 75 in the current year recognizing a net OPEB liability of \$28,885,000. The County Hospital Enterprise Fund continues to show an annual positive change in net position.

The County Pension Bond Debt Service Fund had a fund balance deficit of \$5,788,000 at June 30, 2017. The deficit was due to forecasted rates of payroll employee pay deductions received in the fund being \$8,206,000 less than the actual pension obligation bond payment. Future rate calculations will incorporate 50% to 100% of the deficit to bring fund balance back to positive.

Three internal service funds had deficit net positions at June 30, 2017. The Long-Term Disability Insurance Fund shows a deficit of \$768,000, a decrease of \$1,109,000 from a net position of \$341,000 at June 30, 2016. The deficit net position is attributed to an adjustment of insurance reserves per Human Resources Department projections as of June 30, 2017. The Workers' Compensation Insurance County General Fund shows a deficit of \$17,815,000, a deficit reduction of \$3,916,000 from a \$21,731,000 deficit at June 30, 2016. The deficit reduction is due to a decrease in benefit and claims expense. The Workers' Compensation Insurance Fire Protection Fund shows a deficit of \$2,972,000, a deficit reduction of \$4,281,000 from a \$7,253,000 deficit at June 30, 2016. The deficit reduction in net position is attributed to an adjustment of insurance reserves for self-insurance funds per actuarial report dated June 30, 2017. 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.

COUNTY OF CONTRA COSTA  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
 June 30, 2017

**4. CASH AND INVESTMENTS**

Cash and investments at June 30, 2017 (March 31, 2017, for the Housing Authority) are reported as follows (in thousands):

	Primary Government		Component Units		
	Governmental Activities	Business-Type Activities	First 5 Contra Costa Children and Families Commission	Housing Authority*	Fiduciary Funds
Cash and Investments	\$ 1,043,257	452,223	25,457	7,786	2,525,436
Restricted Cash and Investments	114,212	21,062		2,834	7,676
	\$ 1,157,469	473,285	25,457	10,620	2,533,112

\*As of March 31, 2017

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, 2017 (March 31, 2017, for the Housing Authority) are reported as follows (in thousands):

		Deposits and Certificates of Deposits	Investments	Total
<b>From the Statement of Net Position</b>				
Primary Government	Cash and investments	\$ 225,514	1,269,966	1,495,480
	Restricted cash and investments		135,274	135,274
First 5 Contra Costa Children and Families Commission	Cash and investments	1	25,456	25,457
	Housing Authority	7,786		7,786
	Restricted cash and investments	1,874	960	2,834
<b>From the Statement of Fiduciary Net Position</b>				
Other Employee Benefit Trust Fund	Cash and investments		235,216	235,216
Investment Trust Fund	Cash and investments	752	2,066,349	2,067,101
Private-Purpose Trust Funds	Cash and investments	6,254	31,511	37,765
	Restricted cash and investments		7,676	7,676
Agency Funds	Cash and investments	54	185,300	185,354
<b>Total</b>		\$ 242,235	3,957,708	4,199,943

COUNTY OF CONTRA COSTA  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2017

**B. Deposits and Investments**

Deposits

Deposits include bank deposits at a carrying amount of \$242,235,000. The balance reported by various financial institutions, including certificates of deposit, was \$241,115,000. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit. Of the bank balance, \$2,809,000 was covered by federal depository insurance and \$233,631,000 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 non-negotiable certificates of deposit in the amount of \$4,674,000 as deposits. Of the certificates of deposit balance, \$253,000 was insured and \$4,421,000 was collateralized by the pledging financial institutions as required by California Government Code Section 53652.

Under the California Government Code, a financial institution is required to secure deposits in excess of \$250,000 made by state or local governmental units by pledging securities held in the form of an undivided collateral pool. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. The collateral must be held at the pledging bank's trust department or at another bank, acting as the pledging bank's agent, in the public agency's name. The county may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation. The county, however, has not waived the collateralization requirements.

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

Authorized Investments

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

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

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

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

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

COUNTY OF CONTRA COSTA  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2017

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 180 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 270 days and the highest ranking issued by a nationally recognized statistical rating organization (NRSRO), limited to 40% of surplus funds; no more than 10% of surplus funds can be invested in commercial paper of any single commercial bank.

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 of U.S. corporations rated "A" or better by a national rating service 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 of a maximum of five years maturity, securities in this category must be rated AA or better by a nationally recognized rating service and are limited to not more than 20% 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).

COUNTY OF CONTRA COSTA  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2017

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

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

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

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

Risk Disclosures

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

At June 30, 2017, the county (March 31, 2017, for the Housing Authority) had the following investments and maturities (in thousands):

<u>Investment Type:</u>	Investment Maturities				Total
	Less than 1 year	1 to 3 years	3 to 5 years	Over 5 years	
U.S. Treasury notes & bonds	\$ 16,944	7,640	31,691		56,275
U.S. agencies - (FHLB, FNMA, FFCB, FHLMC)	127,404	303,421	344,751		775,576
Medium-term notes		1,709			1,709
Corporate notes	5,331	83,831	81,714		170,876
Municipal bonds	500	1,894	892	428	3,714
Asset backed securities		4,163	7,916		12,079
Commercial paper	1,120,309				1,120,309
Negotiable certificates of deposit	843,394	58,551	1,996		903,941
Mutual funds	497,521	9,053	24,047	28,476	559,097
Money market accounts	565				565
LAIF	214,632				214,632
International Bank	2,524	1,002			3,526
Supranationals		130,438	4,971		135,409
<b>Total</b>	<b>\$ 2,829,124</b>	<b>601,702</b>	<b>497,978</b>	<b>28,904</b>	<b>3,957,708</b>

As of June 30, 2017, the portfolio contained \$151,871,000 of callable U.S. Agencies, representing 20.73% of investment cost at June 30, 2017.

*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.

COUNTY OF CONTRA COSTA  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2017

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	\$ 56,275	AAA to A-1+
Federal Home Loan Bank (FHLB)	250,242	AA+ to A-1+
Federal National Mortgage Association (FNMA)	110,445	AA+
Federal Farm Credit Bank (FFCB)	231,444	AAA to A-1+
Federal Home Loan Mortgage-Corp (FHLMC)	181,525	AAA to A-1+
Freddie Mac	301	AA+
Fannie Mae	401	AAA
Tennessee Valley Authority	1,218	AA+
Medium-term notes	1,709	A+
Corporate notes	170,876	AAA to A-
Municipal bonds	3,714	AA+ to AA-
Asset-backed securities	12,079	AAA to NOT RATED
Commercial paper	1,120,309	A-1+ to A-1
Negotiable certificates of deposit	903,941	AA to A-
Mutual funds	559,097	AAAm
Money market accounts	565	AAA to NOT RATED
LAIF	214,632	NOT RATED
International Bank	3,526	AAA to NA
Supranationals	135,409	AAA
<b>Total</b>	<b>\$ 3,957,708</b>	

*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 and FFCB, which represented 6.33% and 5.85%, respectively, of the county's investments at June 30, 2017.

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.

COUNTY OF CONTRA COSTA  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2017

The county's investments with the LAIF, a state of California investment pool, at June 30, 2017, included a portion of the pool funds invested in structured notes and asset-backed securities, as follows:

Structured Notes are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

Asset-Backed Securities, the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets (such as principal) and interest repayments from a pool of mortgages (such as Collateralized Mortgage Obligations) or credit card receivables.

The county is a participant in the 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, 2017 is approximately \$22,812,818,000. LAIF is part of the Pooled Money Investment Account (PMIA) with a total portfolio of approximately \$77,559,119,000 as of June 30, 2017. Of that amount, 97.11% is invested in non-derivative financial products and 2.89% 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, 2017, these investments have an average maturity of 194 days. As of June 30, 2017, the county (excluding the Housing Authority) had \$214,039,000 invested in LAIF. The Housing Authority (March 31, 2017) had \$593,000 invested in LAIF.

As of June 30, 2017, the county had no derivative instruments in mutual funds.

**COUNTY OF CONTRA COSTA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2017

At June 30, 2017, (March 31, 2017, 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	\$	31			
Nonexpendable portion of permanent fund		1,710			
Public Financing Authority:					
2010B Lease revenue bonds		1,066			
2015A & 2015B Lease revenue bonds		206			
2017A & 2017B Lease revenue bonds		100,970			
Pleasant Hill BART bond reserve 1987-1 reserve account		532			
San Ramon bond reserve 1989-1 reserve account		44			
Kensington reserve fund AD 91-1 reserve account		272			
San Pablo bond reserve AD 91-3 reserve account		29			
2013 Special Tax Refunding bonds		208			
Kensington construction/improvement bond AD 91-1		27			
County Hospital Enterprise Fund:					
2010A & 2010B Lease revenue bonds			3,159		
2015A & 2015B Lease revenue bonds			13,544		
2017A Lease revenue bonds			4,359		
Funds for replacement and operating reserves required by the lender and funds held on behalf of its clients					2,834
East Bay Regional Communication System	1,931				
Restricted program money	163				
Low & Moderate Income Housing Assets		7,023			
RDA Successor Agency				7,676	
<b>Total restricted assets</b>	<b>\$ 2,094</b>	<b>112,118</b>	<b>21,062</b>	<b>7,676</b>	<b>2,834</b>

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

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.

**COUNTY OF CONTRA COSTA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2017

The county's internal pool has the following recurring fair value measurements as of June 30, 2017 (in thousands):

		Fair Value Measurement Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments by fair value level			
U.S. Treasury notes	\$ 56,275	56,275	
Federal Farm Credit Banks (FFCB)	231,444		231,444
Federal Home Loan Banks (FHLB)	250,242		250,242
Federal Home Loan Mortgage-Corp (FHLMC)	181,525		181,525
Federal National Mortgage Assn. (FNMA)	110,445		110,445
Freddie Mac	301		301
Fannie Mae	401		401
Tennessee Valley Authority	1,218		1,218
Asset-backed securities	12,079		12,079
Commercial paper	1,120,309		1,120,309
Corporate notes	170,876		170,876
Medium-term notes	1,709		1,709
Money market accounts	565		565
Municipal bonds	3,714		3,714
Negotiable certificates of deposit	903,941		903,941
International bank	3,526		3,526
Supranationals	135,409		135,409
<b>Total investments at fair value</b>	<b>3,183,979</b>	<b>56,275</b>	<b>3,127,704</b>
Investments not subject to fair value hierarchy			
LAIF	214,632		
Mutual funds	559,097		
<b>Total investments not subject to fair value hierarchy</b>	<b>773,729</b>		
<b>Total investments</b>	<b>\$ 3,957,708</b>		

**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.

**COUNTY OF CONTRA COSTA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2017

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.

At June 30, 2017, the Other Employee Benefit Trust held \$235,216,000 in mutual funds in the following segments (in thousands):

	Fair Value at June 30, 2017	Portfolio Allocation
Total Domestic Equity:		
Large Cap	\$ 38,138	16%
Mid Cap	10,405	4%
Small Cap	18,565	8%
Global Equity	16,075	7%
International Equity (Developed)	30,012	13%
Fixed Income	84,133	36%
Real Estate	6,924	3%
Cash (Money Market)	8,095	3%
Alternatives	22,869	10%
	<u>\$ 235,216</u>	

COUNTY OF CONTRA COSTA  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2017

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 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, 2017, 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 6.55 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, 2017, the OPEB Trust's investments were not exposed to custodial credit risk because none of the investments were in the name of 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-diversified portfolio. At June 30, 2017, 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, 2017, the mutual funds held by the OPEB Trust are not rated by a nationally recognized rating organization.

COUNTY OF CONTRA COSTA  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2017

**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):

<b>Governmental Activities</b>	General	CCC Fire Protection District Special Revenue	Nonmajor Governmental Funds	Internal Service	Total Governmental Activities
Taxes receivable	\$ 3,347	1,345	499		5,191
Accounts receivable	140,910	241	38,118	2,579	181,848
Advances receivable	102				102
<b>Gross receivables</b>	<u>144,359</u>	<u>1,586</u>	<u>38,617</u>	<u>2,579</u>	<u>187,141</u>
Less: Allowance for uncollectibles	<u>(4)</u>				<u>(4)</u>
<b>Total receivables (net)</b>	<u>\$ 144,355</u>	<u>1,586</u>	<u>38,617</u>	<u>2,579</u>	<u>187,137</u>
<b>Business-type Activities</b>	County Hospital	HMO Medi-Cal Plan	Nonmajor Enterprise Funds	Total Business-type Activities	
Accounts receivable	\$ 227,870	83,473	3,190	314,533	
<b>Gross receivables</b>	<u>227,870</u>	<u>83,473</u>	<u>3,190</u>	<u>314,533</u>	
Less: Allowance for uncollectibles	<u>(141,816)</u>			<u>(141,816)</u>	
<b>Total receivables (net)</b>	<u>\$ 86,054</u>	<u>83,473</u>	<u>3,190</u>	<u>172,717</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.

COUNTY OF CONTRA COSTA  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2017

At June 30, 2017, the various components of unavailable revenue and unearned revenue reported were as follows (in thousands):

	Unavailable	Unearned
<b>Governmental Activities:</b>		
<b>General:</b>		
Notes receivable (Community Development Block Grant-CDBG loans)	\$ 92,559	
Advances not yet earned		7,591
Other receivables and advances		22,116
<b>CCC Fire Protection District Special Revenue:</b>		
Resources received that do not yet meet the criteria for revenue recognition	119	
<b>Nonmajor Governmental:</b>		
Notes receivable	17,456	
Advances not yet earned		318
Other receivables and advances		3,890
Resources received that do not yet meet the criteria for revenue recognition	215	
<b>Total Governmental Activities</b>	\$ 110,349	33,915
<b>Business-type Activities:</b>		
<b>County Hospital:</b>		
Resources received that do not yet meet the criteria for revenue recognition		\$ 100
<b>HMO Medi-Cal Plan:</b>		
Resources received that do not yet meet the criteria for revenue recognition		619
<b>Nonmajor Enterprise:</b>		
Resources received that do not yet meet the criteria for revenue recognition		560
<b>Total Business-type Activities</b>		\$ 1,279

COUNTY OF CONTRA COSTA  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2017

**6. INTERFUND TRANSACTIONS**

**A. Interfund Receivables/Payables**

The composition of interfund balances as of June 30, 2017, 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	\$ 163
	Nonmajor Governmental Funds	124,035
	County Hospital Enterprise Fund	7,016
	HMO Medi-Cal Enterprise Fund	1,996
	Nonmajor Enterprise Funds	244
	Internal Service Funds	<u>1,454</u>
		<u>134,908</u>
CCC Fire Protection District Special Revenue Fund	County Hospital Enterprise Fund	9
	HMO Medi-Cal Enterprise Fund	1,981
	Nonmajor Enterprise Funds	151
	Internal Service Funds	<u>62</u>
		<u>2,203</u>
Nonmajor Governmental Funds	General Fund	4,437
	Nonmajor Governmental Funds	692
	County Hospital Enterprise Fund	59
	HMO Medi-Cal Enterprise Fund	4
	Nonmajor Enterprise Funds	39
	Internal Service Funds	<u>7</u>
		<u>5,238</u>
County Hospital Enterprise Fund	General Fund	1,311
	CCC Fire Protection District Special Revenue Fund	1
	Nonmajor Governmental Funds	143
	HMO Medi-Cal Enterprise Fund	24,355
	Nonmajor Enterprise Funds	1,860
	Internal Service Funds	<u>59</u>
		<u>27,729</u>
HMO Medi-Cal Enterprise Fund	General Fund	10
	County Hospital Enterprise Fund	650
	Nonmajor Enterprise Funds	<u>65</u>
		<u>725</u>
Nonmajor Enterprise Funds	General Fund	1,144
	Nonmajor Governmental Funds	3
	Nonmajor Enterprise Funds	<u>2</u>
		<u>1,149</u>
Internal Service Funds	General Fund	1,265
	Nonmajor Governmental Funds	136
	County Hospital Enterprise Fund	9
	Nonmajor Enterprise Funds	17
	Internal Service Funds	<u>24</u>
		<u>1,451</u>
<b>Total</b>		<b>\$ <u>173,403</u></b>

Balances in the due to/from other funds accounts resulted from: (1) interfund cash transactions recorded after the cash cut-off on June 30, 2017, much of which consisted of distributions of revenues and expenditures among funds; and, (2) cash overdrafts.

COUNTY OF CONTRA COSTA  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2017

**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, 2017, were as follows (in thousands):

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Nonmajor Governmental Funds	\$ 19,643	Transfer a portion of Salaries and Benefits Expense to the Pension Obligation Bond fund.
	Nonmajor Governmental Funds	1,897	Transfer a portion of Salaries and Benefits Expense for the Retirement Litigation Settlement.
	Nonmajor Governmental Funds	1,359	Transfer funds to Service Areas for administrative and project costs.
	Nonmajor Governmental Funds	990	Transfer funds to Flood Control to cover appropriation adjustments.
	Nonmajor Governmental Funds	775	Transfer funds to Road fund for building and information technology costs.
	Nonmajor Governmental Funds	136	Transfer funds for the Sheriff's Patrol usage of helicopter.
	Nonmajor Governmental Funds	40	Transfer funds to cover cost overages in the NPP and the WXN programs.
	Nonmajor Governmental Funds	8	Transfer funds to the Health and Sanitation fund for administrative costs.
	Nonmajor Governmental Funds	3	Transfer funds for building expenses associated with the Justice Assistance Grant.
	County Hospital Enterprise Fund	23,700	Provide subsidy to cover portion of the County Hospital's operation.
	Nonmajor Enterprise Funds	3,736	Provide subsidy to cover a portion of the HMO Commercial Plan's operation.
	Nonmajor Enterprise Funds	5	Provide subsidy to cover a portion of Law Enforcement Training Center operations.
	Internal Service Funds	1	Transfer funds to the Fleet fund to cover a vehicular accident claim.
<b>Total</b>		<u>\$ 52,293</u>	

(continued)

**COUNTY OF CONTRA COSTA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2017

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
Nonmajor Governmental Funds	General Fund	\$ 174	Transfer funds to cover animal adoption discounts and animal shelter improvements.
	General Fund	90	Transfer funds to finance radar equipment and the relocation of the Delta Patrol station.
	Nonmajor Governmental Funds	8,095	Transfer Supplemental Law Enforcement Service Account Realignment funds to the Supplemental Law Enforcement fund.
	Nonmajor Governmental Funds	1,361	Transfer a portion of Salaries and Benefits Expense to the Pension Obligation Bond fund.
	Nonmajor Governmental Funds	133	Transfer a portion of Salaries and Benefits Expense for the Retirement Litigation Settlement.
	Nonmajor Governmental Funds	75	Transfer funds from the Assessment District to the Public Financing Authority.
	Nonmajor Governmental Funds	23	Transfer funds from the Davis Trust Fund to Library.
	County Hospital Enterprise Fund	8,059	Transfer lease revenue reserve funds from the Public Financing Authority to the County Hospital.
<b>Total</b>		<u>\$ 18,010</u>	
County Hospital Enterprise Fund	Nonmajor Governmental Funds	\$ 6,821	Transfer a portion of the Salaries and Benefits Expense to the Pension Obligation Bond fund.
	Nonmajor Governmental Funds	681	Transfer a portion of Salaries and Benefits Expense for the Retirement Litigation Settlement.
<b>Total</b>		<u>\$ 7,502</u>	
HMO Medi-Cal Enterprise Fund	Nonmajor Governmental Funds	\$ 424	Transfer a portion of the Salaries and Benefits Expense to the Pension Obligation Bond fund.
	Nonmajor Governmental Funds	40	Transfer a portion of the Salaries and Benefits Expense for the Retirement Litigation Settlement.
<b>Total</b>		<u>\$ 464</u>	
Nonmajor Enterprise Funds	General Fund	\$ 156	Transfer funds back to the General Fund to balance budget for the Law Enforcement Training Operation.
	General Fund	40	Transfer funds to the General Fund for Aviation equipment storage area.
	Nonmajor Governmental Funds	67	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.
<b>Total</b>		<u>\$ 269</u>	

(continued)

**COUNTY OF CONTRA COSTA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2017

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
Internal Service Funds	General Fund	\$ 87	Transfer a portion of funds for fire and water damage.
	General Fund	5	Transfer funds for vehicle repair.
	CCC Fire Protection District Special Revenue Fund	3	Claim expense reimbursement to CCC Fire Protection District for property damage.
	Nonmajor Governmental Funds	34	Transfer a portion of the Salaries and Benefits Expense to the Pension Obligation Bond fund.
	Nonmajor Governmental Funds	3	Transfer a portion of the Salaries and Benefits Expense for the Retirement Litigation Settlement.
	Internal Service Funds	48	Transfer portion of Public Liability Internal Service fund allocation to Automotive Liability Internal Service fund.
<b>Total</b>		\$ <u>180</u>	

(concluded)

The county pays a subsidy to the County Hospital, HMO Commercial Plan, 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):

<u>Year End June 30</u>	<u>Total Subsidy</u>
2015	\$ 23,535
2016	27,605
2017	27,441

COUNTY OF CONTRA COSTA  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2017

**7. CAPITAL ASSETS**

Capital assets activity for the year ended June 30, 2017 was as follows (in thousands):

	Balance July 1, 2016	Additions	Retirements	Transfers & Adjustments	Balance June 30, 2017
<b>Governmental Activities:</b>					
<i>Capital assets, not being depreciated:</i>					
Land	\$ 68,306		(56)		68,250
Construction in progress	95,676	30,538	(274)	(31,112)	94,828
Total capital assets, not being depreciated	163,982	30,538	(330)	(31,112)	163,078
<i>Capital assets, being depreciated:</i>					
Infrastructure	603,457	10,226	(97)	21,269	634,855
Structures and improvements	685,457	6,079	(23)	2,754	694,267
Equipment	160,775	16,576	(7,259)	7,089	177,181
Intangibles	14,743	1,339	(835)		15,247
Total capital assets, being depreciated	1,464,432	34,220	(8,214)	31,112	1,521,550
Less accumulated depreciation for:					
Infrastructure	(189,833)	(12,230)	6		(202,057)
Structures and improvements	(466,068)	(15,796)	23		(481,841)
Equipment	(116,739)	(11,510)	6,423		(121,826)
Intangibles	(7,697)	(2,993)	835		(9,855)
Total accumulated depreciation	(780,337)	(42,529)	7,287		(815,579)
Total capital assets, being depreciated, net	684,095	(8,309)	(927)	31,112	705,971
Governmental activities capital assets, net	\$ 848,077	22,229	(1,257)		869,049

	Balance July 1, 2016	Additions	Retirements	Transfers & Adjustments	Balance June 30, 2017
<b>Business-type Activities:</b>					
<i>Capital assets, not being depreciated:</i>					
Land	\$ 16,368				16,368
Construction in progress	2,604	5,483		(258)	7,829
Total capital assets, not being depreciated	18,972	5,483		(258)	24,197
<i>Capital assets, being depreciated:</i>					
Structures and improvements	291,517	3,697		258	295,472
Equipment	54,501	4,782	(3,363)		55,920
Intangibles	3,180				3,180
Total capital assets, being depreciated	349,198	8,479	(3,363)	258	354,572
Less accumulated depreciation for:					
Structures and improvements	(142,794)	(7,293)			(150,087)
Equipment	(41,725)	(3,019)	3,269		(41,475)
Intangibles	(1,724)	(978)			(2,702)
Total accumulated depreciation	(186,243)	(11,290)	3,269		(194,264)
Total capital assets, being depreciated, net	162,955	(2,811)	(94)	258	160,308
Business-type activities capital assets, net	\$ 181,927	2,672	(94)		184,505

**COUNTY OF CONTRA COSTA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2017

	Balance July 1, 2016	Additions	Retirements	Transfers & Adjustments	Balance June 30, 2017
<b>Component Unit:</b>					
<b>First 5 Contra Costa Children and Families Commission</b>					
<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	(235)	(28)			(263)
Equipment	(122)	(5)			(127)
Total accumulated depreciation	(357)	(33)			(390)
Total capital assets, being depreciated, net	455	(33)			422
Component unit capital assets, net	\$ 701	(33)			668

	Balance April 1, 2016	Additions	Retirements	Transfers & Adjustments	Balance March 31, 2017
<b>Component Unit:</b>					
<b>Housing Authority of the County of Contra Costa</b>					
<i>Capital assets, not being depreciated:</i>					
Land	\$ 2,977				2,977
Construction in progress	204	882		(759)	327
Total capital assets, not being depreciated	3,181	882		(759)	3,304
<i>Capital assets, being depreciated:</i>					
Structures and improvements	131,602			759	132,361
Equipment	3,109	388	(93)		3,404
Total capital assets, being depreciated	134,711	388	(93)	759	135,765
Less accumulated depreciation for:					
Structures and improvements	(99,329)	(2,624)			(101,953)
Equipment	(2,423)	(156)	93		(2,486)
Total accumulated depreciation	(101,752)	(2,780)	93		(104,439)
Total capital assets, being depreciated, net	32,959	(2,392)		759	31,326
Component unit capital assets, net	\$ 36,140	(1,510)			34,630

**COUNTY OF CONTRA COSTA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2017

**Depreciation**

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

General government	\$ 16,447
Public protection	10,331
Health and sanitation	573
Public assistance	2,179
Education	410
Public ways and facilities	9,994
Recreation and culture	116
Capital assets held by the county's internal service funds are charged to the various functions based on their usage of the assets	<u>2,479</u>
Total depreciation expense - governmental functions	<u>\$ 42,529</u>

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

County Hospital	\$ 10,051
Nonmajor Enterprise Funds	<u>1,239</u>
Total depreciation expense - business-type functions	<u>\$ 11,290</u>

**8. PAYABLES**

Accounts payable and accrued liabilities as of June 30, 2017, 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	\$ 35,668	10,657	14,600	508	61,433
Accrued payroll	<u>32,137</u>	<u>4,522</u>	<u>4,207</u>	<u>137</u>	<u>41,003</u>
Total accounts payable and accrued liabilities	<u>\$ 67,805</u>	<u>15,179</u>	<u>18,807</u>	<u>645</u>	<u>102,436</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	\$ 18,127	207,898	12,432	238,457
Accrued payroll	<u>23,955</u>	<u>1,561</u>	<u>196</u>	<u>25,712</u>
Total accounts payable and accrued liabilities	<u>\$ 42,082</u>	<u>209,459</u>	<u>12,628</u>	<u>264,169</u>

COUNTY OF CONTRA COSTA  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2017

**9. LEASES**

**A. Operating Leases**

Total rental expense for the year ended June 30, 2017, (March 31, 2017 for the Housing Authority), for all operating leases and month-to-month lease arrangements amounted to: \$14,663,000 for the General Fund; \$443,000 for the CCC Fire Protection District Special Revenue Fund; \$407,000 for the nonmajor governmental funds; \$5,034,000 for the County Hospital Enterprise Fund; \$209,000 for the HMO Medi-Cal Plan Fund; and \$94,000 for nonmajor enterprise funds.

At June 30, 2017, the future minimum rental payments required under non-cancelable operating leases for buildings and equipment, other than month-to-month lease arrangements, are as follows (in thousands):

Fiscal Year Ending June 30	Governmental Activities	Business-type Activities
2018	\$ 8,375	2,060
2019	8,222	1,867
2020	7,191	1,839
2021	6,421	1,577
2022	6,173	1,597
2023-2027	31,959	7,253
2028-2032	12,675	5,631
Thereafter	840	3,516
	\$ 81,856	25,340

**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 \$19,627,000 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 of the capital assets for both governmental and business-type capital lease activities was \$1,036,000 for buildings and improvements, and \$15,259,000 for equipment.

COUNTY OF CONTRA COSTA  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2017

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, 2017 (in thousands). There are no future minimum lease payments for business type activities:

Fiscal Year Ending June 30	Governmental Activities
2018	\$ 3,447
2019	2,906
2020	2,437
2021	2,035
2022	1,745
2023-2027	4,889
2028-2032	1,785
2033-2037	811
Total	20,055
Less: Amount representing interest	(2,461)
Present value of future minimum lease payments	\$ 17,594

**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, 2017, amounted to \$1,465,000 for the General Fund, \$621,000 for nonmajor governmental funds, \$62,000 for the County Hospital Enterprise Fund, and \$4,229,000 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 \$1,410,000; including cost of \$6,255,000 and accumulated depreciation of \$4,845,000. 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 the Airport land asset.

The following is a schedule of future minimum rental receipts on non-cancelable lease agreements, not including month-to-month lease agreements, as of June 30, 2017 (in thousands):

Fiscal Year Ending June 30	Governmental Activities	Business-type Activities
2018	\$ 184	2,537
2019	63	2,424
2020	13	2,367
2021		2,305
2022		2,293
2023-2027		11,327
2028-2032		11,179
2033-2037		8,217
2038-2042		4,498
2043-2047		1,662
2048-2052		275
	\$ 260	49,084

**COUNTY OF CONTRA COSTA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2017

**10. LONG-TERM OBLIGATIONS**

The following is a summary of long-term liabilities transactions for the year ended June 30, 2017 (in thousands):

<b>Governmental activities</b>	Balance June 30, 2016 <sup>#</sup>	Additions	Retirements	Balance June 30, 2017	Amounts Due Within One Year
Compensated absences	\$ 47,349	44,277	(40,997)	50,629	5,063
Claims payable (Note 17)	171,435	26,163	(29,867)	167,731	35,360
Net OPEB liability (Note 15) <sup>#</sup>	673,630	57,782	(68,308)	663,104	
Retirement litigation settlement debt service	15,128		(1,550)	13,578	1,673
Net pension liability (Note 14)	870,320		(57,331)	812,989	
Capital leases	15,338	5,883	(3,627)	17,594	2,964
Pension bonds payable	297,460		(36,090)	261,370	40,240
Notes payable	1,013		(137)	876	141
Other bonds payable	455		(455)		
Lease revenue bonds	102,621	142,694	(51,890)	193,425	18,358
Add: unamortized premium	8,520		(2,201)	6,319	366
Lease revenue bonds, net	<u>111,141</u>	<u>142,694</u>	<u>(54,091)</u>	<u>199,744</u>	<u>18,724</u>
Tax allocation bonds	88,265		(2,165)	86,100	2,295
Add: unamortized premium	1,403		(67)	1,336	67
Less: unamortized discounts	(46)		3	(43)	(3)
Tax allocation bonds, net	<u>89,622</u>		<u>(2,229)</u>	<u>87,393</u>	<u>2,359</u>
Special assessments	5,375		(740)	4,635	255
Add: unamortized premium	17		(1)	16	1
Special assessments, net	<u>5,392</u>		<u>(741)</u>	<u>4,651</u>	<u>256</u>
Other noncurrent liabilities	3,733	1,237	(1,767)	3,203	
Total governmental activities	<u>\$ 2,302,016</u>	<u>278,036</u>	<u>(297,190)</u>	<u>2,282,862</u>	<u>106,780</u>
<b>Business-type activities</b>					
Compensated absences	\$ 18,518	20,902	(18,705)	20,715	2,071
Medical liability claims payable (Note 17)	4,483	1,745	(1,770)	4,458	2,165
Net OPEB liability (Note 15) <sup>#</sup>	32,405	10,662	(12,605)	30,462	
Net pension liability (Note 14)	329,418		(34,683)	294,735	
Capital leases	115		(115)		
Notes payable	1,080		(117)	963	122
Reserves for supplemental payments	165,699	39,007	(1,209)	203,497	
Landfill post closure and closure liability <sup>(1)</sup>	699			699	11
Lease revenue bonds payable	141,437	57,401	(71,118)	127,720	11,083
Add: unamortized premium	4,946		(2,484)	2,462	169
Less: unamortized discounts	(843)		43	(800)	(43)
Lease revenue bonds, net	<u>145,540</u>	<u>57,401</u>	<u>(73,559)</u>	<u>129,382</u>	<u>11,209</u>
Total business-type activities	<u>\$ 697,957</u>	<u>129,717</u>	<u>(142,763)</u>	<u>684,911</u>	<u>15,578</u>
<b>Component units</b>					
<b>First 5 Children and Families Commission</b>					
Compensated absences	\$ 183	179	(146)	216	22
Net pension liability (Note 14)	2,465		(41)	2,424	
	<u>2,648</u>	<u>179</u>	<u>(187)</u>	<u>2,640</u>	<u>22</u>
<b>Housing Authority of the County of Contra Costa (as of March 31, 2017)</b>					
Compensated absences	364	58		422	297
Notes payable	13,879		(606)	13,273	458
Net pension liability	10,788		(626)	10,162	
Other noncurrent liabilities (incl. Net OPEB)	5,461	253		5,714	
	<u>30,492</u>	<u>311</u>	<u>(1,232)</u>	<u>29,571</u>	<u>755</u>
Total component units					
- Long-term obligations - net	<u>\$ 33,140</u>	<u>490</u>	<u>(1,419)</u>	<u>32,211</u>	<u>777</u>

# Beginning balance adjusted due to implementation of GASB Statement No. 75

COUNTY OF CONTRA COSTA  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2017

Individual issues of bonds and notes outstanding at June 30, 2017, are as follows (in thousands):

<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, 2017</u>
<b>Governmental activities</b>					
Pension obligation bonds <sup>(4),(5)</sup> :					
2003 Issue	2022	3.98-5.14	\$ 0-44,925	\$ 322,710	\$ 185,830
2005 CCCFPD Issue	2023	4.11-5.06	1,620-10,900	129,900	75,540
					<u>261,370</u>
Lease revenue bonds <sup>(2)</sup> :					
2010B Lease revenue	2025	2.50-5.00	921-1,509	16,808	10,768
2015A Lease revenue	2035	3.00-5.00	396-534	4,571	3,748
2015B Lease revenue	2028	3.00-5.00	1,101-5,894	42,990	36,215
2017A Lease revenue	2027	2.33	2,574-9,450	42,409	42,409
2017B Lease revenue	2032	2.39	5,610-7,845	100,285	100,285
					<u>193,425</u>
Tax allocation bonds <sup>(3)</sup> :					
1999 Tax allocation bond	2029	4.00-5.125	478-3,250	44,615	7,170
2003A Tax allocation bond	2034	3.00-5.85	375-5,055	43,345	5,550
2007A Tax allocation bond	2038	4.00-5.00	285-6,600	87,705	60,275
2007B Tax allocation bond	2038	4.00-5.00	380-1,090	16,665	13,105
					<u>86,100</u>
Special assessment debt with government commitment <sup>(6)</sup> :					
2013 Special Tax Refunding Bonds	2032	4.10-6.10	110-495	7,220	4,635
					<u>4,635</u>
Notes payable <sup>(7)</sup> :					
State Energy Commission	2024	3.95	68-122	1,332	788
PG and E - 1275 Hall Avenue	2023		2-9	94	49
PG and E - 4800 Imhoff Avenue	2019		3-17	168	39
					<u>876</u>
<b>Total governmental activities</b>				<b>\$</b>	<b><u>546,406</u></b>

COUNTY OF CONTRA COSTA  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2017

Type of indebtedness (purpose)	Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2017
<b><u>Business-type activities</u></b>					
Notes payable <sup>(7)</sup> :					
State Energy Commission	2025	3.95%	\$ 83-149	\$ 1,628	\$ <u>963</u>
					<u>963</u>
Lease revenue bonds <sup>(2)</sup> :					
Hospital Enterprise					
2010A Lease revenue	2040	3.00-7.00	475-1,900	40,620	36,950
2010B Lease revenue	2025	2.50-5.00	34-56	627	402
2012 Lease revenue	2027	2.68	784-1,105	13,102	9,840
2015A Lease revenue	2035	3.00-5.00	119-1,010	14,484	14,237
2015B Lease revenue	2028	3.00-5.00	69-1,424	9,070	8,890
2017A Lease revenue	2027	2.33	854-9,400	57,401	<u>57,401</u>
					<u>127,720</u>
<b>Total business-type activities</b>					<b>\$ <u>128,683</u></b>

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 lease payments by the General Fund, Special Revenue Funds, and County Hospital Enterprise Fund to the Public Financing Authority.
- (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 \$142,297,000. For the current year, the principal and interest paid were \$7,466,000 and property tax revenues were \$9,969,000 through the Successor Agency. The tax allocation bonds required 74.9% 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**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2017

(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 \$5,980,000. For the current year, principal and interest paid were \$907,000 and revenues were \$415,000. The special assessment debt required 218.6% of current year's revenues.

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

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 liability, net pension liability, claims payable, and other noncurrent liabilities that have indefinite maturities, outstanding at June 30, 2017 (in thousands):

Fiscal Year Ending June 30	Capital Lease Obligations		Pension Obligation Bonds	
	Principal	Interest	Principal	Interest
2018	\$ 2,964	483	40,240	13,691
2019	2,536	370	44,805	11,514
2020	2,130	307	49,720	9,087
2021	1,781	254	55,010	6,391
2022	1,532	213	60,695	3,406
2023-2027	4,328	561	10,900	276
2028-2032	1,541	244		
2033-2037	782	29		
Total	\$ 17,594	2,461	261,370	44,365

Fiscal Year Ending June 30	Lease Revenue Bonds		Retirement Litigation Settlement	
	Principal	Interest	Principal	Interest
2018	\$ 18,358	5,832	1,673	1,086
2019	17,521	5,320	1,807	953
2020	16,644	4,747	1,952	808
2021	17,208	4,186	2,108	652
2022	15,246	3,624	2,277	483
2023-2027	69,902	10,660	3,761	405
2028-2032	38,546	2,779		
Total	\$ 193,425	37,148	13,578	4,387

**COUNTY OF CONTRA COSTA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2017

Fiscal Year Ending June 30	Tax Allocation Bonds		Special Assessment Debt		Notes Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$ 2,295	4,857	255	149	141	30
2019	2,410	4,413	260	144	121	26
2020	2,545	4,287	270	138	117	22
2021	2,660	4,154	275	132	122	18
2022	2,810	4,013	280	124	126	13
2023-2027	17,490	17,479	1,535	482	249	12
2028-2032	23,875	12,160	1,760	176		
2033-2037	28,465	4,729				
2038-2042	3,550	105				
Total	\$ 86,100	56,197	4,635	1,345	876	121

As of June 30, 2017, annual debt payment requirements of business-type activities to maturity, except for compensated absences, net pension liability, net OPEB liability, reserves for supplemental payments, medical liability claims payable, and landfill post closure liability, that have indefinite maturities, are as follows (in thousands):

Fiscal Year Ending June 30	Notes Payable		Lease Revenue Bonds	
	Principal	Interest	Principal	Interest
2018	\$ 122	37	11,083	5,067
2019	127	32	12,358	4,751
2020	132	27	12,755	4,380
2021	137	22	13,105	4,021
2022	143	16	13,477	3,640
2023-2027	302	15	32,783	13,452
2028-2032			12,474	8,632
2033-2037			12,800	4,742
2038-2042			6,885	976
Total	\$ 963	149	127,720	49,661

**New Bonds Issued**

On March 1, 2017, the County of Contra Costa Public Financing Authority (PFA) entered into an agreement to issue 2017 Lease Revenue Bonds Series A in a par amount of \$99,810,000. On May 1, 2017, the PFA entered into an agreement to issue 2017 Lease Revenue Bonds Series B in a par amount of \$100,285,000.

The 2017 Series A bonds were issued to fund a current refunding of the 2007 Series A, 2007 Series B, and 2009 Series A Lease Revenue Bonds. In addition, 2017 Series A proceeds funded various capital improvements. The 2017 Series A bonds have a final maturity date of June 1, 2027, with an annual coupon rate of 2.33%. The present value of the net savings on the refunding was \$1,188,000.

The 2017 Series B bonds were issued to fund two new capital projects: i) Replacement of the County Administration Building, and; ii) Replacement of the County Emergency Operations Center. The 2017 Series B bonds have a final maturity date of June 1, 2032, with an annual coupon rate of 2.39%.

COUNTY OF CONTRA COSTA  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2017

**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. As of June 30, 2017, there are no outstanding obligations considered to be defeased.

**Legal Debt Limit**

As of June 30, 2017, the county's debt limit (5% of valuation subject to taxation) was \$9.298 billion. The total amount of debt applicable to the debt limit was \$265 million, net of assets in the debt service funds and other deductions allowed by law. The resulting legal debt margin was \$9.033 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, 2017, the county does not expect to incur a liability.

COUNTY OF CONTRA COSTA  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2017

**11. CONDUIT DEBT**

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

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

As of June 30, 2017, the county had participated in the issuance of 35 series of Multifamily or Single Family Housing Revenue Bonds. The aggregate principal amount remaining payable for the bonds issued was \$323,900,000.

Not included in the above amount are two defeased issues totaling \$22,235,000.

**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, 2017, 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

COUNTY OF CONTRA COSTA  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2017

(2) not spendable because of a legal requirement to maintain intact (i.e. amount representing the nonexpendable portion of the permanent fund).

- *Restricted fund balance* – This category consists of amounts that are constrained for a specific purpose through restrictions of external parties (i.e. creditors, grantors, contributors, or laws or regulations of other governments), or by constitutional provision or enabling legislation.
- *Committed fund balance* – This category consists of amounts that are constrained for specific purposes imposed by formal action of the county’s highest level of decision-making authority, the county’s Board of Supervisors. Commitments may be changed or lifted only by the county taking the same formal action that originally imposed the constraint.
- *Assigned fund balance* – This category consists of amounts that are constrained by the government’s intent to be used for a specific purpose but are neither restricted nor committed. Authorization to assign fund balance rests with the Board of Supervisors through the budget process, as governed by the state of California’s County Budget Act.
- *Unassigned fund balance* – This category represents the residual classification for the county’s General Fund. It includes all amounts that are not reported as constrained in other classifications. Other governmental funds will only have an unassigned fund balance if they have a negative residual balance.

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

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

COUNTY OF CONTRA COSTA  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2017

Fund balances for all of the major and nonmajor governmental funds as of June 30, 2017, were distributed as follows (in thousands):

	<u>General Fund</u>	<u>CCC Fire Protection District Special Revenue</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
<b>Nonspendable:</b>				
Nonspendable in form:				
Inventories	\$ 1,398	731		2,129
Prepaid items and deposits	6,103	112	2,401	8,616
Legally nonspendable:				
Permanent fund			1,710	1,710
Total nonspendable	<u>7,501</u>	<u>843</u>	<u>4,111</u>	<u>12,455</u>
<b>Restricted for:</b>				
Board of Supervisors				1,017
County Administrator's Office	1,017			1,017
Board Mitigation Programs	485			485
Employee/Retirement Benefits	1,851			1,851
Vehicle Theft	1,132			1,132
Probation	60			60
Environmental Health Programs	841			841
Keller Canyon Mitigation Fund	499			499
AIDS (HOPWA) grant	254			254
East Bay Regional Communication Systems (EBRCS) Investment	1,931			1,931
Cash for Keys	163			163
Fire Protection		6,592	659	7,251
Road			54,322	54,322
Library Services			6,052	6,052
Low & Moderate Income Housing Assets			16,714	16,714
Health and Sanitation			57,216	57,216
Land Development			22,848	22,848
Service Areas - Public Protection			17,840	17,840
Service Areas - Education			154	154
Service Areas - Recreation and Parks			1,995	1,995
Service Areas - Public Ways			1,107	1,107
Flood control			73,736	73,736
Law Enforcement			13,252	13,252
Courts and criminal justice			1,179	1,179
Recorder/Clerk Modernization			9,175	9,175
In-Home Support Services			100	100
County Local Revenue Fund 2011			60,378	60,378
Other Special Revenue			45,190	45,190
Permanent Fund			125	125
Capital Projects			746	746
Public Financing Authority			103,692	103,692
Family Law Center			2,129	2,129
CCC Fire Protection District Pension Bond			12,181	12,181
Assessment Districts			1,706	1,706
Total restricted	<u>8,233</u>	<u>6,592</u>	<u>502,496</u>	<u>517,321</u>
<b>Committed to:</b>				
Transient Occupancy Tax Programs	1,440			1,440
Service Areas - Public Protection			18	18
Crockett Cogeneration			324	324
Total committed	<u>1,440</u>	<u></u>	<u>342</u>	<u>1,782</u>

(continued)

**COUNTY OF CONTRA COSTA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2017

	General Fund	CCC Fire Protection District Special Revenue	Nonmajor Governmental Funds	Total
<b>Assigned to:</b>				
Equipment Replacement	\$ 4,584			4,584
Litigation and Audit	10,000			10,000
General Fund Capital Reserve	14,722			14,722
Board of Supervisors	5			5
Clerk of the Board	51			51
County Administrator	6,112			6,112
Auditor-Controller	114			114
Treasurer-Tax Collector	60			60
Assessor	30			30
Management Information System	1,389			1,389
County Counsel	45			45
Human Resources	147			147
Child Care	168			168
Elections	4,681			4,681
General County Building Occupancy	795			795
Building Maintenance	1,175			1,175
Minor Building Improvements	614			614
Facilities Life Cycle Improvements	25,531			25,531
Capital Facilities	24,940			24,940
Economic Promotion	140			140
Retiree Health Care	14,883			14,883
Information Technology	62			62
Print and Mail	66			66
Insurance and Risk Management	17			17
Trial Court Programs	113			113
Law and Justice	8,395			8,395
District Attorney	57			57
Public Defender	2			2
Sheriff	799			799
Sheriff Detention	50			50
Health Services-Detention Inmates	754			754
Probation Programs	71			71
Probation Facilities	91			91
County Drainage Maintenance	122			122
Agriculture-Weights/Measures	529			529
Clerk Recorder	156			156
Emergency Services	141			141
Animal Services	602			602
Public Health	131			131
Environmental Health	89			89
Mental Health	55			55
Health Services-Calif Child Services	4			4
Employment and Human Services	465			465
Children and Family Services	28			28
Aging and Adult Services	36			36
Workforce Services	69			69
Veterans Service Office	29			29
Community Services	156			156
Neighborhood Preservation Program	1			1
Public Works	26			26
Fire Protection		53,348	4	53,352
Road			10,646	10,646
Library Services			17,605	17,605
Health and Sanitation			49	49
Low & Moderate Income Housing Assets			1,764	1,764
Land Development			952	952
Service Areas - Public Protection			1,407	1,407
Service Areas - Recreation and Parks			1,372	1,372
Service Areas - Public Ways			899	899
Flood Control			3,027	3,027
Law Enforcement			14,430	14,430
Child Development			366	366
Other Special Revenue			3,623	3,623
Total assigned	<u>123,302</u>	<u>53,348</u>	<u>56,144</u>	<u>232,794</u>
<b>Unassigned</b>	<u>299,837</u>		<u>(5,788)</u>	<u>294,049</u>
Total	<u>\$ 440,313</u>	<u>60,783</u>	<u>557,305</u>	<u>1,058,401</u>

(concluded)

COUNTY OF CONTRA COSTA  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2017

**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, 2017, the county's General Fund has a total of \$50,876,000 in encumbrances, which were reported as part of assigned fund balance on the governmental fund balance sheet. Additionally, total encumbrances are \$820,000 in the Contra Costa County Fire Protection District Special Revenue Fund, and \$1,306,000 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 \$2,127,000, the Health Maintenance Organization Medi-Cal Plan Enterprise Fund reports \$194,000, the nonmajor enterprise funds report \$31,000, and the internal service funds report \$1,051,000 in encumbrances at June 30, 2017, which are reported as part of unrestricted net position on the proprietary fund statement of net position.

COUNTY OF CONTRA COSTA  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2017

**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, \$125,000 at June 30, 2017, 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. Five trustees are appointed by the County Board of Supervisors (including one alternate); 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

COUNTY OF CONTRA COSTA  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2017

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 1/60<sup>th</sup> (Non-Enhanced) and 1/50<sup>th</sup> (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

COUNTY OF CONTRA COSTA  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2017

§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 1/50<sup>th</sup> (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 members 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, 2016, for the fiscal year beginning July 1, 2016, (based on the December 31, 2014, valuation) was 40.06% of compensation. Contributions in relation to the actuarially determined contribution were \$248,280,000.

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, 2016, for the fiscal year beginning July 1, 2016, (based on the December 31, 2014, valuation) was 11.84% of compensation.

A copy of CCCERA's Comprehensive Annual Financial Report for calendar year end December 31, 2016, can be located at [www.cccera.org](http://www.cccera.org).

COUNTY OF CONTRA COSTA  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2017

**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, which complies with GASB Statement No. 82:

"Covered payroll is the payroll on which contributions to a pension plan are based."

The allocation of the NPL provided by CCCERA for the county did not include Contra Costa County Fire Protection District (CCCYPD) 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 CCCYPD and IHSS NPLs to produce the overall county NPL.

At June 30, 2017, the county reported a liability of \$1,107,724,000 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, 2016. The county's proportion of the net pension liability was based on a projection of the county's covered payroll for fiscal year 2016-2017 relative to the covered payroll of all Pension Plan participants. At December 31, 2016, the county's proportion was 79.09%, a decrease from 79.61% at December 31, 2015.

As of June 30, 2017, First Five Contra Costa Children and Families Commission and Housing Authority of the County of Contra Costa reported a Net Pension Liability of \$2,424,000 and \$10,162,000, respectively.

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, 2015, and 2014, respectively. As of December 31, 2016, the Plan Fiduciary Net Position was \$7,438,520,000.

For the year ended June 30, 2017, the county recognized pension expense of \$214,847,000. 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.

**COUNTY OF CONTRA COSTA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2017

At June 30, 2017, the county reported deferred outflows of resources and deferred inflows of resources related to pension for the following sources (in thousands):

<b>Deferred Outflows of Resources</b>				
	Governmental activities	Business-type activities	First 5 Contra Costa Children and Families Commission	Housing Authority
Differences between expected and actual experience	\$ 24,535	8,448		
Changes in assumption	23,525	8,529	70	293
Net difference between projected and actual earnings on retirement plan investments	143,515	52,029	428	1,794
Contributions subsequent to the measurement date	84,509	33,574	351	732
Changes in proportion			405	92
Total	<u>\$ 276,084</u>	<u>102,580</u>	<u>1,254</u>	<u>2,911</u>

<b>Deferred Inflows of Resources</b>				
	Governmental activities	Business-type activities	First 5 Contra Costa Children and Families Commission	Housing Authority
Differences between expected and actual experience	\$ 66,687	24,177		63
Changes in assumptions	15	6		
Net difference between projected and actual earnings on retirement plan investments			199	834
Changes in proportion	8,966			
Total	<u>\$ 75,668</u>	<u>24,183</u>	<u>199</u>	<u>897</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.

\$84,509,000 and \$33,574,000 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 that will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. 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	Business-type activities Amount
06/30/18	\$ 29,235	11,820
06/30/19	38,468	14,726
06/30/20	50,425	18,653
06/30/21	(2,221)	(376)
	<u>\$ 115,907</u>	<u>44,823</u>

COUNTY OF CONTRA COSTA  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2017

Actuarial Assumptions

The Total Pension Liability (TPL) as of December 31, 2016, was determined by actuarial valuation as of December 31, 2015. The actuarial assumptions used were based on the results of an experience study for the period January 1, 2012, through December 31, 2014. They are the same as the assumptions used in the CCCERA funding valuations as of December 31, 2016, and December 31, 2015. In particular, the following actuarial assumptions were applied to all periods included in the measurement for both the December 31, 2016, and December 31, 2015, actuarial valuations:

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%

The long-term expected rate of return on pension plan investments was determined in 2016 using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. Those returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses and a risk margin.

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	4.50
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 %	

For pre-retirement mortality rates, Headcount-Weighted RP-2014 Employee Mortality Table times 75% is projected generationally with the two-dimensional MP-2015 projection scale. All pre-retirement deaths are assumed to be non-service connected. Generational projections beyond the base year (2014) are not reflected.

COUNTY OF CONTRA COSTA  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2017

Discount Rate

The discount rate used to measure the TPL was 7.00%. 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 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 December 31, 2016.

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 the CCCERA as of December 31, 2016, 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	\$ 2,112,279	\$ 1,107,724	\$ 289,303

**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, 2017, the proportionate share of net pension liability was \$2,424,000.

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

COUNTY OF CONTRA COSTA  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2017

**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, 2017, the proportionate share of net pension liability was \$10,162,000.

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

**15. OTHER POSTEMPLOYMENT BENEFIT (OPEB)**

**A. General Information about the OPEB Plan**

Plan Description

The County of Contra Costa administers the County of Contra Costa Post Retirement Health Benefits Plan (the Plan), an agent multiple employer defined benefit health care 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 Post Retirement Health Benefits Plan.

The Contra Costa County Board of Supervisors (Board of Supervisors) appointed the Auditor-Controller, Chief Administrative Officer, Director of Finance, Contra Costa Regional Medical Center Finance Director, and the Treasurer-Tax Collector as the Plan's Board of Trustees. The Treasurer-Tax Collector has been designated as the Plan Administrator. As of June 30, 2017, Public Agency Retirement Services is the Trust Administrator.

The Board of Supervisors has the right at any time and for any reason, in its sole discretion, to modify, alter, or amend the Plan in whole or in part, in any manner and without limit, including reducing or eliminating the payment of any benefits. Benefits provided under this plan for a retired employee of an employer and his or her spouse or dependent shall be paid from the assets contributed to the Public Agencies Post-Retirement Health Care Plan (Trust) by the employee's employer and not from the assets contributed by any other employer. Union Bank of California (Trustee) shall, upon the written direction of the Plan Administrator, make distributions from the assets of the Trust to the insurers, third party administrators, health care and welfare providers or other entities providing Plan benefits or services, or to the employer for reimbursement of Plan benefits and expenses paid by the employer.

COUNTY OF CONTRA COSTA  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2017

Benefits Provided

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.

<u>Bargaining Unit Name</u>	<u>Hire Date on or after which eligible retirees must pay entire cost of premiums</u>
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 Contra Costa County Fire Protection 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 medical premiums equal to the actual dollar monthly premium amount paid by the county in 2013; for premium increases 2014 and later, the county subsidy will increase by 75% of the actual premium increase in Bay Area Kaiser rates.
- Currently, for eligible retirees from the Physicians and Dentists Organization of Contra Costa, the California Nurses Association, and Local 1230, the county/district subsidizes a percentage of monthly premiums that varies depending on the medical and dental plan elected.

COUNTY OF CONTRA COSTA  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2017

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.

	Primary Government
Active plan members	8,645
Retirees and beneficiaries receiving benefits	6,396

Contributions

The county makes all contributions to the Trustee. All contributions are paid to the Trustee for investment and reinvestment pursuant to the terms of the Public Agencies Post-Retirement Health Care Plan Trust Agreement.

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, 2017, the funding was based on the "pay-go" basis plus a contribution of \$20,535,000 to the Contra Costa County Other Employee Benefit Trust Fund. For fiscal year ended June 30, 2017, the county paid \$46,209,000 as the "pay-go" cost (approximately 60.60% of total premiums).

The contributions for fiscal year ended June 30, 2017, were as follows (in thousands):

	<u>Retirees</u>
Total blended premiums at \$7,225 per plan member	\$ 46,209
Implicit rate subsidy	9,509
Employer pre-funding contributions	20,535
Total Employer Contributions	\$ 76,253

Certain plan members and survivors of retirees receiving benefits contributed \$14,235,000, or approximately 39.40% of the total premiums, through their required contribution.

COUNTY OF CONTRA COSTA  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2017

Investments

The Plan's policy in regard to the allocation of invested assets is established and may be amended by the Plan Administrator. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the Plan. The following was the adopted asset allocation policy as of June 30, 2017:

	<u>Expected 1-Year Nominal Return</u>	<u>Targeted Asset Allocation</u>
Total Domestic Equity:		
Large Cap	7.63 %	17.00 %
Mid Cap	8.21	6.00
Small Cap	8.81	8.00
Global Equity (Developed)	8.21	7.00
International Equity	8.60	9.00
U.S. Fixed Income	5.00	38.00
Real Estate	7.71	4.00
Cash (Money Market)	3.27	1.00
Alternatives	4.57	10.00

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

Annual OPEB Expense and Net OPEB Liability

For the purposes of allocating the net OPEB liability within the county's CAFR, prior retiree eligibility was used. The allocation is determined by a ratio of retirees and the department the retiree retired from.

At June 30, 2017, the county reported \$693,566,000 for the net OPEB liability. The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of January 1, 2016. The county's net OPEB liability was based on a projection of the county's covered payroll of \$677,419,000.

Plan Fiduciary Net Position (plan assets) was valued as of the measurement date while the total OPEB liability was determined based upon rolling forward the total OPEB liability from actuarial valuations as of January 1, 2016. As of June 30, 2017, the Plan Fiduciary Net Position was \$235,216,000.

For the year ended June 30, 2017, the County recognized OPEB expense of \$68,244,000. OPEB expense represents the change in the net OPEB liability during the measurement period, adjusted for service cost, interest on the total OPEB liability, and expected investment return, net of investment expense.

COUNTY OF CONTRA COSTA  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2017

The components of the net OPEB liability as of June 30, 2017, were as follows (in thousands):

		2017
<b>Total OPEB liability</b>		
Service Cost	\$	26,191
Interest		56,298
Benefit payments		(55,718)
<b>Net change in total OPEB liability</b>		26,771
<b>Total OPEB liability-beginning</b>		902,011
<b>Total OPEB liability-ending (a)</b>	\$	928,782
<b>Plan fiduciary net position</b>		
Contributions-employer	\$	76,253
Net investment income		18,705
Benefit payments		(55,718)
<b>Net change in plan fiduciary net position</b>		39,240
<b>Plan fiduciary net position-beginning</b>		195,976
<b>Plan fiduciary net position-ending (b)</b>	\$	235,216
<b>Net OPEB liability-ending (a)-(b)</b>	\$	693,566

COUNTY OF CONTRA COSTA  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2017

At June 30, 2017, the county reported deferred inflows of resources related to OPEB for the following sources:

	<b>Deferred Inflows of Resources</b>	
	Governmental activities	Business-type activities
Net difference between projected and actual earnings on OPEB plan investments	\$ 3,934,000	726,000
Total	\$ 3,934,000	726,000

Deferred inflows of resources above represent the unamortized portion of changes to net OPEB liability to be recognized in future periods in a systematic and rational manner. At June 30, 2017, the county did not have deferred outflows of resources to report.

\$3,934,000 and \$726,000 reported as deferred inflows of resources for governmental and business-type activities, respectively, relate to investment returns that exceed the actuarial projected earnings and will be recognized as a reduction of OPEB expense in future periods as follows:

Fiscal Year Ended	Governmental activities Amount	Business-type activities Amount
06/30/18	\$ 984,000	181,000
06/30/19	984,000	181,000
06/30/20	983,000	182,000
06/30/21	983,000	182,000
	\$ 3,934,000	726,000

Actuarial Methods and Assumptions

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

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, 2018. Until January 1, 2015, CCCERA personnel were employees of the county. The OPEB liability of employees of CCCERA who retired as county employees before January 1, 2015, is included with the county's data.

COUNTY OF CONTRA COSTA  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2017

The total OPEB liability was determined by an actuarial valuation as of January 1, 2016, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation: 2.50 percent

Salary increases:

Years of Service	General		Safety	
Less than 1	13.50	%	14.00	%
1	10.50		10.50	
2	8.75		9.25	
3	7.25		8.00	
4	6.25		6.25	
5	5.50		5.00	
6	5.25		4.75	
7	5.00		4.75	
8 or more	4.75		4.75	

Investment rate of return: 6.25 percent, net of OPEB plan investment expense

Demographic Assumptions: The assumed rates for mortality, retirement, disability and withdrawal are consistent with assumptions used in the December 31, 2014, CCCERA Actuarial Valuation. These assumptions were adopted by CCCERA in connection with a study of experience during 2010-2012.

Health Cost Trend: The assumed overall health costs of the medical benefits will increase according to the health cost inflation trend derived by using the "Getzen" model, with rates ranging from 4.5% to 8.25% developed by the Society of Actuaries. Under the Patient Protection and Affordable Care Act of 2010, including changes passed into law on December 18, 2015, a Federal excise tax will apply for high cost health benefits beginning in 2020. A margin to reflect to impact of the excise tax in future years is reflected in the assumed trend. Dental costs assume an annual increase of 4.0%.

COUNTY OF CONTRA COSTA  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2017

Discount Rate

In the January 1, 2016, actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 6.25% discount rate. This rate was derived based on the OPEB fund's investment policy for a partially funded plan and includes a 2.50% long-term inflation assumption.

The actuarial cost method used for determining the benefit obligations is the individual Entry Age Normal Cost Method. Under the principles of this method, the actuarial present value of the projected benefits of each individual included in the valuation is allocated as a level percentage of expected salary for each year of employment between entry age (defined as age at hire) and assumed exit.

The portion of this actuarial present value allocated to a valuation year is called the normal cost. The portion of this actuarial present value not provided for at a valuation date by the sum of (a) the actuarial value of the assets, and (b) the actuarial present value of future normal costs is called the Unfunded Actuarial Accrued Liability (UAAL).

A discount rate of 6.25% was used in the valuation to reflect the county's current policy of partially funding its OPEB liabilities. This rate is derived based on the fund's investment policy, level of partial funding, and includes a 2.50% long-term inflation assumption. County OPEB Irrevocable Trust assets are invested in the Public Agency Retirement Services' Highmark Portfolio. Based on the portfolio's target allocation (shown below), the average return of Trust assets over the next 50 years is expected to be 6.13%.

GASB 74 and 75 require that a projection regarding future solvency of the OPEB plan be run each year. The projections assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions. A solvency projection as prescribed in GASB 74 and 75 based on the county's current funding policy, and the Fiduciary Net Position is always projected to be sufficient to cover annual benefit payments and administrative expenses. Therefore, a 6.25% discount rate was used.

Asset Class	Expected 1-Year Nominal Return		Targeted Asset Allocation	
Domestic Equity Large Cap	7.63	%	17.00	%
Domestic Equity Mid Cap	8.21		6.00	
Domestic Equity Small Cap	8.81		8.00	
U.S. Fixed Income	5.00		38.00	
International	8.60		9.00	
Global Equity (Developed)	8.21		7.00	
Real Estate	7.71		4.00	
Cash	3.27		1.00	
Alternatives	4.57		10.00	
Expected Arithmetic Mean Annual Return (50 years)			6.54	
Expected Geometric Median Annual Return (50 years)			6.13	

COUNTY OF CONTRA COSTA  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2017

Sensitivity of the County's Net OPEB Liability to Changes in the Discount Rate

The following presents the county's net OPEB liability as of June 30, 2017, calculated using the discount rate of 6.25%, as well as what the county's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.25%) or 1-percentage-point higher (7.25%) than the current rate (in thousands):

	1% Decrease 5.25%	Discount Rate 6.25%	1% Increase 7.25%
Net OPEB liability as of June 30, 2017	\$ 788,710	\$ 693,566	\$ 612,355

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates

The following presents the net OPEB liability of the Plan, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates (in thousands):

	1% Decrease in Healthcare Costs Trend Rate	Current Healthcare Costs Trend Rate 4.50%	1% Increase in Healthcare Costs Trend Rate
Net OPEB liability as of June 30, 2017	\$ 639,467	\$ 693,566	\$ 758,915

**C. 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 was not required to implement GASB 75 and has not recorded the net OPEB liability as of fiscal year end June 30, 2017. First 5 Contra Costa Children and Families Commission has reported its net OPEB obligation in accordance with GASB 45. First 5 Contra Costa Children and Families Commission anticipates that the full implementation of this statement will have a material impact on the financial statements beginning next year.

COUNTY OF CONTRA COSTA  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2017

The following table shows the components of First 5 Contra Costa Children and Families Commission's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the net OPEB obligation (asset) (in thousands):

		First 5 Contra Costa Children and Families Commission
Annual required contribution	\$	38
Interest on net OPEB obligation		(7)
Adjustment to annual required contribution		9
Annual OPEB cost (expense)		<u>40</u>
Contributions made		<u>(38)</u>
Increase in net OPEB obligation		<u>2</u>
Net OPEB obligation, beginning of year		<u>(107)</u>
Net OPEB obligation (asset), end of year	\$	<u><u>(105)</u></u>

The following table shows active plan members and eligible retirees receiving benefits for First 5 Contra Costa Children and Families Commission as of June 30, 2017:

Active plan members	12
Retirees and beneficiaries receiving benefits	2

First 5 Contra Costa Children and Families Commission's annual OPEB cost and net OPEB obligation for the fiscal year ended June 30, 2017, and the preceding years, were as follows (dollar amounts in thousands):

Fiscal Year Ended	Annual OPEB Cost	Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
06/30/17	\$ 40	95.0 %	\$ (105)
06/30/16	38	94.0	(107)
06/30/15	27	93.0	(109)

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

COUNTY OF CONTRA COSTA  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2017

**D. Housing Authority of the County of Contra Costa**

The Housing Authority of the County of Contra Costa (Housing Authority) is a discretely presented component unit. Its personnel are covered by a separate OPEB plan administered by the Housing Authority.

The Housing Authority was not required to implement GASB 74 and GASB 75 due to its fiscal year end March 31, 2017. The Housing Authority has reported its net OPEB obligation in accordance with GASB 45. The Housing Authority anticipates the full implementation of GASB 74 on the financial statements beginning fiscal year April 1, 2017, and GASB 75 beginning fiscal year April 1, 2018.

The following table shows the components of the Housing Authority's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the net OPEB obligation (dollar amounts in thousands):

		Housing Authority
Annual required contribution	\$	526
Interest on net OPEB obligation		178
Adjustment to annual required contribution		(321)
Annual OPEB cost (expense)		383
Contributions made		(371)
Increase in net OPEB obligation		12
Net OPEB obligation, beginning of year		2,395
Net OPEB obligation (asset), end of year	\$	2,407

The following table shows active plan members and eligible retirees receiving benefits for the Housing Authority as of June 30, 2017:

Active plan members	87
Retirees and beneficiaries receiving benefits	68

The Housing Authority 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, 2017, and the preceding fiscal years, were as follows (dollar amounts in thousands):

Fiscal Year Ended		Annual OPEB Cost		Annual OPEB Cost Contributed		Net OPEB Obligation (Asset)
06/30/17	\$	383		371.0	%	\$ 2,407
06/30/16		371		100.0		2,395
06/30/15		379		68.6		2,395

COUNTY OF CONTRA COSTA  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2017

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, 2015. 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, 2017, the county reported \$203,456,000 as reserve for supplemental payments, 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.

The Contra Costa County Regional Medical Center meets the requirements of a Hospital-Based Federally Qualified Health Center (FQHC) under Section 330(h) of the Public Health Service Act and is reimbursed under Medi-Cal's FQHC program, which covers a large percentage of its outpatient clinic patients. Revenues for this type of reimbursement are included in net patient service revenue on the Statement of Revenues, Expenses and Changes in Net Position.

On December 3, 2014, Centers for Medi-Cal and Medicare issued a final rule on Medicaid Department of Health Services payments. The preamble to Centers for Medi-Cal and Medicare's final rule included language explaining the exclusion of uncompensated costs of FQHCs for purposes of calculating hospital-specific Department of Health Services payments. While this exclusion has not been previously applied in the calculation of Department of Health Services payments to California public hospitals, Centers for Medi-Cal and Medicare is taking the position that the exclusion is consistent with Centers for Medi-Cal and Medicare's policy articulated in prior regulatory guidance, including a December 19, 2008, Department of Health Services final rule. As a result, on May 19, 2016, Department of Healthcare Services notified the Medical Center that it is incorporating Centers for Medi-Cal and Medicare's policy into Department of Health Services audits and Department of Health Services reconciliations effective for fiscal year 2012-2013. Department of Healthcare Services has also instructed the Medical Center to exclude uncompensated FQHC costs in future data submissions related to Department of Health Services payments for subsequent years. Department of Healthcare Services recently requested the Medical Center to resubmit its P14 workbooks for fiscal year 2010-2011 and fiscal year 2011-2012, which the

COUNTY OF CONTRA COSTA  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2017

Medical Center declined to do, but did provide FQHC revenues and costs under protest. The Department of Health Services audit for fiscal year 2013-2014 is currently in progress.

Management estimates the application of this policy by Centers for Medi-Cal and Medicare will have a material adverse effect on the Medical Center's financial position and recorded a liability of \$37.1 million for the potential recoupment of prior year Department of Health Services payments. However, the Medical Center disputes the Centers for Medi-Cal and Medicare policy and its retroactive application and has joined five other public hospitals in a lawsuit filed against Centers for Medi-Cal and Medicare to protect its ability to continue providing essential health care services to Medi-Cal and uninsured patients. Although management of the Medical Center cannot predict the ultimate outcome of this lawsuit with certainty, it believes it has recorded sufficient reserves to account for potential losses as a result of an unfavorable outcome.

Net receivables from patients and third-party payers at June 30, 2017, are summarized as follows (in thousands):

Medicare	\$	(2,866)
Medi-Cal		18,153
Private insurance		<u>4,614</u>
Total Net Patient Receivables	\$	<u><u>19,901</u></u>

The net receivables from patients and third-party payers exclude non-patient receivables of approximately \$66,153,000.

**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 Authority).
- 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:

COUNTY OF CONTRA COSTA  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2017

- 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 \$600 million shared aggregate.
- Property insurance - earthquake in excess of 2% per unit, \$100,000 minimum, to a limit of \$740 million shared aggregate.
- Property insurance - terrorism to a limit of \$750 million shared aggregate with a \$500,000 deductible.
- Crime bond coverage in excess of \$100,000 per incident, to a limit of \$20 million for fidelity coverage, computer, and funds transfer fraud.
- Watercraft liability to a limit of \$50 million.
- Sheriff's helicopters to a limit of \$50 million per incident.
- Boiler and machinery to a limit of \$100 million with a \$5,000 deductible.
- Pollution liability to a limit of \$10 million.
- Cyber liability to a limit of \$2 million, plus notification costs to \$250,000.

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 2016-2017.

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 \$172,189,000 at June 30, 2017, 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

COUNTY OF CONTRA COSTA  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2017

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 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.

Changes in claims liabilities:

Changes to the liability amount for fiscal years 2015-2016 and 2016-2017 are as follows (in thousands):

	Internal Service Funds	HMO Medi-Cal Plan Enterprise Fund
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	175,918	66,428
FY 2016-2017 claims and changes in estimates	27,908	605,539
FY 2016-2017 claim payments	<u>(31,637)</u>	<u>(621,630)</u>
Liability at June 30, 2017	<u>\$ 172,189</u>	<u>50,337</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, 2017, 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).

COUNTY OF CONTRA COSTA  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2017

For non-CalPERS administered medical plans, the county subvents 56.0%-100.0% of Kaiser Permanente, 47.0%-80.0% of Health Net (HMO), 34.5%-58.7% of Health Net (PPO) and 77.4%-98.0% of CCHP A and 71.4%-98.0% of CCHP B premiums for plan members depending on the employees' union representation. The county subvention for CalPERS administered plans is a flat rate depending on the employees' union representation and the number of dependents covered under the plans. All permanent employees have a choice of two dental plans as follows: a county self-funded plan administered by Delta Dental and a PMI Delta Care Plan. The county's self-funded plan is an indemnity program and the PMI Delta Care plan is a prepaid program.

The county's contribution to health and dental plans during fiscal year 2016-2017 for active employees was \$99,513,000. 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 entered into commitments for construction of certain projects. At June 30, 2017, there were outstanding commitments of \$10,676,000 for Countywide roofing repairs, \$5,798,000 for renovations of the Administration Building and Emergency Operations Center, \$3,321,000 for Balfour Road shoulder widening, \$1,877,000 for Morgan Territory road slide repair, \$1,840,000 for roofing and repairs, \$1,524,000 for various repairs and remodeling (including fire alarm, paving, electrical, landscaping, mechanical, etc.), and \$1,466,000 for Hospital Ed and Imaging expansion.

**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, 2017.

COUNTY OF CONTRA COSTA  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2017

**19. SUBSEQUENT EVENT**

**2017 Tax Allocation Refunding Bonds, Series 2017A (Tax Exempt) and Series 2017B (Taxable)**

On August 16, 2017, the Successor Agency to the Contra Costa County Redevelopment Agency closed its 2017 Tax Allocation Refunding Bonds in a par amount of \$72,625,000. It is composed of \$49,530,000 of Series 2017A tax-exempt bonds and \$23,095,000 Series 2017B taxable bonds (collectively, the "2017 Bonds").

The 2017 Bonds were issued to prepay certain loans made by the County of Contra Costa Public Financing Authority (the PFA) to the former Contra Costa County Redevelopment Agency (the "Former Agency") that financed redevelopment and housing activities and thereby refund certain outstanding bonds issued by the PFA, which were used to fund the Former Agency's indebtedness. In addition, proceeds from the 2017 Bonds were used to pay certain costs of issuing the bonds, including the purchase of a municipal bond debt service reserve policy for deposit in the Reserve Fund.

The Series 2017A bonds have a final maturity date of August 1, 2036, and a True Interest Cost (TIC) of 3.26%. The Series 2017 B bonds have a final maturity date of August 1, 2025, and a TIC of 2.78%. The 2017 Bonds resulted in a net present value (NPV) savings of approximately 21%.

**REQUIRED SUPPLEMENTARY INFORMATION (Other than MD&A)**

COUNTY OF CONTRA COSTA  
**SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS**  
 CURRENT YEAR AND PRIOR YEAR  
 (In Thousands)

	Total OPEB Liability	Increase/(Decrease) Plan Fiduciary Net Position	Net OPEB Liability
<b>Balance as of June 30, 2016</b>	\$ 902,011	195,976	706,035
Service cost	26,191		26,191
Interest on the total OPEB liability	56,298		56,298
Benefit payments	(55,718)	(55,718)	
Contributions from employer		76,253	(76,253)
Net investment income		18,705	(18,705)
Total Changes	<u>26,771</u>	<u>39,240</u>	<u>(12,469)</u>
<b>Balance as of June 30, 2017</b>	\$ <u>928,782</u>	<u>235,216</u>	<u>693,566</u>

Plan fiduciary net position as a percentage of the total OPEB liability	25.33 %
Covered payroll	\$ 677,419
Net OPEB liability (asset) as a percentage of covered payroll	102.38 %

COUNTY OF CONTRA COSTA  
**SCHEDULE OF OPEB CONTRIBUTIONS**  
 CURRENT YEAR  
 (In Thousands)

	<u>2017</u>
Actuarially determined contribution	\$ 89,170
Contributions in relation to the actuarially determined contribution	76,253
Contribution deficiency (excess)	<u>\$ 12,917</u>
Covered payroll	\$ 677,419
Contributions as a percentage of covered payroll	11.26 %

COUNTY OF CONTRA COSTA  
**ANNUAL MONEY-WEIGHTED RATE OF RETURN ON OPEB ASSETS**  
CURRENT YEAR  
(In Thousands)

	<u>2017</u>
Annual money-weighted rate of return, net of investment expense	9.18 %

**Notes to Required Supplementary Information**

Changes of benefit terms

In the January 1, 2016, actuarial valuation, there was no change of benefit terms.

Actuarially Determined Contribution

A target or recommended contribution to an OPEB plan for the reporting period, determined based on the funding policy and most recent measurement available when the contribution for the reporting period was adopted. The county's current funding policy is to fund the pay-as-you-go costs for retirees, plus \$20 million into the OPEB Trust each year until year 2022. Beginning in 2022 the county will contribute \$20 million plus an additional \$53 million until the OPEB fund's fiduciary net position as a percentage of total OPEB liability is 60%. After that, the county will contribute an amount to maintain the 60% funded status.

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
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		5,365	5,365	0.00	5,769	93.00
Apr. 1, 2012		5,105	5,105	0.00	5,057	100.95

\* First 5 Contra Costa Children and Families Commission was not required to implement GASB 75 due to its fiscal year end June 30, 2017, and has reported its net OPEB obligation in accordance with GASB 45.

\*\* The Housing Authority of the County of Contra Costa was not required to implement GASB 74 and GASB 75 due to its fiscal year end March 31, 2017, and has reported its net OPEB obligation in accordance with GASB 45.

COUNTY OF CONTRA COSTA  
**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
 CURRENT YEAR AND TWO YEARS 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 Payroll	Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
County	2017	67.07 %	\$ 939,305	636,086	147.67 %	85.20 %
CCCYPD	2017	11.93	167,124	39,953	418.30	82.69
IHSS	2017	0.09	1,295	821	157.73	80.32
TOTAL 2017		<u>79.09 %</u>	<u>\$ 1,107,724</u>	<u>676,860</u>	<u>163.66 %</u>	
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	2017	0.17 %	\$ 2,424	2,140	113.25 %	84.16 %
	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#	2017	0.72 %	\$ 10,163	5,216	194.84 %	82.73 %
	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 PENSION CONTRIBUTIONS**  
 CURRENT YEAR AND TWO YEARS 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 <sup>1</sup>	Covered Payroll	Contributions as a Percentage of Covered Payroll
County	\$ 2017	223,359	223,359	636,086	35.11 %
CCCFPD	2017	24,615	24,615	39,953	61.61
IHSS	2017	306	306	821	37.27
TOTAL 2017	\$	<u>248,280</u>	<u>248,280</u>	<u>676,860</u>	
County	\$ 2016	237,357	237,357	642,218	36.96 %
CCCFPD	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 %
CCCFPD	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	\$ 2017	589	589	2,204	26.71 %
	2016	604	604	2,026	29.84
	2015	595	595	1,852	32.11
Housing Authority of the County of Contra Costa <sup>2</sup>	\$ 2017	2,179	2,179	380	7.12 %
	2016	2,330	2,330	357	7.38

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

<sup>2</sup> 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, 2017  
 (In Thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 364,474	364,474	385,577	21,103
Licenses, permits and franchise fees	10,828	10,828	12,779	1,951
Fines, forfeitures and penalties	26,213	26,507	27,807	1,300
Use of money and property	3,259	4,386	4,475	89
Intergovernmental	554,131	552,503	541,797	(10,706)
Charges for services	229,401	221,307	224,147	2,840
Other revenue	281,343	288,102	275,551	(12,551)
<b>Total revenues</b>	<b>1,469,649</b>	<b>1,468,107</b>	<b>1,472,133</b>	<b>4,026</b>
<b>Expenditures:</b>				
Current:				
General government:				
Administrator	20,181	20,860	12,866	7,994
Assessment Litigation Services		487	487	
Assessor	17,560	17,073	15,302	1,771
Auditor-Controller	9,252	9,252	8,455	797
Board Mitigation Programs	2,029	2,029	170	1,859
Board of Supervisors	7,517	7,517	6,010	1,507
Building Maintenance	47,705	49,161	46,852	2,309
Building Occupancy Cost	15,719	15,719	14,163	1,556
Clerk of the Board	1,087	1,158	874	284
County Counsel	7,376	7,376	5,712	1,664
County-State-WCCHCD IGT		3	3	
Crockett-Rodeo Revenues	740	740	465	275
Economic Development	756	756	616	140
Elections	12,290	12,290	9,439	2,851
Employee Benefits	21,413	21,413	6,830	14,583
Facility Life Cycle Improvement Program	34,919	34,830	9,299	25,531
Fleet Services	473	473		473
General Services Outside Agency Service	786	786	699	87
Human Resources	10,386	10,386	8,586	1,800
Information Technology	6,086	6,146	4,352	1,794
Insurance and Risk Management	9,892	9,892	9,306	586
Keller Canyon Mitigation	1,885	1,885	1,435	450
Management Information Systems	2,571	2,571	892	1,679
Personnel Merit Board	91	91	55	36
Plant Acquisition	30,843	32,616	9,083	23,533
Print and Mail Services	825	1,098	1,030	68
Purchasing	914	914	745	169
Telecommunications	4,082	5,232	4,881	351
Treasurer-Tax Collector	5,405	5,420	4,949	471
UAAL Pension Bond Debt Service Transfer	(1,913)	(1,913)	(1,913)	
<b>Total general government</b>	<b>270,870</b>	<b>276,261</b>	<b>181,643</b>	<b>94,618</b>

(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, 2017  
 (In Thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Public protection:				
Agriculture	6,120	6,120	5,427	693
Animal Services	12,383	12,549	11,395	1,154
Child Support Services	(29)			
Civil Grand Jury	156	156	149	7
Conflict Defense Services	4,150	4,893	4,891	2
Coroner	2,867	2,909	2,908	1
Criminal Grand Jury	88	88	87	1
District Attorney	39,689	40,331	40,274	57
Emergency Services	6,938	7,516	7,374	142
Flood Control	806	806	671	135
Jail	79,784	79,613	77,233	2,380
Jail - Health Services	23,579	23,565	23,499	66
Law and Justice Systems	9,629	9,629	724	8,905
Local Agency Information	241	241	241	
Probation - Programs	33,083	33,117	30,007	3,110
Probation - Facilities	28,419	28,903	28,799	104
Probation - Care of Court Wards	13,039	13,039	8,628	4,411
Public Defender	22,697	23,520	23,469	51
Recorder	4,400	4,400	3,276	1,124
Sheriff	137,510	137,837	134,446	3,391
Trial Court Programs	17,281	17,717	17,717	
Vehicle Theft Programs	1,892	1,149	907	242
UAAL Pension Bond Debt Service Transfer	(11,664)	(11,664)	(11,664)	
Total public protection	433,058	436,434	410,458	25,976
Health and sanitation:				
Children's Services	10,149	9,675	9,545	130
Conservator/Guardianship	3,492	3,584	3,583	1
Environmental Health	21,715	19,550	18,403	1,147
Health Services Homeless Program	5,741	5,895	5,517	378
Mental Health	191,037	189,332	187,065	2,267
Public Administrator	482	426	403	23
Public Health	51,164	50,389	50,256	133
Solid Waste Management	380	385	385	
Substance Abuse	17,862	17,550	15,512	2,038
UAAL Pension Bond Debt Service Transfer	(2,988)	(2,988)	(2,988)	
Total health and sanitation	299,034	293,798	287,681	6,117

(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, 2017  
 (In Thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Public assistance:				
Cal Health Benefit Marketplace	14,412	4,000	3,633	367
Community Development	11,238	11,875	9,137	2,738
Community Services	39,017	41,146	34,160	6,986
Housing Rehabilitation	635	903	862	41
EHSD - Administration	6,269	6,690	6,193	497
EHSD - Aging & Adult	59,133	56,351	55,937	414
EHSD - Ann Adler Child & Family	80	81	80	1
EHSD - Children and Family	101,980	110,136	103,537	6,599
EHSD - Workforce Services	216,554	214,515	214,349	166
EHSD - WFRC Investment Board	7,879	7,879	6,907	972
Veterans Services	1,354	1,373	1,127	246
Zero Tolerance Domestic Violence Initiative	3,144	3,505	3,500	5
UAAL Pension Bond Debt Service Transfer	(4,277)	(4,277)	(4,277)	
Total public assistance	457,418	454,177	435,145	19,032
Public ways and facilities:				
Public Works	41,425	41,536	35,796	5,740
Road Construction	2,648	2,648	1,285	1,363
UAAL Pension Bond Debt Service Transfer	(698)	(698)	(698)	
Total public ways and facilities	43,375	43,486	36,383	7,103
Debt service:				
Principal	96	96	96	
Interest	34	34	34	
Total debt service	130	130	130	
<b>Total expenditures</b>	1,503,885	1,504,286	1,351,440	152,846
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(34,236)	(36,179)	120,693	156,872
<b>Other Financing Sources (Uses):</b>				
Transfers in	548	771	552	(219)
Transfers out	(50,049)	(52,008)	(52,293)	(285)
Capital lease financing			1,203	1,203
<b>Total other financing sources (uses)</b>	(49,501)	(51,237)	(50,538)	699
<b>Net change in fund balances</b>	(83,737)	(87,416)	70,155	157,571
<b>Fund Balance at Beginning of Year</b>	370,158	370,158	370,158	
<b>Fund Balance at End of Year</b>	\$ 286,421	282,742	440,313	157,571

(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, 2017  
 (In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 106,476	106,476	110,283	3,807
Use of money and property	1	1	1	
Intergovernmental	5,239	5,239	10,325	5,086
Charges for services	50,442	50,442	55,373	4,931
Other revenue	100	150	1,480	1,330
<b>Total revenues</b>	162,258	162,308	177,462	15,154
<b>Expenditures:</b>				
Public protection				
Salaries and benefits	100,821	97,176	88,010	9,166
Services and supplies	50,492	49,350	45,153	4,197
Other charges	8,737	9,172	9,002	170
Capital assets	5,002	10,203	2,582	7,621
Expenditure transfers	15,392	15,392	15,392	
<b>Total expenditures</b>	180,444	181,293	160,139	21,154
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(18,186)	(18,985)	17,323	36,308
<b>Other Financing Sources:</b>				
Transfers in			3	3
Capital lease financing			4,527	4,527
<b>Total other financing sources</b>			4,530	4,530
<b>Net change in fund balance</b>	(18,186)	(18,985)	21,853	40,838
<b>Fund Balance at Beginning of the Year</b>	38,930	38,930	38,930	
<b>Fund Balance at End of Year</b>	\$ 20,744	19,945	60,783	40,838

See note to required supplementary information

COUNTY OF CONTRA COSTA  
**NOTE TO BUDGETARY COMPARISON SCHEDULES**

June 30, 2017

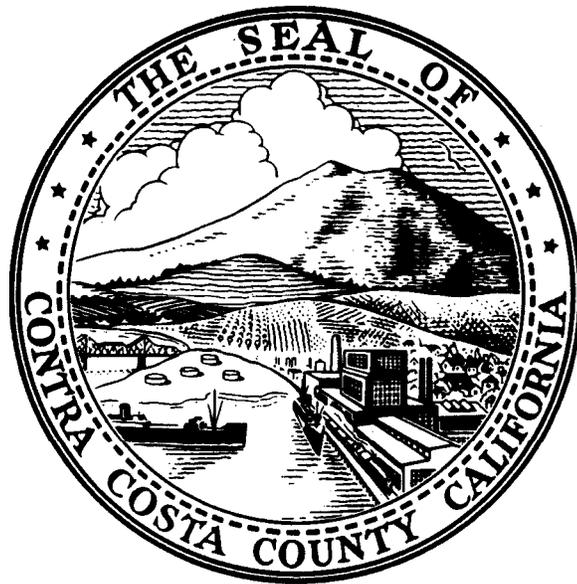
**BUDGETS AND BUDGETARY ACCOUNTING**

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, 2017  
 (In Thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Fund	Permanent Fund	Total
<b>Assets:</b>					
Cash and investments	\$ 519,387	19,265	720	125	539,497
Accounts receivable and accrued revenue	36,228	2,389			38,617
Due from other funds	5,008	230			5,238
Notes receivable	17,457				17,457
Prepaid items and deposits	2,401				2,401
Land held for resale	7,672				7,672
Restricted cash and investments	7,023	103,358	27	1,710	112,118
<b>Total assets</b>	<b>\$ 595,176</b>	<b>125,242</b>	<b>747</b>	<b>1,835</b>	<b>723,000</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>					
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ 15,690	3,116	1		18,807
Due to other funds	116,803	8,206			125,009
Unearned revenue	4,208				4,208
<b>Total liabilities</b>	<b>136,701</b>	<b>11,322</b>	<b>1</b>		<b>148,024</b>
<b>Deferred Inflows of Resources:</b>					
Unavailable revenue	17,671				17,671
<b>Total deferred inflows of resources</b>	<b>17,671</b>				<b>17,671</b>
<b>Fund Balances:</b>					
Nonspendable	2,401			1,710	4,111
Restricted	381,917	119,708	746	125	502,496
Committed	342				342
Assigned	56,144				56,144
Unassigned		(5,788)			(5,788)
<b>Total fund balances</b>	<b>440,804</b>	<b>113,920</b>	<b>746</b>	<b>1,835</b>	<b>557,305</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 595,176</b>	<b>125,242</b>	<b>747</b>	<b>1,835</b>	<b>723,000</b>

COUNTY OF CONTRA COSTA  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
 (In Thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Fund	Permanent Fund	Total
<b>Revenues:</b>					
Taxes	\$ 76,931	11,801			88,732
Licenses, permits and franchise fees	21,653				21,653
Fines, forfeitures and penalties	5,416				5,416
Use of money and property	4,286	27,156	1	22	31,465
Intergovernmental	278,179				278,179
Charges for services	52,957				52,957
Other revenue	39,154	15,301			54,455
<b>Total revenues</b>	<b>478,576</b>	<b>54,258</b>	<b>1</b>	<b>22</b>	<b>532,857</b>
<b>Expenditures:</b>					
Current:					
General government	1,695	750			2,445
Public protection	170,304				170,304
Health and sanitation	44,604				44,604
Public assistance	134,473	11,396			145,869
Education	28,321				28,321
Public ways and facilities	56,128				56,128
Recreation and culture	4,107				4,107
Debt service:					
Principal		92,890			92,890
Interest	32	31,495			31,527
Debt issuance cost		351			351
<b>Total expenditures</b>	<b>439,664</b>	<b>136,882</b>			<b>576,546</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>38,912</b>	<b>(82,624)</b>	<b>1</b>	<b>22</b>	<b>(43,689)</b>
<b>Other Financing Sources (Uses):</b>					
Transfers in	11,429	31,185			42,614
Transfers out	(9,853)	(8,134)		(23)	(18,010)
Issuance of debt		142,694			142,694
Capital lease financing	153				153
<b>Total other financing sources (uses)</b>	<b>1,729</b>	<b>165,745</b>		<b>(23)</b>	<b>167,451</b>
<b>Net change in fund balances</b>	<b>40,641</b>	<b>83,121</b>	<b>1</b>	<b>(1)</b>	<b>123,762</b>
<b>Fund Balances at Beginning of Year</b>	<b>400,163</b>	<b>30,799</b>	<b>745</b>	<b>1,836</b>	<b>433,543</b>
<b>Fund Balances at End of Year</b>	<b>\$ 440,804</b>	<b>113,920</b>	<b>746</b>	<b>1,835</b>	<b>557,305</b>



# 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**

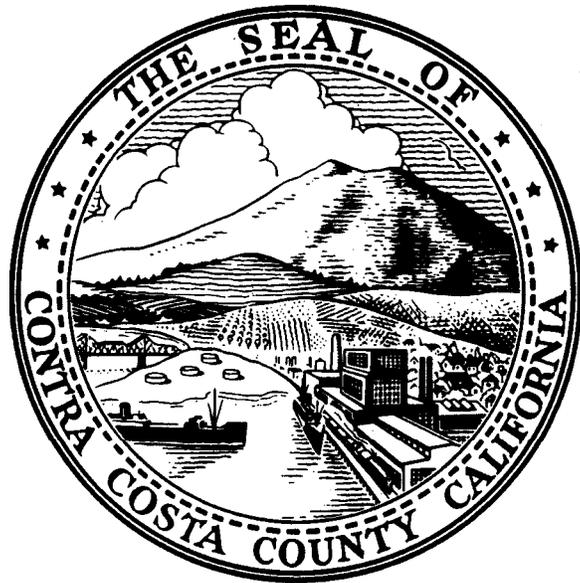
This fund is used to account for services to both providers and recipients of in-home care delivered through the In-Home Supportive Services program.

**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, 2017  
 (In Thousands)

	Road	Library	Low & Moderate Income Housing Assets	Other Fire Protection	Health & Sanitation	Land Development	Service Areas
<b>Assets:</b>							
Cash and investments	\$ 66,183	24,001	3,892	805	91,008	24,527	30,965
Accounts receivable and accrued revenue	4,356	1,286		5	4,789	981	1,301
Due from other funds	1,045				33	746	606
Notes receivable			7,275			3,017	
Prepaid items and deposits	3	368	85			381	1
Land held for resale			7,672				
Restricted cash and investments			7,023				
<b>Total assets</b>	<b>\$ 71,587</b>	<b>25,655</b>	<b>25,947</b>	<b>810</b>	<b>95,830</b>	<b>29,652</b>	<b>32,873</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>							
<b>Liabilities:</b>							
Accounts payable and accrued liabilities	\$ 1,290	1,461	35	147	125	1,692	7,440
Due to other funds	2,329	169	2		38,440	548	640
Unearned revenue	2,997		72				
<b>Total liabilities</b>	<b>6,616</b>	<b>1,630</b>	<b>109</b>	<b>147</b>	<b>38,565</b>	<b>2,240</b>	<b>8,080</b>
<b>Deferred Inflows of Resources</b>							
Unavailable revenue			7,275			3,231	
<b>Total deferred inflows of resources</b>			<b>7,275</b>			<b>3,231</b>	
<b>Fund Balances:</b>							
Nonspendable	3	368	85			381	1
Restricted	54,322	6,052	16,714	659	57,216	22,848	21,096
Committed							18
Assigned	10,646	17,605	1,764	4	49	952	3,678
<b>Total fund balances</b>	<b>64,971</b>	<b>24,025</b>	<b>18,563</b>	<b>663</b>	<b>57,265</b>	<b>24,181</b>	<b>24,793</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 71,587</b>	<b>25,655</b>	<b>25,947</b>	<b>810</b>	<b>95,830</b>	<b>29,652</b>	<b>32,873</b>

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
77,041	48,295	1,011	9,243	113		92,095	50,208	519,387
329	190	305	21	3,126	531	14,879	4,129	36,228
1,083	174			473	228	513	107	5,008
							7,165	17,457
750			1	292			520	2,401
								7,672
								7,023
<u>79,203</u>	<u>48,659</u>	<u>1,316</u>	<u>9,265</u>	<u>4,004</u>	<u>759</u>	<u>107,487</u>	<u>62,129</u>	<u>595,176</u>
534	189		58	1,276	142		1,301	15,690
1,156	20,464	137	31	1,129	517	47,109	4,132	116,803
				941			198	4,208
<u>1,690</u>	<u>20,653</u>	<u>137</u>	<u>89</u>	<u>3,346</u>	<u>659</u>	<u>47,109</u>	<u>5,631</u>	<u>136,701</u>
							7,165	17,671
							7,165	17,671
750			1	292			520	2,401
73,736	13,252	1,179	9,175		100	60,378	45,190	381,917
	324							342
3,027	14,430			366			3,623	56,144
<u>77,513</u>	<u>28,006</u>	<u>1,179</u>	<u>9,176</u>	<u>658</u>	<u>100</u>	<u>60,378</u>	<u>49,333</u>	<u>440,804</u>
<u>79,203</u>	<u>48,659</u>	<u>1,316</u>	<u>9,265</u>	<u>4,004</u>	<u>759</u>	<u>107,487</u>	<u>62,129</u>	<u>595,176</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, 2017  
 (In Thousands)

	Road	Library	Low & Moderate Income Housing Assets	Other Fire Protection	Health & Sanitation	Land Development	Service Areas
<b>Revenues:</b>							
Taxes	\$ 16,543	26,374		504	4,714		7,684
Licenses, permits and franchise fees	501					17,114	11
Fines, forfeitures and penalties					1,859	32	
Use of money and property	467	78	1,691		708	202	557
Intergovernmental	17,845	3,102		74	43,512	486	1,199
Charges for services	2,538	659		15		8,039	15,017
Other revenue	17,429	1,357	158	106		6,586	1,061
<b>Total revenues</b>	<b>55,323</b>	<b>31,570</b>	<b>1,849</b>	<b>699</b>	<b>50,793</b>	<b>32,459</b>	<b>25,529</b>
<b>Expenditures:</b>							
Current:							
General government							
Public protection				505		23,921	19,085
Health and sanitation					44,604		
Public assistance			377			553	
Education		27,825					496
Public ways and facilities	50,448					4,649	971
Recreation and culture							4,107
Debt service:							
Interest	6	2			6	1	2
<b>Total expenditures</b>	<b>50,454</b>	<b>27,827</b>	<b>377</b>	<b>505</b>	<b>44,610</b>	<b>29,124</b>	<b>24,661</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>4,869</b>	<b>3,743</b>	<b>1,472</b>	<b>194</b>	<b>6,183</b>	<b>3,335</b>	<b>868</b>
<b>Other Financing Sources (Uses):</b>							
Transfers in	775	23			8	40	1,359
Transfers out		(368)			(33)	(448)	
Capital lease financing							
<b>Total other financing sources (uses)</b>	<b>775</b>	<b>(345)</b>			<b>(25)</b>	<b>(408)</b>	<b>1,359</b>
<b>Net change in fund balances</b>	<b>5,644</b>	<b>3,398</b>	<b>1,472</b>	<b>194</b>	<b>6,158</b>	<b>2,927</b>	<b>2,227</b>
<b>Fund Balances at Beginning of Year</b>	<b>59,327</b>	<b>20,627</b>	<b>17,091</b>	<b>469</b>	<b>51,107</b>	<b>21,254</b>	<b>22,566</b>
<b>Fund Balances at End of Year</b>	<b>\$ 64,971</b>	<b>24,025</b>	<b>18,563</b>	<b>663</b>	<b>57,265</b>	<b>24,181</b>	<b>24,793</b>

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
11,551	8,925						636	76,931
3,907							120	21,653
	1,256	2,141					128	5,416
153	122	5		17			286	4,286
1,045	2,301			18,130	2,113	161,042	27,330	278,179
20,121	1,529		2,102				2,937	52,957
1,571	1,107			7,556	215	26	1,982	39,154
<u>38,348</u>	<u>15,240</u>	<u>2,146</u>	<u>2,102</u>	<u>25,703</u>	<u>2,328</u>	<u>161,068</u>	<u>33,419</u>	<u>478,576</u>
		966					729	1,695
29,481	27,395		1,772			44,111	24,034	170,304
				25,483	2,328	103,580	2,152	134,473
							60	28,321
								56,128
								4,107
	1	1					13	32
<u>29,481</u>	<u>27,396</u>	<u>967</u>	<u>1,772</u>	<u>25,483</u>	<u>2,328</u>	<u>147,691</u>	<u>26,988</u>	<u>439,664</u>
<u>8,867</u>	<u>(12,156)</u>	<u>1,179</u>	<u>330</u>	<u>220</u>		<u>13,377</u>	<u>6,431</u>	<u>38,912</u>
990	8,231						3	11,429
	(171)		(20)	(155)		(8,095)	(563)	(9,853)
							153	153
990	8,060		(20)	(155)		(8,095)	(407)	1,729
9,857	(4,096)	1,179	310	65		5,282	6,024	40,641
<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>77,513</u>	<u>28,006</u>	<u>1,179</u>	<u>9,176</u>	<u>658</u>	<u>100</u>	<u>60,378</u>	<u>49,333</u>	<u>440,804</u>

COUNTY OF CONTRA COSTA  
**BUDGETARY COMPARISON SCHEDULE**  
**ROAD SPECIAL REVENUE FUND**  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 16,543	16,543	16,543	
Licenses, permits, and franchise fees	600	600	501	(99)
Use of money and property	344	344	467	123
Intergovernmental	20,194	20,891	17,845	(3,046)
Charges for services	4,595	4,899	2,538	(2,361)
Other revenue	12,747	14,899	17,429	2,530
<b>Total revenues</b>	<b>55,023</b>	<b>58,176</b>	<b>55,323</b>	<b>(2,853)</b>
<b>Expenditures:</b>				
Public ways and facilities				
Services and supplies	27,826	25,434	15,127	10,307
Other charges	4,802	3,980	2,603	1,377
Capital assets	690	690	599	91
Expenditure transfers	28,257	34,997	32,119	2,878
Total public ways and facilities	61,575	65,101	50,448	14,653
Debt service:				
Interest	6	6	6	
<b>Total expenditures</b>	<b>61,581</b>	<b>65,107</b>	<b>50,454</b>	<b>14,653</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(6,558)</b>	<b>(6,931)</b>	<b>4,869</b>	<b>11,800</b>
<b>Other Financing Sources (Uses):</b>				
Transfers in	2,802	2,802	775	(2,027)
Transfers out	(500)	(500)		500
<b>Total other financing sources (uses)</b>	<b>2,302</b>	<b>2,302</b>	<b>775</b>	<b>(1,527)</b>
<b>Net change in fund balance</b>	<b>(4,256)</b>	<b>(4,629)</b>	<b>5,644</b>	<b>10,273</b>
<b>Fund Balance at Beginning of Year</b>	<b>59,327</b>	<b>59,327</b>	<b>59,327</b>	
<b>Fund Balance at End of Year</b>	<b>\$ 55,071</b>	<b>54,698</b>	<b>64,971</b>	<b>10,273</b>

COUNTY OF CONTRA COSTA  
**BUDGETARY COMPARISON SCHEDULE**  
**LIBRARY SPECIAL REVENUE FUND**  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
 (In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 25,522	25,522	26,374	852
Use of money and property	106	106	78	(28)
Intergovernmental	3,211	3,211	3,102	(109)
Charges for services	680	680	659	(21)
Other revenue	268	268	1,357	1,089
<b>Total revenues</b>	<b>29,787</b>	<b>29,787</b>	<b>31,570</b>	<b>1,783</b>
<b>Expenditures:</b>				
General government				
Capital assets	676	676		676
Total general government	676	676		676
Education				
Salaries and benefits	22,293	22,256	18,253	4,003
Services and supplies	9,061	9,062	5,938	3,124
Other charges	3,628	3,657	3,163	494
Capital assets	953	956	423	533
Expenditure transfers	44	48	48	
Total education	35,979	35,979	27,825	8,154
Debt Service:				
Interest	2	2	2	
<b>Total expenditures</b>	<b>36,657</b>	<b>36,657</b>	<b>27,827</b>	<b>8,830</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(6,870)</b>	<b>(6,870)</b>	<b>3,743</b>	<b>10,613</b>
<b>Other Financing Sources (Uses):</b>				
Transfers in	26	26	23	(3)
Transfers out	(368)	(368)	(368)	
<b>Total other financing sources (uses)</b>	<b>(342)</b>	<b>(342)</b>	<b>(345)</b>	<b>(3)</b>
<b>Net change in fund balance</b>	<b>(7,212)</b>	<b>(7,212)</b>	<b>3,398</b>	<b>10,610</b>
<b>Fund Balance at Beginning of Year</b>	<b>20,627</b>	<b>20,627</b>	<b>20,627</b>	
<b>Fund Balance at End of Year</b>	<b>\$ 13,415</b>	<b>13,415</b>	<b>24,025</b>	<b>10,610</b>

COUNTY OF CONTRA COSTA  
**BUDGETARY COMPARISON SCHEDULE**  
**LOW & MODERATE INCOME HOUSING ASSETS SPECIAL REVENUE FUND**  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
 (In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Use of money and property	\$ 292	292	1,691	1,399
Other revenue	7,908	7,908	158	(7,750)
<b>Total revenues</b>	<u>8,200</u>	<u>8,200</u>	<u>1,849</u>	<u>(6,351)</u>
<b>Expenditures:</b>				
Public assistance				
Services and supplies	3,600	3,600	319	3,281
Other charges	2,100	2,100	23	2,077
Expenditure transfers	2,500	2,501	35	2,466
Total public assistance	<u>8,200</u>	<u>8,201</u>	<u>377</u>	<u>7,824</u>
<b>Total expenditures</b>	<u>8,200</u>	<u>8,201</u>	<u>377</u>	<u>7,824</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>		<u>(1)</u>	<u>1,472</u>	<u>1,473</u>
<b>Other Financing Sources:</b>				
Transfers in	2,000	2,000		(2,000)
<b>Total other financing sources</b>	<u>2,000</u>	<u>2,000</u>		<u>(2,000)</u>
<b>Net change in fund balance</b>	2,000	1,999	1,472	(527)
<b>Fund Balance at Beginning of Year</b>	<u>17,091</u>	<u>17,091</u>	<u>17,091</u>	
<b>Fund Balance at End of Year</b>	<u>\$ 19,091</u>	<u>19,090</u>	<u>18,563</u>	<u>(527)</u>

COUNTY OF CONTRA COSTA  
**BUDGETARY COMPARISON SCHEDULE**  
**OTHER FIRE PROTECTION SPECIAL REVENUE FUND**  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
 (In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 493	493	504	11
Intergovernmental	4	4	74	70
Charges for services	14	14	15	1
Other revenue	72	115	106	(9)
<b>Total revenues</b>	<u>583</u>	<u>626</u>	<u>699</u>	<u>73</u>
<b>Expenditures:</b>				
Public protection				
Salaries and benefits	264	264	166	98
Services and supplies	657	305	166	139
Other charges	130	145	132	13
Capital assets		381	41	340
Total public protection	<u>1,051</u>	<u>1,095</u>	<u>505</u>	<u>590</u>
<b>Total expenditures</b>	<u>1,051</u>	<u>1,095</u>	<u>505</u>	<u>590</u>
<b>Net change in fund balance</b>	(468)	(469)	194	663
<b>Fund Balance at Beginning of the Year</b>	<u>469</u>	<u>469</u>	<u>469</u>	
<b>Fund Balance at End of Year</b>	<u>\$ 1</u>	<u></u>	<u>663</u>	<u>663</u>

COUNTY OF CONTRA COSTA  
**BUDGETARY COMPARISON SCHEULE**  
**HEALTH AND SANITATION SPECIAL REVENUE FUND**  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
 (In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 4,697	4,697	4,714	17
Fines, forfeitures and penalties	1,698	1,698	1,859	161
Use of money and property	245	245	708	463
Intergovernmental	42,870	38,366	43,512	5,146
Charges for services	100	100		(100)
<b>Total revenues</b>	<u>49,610</u>	<u>45,106</u>	<u>50,793</u>	<u>5,687</u>
<b>Expenditures:</b>				
Current:				
Health and sanitation				
Salaries and benefits	1,216	1,498	1,337	161
Services and supplies	7,603	7,318	2,907	4,411
Other charges	2,769	2,780	2,138	642
Expenditure transfers	43,115	38,610	38,222	388
Total health and sanitation	<u>54,703</u>	<u>50,206</u>	<u>44,604</u>	<u>5,602</u>
Debt service:				
Interest	6	6	6	
<b>Total expenditures</b>	<u>54,709</u>	<u>50,212</u>	<u>44,610</u>	<u>5,602</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(5,099)</u>	<u>(5,106)</u>	<u>6,183</u>	<u>11,289</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in		8	8	
Transfers out	(32)	(32)	(33)	(1)
<b>Total other financing sources (uses)</b>	<u>(32)</u>	<u>(24)</u>	<u>(25)</u>	<u>(1)</u>
<b>Net change in fund balance</b>	(5,131)	(5,130)	6,158	11,288
<b>Fund Balance at Beginning of Year</b>	<u>51,107</u>	<u>51,107</u>	<u>51,107</u>	
<b>Fund Balance at End of Year</b>	<u>\$ 45,976</u>	<u>45,977</u>	<u>57,265</u>	<u>11,288</u>

COUNTY OF CONTRA COSTA  
**BUDGETARY COMPARISON SCHEDULE**  
**LAND DEVELOPMENT SPECIAL REVENUE FUND**  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
 (In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Licenses, permits and franchise fees	\$ 15,884	16,306	17,114	808
Fines, forfeitures and penalties			32	32
Use of money and property	222	222	202	(20)
Intergovernmental	4,999	4,999	486	(4,513)
Charges for services	13,542	13,542	8,039	(5,503)
Other revenue	6,965	6,965	6,586	(379)
<b>Total revenues</b>	41,612	42,034	32,459	(9,575)
<b>Expenditures:</b>				
Current:				
Public protection				
Salaries and benefits	21,563	19,867	18,354	1,513
Services and supplies	8,816	8,238	2,437	5,801
Other charges	1,419	2,042	2,035	7
Capital assets	581	581	122	459
Expenditure transfers	302	1,954	973	981
Total public protection	32,681	32,682	23,921	8,761
Public assistance				
Services and supplies	1,933	1,933	553	1,380
Other charges	18	18		18
Expenditure transfers	176	176		176
Total public assistance	2,127	2,127	553	1,574
Public ways and facilities				
Services and supplies	192	252	250	2
Other charges	488	482	32	450
Expenditure transfers	8,993	9,361	4,367	4,994
Total public ways and facilities	9,673	10,095	4,649	5,446
Debt service:				
Interest	1	1	1	
<b>Total expenditures</b>	44,482	44,905	29,124	15,781
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(2,870)	(2,871)	3,335	6,206
<b>Other Financing Sources (Uses):</b>				
Transfers in	48	48	40	(8)
Transfers out	(448)	(448)	(448)	
<b>Total other financing sources (uses)</b>	(400)	(400)	(408)	(8)
<b>Net change in fund balance</b>	(3,270)	(3,271)	2,927	6,198
<b>Fund Balance at Beginning of Year</b>	21,254	21,254	21,254	
<b>Fund Balance at End of Year</b>	\$ 17,984	17,983	24,181	6,198

COUNTY OF CONTRA COSTA  
**BUDGETARY COMPARISON SCHEDULE**  
**SERVICE AREAS SPECIAL REVENUE FUND**  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
 (In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 6,300	6,301	7,684	1,383
Licenses, permits and franchise fees	10	10	11	1
Use of money and property	516	516	557	41
Intergovernmental	1,376	1,441	1,199	(242)
Charges for services	12,782	12,782	15,017	2,235
Other revenue	1,130	1,454	1,061	(393)
<b>Total revenues</b>	22,114	22,504	25,529	3,025
<b>Expenditures:</b>				
Public protection				
Services and supplies	24,286	24,180	15,556	8,624
Other charges	2,840	2,935	2,935	
Expenditure transfers	584	594	594	
Total public protection	27,710	27,709	19,085	8,624
Education				
Other charges	393	135	2	133
Expenditure transfers	993	1,251	494	757
Total education	1,386	1,386	496	890
Public ways and facilities				
Services and supplies	7,091	6,481	328	6,153
Other charges	146	146	88	58
Capital assets	53	653	372	281
Expenditure transfers	388	398	183	215
Total public ways and facilities	7,678	7,678	971	6,707
Recreation and culture				
Services and supplies	1,913	1,694	1,321	373
Other charges	385	422	326	96
Capital assets	4,186	4,729	2,287	2,442
Expenditure transfers	301	330	173	157
Total recreation and culture	6,785	7,175	4,107	3,068
Debt Service:				
Interest	2	2	2	
<b>Total expenditures</b>	43,561	43,950	24,661	19,289
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(21,447)	(21,446)	868	22,314
<b>Other Financing Sources:</b>				
Transfers in	166	166	1,359	1,193
<b>Total other financing sources</b>	166	166	1,359	1,193
<b>Net change in fund balance</b>	(21,281)	(21,280)	2,227	23,507
<b>Fund Balance at Beginning of Year</b>	22,566	22,566	22,566	
<b>Fund Balance at End of Year</b>	\$ 1,285	1,286	24,793	23,507

COUNTY OF CONTRA COSTA  
**BUDGETARY COMPARISON SCHEDULE**  
**FLOOD CONTROL SPECIAL REVENUE FUND**  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
 (In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 10,967	10,968	11,551	583
Licenses, permits and franchise fees	3,218	3,218	3,907	689
Use of money and property	117	117	153	36
Intergovernmental	675	675	1,045	370
Charges for services	17,088	17,203	20,121	2,918
Other revenue	1,402	1,402	1,571	169
<b>Total revenues</b>	<u>33,467</u>	<u>33,583</u>	<u>38,348</u>	<u>4,765</u>
<b>Expenditures:</b>				
Current:				
Public protection				
Services and supplies	77,319	74,497	14,215	60,282
Other charges	6,789	10,392	5,460	4,932
Capital assets	354	354	183	171
Expenditure transfers	15,141	14,895	9,623	5,272
Total public protection	<u>99,603</u>	<u>100,138</u>	<u>29,481</u>	<u>70,657</u>
Debt service:				
Principal		841		841
<b>Total expenditures</b>	<u>99,603</u>	<u>100,979</u>	<u>29,481</u>	<u>71,498</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(66,136)</u>	<u>(67,396)</u>	<u>8,867</u>	<u>76,263</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	25	1,285	990	(295)
Transfers out	(50)	(50)		50
<b>Total other financing sources (uses)</b>	<u>(25)</u>	<u>1,235</u>	<u>990</u>	<u>(245)</u>
<b>Net change in fund balance</b>	(66,161)	(66,161)	9,857	76,018
<b>Fund Balance at Beginning of Year</b>	<u>67,656</u>	<u>67,656</u>	<u>67,656</u>	
<b>Fund Balance at End of Year</b>	<u>\$ 1,495</u>	<u>1,495</u>	<u>77,513</u>	<u>76,018</u>

COUNTY OF CONTRA COSTA  
**BUDGETARY COMPARISON SCHEDULE**  
**LAW ENFORCEMENT SPECIAL REVENUE FUND**  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
 (In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 8,204	8,478	8,925	447
Fines, forfeitures and penalties	1,171	1,171	1,256	85
Use of money and property	45	45	122	77
Intergovernmental	2,169	2,169	2,301	132
Charges for services	1,125	1,136	1,529	393
Other revenue	474	577	1,107	530
<b>Total revenues</b>	<b>13,188</b>	<b>13,576</b>	<b>15,240</b>	<b>1,664</b>
<b>Expenditures:</b>				
General government				
Services and supplies	293	293		293
Other charges	11	11		11
Expenditure transfers	2,164	2,164		2,164
Total general government	2,468	2,468		2,468
Public protection				
Salaries and benefits	1,681	1,812	1,681	131
Services and supplies	21,867	19,580	389	19,191
Other charges	3,768	3,842	3,410	432
Capital assets	250	513		513
Expenditure transfers	21,034	23,397	21,915	1,482
Total public protection	48,600	49,144	27,395	21,749
Debt service:				
Interest	1	1	1	
<b>Total expenditures</b>	<b>51,069</b>	<b>51,613</b>	<b>27,396</b>	<b>24,217</b>
<b>Deficiency of revenues under expenditures</b>	<b>(37,881)</b>	<b>(38,037)</b>	<b>(12,156)</b>	<b>25,881</b>
<b>Other Financing Sources (Uses):</b>				
Transfers in	7,677	7,955	8,231	276
Transfers out	(1,527)	(1,716)	(171)	1,545
<b>Total other financing sources (uses)</b>	<b>6,150</b>	<b>6,239</b>	<b>8,060</b>	<b>1,821</b>
<b>Net change in fund balance</b>	<b>(31,731)</b>	<b>(31,798)</b>	<b>(4,096)</b>	<b>27,702</b>
<b>Fund Balance at Beginning of Year</b>	<b>32,102</b>	<b>32,102</b>	<b>32,102</b>	
<b>Fund Balance at End of Year</b>	<b>\$ 371</b>	<b>304</b>	<b>28,006</b>	<b>27,702</b>

COUNTY OF CONTRA COSTA  
**BUDGETARY COMPARISON SCHEDULE**  
**COURTS AND CRIMINAL JUSTICE SPECIAL REVENUE FUND**  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
 (In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Fines, forfeitures and penalties	\$ 2,230	2,230	2,141	(89)
Use of money and property			5	5
<b>Total revenues</b>	<u>2,230</u>	<u>2,230</u>	<u>2,146</u>	<u>(84)</u>
<b>Expenditures:</b>				
Current:				
Other charges	2,342	2,227	966	1,261
Total general government	<u>2,342</u>	<u>2,227</u>	<u>966</u>	<u>1,261</u>
Debt service:				
Interest	1	1	1	
<b>Total expenditures</b>	<u>2,343</u>	<u>2,228</u>	<u>967</u>	<u>1,261</u>
<b>Net change in fund balance</b>	(113)	2	1,179	1,177
<b>Fund Balance at Beginning of Year</b>				
<b>Fund Balance at End of Year</b>	\$ <u>(113)</u>	<u>2</u>	<u>1,179</u>	<u>1,177</u>

COUNTY OF CONTRA COSTA  
**BUDGETARY COMPARISON SCHEDULE**  
**RECORDER/CLERK MODERNIZATION SPECIAL REVENUE FUND**  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
 (In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Charges for services	\$ 1,645	1,645	2,102	457
<b>Total revenues</b>	<u>1,645</u>	<u>1,645</u>	<u>2,102</u>	<u>457</u>
<b>Expenditures:</b>				
Public protection				
Salaries and benefits	1,169	1,169	852	317
Services and supplies	8,601	8,601	567	8,034
Other charges	462	462	333	129
Capital assets	250	250	20	230
Total public protection	<u>10,482</u>	<u>10,482</u>	<u>1,772</u>	<u>8,710</u>
<b>Total expenditures</b>	<u>10,482</u>	<u>10,482</u>	<u>1,772</u>	<u>8,710</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(8,837)</u>	<u>(8,837)</u>	<u>330</u>	<u>9,167</u>
<b>Other Financing Uses:</b>				
Transfers out	(20)	(20)	(20)	
<b>Total other financing uses</b>	<u>(20)</u>	<u>(20)</u>	<u>(20)</u>	
<b>Net change in fund balance</b>	<u>(8,857)</u>	<u>(8,857)</u>	<u>310</u>	<u>9,167</u>
<b>Fund Balance at Beginning of Year</b>	<u>8,866</u>	<u>8,866</u>	<u>8,866</u>	
<b>Fund Balance at End of Year</b>	<u>\$ 9</u>	<u>9</u>	<u>9,176</u>	<u>9,167</u>

COUNTY OF CONTRA COSTA  
**BUDGETARY COMPARISON SCHEDULE**  
**CHILD DEVELOPMENT SPECIAL REVENUE FUND**  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
 (In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Use of money and property	\$		17	17
Intergovernmental	17,899	17,899	18,130	231
Other revenue	7,865	7,865	7,556	(309)
<b>Total revenues</b>	<u>25,764</u>	<u>25,764</u>	<u>25,703</u>	<u>(61)</u>
<b>Expenditures:</b>				
Public assistance				
Salaries and benefits	8,331	8,016	7,651	365
Services and supplies	4,316	3,319	3,315	4
Other charges	4,679	5,321	5,320	1
Capital assets	60	60		60
Expenditure transfers	8,527	9,197	9,197	
Total public assistance	<u>25,913</u>	<u>25,913</u>	<u>25,483</u>	<u>430</u>
<b>Total expenditures</b>	<u>25,913</u>	<u>25,913</u>	<u>25,483</u>	<u>430</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(149)</u>	<u>(149)</u>	<u>220</u>	<u>369</u>
<b>Other Financing Uses:</b>				
Transfers out	<u>(155)</u>	<u>(155)</u>	<u>(155)</u>	
<b>Total other financing uses</b>	<u>(155)</u>	<u>(155)</u>	<u>(155)</u>	
<b>Net change in fund balance</b>	<u>(304)</u>	<u>(304)</u>	<u>65</u>	<u>369</u>
<b>Fund Balance at Beginning of Year</b>	<u>593</u>	<u>593</u>	<u>593</u>	
<b>Fund Balance at End of Year</b>	<u>\$ 289</u>	<u>289</u>	<u>658</u>	<u>369</u>

COUNTY OF CONTRA COSTA  
**BUDGETARY COMPARISON SCHEDULE**  
**IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY SPECIAL REVENUE FUND**  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
 (In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 2,102	2,102	2,113	11
Other revenue	190	190	215	25
<b>Total revenues</b>	<u>2,292</u>	<u>2,292</u>	<u>2,328</u>	<u>36</u>
<b>Expenditures:</b>				
Public assistance				
Salaries and benefits	1,326	1,339	1,338	1
Services and supplies	168	149	148	1
Other charges	616	675	674	1
Expenditure transfers	280	227	168	59
Total public assistance	<u>2,390</u>	<u>2,390</u>	<u>2,328</u>	<u>62</u>
<b>Total expenditures</b>	<u>2,390</u>	<u>2,390</u>	<u>2,328</u>	<u>62</u>
<b>Net change in fund balance</b>	(98)	(98)		98
<b>Fund Balance at Beginning of Year</b>	<u>100</u>	<u>100</u>	<u>100</u>	
<b>Fund Balance at End of Year</b>	<u>\$ 2</u>	<u>2</u>	<u>100</u>	<u>98</u>

COUNTY OF CONTRA COSTA  
**BUDGETARY COMPARISON SCHEDULE**  
**COUNTY LOCAL REVENUE FUND 2011 SPECIAL REVENUE FUND**  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
 (In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 159,674	161,042	161,042	
Other revenue			26	26
<b>Total revenues</b>	<u>159,674</u>	<u>161,042</u>	<u>161,068</u>	<u>26</u>
<b>Expenditures:</b>				
Current:				
Public protection				
Capital assets		60		60
Expenditure transfers	45,618	47,952	44,111	3,841
Total public protection	<u>45,618</u>	<u>48,012</u>	<u>44,111</u>	<u>3,901</u>
Public assistance				
Expenditure transfers	99,726	103,580	103,580	
Total public assistance	<u>99,726</u>	<u>103,580</u>	<u>103,580</u>	
<b>Total expenditures</b>	<u>145,344</u>	<u>151,592</u>	<u>147,691</u>	<u>3,901</u>
<b>Excess of revenues over expenditures</b>	<u>14,330</u>	<u>9,450</u>	<u>13,377</u>	<u>3,927</u>
<b>Other Financing Uses:</b>				
Transfers out	(7,507)	(7,507)	(8,095)	(588)
<b>Total other financing uses</b>	<u>(7,507)</u>	<u>(7,507)</u>	<u>(8,095)</u>	<u>(588)</u>
<b>Net change in fund balance</b>	6,823	1,943	5,282	3,339
<b>Fund Balance at Beginning of Year</b>	<u>55,096</u>	<u>55,096</u>	<u>55,096</u>	
<b>Fund Balance at End of Year</b>	<u>\$ 61,919</u>	<u>57,039</u>	<u>60,378</u>	<u>3,339</u>

COUNTY OF CONTRA COSTA  
**BUDGETARY COMPARISON SCHEDULE**  
**OTHER SPECIAL REVENUE FUND**  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
 (In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 535	535	636	101
Licenses, permits and franchise fees	122	122	120	(2)
Fines, forfeitures and penalties	194	194	128	(66)
Use of money and property	125	125	286	161
Intergovernmental	23,828	23,828	27,330	3,502
Charges for services	3,840	3,840	2,937	(903)
Other revenue	2,124	2,378	1,982	(396)
<b>Total revenues</b>	<b>30,768</b>	<b>31,022</b>	<b>33,419</b>	<b>2,397</b>
<b>Expenditures:</b>				
Current:				
General government				
Services and supplies	704	649	99	550
Other charges	305	305	12	293
Expenditure transfers	809	864	618	246
Total general government	<u>1,818</u>	<u>1,818</u>	<u>729</u>	<u>1,089</u>
Public protection				
Salaries and benefits	17,133	16,375	16,222	153
Services and supplies	5,226	5,658	2,710	2,948
Other charges	1,746	1,874	1,255	619
Capital assets	13	210		210
Expenditure transfers	5,465	5,468	3,847	1,621
Total public protection	<u>29,583</u>	<u>29,585</u>	<u>24,034</u>	<u>5,551</u>
Public assistance				
Salaries and benefits	384	592	287	305
Services and supplies	1,756	1,536	900	636
Other charges	567	573	44	529
Expenditure transfers	1,625	1,885	921	964
Total public assistance	<u>4,332</u>	<u>4,586</u>	<u>2,152</u>	<u>2,434</u>
Public ways and facilities				
Expenditure transfers	739	739	60	679
Total public ways and facilities	<u>739</u>	<u>739</u>	<u>60</u>	<u>679</u>
Debt service:				
Interest	14	14	13	1
<b>Total expenditures</b>	<b>36,486</b>	<b>36,742</b>	<b>26,988</b>	<b>9,754</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(5,718)</b>	<b>(5,720)</b>	<b>6,431</b>	<b>12,151</b>
<b>Other Financing Sources (Uses):</b>				
Transfers in			3	3
Transfers out	(3,909)	(3,909)	(563)	3,346
Capital lease financing			153	153
<b>Total other financing sources (uses)</b>	<b>(3,909)</b>	<b>(3,909)</b>	<b>(407)</b>	<b>3,502</b>
<b>Net change in fund balance</b>	<b>(9,627)</b>	<b>(9,629)</b>	<b>6,024</b>	<b>15,653</b>
<b>Fund Balance at Beginning of Year</b>	<b>43,309</b>	<b>43,309</b>	<b>43,309</b>	
<b>Fund Balance at End of Year</b>	<b>\$ 33,682</b>	<b>33,680</b>	<b>49,333</b>	<b>15,653</b>

## **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, 2017  
 (In Thousands)

	Public Financing Authority	Family Law Center	Retirement Litigation Settlement
<b>Assets:</b>			
Cash and investments	\$ 1,449	2,129	2,530
Accounts receivable and accrued revenue	1		
Due from other funds			230
Restricted cash and investments	102,242		230
<b>Total assets</b>	\$ 103,692	2,129	2,760
<b>Liabilities and Fund Balances</b>			
<b>Liabilities:</b>			
Accounts payable and accrued liabilities	\$		2,760
Due to other funds			
<b>Total liabilities</b>			2,760
<b>Fund Balances:</b>			
Restricted	103,692	2,129	
Unassigned			
<b>Total fund balances</b>	103,692	2,129	
<b>Total liabilities and fund balances</b>	\$ 103,692	2,129	2,760

CCC Fire Protection District Pension Bond	County Pension Bond	Assessment Districts	Total
12,181		976	19,265
	2,387	1	2,389
			230
	31	1,085	103,358
<u>12,181</u>	<u>2,418</u>	<u>2,062</u>	<u>125,242</u>
		356	3,116
	8,206		8,206
	8,206	356	11,322
12,181		1,706	119,708
	(5,788)		(5,788)
<u>12,181</u>	<u>(5,788)</u>	<u>1,706</u>	<u>113,920</u>
<u>12,181</u>	<u>2,418</u>	<u>2,062</u>	<u>125,242</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, 2017  
 (In Thousands)

	Public Financing Authority	Family Law Center	Retirement Litigation Settlement
<b>Revenues:</b>			
Taxes	\$		
Use of money and property	27,115		
Other revenue			
<b>Total revenues</b>	<u>27,115</u>		
<b>Expenditures:</b>			
Current:			
General government	750		
Public assistance			
Debt service:			
Principal	54,510		1,550
Interest	14,565		1,210
Debt issuance cost	351		
<b>Total expenditures</b>	<u>70,176</u>		<u>2,760</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(43,061)</u>		<u>(2,760)</u>
<b>Other Financing Sources (Uses):</b>			
Transfers in	75		2,760
Transfers out	(8,059)		
Issuance of debt	142,694		
<b>Total other financing sources (uses)</b>	<u>134,710</u>		<u>2,760</u>
<b>Net change in fund balances</b>	91,649		
<b>Fund Balances at Beginning of Year</b>	<u>12,043</u>	<u>2,129</u>	
<b>Fund Balances at End of Year</b>	<u>\$ 103,692</u>	<u>2,129</u>	

CCC Fire Protection District Pension Bond	County Pension Bond	Assessment Districts	Total
		11,801	11,801
	31	10	27,156
14,070	1,231		15,301
14,070	1,262	11,811	54,258
			750
		11,396	11,396
9,155	26,935	740	92,890
4,004	11,549	167	31,495
			351
13,159	38,484	12,303	136,882
911	(37,222)	(492)	(82,624)
	28,350		31,185
		(75)	(8,134)
			142,694
	28,350	(75)	165,745
911	(8,872)	(567)	83,121
11,270	3,084	2,273	30,799
12,181	(5,788)	1,706	113,920

COUNTY OF CONTRA COSTA  
**BUDGETARY COMPARISON SCHEDULE**  
**FAMILY LAW CENTER DEBT SERVICE FUND**  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
 (In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
\$				
<b>Total revenues</b>				
<b>Expenditures:</b>				
Public assistance				
Services and supplies	2,129	2,129		2,129
Total public assistance	2,129	2,129		2,129
<b>Total expenditures</b>	2,129	2,129		2,129
<b>Net change in fund balance</b>	(2,129)	(2,129)		2,129
<b>Fund Balance at Beginning of Year</b>	2,129	2,129	2,129	
<b>Fund Balance at End of Year</b>			2,129	2,129

COUNTY OF CONTRA COSTA  
**BUDGETARY COMPARISON SCHEDULE**  
**RETIREMENT LITIGATION SETTLEMENT DEBT SERVICE FUND**  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
 (In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
\$				
<b>Total revenues</b>				
<b>Expenditures:</b>				
Debt service:				
Principal	1,550	1,550	1,550	
Interest	1,210	1,210	1,210	
<b>Total expenditures</b>	2,760	2,760	2,760	
<b>Deficiency of revenues under expenditures</b>	(2,760)	(2,760)	(2,760)	
<b>Other Financing Sources:</b>				
Transfers in	2,760	2,760	2,760	
<b>Total other financing sources</b>	2,760	2,760	2,760	
<b>Net change in fund balance</b>				
<b>Fund Balance at Beginning of Year</b>				
<b>Fund Balance at End of Year</b>				
\$				

COUNTY OF CONTRA COSTA  
**BUDGETARY COMPARISON SCHEDULE**  
**CCC FIRE PROTECTION DISTRICT PENSION BOND DEBT SERVICE FUND**  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
 (In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Other revenue	\$ 13,159	13,159	14,070	911
<b>Total revenues</b>	<u>13,159</u>	<u>13,159</u>	<u>14,070</u>	<u>911</u>
<b>Expenditures:</b>				
Debt service:				
Principal	20,425	20,425	9,155	11,270
Interest	4,004	4,004	4,004	
<b>Total expenditures</b>	<u>24,429</u>	<u>24,429</u>	<u>13,159</u>	<u>11,270</u>
<b>Net change in fund balance</b>	(11,270)	(11,270)	911	12,181
<b>Fund Balance at Beginning of Year</b>	<u>11,270</u>	<u>11,270</u>	<u>11,270</u>	
<b>Fund Balance at End of Year</b>	<u>\$ <u>12,181</u></u>	<u><u>12,181</u></u>	<u><u>12,181</u></u>	<u><u>12,181</u></u>

COUNTY OF CONTRA COSTA  
**BUDGETARY COMPARISON SCHEDULE**  
**COUNTY PENSION BOND DEBT SERVICE FUND**  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
 (In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Use of money and property	\$ 2	2	31	29
Other revenue	1,232	1,232	1,231	(1)
<b>Total revenues</b>	<u>1,234</u>	<u>1,234</u>	<u>1,262</u>	<u>28</u>
<b>Expenditures:</b>				
Current:				
General government				
Other charges	2	2		2
Total general government	<u>2</u>	<u>2</u>		<u>2</u>
Debt service:				
Principal	26,935	26,935	26,935	
Interest	14,633	14,633	11,549	3,084
<b>Total expenditures</b>	<u>41,570</u>	<u>41,570</u>	<u>38,484</u>	<u>3,086</u>
<b>Deficiency of revenues under expenditures</b>	<u>(40,336)</u>	<u>(40,336)</u>	<u>(37,222)</u>	<u>3,114</u>
<b>Other Financing Sources:</b>				
Transfers in	37,253	37,253	28,350	(8,903)
<b>Total other financing sources</b>	<u>37,253</u>	<u>37,253</u>	<u>28,350</u>	<u>(8,903)</u>
<b>Net change in fund balance</b>	<u>(3,083)</u>	<u>(3,083)</u>	<u>(8,872)</u>	<u>(5,789)</u>
<b>Fund Balance at Beginning of Year</b>	<u>3,084</u>	<u>3,084</u>	<u>3,084</u>	
<b>Fund Balance at End of Year</b>	<u>\$ 1</u>	<u>1</u>	<u>(5,788)</u>	<u>(5,789)</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 116).

### **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 116).

### **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, 2017  
 (In Thousands)

	Airport	Sheriff Law Enforcement Training Center	Child Care Enterprise	HMO Commercial Plan	Major Risk Medical Insurance	Total
<b>Assets and Deferred Outflows of Resources:</b>						
<b>Assets:</b>						
Current assets:						
Cash and investments	\$ 5,346	259	16	15,320	46	20,987
Accounts receivable and accrued revenue (net)	133	57		3,000		3,190
Inventories	21					21
Due from other funds	246	103		800		1,149
Prepaid items and deposits	22	424				446
Total current assets	<u>5,768</u>	<u>843</u>	<u>16</u>	<u>19,120</u>	<u>46</u>	<u>25,793</u>
Noncurrent assets:						
Capital assets:						
Nondepreciable	11,546					11,546
Depreciable, net	7,554	196				7,750
Total noncurrent assets	<u>19,100</u>	<u>196</u>				<u>19,296</u>
<b>Total assets</b>	<u>24,868</u>	<u>1,039</u>	<u>16</u>	<u>19,120</u>	<u>46</u>	<u>45,089</u>
<b>Deferred Outflows of Resources:</b>						
Deferred pension outflows	487	59				546
<b>Total deferred outflows of resources</b>	<u>487</u>	<u>59</u>				<u>546</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>\$ 25,355</u>	<u>1,098</u>	<u>16</u>	<u>19,120</u>	<u>46</u>	<u>45,635</u>
<b>Liabilities, Deferred Inflows of Resources, and Net Position:</b>						
<b>Liabilities:</b>						
Current liabilities:						
Accounts payable and accrued liabilities	\$ 884	84		11,660		12,628
Due to other funds	121	167		2,090		2,378
Unearned revenue	153			407		560
Current portion of long-term liabilities	12	1				13
Total current liabilities	<u>1,170</u>	<u>252</u>		<u>14,157</u>		<u>15,579</u>
Noncurrent portion of long-term liabilities:						
Compensated absences	109	10				119
Net pension liability	1,401	169				1,570
Net OPEB liability	131					131
Total noncurrent portion of long-term liabilities	<u>1,641</u>	<u>179</u>				<u>1,820</u>
<b>Total liabilities</b>	<u>2,811</u>	<u>431</u>		<u>14,157</u>		<u>17,399</u>
<b>Deferred Inflows of Resources:</b>						
Deferred pension inflows	115	13				128
Deferred OPEB inflows	3					3
<b>Total deferred inflows of resources</b>	<u>118</u>	<u>13</u>				<u>131</u>
<b>Net Position:</b>						
Net investments in capital assets	19,100	196				19,296
Unrestricted	3,326	458	16	4,963	46	8,809
<b>Total net position</b>	<u>22,426</u>	<u>654</u>	<u>16</u>	<u>4,963</u>	<u>46</u>	<u>28,105</u>
<b>Total liabilities, Deferred Inflows of Resources, and Net Position</b>	<u>\$ 25,355</u>	<u>1,098</u>	<u>16</u>	<u>19,120</u>	<u>46</u>	<u>45,635</u>

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, 2017  
 (In Thousands)

	Airport	Sheriff Law Enforcement Training Center	Child Care Enterprise	HMO Commercial Plan	Major Risk Medical Insurance	Total
<b>Operating Revenues:</b>						
Use of money and property	\$ 4,274			2,133		6,407
Charges for services	18	1,123		71,513	45	72,699
Other revenue	944	25				969
<b>Total operating revenues</b>	<u>5,236</u>	<u>1,148</u>		<u>73,646</u>	<u>45</u>	<u>80,075</u>
<b>Operating Expenses:</b>						
Salaries and employee benefits	1,840	446				2,286
Services and supplies	1,352	173		73,626		75,151
Other charges	380	130		1,745		2,255
Expense transfers	207	57				264
Depreciation	1,114	97		28		1,239
<b>Total operating expenses</b>	<u>4,893</u>	<u>903</u>		<u>75,399</u>		<u>81,195</u>
<b>Operating income (loss)</b>	<u>343</u>	<u>245</u>		<u>(1,753)</u>	<u>45</u>	<u>(1,120)</u>
<b>Nonoperating Revenues (Expenses):</b>						
State and federal grants	1,569	219				1,788
Interest expense				(61)		(61)
<b>Total nonoperating revenues (expenses)</b>	<u>1,569</u>	<u>219</u>		<u>(61)</u>		<u>1,727</u>
<b>Income (Loss) Before Transfers</b>	1,912	464		(1,814)	45	607
Transfers in		5		3,736		3,741
Transfers out	(68)	(201)				(269)
<b>Change in net position</b>	<u>1,844</u>	<u>268</u>		<u>1,922</u>	<u>45</u>	<u>4,079</u>
<b>Total Net Position at Beginning of Year, as Previously Reported</b>	20,722	386	16	3,041	1	24,166
Adjustments to beginning net position	(140)					(140)
<b>Total Net Position at Beginning of Year, as Restated</b>	<u>20,582</u>	<u>386</u>	<u>16</u>	<u>3,041</u>	<u>1</u>	<u>24,026</u>
<b>Total Net Position at End of Year</b>	<u>\$ 22,426</u>	<u>654</u>	<u>16</u>	<u>4,963</u>	<u>46</u>	<u>28,105</u>

COUNTY OF CONTRA COSTA  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
 (In Thousands)

	Airport	Sheriff Law Enforcement Training Center	Child Care Enterprise	HMO Commercial Plan	Major Risk Medical Insurance	Total
<b>Cash Flows from Operating Activities:</b>						
Cash received from customers	\$ 5,210	1,198		78,433	85	84,926
Cash received from other funds	20	380				400
Cash payment to other funds	(246)				(39)	(285)
Cash payment to suppliers for goods and services	(1,414)	(527)		(77,005)		(78,946)
Cash payment to employees for services	(1,914)	(776)				(2,690)
<b>Net Cash Provided by Operating Activities</b>	<u>1,656</u>	<u>275</u>		<u>1,428</u>	<u>46</u>	<u>3,405</u>
<b>Cash Flows from Noncapital Financing Activities:</b>						
State and federal grants	1,569	219				1,788
Transfers received		5		3,736		3,741
Transfers paid	(68)	(201)				(269)
<b>Net Cash Provided by Noncapital Financing Activities</b>	<u>1,501</u>	<u>23</u>		<u>3,736</u>		<u>5,260</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>						
Acquisition and construction of capital assets	(2,045)	(39)				(2,084)
Interest paid				(61)		(61)
<b>Net Cash Used for Capital and Related Financing Activities</b>	<u>(2,045)</u>	<u>(39)</u>		<u>(61)</u>		<u>(2,145)</u>
<b>Net Increase in Cash and Cash Equivalents</b>	1,112	259		5,103	46	6,520
<b>Cash and Cash Equivalents at Beginning of Year</b>	<u>4,234</u>		<u>16</u>	<u>10,217</u>		<u>14,467</u>
<b>Cash and Cash Equivalents at End of Year</b>	<u>\$ 5,346</u>	<u>259</u>	<u>16</u>	<u>15,320</u>	<u>46</u>	<u>20,987</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</b>						
Operating income (loss)	\$ 343	245		(1,753)	45	(1,120)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:						
Depreciation	1,114	97		28		1,239
Changes in operating assets and liabilities:						
Decrease (increase) in:						
Accounts receivable and accrued revenue	(38)	50		305	40	357
Inventories	(1)					(1)
Due from other funds	(246)	234		4,481		4,469
Prepaid items and deposits	87	(150)				(63)
Deferred outflows of resources	125	190				315
Increase (decrease) in:						
Accounts payable and accrued liabilities	439	(15)		(959)		(535)
Due to other funds	20	146		(455)	(39)	(328)
Deferred inflows of resources	(39)	(52)				(91)
Net pension liability	(161)	(467)				(628)
Net OPEB liability	(9)					(9)
Unearned revenue	12	(2)		(219)		(209)
Compensated absences	10	(1)				9
<b>Net Cash Provided by Operating Activities</b>	<u>\$ 1,656</u>	<u>275</u>		<u>1,428</u>	<u>46</u>	<u>3,405</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 STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
 JUNE 30, 2017  
 (In Thousands)

	Fleet Services	Employee Dental Insurance	Long-Term Disability Insurance	Workers' Compensation Insurance County General
<b>Assets and Deferred Outflows of Resources:</b>				
<b>Assets:</b>				
Current assets:				
Cash and investments	\$ 3,681	4,133	2,408	100,126
Accounts receivable and accrued revenue (net)	1			2,055
Inventories	453			
Due from other funds	1,350			42
Prepaid items and deposits	74			
Total current assets	<u>5,559</u>	<u>4,133</u>	<u>2,408</u>	<u>102,223</u>
Noncurrent assets:				
Capital assets:				
Nondepreciable	822			
Depreciable, net	7,859			
Total noncurrent assets	<u>8,681</u>			
<b>Total assets</b>	<u>14,240</u>	<u>4,133</u>	<u>2,408</u>	<u>102,223</u>
<b>Deferred Outflows of Resources:</b>				
Deferred pension outflows	487			
<b>Total deferred outflows of resources</b>	<u>487</u>			
<b>Total assets and deferred outflows of resources</b>	<u>\$ 14,727</u>	<u>4,133</u>	<u>2,408</u>	<u>102,223</u>
<b>Liabilities, Deferred Inflows of Resources, and Net Position:</b>				
<b>Liabilities:</b>				
Current liabilities:				
Accounts payable	\$ 575		67	
Due to other funds	308	60		551
Claims payable		987	2,591	20,353
Compensated absences payable	8			
Total current liabilities	<u>891</u>	<u>1,047</u>	<u>2,658</u>	<u>20,904</u>
Noncurrent liabilities:				
Claims payable			518	99,134
Compensated absences payable	68			
Net pension liability	1,400			
Net OPEB liability	745			
Total noncurrent liabilities	<u>2,213</u>		<u>518</u>	<u>99,134</u>
<b>Total liabilities</b>	<u>3,104</u>	<u>1,047</u>	<u>3,176</u>	<u>120,038</u>
<b>Deferred Inflows of Resources:</b>				
Deferred pension inflows	115			
Deferred OPEB inflows	18			
<b>Total deferred inflows of resources</b>	<u>133</u>			
<b>Net Position (Deficit):</b>				
Net investment in capital assets	8,681			
Unrestricted net position (deficit)	2,809	3,086	(768)	(17,815)
<b>Total net position (deficit)</b>	<u>11,490</u>	<u>3,086</u>	<u>(768)</u>	<u>(17,815)</u>
<b>Total liabilities, deferred inflows of resources, and net position (deficit)</b>	<u>\$ 14,727</u>	<u>4,133</u>	<u>2,408</u>	<u>102,223</u>

Workers' Compensation Insurance	Automotive Liability Insurance	Public Liability Insurance	State Unemployment Insurance	Medical Liability Insurance	Special District Property Insurance	Total
29,391	2,564	11,724	7,848	5,521	2,921	170,317
369		13	141			2,579
						453
4	27	16		12		1,451
						74
<u>29,764</u>	<u>2,591</u>	<u>11,753</u>	<u>7,989</u>	<u>5,533</u>	<u>2,921</u>	<u>174,874</u>
						822
						7,859
						8,681
<u>29,764</u>	<u>2,591</u>	<u>11,753</u>	<u>7,989</u>	<u>5,533</u>	<u>2,921</u>	<u>183,555</u>
						487
						487
<u>29,764</u>	<u>2,591</u>	<u>11,753</u>	<u>7,989</u>	<u>5,533</u>	<u>2,921</u>	<u>184,042</u>
						645
91	13	518	1		2	1,606
4,495	583	4,570	20	44	1	37,525
			1,781	2,165		8
<u>4,586</u>	<u>596</u>	<u>5,088</u>	<u>1,802</u>	<u>2,209</u>	<u>3</u>	<u>39,784</u>
28,150	1,091	3,478		2,293		134,664
						68
						1,400
						745
<u>28,150</u>	<u>1,091</u>	<u>3,478</u>		<u>2,293</u>		<u>136,877</u>
<u>32,736</u>	<u>1,687</u>	<u>8,566</u>	<u>1,802</u>	<u>4,502</u>	<u>3</u>	<u>176,661</u>
						115
						18
						133
						8,681
<u>(2,972)</u>	<u>904</u>	<u>3,187</u>	<u>6,187</u>	<u>1,031</u>	<u>2,918</u>	<u>(1,433)</u>
<u>(2,972)</u>	<u>904</u>	<u>3,187</u>	<u>6,187</u>	<u>1,031</u>	<u>2,918</u>	<u>7,248</u>
<u>29,764</u>	<u>2,591</u>	<u>11,753</u>	<u>7,989</u>	<u>5,533</u>	<u>2,921</u>	<u>184,042</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, 2017  
(In Thousands)

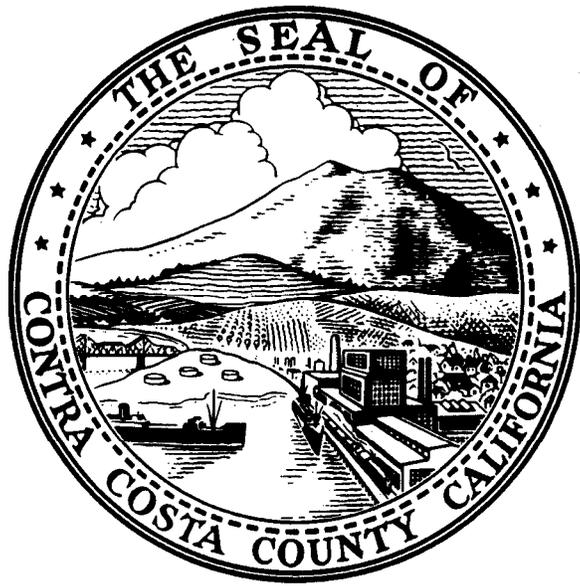
	Fleet Services	Employee Dental Insurance	Long-Term Disability Insurance	Workers' Compensation Insurance County General
<b>Operating Revenues:</b>				
Charges for services	\$ 132	11,067	824	25,366
Other revenue	12,998			
<b>Total operating revenues</b>	<u>13,130</u>	<u>11,067</u>	<u>824</u>	<u>25,366</u>
<b>Operating Expenses:</b>				
Salaries and employee benefits	1,701			
Services and supplies	6,471	714	6	7,203
Benefit and claim expense		10,337	1,941	14,078
Other charges	895			
Depreciation	2,479			
<b>Total operating expenses</b>	<u>11,546</u>	<u>11,051</u>	<u>1,947</u>	<u>21,281</u>
<b>Operating Income (Loss)</b>	<u>1,584</u>	<u>16</u>	<u>(1,123)</u>	<u>4,085</u>
<b>Nonoperating Revenues (Expenses):</b>				
Investment income (loss)		21	14	(169)
<b>Total nonoperating revenues (expenses)</b>		<u>21</u>	<u>14</u>	<u>(169)</u>
<b>Income (loss) before transfers</b>	1,584	37	(1,109)	3,916
Transfers in	1			
Transfers out	(42)			
<b>Change in net position</b>	<u>1,543</u>	<u>37</u>	<u>(1,109)</u>	<u>3,916</u>
<b>Total Net Position at Beginning of Year, as Previously Reported</b>	10,740	3,049	341	(21,731)
Adjustments to beginning net position	(793)			
<b>Total Net Position (Deficit) at Beginning of Year, as Restated</b>	<u>9,947</u>	<u>3,049</u>	<u>341</u>	<u>(21,731)</u>
<b>Total Net Position (Deficit) at End of Year</b>	<u>\$ 11,490</u>	<u>3,086</u>	<u>(768)</u>	<u>(17,815)</u>

Workers' Compensation Insurance Fire Protection	Automotive Liability Insurance	Public Liability Insurance	State Unemployment Insurance	Medical Liability Insurance	Special District Property Insurance	Total
4,931	280	8,144	1,982	2,300	1,466	56,492
146						13,144
<u>5,077</u>	<u>280</u>	<u>8,144</u>	<u>1,982</u>	<u>2,300</u>	<u>1,466</u>	<u>69,636</u>
						1,701
694	730	4,858	15	407	281	21,379
90	184	1,824	1,062	1,770	351	31,637
						895
						<u>2,479</u>
<u>784</u>	<u>914</u>	<u>6,682</u>	<u>1,077</u>	<u>2,177</u>	<u>632</u>	<u>58,091</u>
<u>4,293</u>	<u>(634)</u>	<u>1,462</u>	<u>905</u>	<u>123</u>	<u>834</u>	<u>11,545</u>
<u>(12)</u>	<u>4</u>	<u>70</u>	<u>45</u>			<u>(27)</u>
<u>(12)</u>	<u>4</u>	<u>70</u>	<u>45</u>			<u>(27)</u>
4,281	(630)	1,532	950	123	834	11,518
	48					49
		(48)			(90)	(180)
<u>4,281</u>	<u>(582)</u>	<u>1,484</u>	<u>950</u>	<u>123</u>	<u>744</u>	<u>11,387</u>
(7,253)	1,486	1,703	5,237	908	2,174	(3,346)
						(793)
<u>(7,253)</u>	<u>1,486</u>	<u>1,703</u>	<u>5,237</u>	<u>908</u>	<u>2,174</u>	<u>(4,139)</u>
<u>(2,972)</u>	<u>904</u>	<u>3,187</u>	<u>6,187</u>	<u>1,031</u>	<u>2,918</u>	<u>7,248</u>

COUNTY OF CONTRA COSTA  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
 (In Thousands)

	Fleet Services	Employee Dental Insurance	Long-Term Disability Insurance	Workers' Compensation Insurance County General
<b>Cash Flows from Operating Activities:</b>				
Cash received from customers	\$ 13,114	11,067	882	25,266
Cash payment to other funds	(311)			
Cash payment to suppliers for goods and services	(7,458)	(11,140)	(1,558)	(20,876)
Cash payment to employees for services	(1,750)			
<b>Net Cash Provided by (Used for) Operating Activities</b>	<u>3,595</u>	<u>(73)</u>	<u>(676)</u>	<u>4,390</u>
<b>Cash Flows from Noncapital Financing Activities:</b>				
Transfers received	1			
Transfers paid out	(42)			
<b>Net Cash Provided by (used for) Noncapital Financing Activities</b>	<u>(41)</u>			
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Acquisition and construction of capital assets	(2,887)			
<b>Net Cash Used for Capital and Related Financing Activities</b>	<u>(2,887)</u>			
<b>Cash Flows from Investing Activities:</b>				
Interest received on investments		21	14	
Interest payment on investments				(169)
<b>Net Cash Provided by Investing Activities</b>		<u>21</u>	<u>14</u>	<u>(169)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	667	(52)	(662)	4,221
<b>Cash and Cash Equivalents at Beginning of Year</b>	<u>3,014</u>	<u>4,185</u>	<u>3,070</u>	<u>95,905</u>
<b>Cash and Cash Equivalents at End of Year</b>	<u>\$ 3,681</u>	<u>4,133</u>	<u>2,408</u>	<u>100,126</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</b>				
Operating Income (Loss)	\$ 1,584	16	(1,123)	4,085
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:				
Depreciation	2,479			
Changes in operating assets and liabilities:				
Decrease (increase) in:				
Accounts receivable and accrued revenue	58			(98)
Inventories	(92)			
Due from other funds	(88)			(2)
Prepaid expense	(74)			
Deferred outflows of resources	210			
Increase (decrease) in:				
Accounts payable and accrued liabilities	201		58	
Claims payable		(31)	389	342
Due to other funds	(223)	(58)		63
Deferred inflows of resources	(64)			
Net pension liability	(380)			
Net OPEB liability	(30)			
Compensated absences	14			
<b>Net Cash Provided by (Used for) Operating Activities</b>	<u>\$ 3,595</u>	<u>(73)</u>	<u>(676)</u>	<u>4,390</u>

Workers' Compensation Insurance	Automotive Liability Insurance	Public Liability Insurance	State Unemployment Insurance	Medical Liability Insurance	Special District Property Insurance	Total
5,065	274	8,132	2,004	2,300	1,466	69,570
(3,041)	(886)	(8,711)	(1,157)	(2,190)	(14)	(325)
					(632)	(57,649)
					(5)	(1,755)
<u>2,024</u>	<u>(612)</u>	<u>(579)</u>	<u>847</u>	<u>110</u>	<u>815</u>	<u>9,841</u>
	48					49
		(48)			(90)	(180)
	48	(48)			(90)	(131)
						(2,887)
						(2,887)
	4	70	45			154
(12)						(181)
(12)	4	70	45			(27)
2,012	(560)	(557)	892	110	725	6,796
27,379	3,124	12,281	6,956	5,411	2,196	163,521
29,391	2,564	11,724	7,848	5,521	2,921	170,317
4,293	(634)	1,462	905	123	834	11,545
						2,479
(12)		(11)	22			(41)
	(6)	(1)				(92)
						(97)
						(74)
						210
					(5)	254
(2,276)	25	(2,063)	(90)	(25)		(3,729)
19	3	34	10	12	(14)	(154)
						(64)
						(380)
						(30)
						14
<u>2,024</u>	<u>(612)</u>	<u>(579)</u>	<u>847</u>	<u>110</u>	<u>815</u>	<u>9,841</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, 2017  
 (In Thousands)

	Successor Agency to the Contra Costa County Redevelopment Agency	Other Private- Purpose Trust	Total
<b>Assets:</b>			
Cash and investments	\$ 2,562	35,203	37,765
Receivables		146	146
Notes receivable, net	25		25
Restricted cash and investments	7,676		7,676
<b>Total assets</b>	<b>10,263</b>	<b>35,349</b>	<b>45,612</b>
<b>Deferred Outflows of Resources:</b>			
Loss on refunding of debt	2,602		2,602
<b>Total outflows of resources</b>	<b>2,602</b>		<b>2,602</b>
<b>Liabilities:</b>			
Accounts payable and accrued liabilities		92	92
Due to other governments	773		773
Accrued interest payable	2,184		2,184
Noncurrent liabilities:			
Due within one year	2,359		2,359
Due in more than one year	85,033		85,033
<b>Total liabilities</b>	<b>90,349</b>	<b>92</b>	<b>90,441</b>
<b>Net Position (Deficit):</b>			
Restricted for participation in individually directed investment accounts		35,257	35,257
Unrestricted deficit	(77,484)		(77,484)
<b>Total net position (deficit)</b>	<b>\$ (77,484)</b>	<b>35,257</b>	<b>(42,227)</b>

COUNTY OF CONTRA COSTA  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**PRIVATE-PURPOSE TRUST FUNDS**  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
 (In Thousands)

	Successor Agency to the Contra Costa County Redevelopment Agency	Other Private- Purpose Trust	Total
<b>Additions:</b>			
Property tax distribution	\$ 9,969		9,969
Other revenue	99	30,404	30,503
Investment income		72	72
<b>Total additions</b>	<u>10,068</u>	<u>30,476</u>	<u>40,544</u>
<b>Deductions:</b>			
Project expenditures	750		750
Financial assistance payments	1,978		1,978
Interest and fiscal charges	5,362		5,362
Administrative and other expenses	248	1,239	1,487
Other		18,944	18,944
<b>Total deductions</b>	<u>8,338</u>	<u>20,183</u>	<u>28,521</u>
<b>Change in net position</b>	1,730	10,293	12,023
<b>Net Position (Deficit) at Beginning of Year</b>	<u>(79,214)</u>	<u>24,964</u>	<u>(54,250)</u>
<b>Net Position (Deficit) at End of Year</b>	<u>\$ (77,484)</u>	<u>35,257</u>	<u>(42,227)</u>

COUNTY OF CONTRA COSTA  
**STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(In Thousands)

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017
<b>Tax Losses Reserve:</b>				
<b>Assets:</b>				
Cash and investments	\$ 91,973	15,066	22,712	84,327
Due from other governments	7,466	6,982	7,466	6,982
<b>Total assets</b>	<b>\$ 99,439</b>	<b>22,048</b>	<b>30,178</b>	<b>91,309</b>
<b>Liabilities:</b>				
Due to other governments	\$ 22,068	22,000	22,068	22,000
Tax loss guarantees	77,371	14,581	22,643	69,309
<b>Total liabilities</b>	<b>\$ 99,439</b>	<b>36,581</b>	<b>44,711</b>	<b>91,309</b>
<b>Unapportioned Taxes:</b>				
<b>Assets:</b>				
Cash and investments	\$ 35,179	1,499,037	1,534,216	
Accounts receivable	22,363	31,625	30,831	23,157
Taxes receivable	171,291	978,923	983,253	166,961
<b>Total assets</b>	<b>\$ 228,833</b>	<b>2,509,585</b>	<b>2,548,300</b>	<b>190,118</b>
<b>Liabilities:</b>				
Accounts payable	\$ 54,377	58,198	55,930	56,645
Due to other governments	49,677	6,562	49,677	6,562
Unapportioned taxes	124,779	1,119,608	1,117,476	126,911
<b>Total liabilities</b>	<b>\$ 228,833</b>	<b>1,184,368</b>	<b>1,223,083</b>	<b>190,118</b>
<b>Other Agencies:</b>				
<b>Assets:</b>				
Cash and investments	\$ 105,913	2,194,762	2,199,648	101,027
Accounts receivable	19,968	31,882	34,998	16,852
Due from other governments		1,338	1,338	
<b>Total assets</b>	<b>\$ 125,881</b>	<b>2,227,982</b>	<b>2,235,984</b>	<b>117,879</b>
<b>Liabilities:</b>				
Warrants outstanding	\$ 46,729	970,030	974,298	42,461
Accounts payable	10,072	1,142,583	1,143,378	9,277
Due to other governments		4,339	4,339	
Due to other agencies and districts	69,080	746,834	749,773	66,141
<b>Total liabilities</b>	<b>\$ 125,881</b>	<b>2,863,786</b>	<b>2,871,788</b>	<b>117,879</b>

(continued)

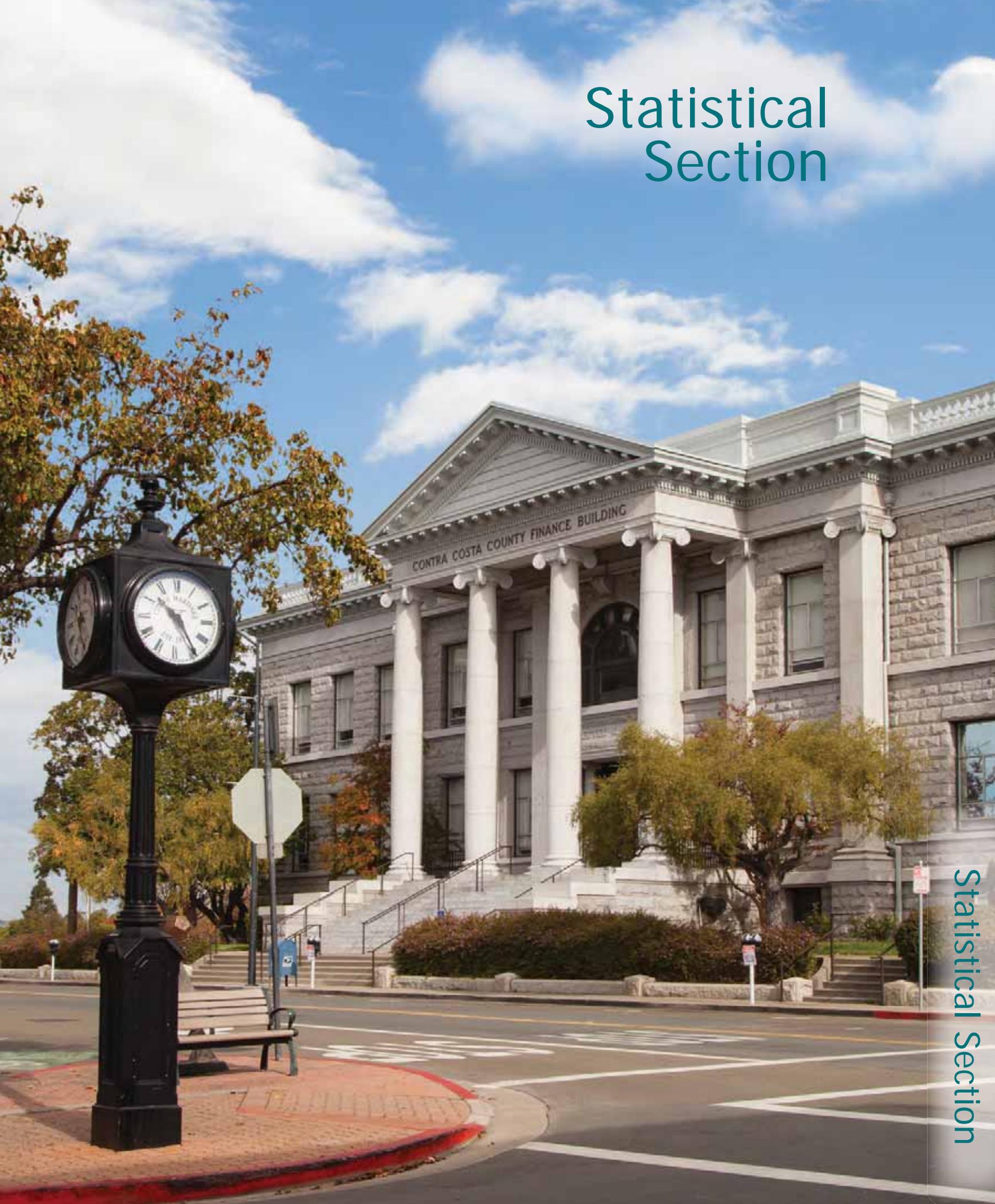
COUNTY OF CONTRA COSTA  
**STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
 (In Thousands)

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017
<b>Totals-Agency Funds:</b>				
<b>Assets:</b>				
Cash and investments	\$ 233,065	3,708,865	3,756,576	185,354
Accounts receivable	42,331	63,507	65,829	40,009
Due from other governments	7,466	8,320	8,804	6,982
Taxes receivable	171,291	978,923	983,253	166,961
<b>Total assets</b>	<b>\$ 454,153</b>	<b>4,759,615</b>	<b>4,814,462</b>	<b>399,306</b>
<b>Liabilities:</b>				
Warrants outstanding	\$ 46,729	970,030	974,298	42,461
Accounts payable	64,449	1,200,781	1,199,308	65,922
Due to other governments	71,745	32,901	76,084	28,562
Unapportioned taxes	124,779	1,119,608	1,117,476	126,911
Tax loss guarantees	77,371	14,581	22,643	69,309
Due to other agencies and districts	69,080	746,834	749,773	66,141
<b>Total liabilities</b>	<b>\$ 454,153</b>	<b>4,084,735</b>	<b>4,139,582</b>	<b>399,306</b>

(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**

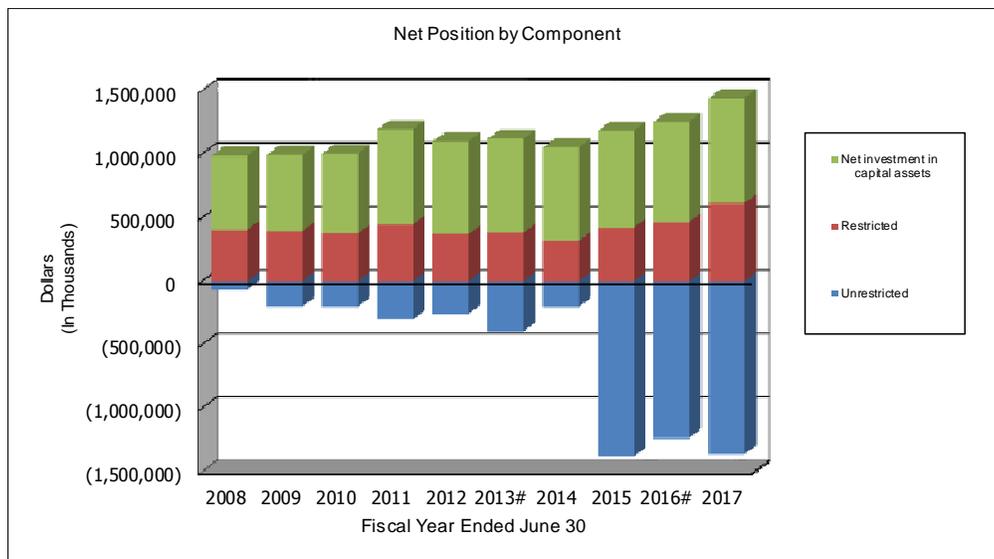
These schedules offer demographic and economic indicators to help the reader understand the environment within which the county's financial activities take place.

### **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 COMPONENT<sup>1</sup>**  
 LAST TEN FISCAL YEARS  
 (Accrual basis of accounting)  
 (In Thousands)  
 (Unaudited)

	2008	2009	2010	2011	2012	2013#	2014	2015	2016#	2017
<b>Governmental activities</b>										
Net investment in capital assets <sup>2</sup>	\$ 524,350	543,582	574,525	673,641	672,378	684,743	692,980	712,986	728,388	751,853
Restricted	380,563	369,912	361,709	431,646	358,796	382,997	317,075	424,030	467,605	613,345
Unrestricted	(75,238)	(203,042)	(209,290)	(341,145)	(297,523)	(433,332)	(260,330)	(1,232,686)	(1,120,737)	(1,245,474)
Total governmental activities net position	829,675	710,452	726,944	764,142	733,651	634,408	749,725	(95,670)	75,256	119,724
<b>Business-type activities</b>										
Net investment in capital assets	57,778	55,131	53,936	74,056	57,593	54,497	42,521	48,565	60,495	77,853
Restricted	24,591	26,121	14,177	16,360	10,535					
Unrestricted	10,487	5,157	9,616	41,289	40,900	39,991	60,032	(144,766)	(110,882)	(113,741)
Total business-type activities net position	92,856	86,409	77,729	131,705	109,028	94,488	102,553	(96,201)	(50,387)	(35,888)
<b>Primary government</b>										
Net investment in capital assets	582,128	598,713	628,461	747,697	729,971	739,240	735,501	761,551	788,883	829,706
Restricted	405,154	396,033	375,886	448,006	369,331	382,997	317,075	424,030	467,605	613,345
Unrestricted	(64,751)	(197,885)	(199,674)	(299,856)	(256,623)	(393,341)	(200,298)	(1,377,452)	(1,231,619)	(1,359,215)
Total primary government net position	\$ 922,531	796,861	804,673	895,847	842,679	728,896	852,278	(191,871)	24,869	83,836



<sup>1</sup> 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.

<sup>2</sup> 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)

	2008	2009	2010	2011	2012	2013#	2014	2015	2016	2017
<b>Expenses</b>										
<b>Governmental activities</b>										
General government	\$ 211,224	199,218	213,086	169,789	158,709	153,960	177,482	138,979	162,094	129,516
Public protection	566,154	552,037	510,384	493,927	507,852	522,648	536,087	539,353	590,047	658,909
Health and sanitation	234,551	240,383	229,002	234,120	230,517	222,567	231,673	228,861	239,340	246,583
Public assistance	468,892	461,159	422,492	422,722	408,330	429,816	438,255	445,016	467,741	491,230
Education	30,040	28,983	24,868	23,335	23,288	23,508	23,188	22,867	24,829	27,308
Public ways and facilities	86,443	60,726	36,300	43,971	42,252	30,453	37,067	41,426	36,298	35,231
Recreation and culture	1,141	1,447	991	1,101	1,139	1,036	1,138	1,843	627	1,936
Interest on debt	73,873	61,239	56,651	53,477	52,033	42,850	40,797	36,353	27,748	32,663
Capital outlay										
Total governmental activities expenses	<u>1,672,318</u>	<u>1,605,192</u>	<u>1,493,774</u>	<u>1,442,442</u>	<u>1,424,120</u>	<u>1,426,838</u>	<u>1,485,687</u>	<u>1,454,698</u>	<u>1,548,724</u>	<u>1,623,376</u>
<b>Business-type activities</b>										
County Hospital	353,511	372,416	382,306	395,819	464,449	482,522	486,797	472,557	515,115	543,039
Airport	5,183	5,127	4,480	4,563	4,310	4,746	4,394	4,182	4,349	4,893
Sheriff Law Enforcement										
Training Center	1,331	1,266	1,219	1,202	1,347	1,382	1,456	1,370	1,427	903
Childcare Enterprise	6	12	31	68	59	35				
HMO Medi-Cal Plan	85,645	97,827	113,302	150,557	184,007	290,289	343,805	576,801	643,517	787,338
HMO Commercial Plan	100,855	112,316	92,789	114,232	136,726	120,423	102,258	86,207	84,056	75,459
Major risk medical insurance	1,288	1,013	1,026	1,047	803	1,208	744	422	1	
Total business-type activities expenses	<u>547,819</u>	<u>589,977</u>	<u>595,153</u>	<u>667,488</u>	<u>791,701</u>	<u>900,605</u>	<u>939,454</u>	<u>1,141,539</u>	<u>1,248,465</u>	<u>1,411,632</u>
Total primary government expenses	<u>\$ 2,220,137</u>	<u>2,195,169</u>	<u>2,088,927</u>	<u>2,109,930</u>	<u>2,215,821</u>	<u>2,327,443</u>	<u>2,425,141</u>	<u>2,596,237</u>	<u>2,797,189</u>	<u>3,035,008</u>
<b>Program revenues</b>										
<b>Governmental activities</b>										
Charges for services										
General government	\$ 102,339	100,315	91,709	96,052	92,228	102,981	110,444	117,899	117,946	124,993
Public protection	135,403	130,270	141,489	130,956	117,274	121,439	122,238	121,529	138,613	177,423
Health and sanitation	65,823	76,938	79,166	81,333	80,941	76,448	84,029	88,885	89,855	88,314
Public assistance	3,068	2,242	6,597	4,110	3,647	3,431	2,539	2,205	2,123	2,154
Education	923	992	820	854	861	817	794	741	650	659
Public ways and facilities	28,133	14,100	10,440	15,841	4,022	5,517	7,559	13,250	9,413	6,580
Recreation and culture	214	117	262	21	10	14	87	40	13	8
Operating grants and contributions	673,571	622,097	663,766	661,239	639,592	693,133	721,594	750,821	759,278	812,454
Capital grants and contributions	21,797	19,943	38,400	25,372	23,089	14,444	15,738	22,385	12,535	17,845
Total governmental activities program revenues	<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>	<u>1,230,430</u>
<b>Business-type activities</b>										
Charges for services										
County Hospital	271,565	310,221	329,559	400,667	433,253	446,197	473,664	505,641	510,051	531,248
HMO Medi-Cal Plan	86,163	98,211	113,835	151,921	188,148	292,130	350,655	603,042	660,637	792,172
HMO Commercial Plan	65,246	68,845	62,744	63,631	63,508	65,098	78,423	83,200	75,185	73,646
Airport	3,433	3,446	3,459	3,482	3,528	3,730	3,842	4,019	4,162	4,292
Sheriff Law Enforcement										
Training Center	879	768	756	527	686	921	1,174	1,101	996	1,123
Major risk medical insurance	1,364	936	855	875	795	950	1,003	422	1	45
Operating grants and contributions	145,413	135,026	127,900	158,115	80,147	63,210	26,783	14,523	15,803	20,597
Capital grants and contributions	7,239	7,377	6,278	8,847	5,755	5,750	5,749	5,808	4,245	7,180
Total business-type activities program revenues	<u>581,302</u>	<u>624,830</u>	<u>645,386</u>	<u>788,065</u>	<u>775,820</u>	<u>877,986</u>	<u>941,293</u>	<u>1,217,756</u>	<u>1,271,080</u>	<u>1,430,303</u>
Total primary government program revenues	<u>\$ 1,612,573</u>	<u>1,591,844</u>	<u>1,678,035</u>	<u>1,803,843</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>	<u>2,660,733</u>
<b>Net (Expense)/Revenue <sup>1</sup></b>										
Governmental activities	\$ (641,047)	(638,178)	(461,125)	(426,664)	(462,456)	(408,614)	(420,665)	(336,943)	(418,298)	(392,946)
Business-type activities	33,483	34,853	50,233	120,577	(15,881)	(22,619)	1,839	76,217	22,615	18,671
Total primary government net expense	<u>\$ (607,564)</u>	<u>(603,325)</u>	<u>(410,892)</u>	<u>(306,087)</u>	<u>(478,337)</u>	<u>(431,233)</u>	<u>(418,826)</u>	<u>(260,726)</u>	<u>(395,683)</u>	<u>(374,275)</u>

<sup>1</sup> 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

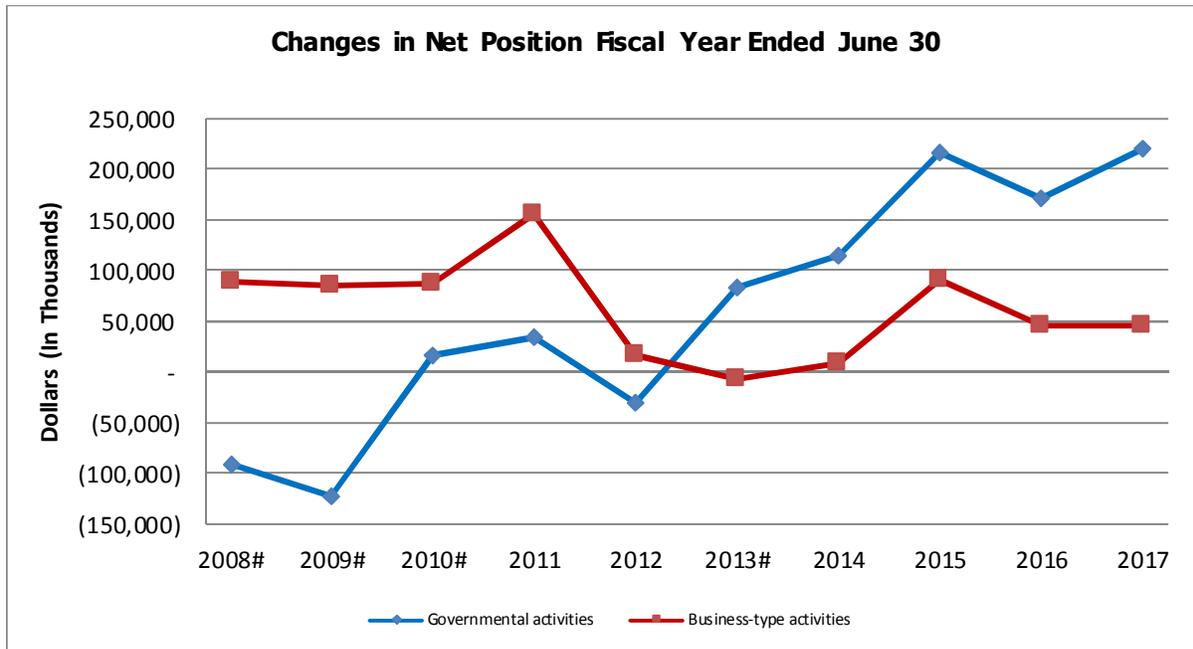
(continued)

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

	2008#	2009#	2010#	2011	2012	2013#	2014	2015	2016	2017
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental activities</b>										
Taxes										
Property	\$ 459,739	451,180	418,001	400,719	395,191	396,751	423,121	459,850	506,219	536,311
Sales	14,073	13,444	12,957	14,026	13,191	14,766	15,813	14,328	14,178	16,147
Other	22,179	26,709	21,693	20,849	21,369	22,639	23,693	24,870	15,440	15,174
Grants/contributions not restricted	11,300	14,089	15,809	14,974	14,422	14,346	15,524	17,008	14,653	16,963
Investment earnings	60,239	47,051	34,033	30,927	53,419	34,950	34,950	34,741	40,423	38,187
Other	35,344	12,935	10,905	22,034	16,657	23,021	28,823	16,718	21,078	17,504
Transfers	(53,934)	(49,098)	(35,837)	(42,167)	(30,629)	(15,124)	(5,942)	(13,611)	(22,767)	(27,264)
Total governmental activities	<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>	<u>613,022</u>
<b>Business-type activities</b>										
Investment earnings	455	429	279	128						
Other	1,746	987	749	2,204	1,164	304	284	413	432	969
Transfers	53,934	49,098	35,837	32,799	30,629	15,124	5,942	13,611	22,767	27,264
Total business-type activities	<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>	<u>28,233</u>
Total primary government	<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>	<u>641,255</u>
<b>Change in Net Position</b>										
Governmental activities	\$ (92,107)	(121,868)	16,436	34,698	(30,491)	82,735	115,317	216,961	170,926	220,076
Business-type activities	89,618	85,367	87,098	155,708	15,912	(7,191)	8,065	90,241	45,814	46,904
Total primary government	<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>	<u>266,980</u>

# Revised

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



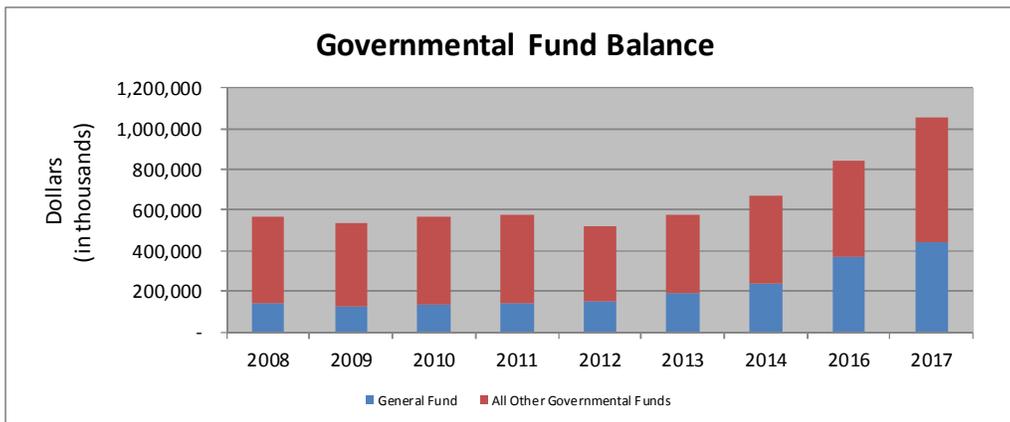
<sup>1</sup> On December 29, 2011, the California State Supreme Court upheld Assembly Bill 1X 26 that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the county's reporting entity, which reported the activities of the former Contra Costa County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

(concluded)

COUNTY OF CONTRA COSTA  
**FUND BALANCES OF GOVERNMENTAL FUNDS<sup>1</sup>**  
 LAST TEN FISCAL YEARS  
 (Modified accrual basis of accounting)  
 (In Thousands)  
 (Unaudited)

	Fiscal Year Ending June 30	
	2008	2009
<b>General Fund</b>		
Reserved	\$ 24,098	25,464
Unreserved	121,516	105,260
Total general fund	<u>145,614</u>	<u>130,724</u>
<b>All Other Governmental Funds</b>		
Reserved		
Special Revenue Funds	49,997	47,315
Capital Projects Funds	62,182	55,016
Debt Service Funds	31,306	36,722
Permanent Funds	1,770	1,749
Total Reserved	<u>145,255</u>	<u>140,802</u>
Unreserved		
Special Revenue Funds	269,570	254,668
Capital Projects Funds	5,169	13,529
Total Unreserved	<u>274,739</u>	<u>268,197</u>
Total all other governmental funds	<u>419,994</u>	<u>408,999</u>
<b>Total Governmental Funds</b>		
Total Reserved	169,353	166,266
Total Unreserved	396,255	373,457
Total governmental funds	<u>\$ 565,608</u>	<u>539,723</u>

	Fiscal Year Ending June 30							
	2010	2011	2012	2013	2014	2015	2016	2017
<b>General Fund</b>								
Nonspendable	\$ 18,460	9,387	16,474	6,103	7,946	10,764	9,807	7,501
Restricted	3,900	10,696	6,388	6,798	7,254	9,013	9,869	8,233
Committed	12,750	14,277	711	1,335	1,575	1,508	1,440	1,440
Assigned	30,287	31,941	47,246	57,754	78,136	94,169	116,089	123,302
Unassigned	67,972	76,371	81,541	115,518	142,293	179,883	232,953	299,837
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>	<u>440,313</u>
<b>All Other Governmental Funds</b>								
Nonspendable	2,606	9,301	14,453	13,337	4,164	4,948	5,743	4,954
Restricted	389,452	397,478	346,926	361,481	391,569	395,849	394,638	509,088
Committed	7,700	13,646	353	324	342	342	341	342
Assigned	36,311	25,403	18,633	25,056	41,272	65,263	71,751	109,492
Unassigned	(141)	(9,291)	(12,391)	(7,851)	(776)			(5,788)
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>	<u>618,088</u>
<b>Total Governmental Funds</b>								
Nonspendable	21,066	18,688	30,927	19,440	12,110	15,712	15,550	12,455
Restricted	393,352	408,174	353,314	368,279	398,823	404,862	404,507	517,321
Committed	20,450	27,923	1,064	1,659	1,917	1,850	1,781	1,782
Assigned	66,598	57,344	65,879	82,810	119,408	159,432	187,840	232,794
Unassigned	67,831	67,080	69,150	107,667	141,517	179,883	232,953	294,049
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>	<u>1,058,401</u>



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

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

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

	Fiscal Year Ending June 30			
	2008	2009	2010	2011
<b>Revenues:</b>				
Taxes	\$ 508,058	505,424	468,458	449,671
Licenses, permits and franchise fees	29,853	25,485	21,458	24,291
Fines, forfeitures and penalties	29,430	19,604	18,717	23,430
Use of money and property	59,829	39,610	30,805	27,857
Intergovernmental	689,528	642,158	705,292	688,868
Charges for services	275,699	279,693	277,710	279,188
Other revenue	141,007	157,295	122,008	125,305
<b>Total revenues</b>	<u>1,733,404</u>	<u>1,669,269</u>	<u>1,644,448</u>	<u>1,618,610</u>
<b>Expenditures:</b>				
Current:				
General government	176,350	173,240	137,431	146,106
Public protection	575,163	560,416	541,064	521,664
Health and sanitation	206,942	219,008	222,252	230,233
Public assistance	473,525	459,552	444,916	448,569
Education	26,394	27,261	25,449	22,737
Public ways and facilities	141,684	121,152	98,056	93,138
Recreation and culture	1,076	1,553	1,166	1,239
Debt service:				
Principal	38,417	43,038	52,352	71,469
Debt issuance cost	363	326		258
Interest	64,265	61,099	56,047	53,163
<b>Total expenditures</b>	<u>1,704,179</u>	<u>1,666,645</u>	<u>1,578,733</u>	<u>1,588,576</u>
<b>Excess of revenues over expenditures</b>	<u>29,225</u>	<u>2,624</u>	<u>65,715</u>	<u>30,034</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	73,094	84,199	85,401	90,092
Transfers out	(126,926)	(138,458)	(121,542)	(128,355)
Proceeds from issuance of debt	36,617	23,121		16,808
Debt issuance cost				
Proceeds on issuance of debt transferred to business-type activities	(36,687)			
Proceeds on issuance of debt transferred to the investment trust funds	(526)			
Premium on debt issued	1,930			389
Payment to refunded bond escrow agent				
Capital lease financing	2,375	2,629		944
<b>Total other financing sources (uses)</b>	<u>(50,123)</u>	<u>(28,509)</u>	<u>(36,141)</u>	<u>(20,122)</u>
Net Extraordinary gain/(loss)				
<b>Net change in fund balances</b>	<u>(20,898)</u>	<u>(25,885)</u>	<u>29,574</u>	<u>9,912</u>
<b>Fund Balances at Beginning of Year</b>	<u>586,506</u>	<u>565,608</u>	<u>539,723</u>	<u>569,297</u>
<b>Fund Balances at End of Year</b>	<u>\$ 565,608</u>	<u>539,723</u>	<u>569,297</u>	<u>579,209</u>
<b>Debt Service:</b>				
Principal	\$ 38,417	43,038	52,352	71,469
Interest	64,265	61,099	56,047	53,163
<b>Total Debt Service</b>	<u>\$ 102,682</u>	<u>104,137</u>	<u>108,399</u>	<u>124,632</u>
<b>NonCapital Expenditures:</b>				
Total Expenditures	\$ 1,704,179	1,666,645	1,578,733	1,588,576
Capital Outlays included in Function Expenditures	106,522	68,522	59,545	41,488
<b>Total NonCapital Expenditures</b>	<u>\$ 1,597,657</u>	<u>1,598,123</u>	<u>1,519,188</u>	<u>1,547,088</u>
Debt service as a percentage of noncapital expenditures	6.43%	6.52%	7.14%	8.06%

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

2012	2013	2014	2015	2016	2017
443,281	448,502	478,153	516,057	550,489	584,592
21,662	23,314	27,471	29,199	31,990	34,432
21,754	35,757	37,277	34,363	33,598	33,223
50,481	33,837	34,047	33,000	37,453	35,941
664,600	709,009	737,940	773,249	771,812	830,301
253,648	249,994	262,329	280,945	293,024	332,477
183,233	254,513	288,783	291,671	303,876	331,486
<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>	<u>2,182,452</u>
135,497	138,361	150,770	164,140	176,093	184,088
553,699	569,496	594,366	656,473	679,811	740,901
224,990	264,214	291,820	304,913	319,373	332,285
468,310	495,515	513,200	538,796	549,395	581,014
22,692	22,998	22,941	24,773	25,286	28,321
79,157	75,422	79,763	97,025	94,197	92,511
1,121	878	1,104	1,736	1,525	4,107
84,028	69,304	73,360	45,123	96,364	92,986
	238			512	351
49,575	45,169	40,774	36,302	36,108	31,561
<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>	<u>2,088,125</u>
<u>19,590</u>	<u>73,331</u>	<u>97,902</u>	<u>89,203</u>	<u>43,578</u>	<u>94,327</u>
114,858	77,722	89,272	48,132	41,244	43,169
(145,411)	(92,758)	(95,068)	(61,662)	(63,946)	(70,303)
262	5,619			47,561	142,694
3,120					
	20			6,784	
	(5,721)				
361	1,308	1,814	12,291	5,671	5,883
<u>(26,810)</u>	<u>(13,810)</u>	<u>(3,982)</u>	<u>(1,239)</u>	<u>37,314</u>	<u>121,443</u>
<u>(51,655)</u>					-
<u>(58,875)</u>	<u>59,521</u>	<u>93,920</u>	<u>87,964</u>	<u>80,892</u>	<u>215,770</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>
<u>520,334</u>	<u>579,855</u>	<u>673,775</u>	<u>761,739</u>	<u>842,631</u>	<u>1,058,401</u>
84,028	69,304	73,360	45,123	96,364	92,986
49,575	45,169	40,774	36,302	36,108	31,561
<u>133,603</u>	<u>114,473</u>	<u>114,134</u>	<u>81,425</u>	<u>132,472</u>	<u>124,547</u>
1,619,069	1,681,595	1,768,098	1,869,281	1,978,664	2,088,125
47,599	38,304	43,909	60,091	56,331	61,751
<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>	<u>2,026,374</u>
8.50%	6.97%	6.62%	4.50%	6.89%	6.15%

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

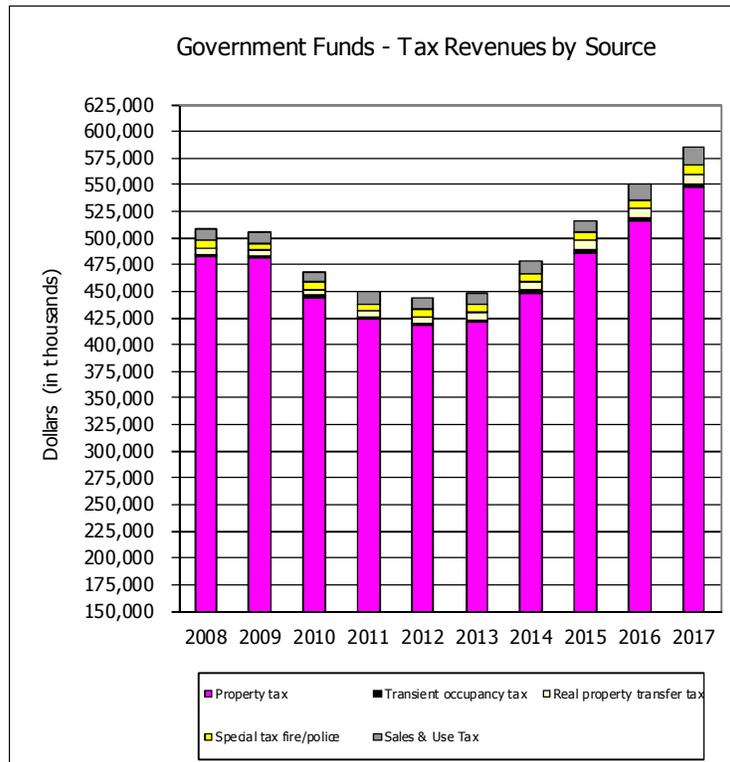
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Governmental activities - program revenues</b>										
<b>Charges for services</b>										
General government	\$ 102,339	100,315	91,709	96,052	92,228	102,981	110,444	117,899	117,946	124,993
Public Protection	135,403	130,270	141,489	130,956	117,274	121,439	122,238	121,529	138,613	177,423
Health and sanitation	65,823	76,938	79,166	81,333	80,941	76,448	84,029	88,885	89,855	88,314
Public assistance	3,068	2,242	6,597	4,110	3,647	3,431	2,539	2,205	2,123	2,154
Education	923	992	820	854	861	817	794	741	650	659
Public ways and facilities	28,133	14,100	10,440	15,841	4,022	5,517	7,559	13,250	9,413	6,580
Recreation and culture	214	117	262	21	10	14	87	40	13	8
Subtotal	<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>	<u>400,131</u>
<b>Operating grants and contributions</b>										
General government	13,386	11,148	12,525	11,286	7,434	4,427	6,283	17,575	9,683	13,268
Public protection	130,103	122,280	120,794	130,129	152,808	174,031	182,559	183,588	189,931	201,160
Health and sanitation	111,516	97,607	147,891	126,456	106,428	110,564	101,623	103,795	104,061	120,037
Public assistance	372,251	371,390	369,877	381,964	362,453	398,985	423,051	440,166	450,825	472,580
Education	3,642	3,423	4,201	3,848	2,684	2,674	2,760	2,798	3,266	3,103
Public ways and facilities	42,591	16,095	8,467	7,482	7,774	2,440	5,110	2,807	1,337	1,204
Recreation and culture	82	154	11	74	11	12	208	92	175	1,102
Subtotal	<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>	<u>812,454</u>
<b>Capital grants and contributions</b>										
General government						148				
Public ways and facilities	21,797	19,943	38,400	25,372	23,089	14,296	15,738	22,385	12,535	17,845
Subtotal	<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>	<u>17,845</u>
<b>Total governmental activities program revenues</b>	<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>	<u>1,230,430</u>
<b>Business-type activities program revenues</b>										
<b>Charges for services</b>										
County Hospital	271,565	310,221	329,559	400,667	433,253	446,197	473,664	505,641	510,051	531,248
HMO Medi-Cal Plan	86,163	98,211	113,835	151,921	188,148	292,130	350,655	603,042	660,637	792,172
HMO Commercial Plan	65,246	68,845	62,744	63,631	63,508	65,098	78,423	83,200	75,185	73,646
Airport	3,433	3,446	3,459	3,482	3,528	3,730	3,842	4,019	4,162	4,292
Sheriff Law Enforcement Training Center	879	768	756	527	686	921	1,174	1,101	996	1,123
Major risk medical insurance	1,364	936	855	875	795	950	1,003	422	1	45
Subtotal	<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>	<u>1,402,526</u>
<b>Operating grants and contributions</b>										
County Hospital	22,604	9,257	18,662	9,542	8,947	7,800	5,289	13,963	14,564	18,809
HMO Commercial Plan	30,117	38,157	27,269	46,764	69,866	52,333	21,224	92	2	-
Airport	222	326	71	65	1,137	2,850	70	97	856	1,569
Sheriff Law Enforcement Training Center	237	239	214	216	197	227	200	371	381	219
Subtotal	<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>	<u>20,597</u>
<b>Capital grants and contributions</b>										
County Hospital	5,941	6,428	5,289	5,764	5,755	5,750	5,749	5,808	4,245	7,180
Subtotal	<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>	<u>7,180</u>
<b>Total business-type activities program revenues</b>	<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>	<u>1,430,303</u>
<b>Total primary government program revenues</b>	<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>	<u>2,660,733</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
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
2017		546,863	3,372	10,117	7,673	16,567	584,592

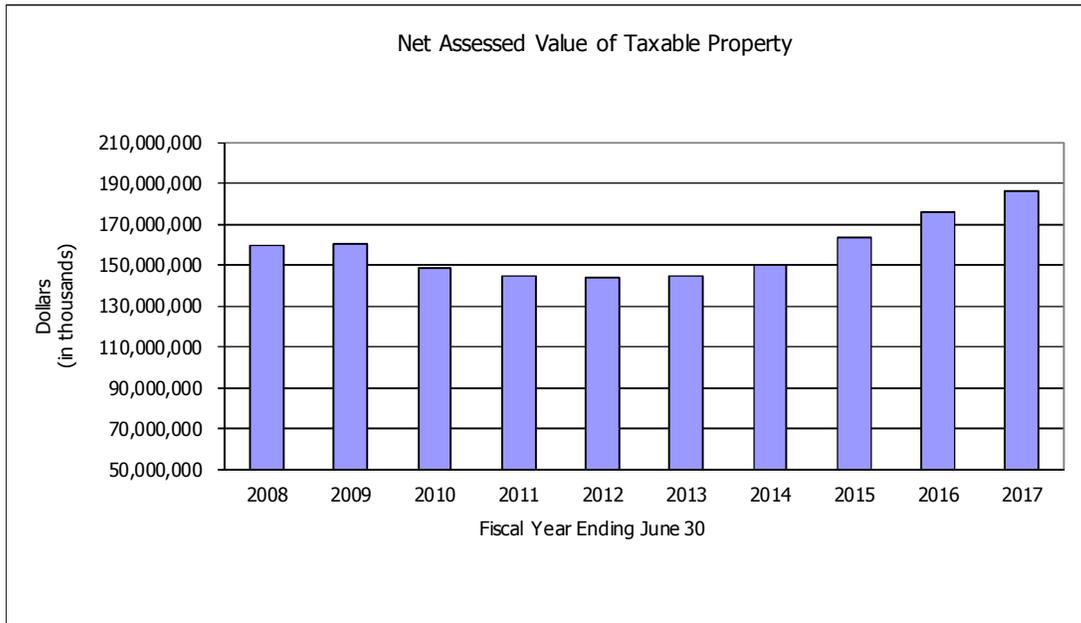
# Revised



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 <sup>1</sup>					Net Assessed Value of Taxable Property	Total Direct Tax Rate	Net Increase (Decrease)	
	Real Property	Personal Property	Total	Exemptions				Amount	Percentage
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	
2017	188,155,283	3,548,242	191,703,525	5,747,702	185,955,823	1.00	10,348,937	5.89	



# Revised

<sup>1</sup> Assessed values are those defined under California Revenue and Taxation Code Sections: 601 and 721 et. seq.

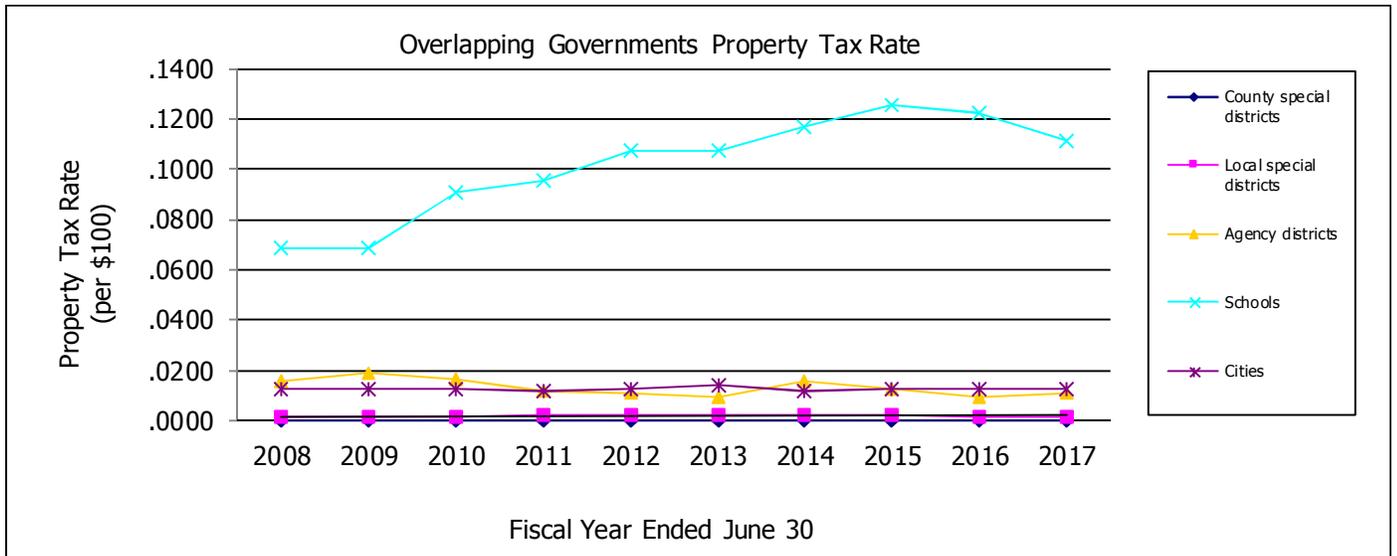
Article XIII A, added to California Constitution by Proposition 13 in 1978, fixed the base for valuation of property subject to taxes at the full cash value which appeared on the Assessor's 1975-76 assessment roll. Thereafter, full cash value can be increased:

- 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 <sup>1</sup>			County Special Districts	Local Special Districts	Agency Districts	Schools	Cities	Total
	County	Other	Total						
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
2017	.1321	.8679	1.0000	.0000	.0019	.0113	.1112	.0126	1.1370

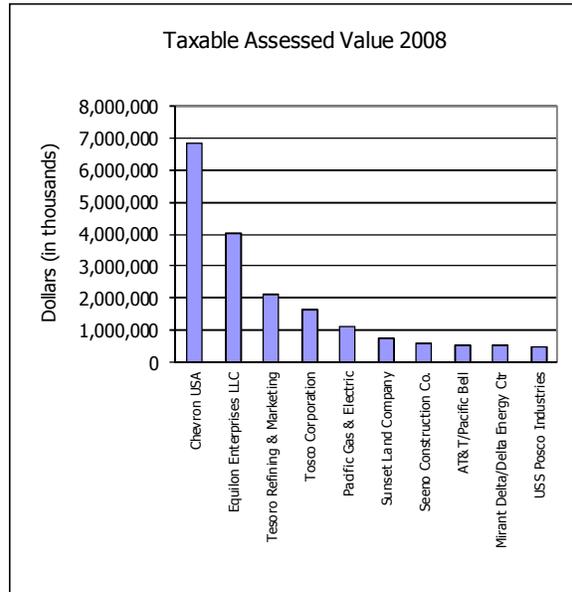
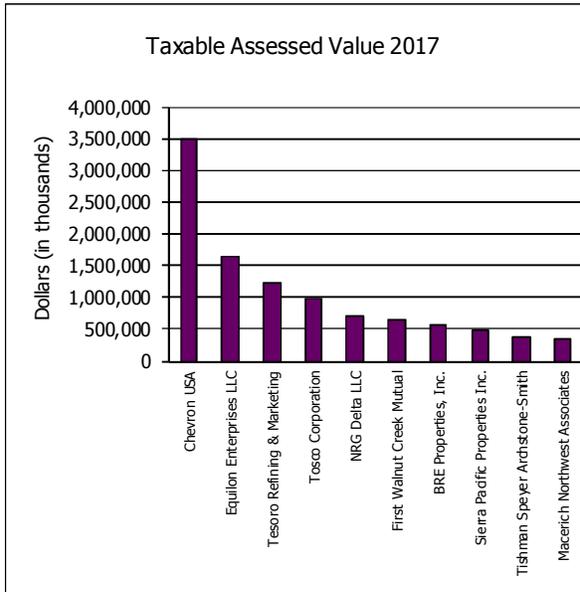


<sup>1</sup> In June 1978, California voters approved Proposition 13 which restricted the taxing power of local government agencies. Individual agencies do not establish their own property tax rates, except for voter approved indebtedness. Instead, a countywide rate is levied with the proceeds distributed 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 VALUE <sup>1</sup>**  
 CURRENT YEAR AND NINE YEARS AGO  
 (In Thousands)  
 (Unaudited)

Taxpayers	Fiscal Year Ended June 30, 2017			Fiscal Year Ended June 30, 2008		
	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	\$ 3,486,482	1	1.94 %	\$ 6,843,072	1	4.49 %
Equilon Enterprises LLC	1,629,822	2	0.91	4,002,788	2	2.63
Tesoro Refining & Marketing	1,240,969	3	0.69	2,092,737	3	1.37
Tosco Corporation	981,274	4	0.55	1,648,867	4	1.08
NRG Delta LLC	705,675	5	0.39			
First Walnut Creek Mutual	638,743	6	0.36			
BRE Properties, Inc.	558,919	7	0.31			
Sierra Pacific Properties Inc.	487,758	8	0.27			
Tishman Speyer Archstone-Smith	381,259	9	0.21			
Macerich Northwest Associates	334,416	10	0.19			
Pacific Gas & Electric				1,113,308	5	0.73
Sunset Land Company				727,775	6	0.48
Seeno Construction Co.				558,770	7	0.37
AT&T/Pacific Bell				538,855	8	0.35
Mirant Delta/Delta Energy Ctr				523,866	9	0.34
USS Posco Industries				488,414	10	0.32
<b>Total</b>	<b>\$ 10,445,317</b>		<b>5.82 %</b>	<b>\$ 18,538,452</b>		<b>12.16 %</b>



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

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

COUNTY OF CONTRA COSTA  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
 LAST TEN FISCAL YEARS  
 (In Thousands)  
 (Unaudited)

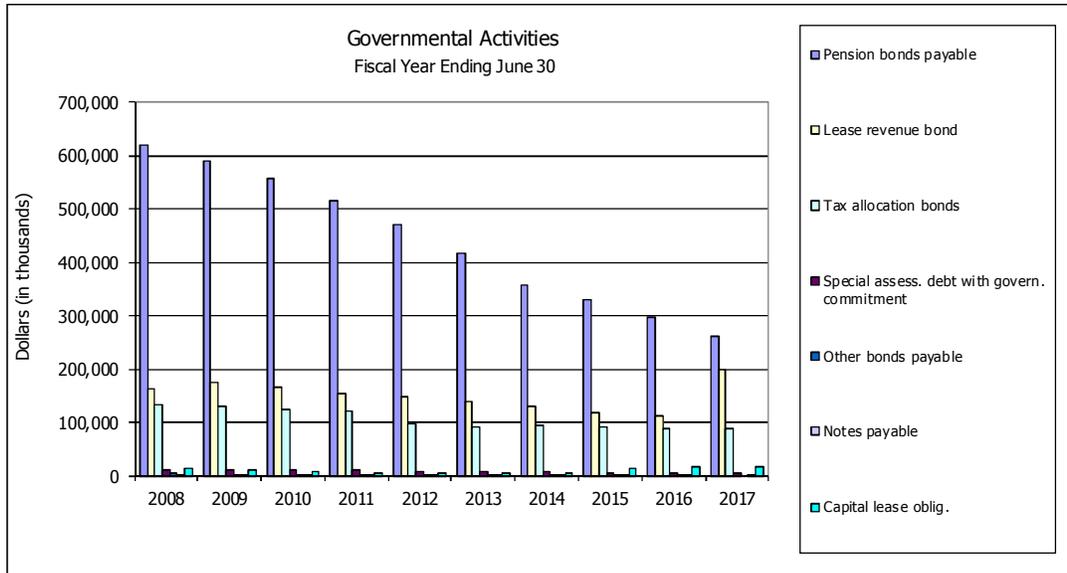
Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year <sup>#</sup>	Collected within the Fiscal Year of the Levy		Collection in Subsequent Years <sup>#</sup>	Total Collections to Date	
		Amount <sup>#</sup>	Percentage of Levy <sup>#</sup>		Amount <sup>#</sup>	Percentage of Levy <sup>#</sup>
2008	\$ 2,077,283	1,971,251	94.90 %	\$ 105,694	2,076,945	99.98 %
2009	2,061,930	1,975,895	95.83	85,512	2,061,407	99.97
2010	1,964,724	1,909,306	97.18	54,857	1,964,163	99.97
2011	1,932,504	1,896,819	98.15	34,740	1,931,559	99.95
2012	1,973,646	1,918,653	97.21	53,452	1,972,105	99.92
2013	1,974,838	1,953,215	98.91	19,417	1,972,632	99.89
2014	2,092,732	2,072,121	99.02	17,959	2,090,080	99.87
2015	2,286,998	2,266,716	99.11	16,288	2,283,004	99.83
2016	2,425,972	2,405,237	99.15	13,286	2,418,523	99.69
2017	2,554,066	2,532,723	99.16		2,532,723	99.16

# Revised

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

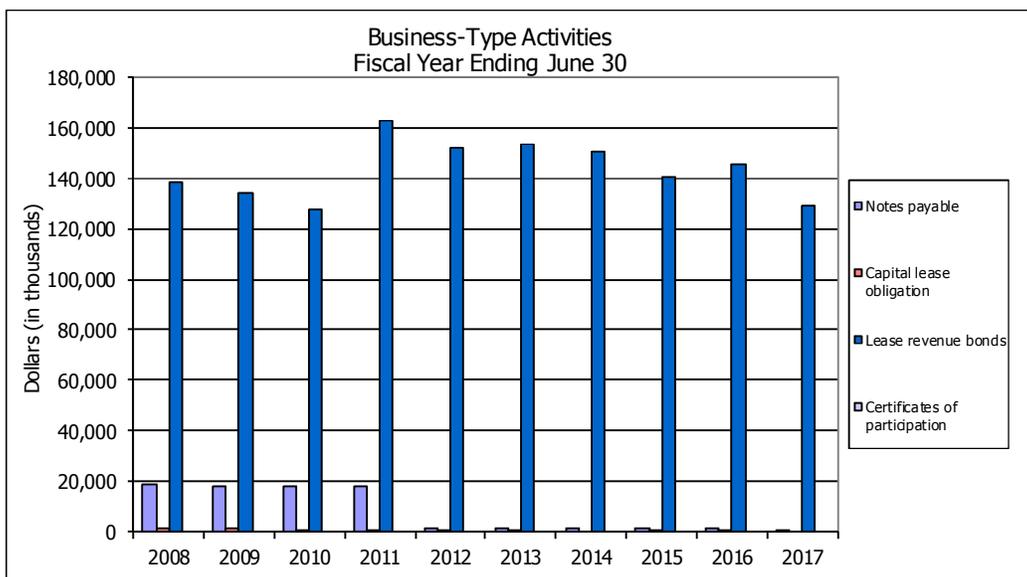
COUNTY OF CONTRA COSTA  
**OUTSTANDING DEBT BY TYPE**  
 LAST TEN FISCAL YEARS  
 (In Thousands)  
 (Unaudited)

Governmental Activities									
Fiscal Year Ended June 30 <sup>1</sup>	Pension Bonds Payable	Lease Revenue Bonds	Tax Allocation Bonds	Special Assess. Debt with Govern. Commitment	Other Bonds Payable	Notes Payable	Capital Lease Oblig.	Total	
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	
2017	261,370	199,744	87,393	4,651		876	17,594	571,628	



**Business-Type Activities**

Fiscal Year Ended June 30 <sup>1</sup>	Notes Payable	Capital Lease Obligation	Lease Revenue Bonds	Certificates of Participation	Total	Government Total	Ratio Debt to Net Assessed Value#	Percentage of Personal Income <sup>2</sup>	Net Debt Per Capita <sup>#</sup>
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	0.94	631
2016	1,080	115	145,540		146,735	667,156	0.38	N/A	594
2017	963		129,382		130,345	701,973	0.38	N/A	616



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

<sup>2</sup> 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

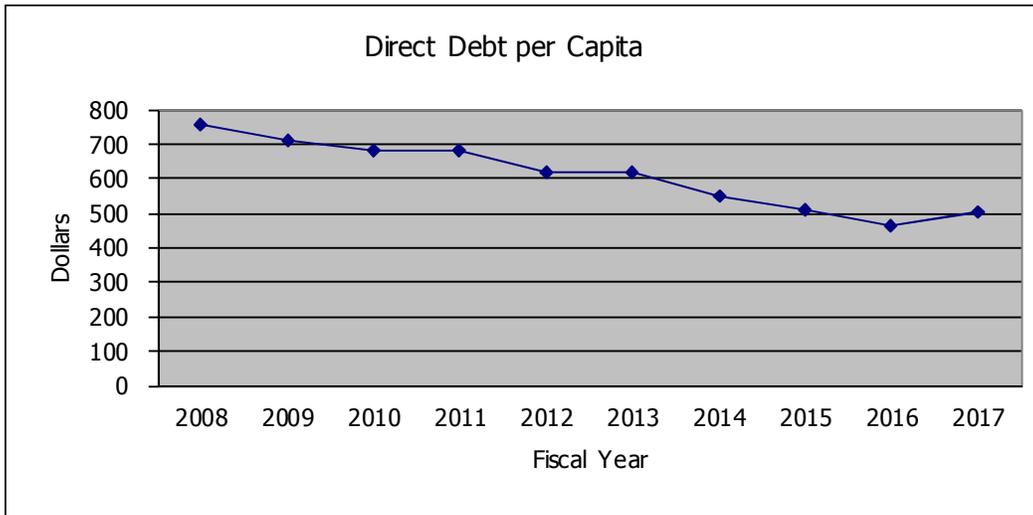
COUNTY OF CONTRA COSTA  
**DIRECT AND OVERLAPPING BOND DEBT**  
(In Thousands)  
(Unaudited)

	Debt Applicable July 1, 2017 <sup>1</sup>	
	Percentage	Amount
2016-2017 Assessed Value of Taxable Property (includes unitary utility valuation) <sup>2</sup>		\$ 185,955,823
Less: Redevelopment Dissolution Increments		<u>19,772,976</u>
Adjusted Assessed Valuation		<u>\$ 166,182,847</u>
<b>DIRECT GENERAL FUND OBLIGATION DEBT:</b>		
Contra Costa County Pension Obligations	100	\$ 261,370
Lease Revenue Bond	100	199,744
Tax Allocation Bonds	100	87,393
Special Assessment Debt with Governmental Commitment	100	4,651
Notes Payable	100	876
Capital Lease Obligation	100	<u>17,594</u>
<b>TOTAL DIRECT DEBT</b>		<u>571,628</u>
<b>OVERLAPPING GENERAL FUND OBLIGATIONS DEBT</b>		
City of Richmond General Fund Obligations	100	148,760
City of Richmond Pension Obligations	100	87,203
Contra Costa County Fire Protection District Pension Obligation	100	75,540
Other Cities' General Fund Obligations	100	80,977
City of Brentwood General Fund Obligations	100	16,510
Pittsburg Unified School District Certificates of Participation	100	19,545
City of Pittsburg Pension Obligations	100	34,818
City of San Ramon General Fund and Pension Obligations	100	23,280
City of Concord General Fund Obligations	100	1,650
Antioch Unified School District Certificates of Participation	100	36,860
West Contra Costa Unified School District General Fund Obligation	100	10,895
San Ramon Valley Fire Protection District Certificates of Participation	100	13,030
Other School Districts' General Fund Obligations	100	4,326
Alameda-Contra Costa Transit District Certificates of Participation	10.38	1,830
Other Special District Certificates of Participation	Various	2,602
San Ramon Valley School District General Fund Obligations	100	29,809
Moraga-Orinda Fire Protection District Pension Obligation	100	<u>20,334</u>
<b>Total Overlapping General Fund Obligations Debt</b>		<u>607,969</u>
<b>OVERLAPPING TAX AND ASSESSMENT DEBT:</b>		
West Contra Costa Unified School District	100	1,054,408
1915 Act Assessment Bonds (Estimate)	100	281,284
Community Facilities Districts	100	130,108
San Ramon Valley Unified School District	100	414,347
Contra Costa Community College District	100	409,580
Mt. Diablo Unified School District	100	469,690
Acalanes and Liberty Union High School Districts	100	239,938
Bay Area Rapid Transit District	28.62	251,951
Pittsburg Unified School District	100	242,349
East Bay Regional Park District	43.85	53,896
Other School Districts	100	225,707
Brentwood Union School District	100	62,235
Walnut Creek School District	100	42,534
Cities and City Special Tax Districts	100	75,710
Oakley Union School District	100	16,570
West Contra Costa Healthcare District Parcel Tax Obligation	100	57,035
Lafayette School District	100	39,730
Martinez Unified School District	100	81,990
Pleasant Hill Recreation and Park District	100	25,595
East Bay Municipal Water District and Special District No. 1	5.80	<u>205</u>
<b>Total Overlapping Tax and Assessment Debt</b>		<u>4,174,862</u>
<b>TOTAL OVERLAPPING DEBT</b>		<u>4,782,831</u>
<b>TOTAL DIRECT AND OVERLAPPING DEBT</b>		<u>\$ 5,354,459</u>

(continued)

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

	Ratio to Adjusted Assessed Valuation Value (%)		Per Capita
Population <sup>3</sup>			1,139,513
Direct Debt	0.34	\$	502
Total Direct and Overlapping Debt	3.22		4,699



Source: <sup>1</sup> 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.

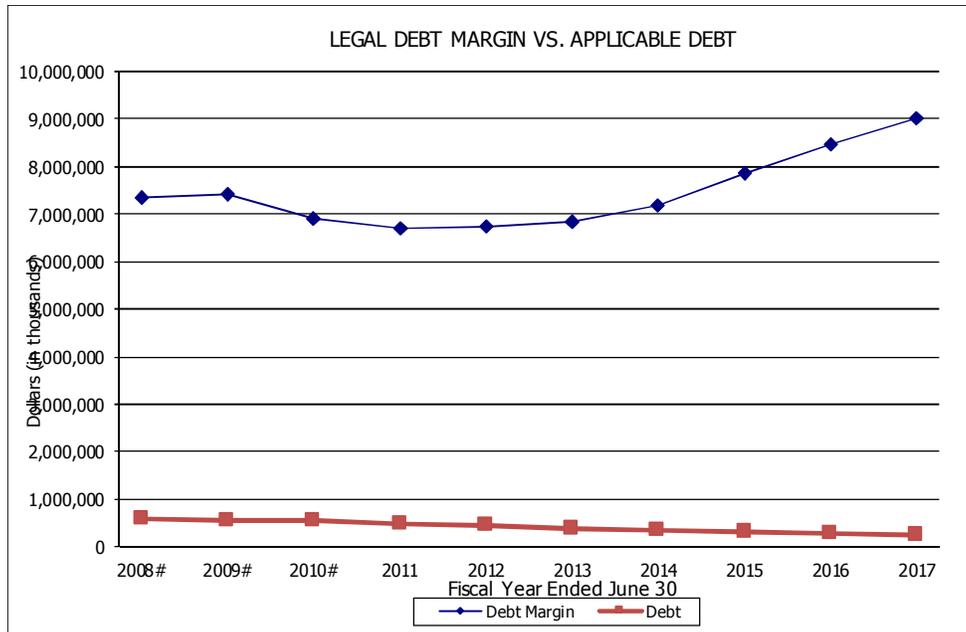
<sup>2</sup> Office of the Auditor-Controller - Property Tax Division - County of Contra Costa

<sup>3</sup> Not in thousands

(concluded)

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

	2008#	2009#	2010#	2011	2012	2013	2014	2015	2016	2017
Assessed value of taxable property	\$ 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	185,955,823
Debt limit - 5% of assessed value <sup>1</sup>	(A) \$ 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	9,297,791
Amount of debt applicable to debt limit <sup>2</sup>										
Total bonded debt	625,275	596,335	559,060	521,375	454,765	404,500	350,945	327,320	301,030	271,930
Less: Assets of debt service funds	26,191	32,509	22,258	20,427	11,820	12,290	13,958	15,517	8,863	7,307
Total net general obligation debt	(B) 599,084	563,826	536,802	500,948	442,945	392,210	336,987	311,803	292,167	264,623
Legal debt margin	(A - B) \$ 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	9,033,168
Total net general obligation debt applicable to the limit as a percentage of debt limit	7.51%	7.06%	7.22%	6.95%	6.17%	5.42%	4.49%	3.81%	3.33%	2.85%
Total net general obligation debt applicable to the Assessed value of taxable property	0.38%	0.35%	0.36%	0.35%	0.31%	0.27%	0.22%	0.19%	0.17%	0.14%
Population <sup>3</sup>	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	1,139,513
Total net general obligation debt per capita <sup>4</sup>	\$ 571.54	531.25	500.26	474.35	415.29	364.36	309.38	280.61	260.07	232.22



<sup>1</sup> 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.

<sup>2</sup> Does not include Public Financing Authority nor Assessment District

<sup>3</sup> California Department of Finance Estimate for January 1 of each year.

<sup>4</sup> 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 <sup>1</sup>	#	Personal <sup>2</sup> Income	#	Per Capita <sup>2</sup> Personal Income	Median <sup>3</sup> Age	Education <sup>4</sup> Level	School <sup>5</sup> Enrollment	Average <sup>6</sup> Unemployment Rate	
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		74,756,916		66,348	38.8	39.6	293,711	4.9	#
2016		1,126,824		N/A		N/A	N/A	N/A	N/A	4.9	
2017		1,139,513		N/A		N/A	N/A	N/A	N/A	4.1	

N/A Not Available

<sup>1</sup> California Department of Finance Estimate for January 1 of each year.

<sup>2</sup> U.S. Department of Commerce - Bureau of Economic Analysis (thousands)

<sup>3</sup> U.S. Census Bureau

<sup>4</sup> Percent of population with Bachelor or Graduate Degree - U.S. Census Bureau

<sup>5</sup> Population three years and over enrolled in school - U.S. Census Bureau

<sup>6</sup> State of California - Employment Development Department - June Data

# Revised

COUNTY OF CONTRA COSTA  
**PRINCIPAL EMPLOYERS** <sup>1</sup>  
 CURRENT YEAR AND EIGHT YEARS AGO  
 (Unaudited)

Employer	2017 <sup>2</sup>			2009 <sup>3</sup>		
	Estimated Employees	Rank	Percentage of Total County Employment	Estimated Employees	Rank	Percentage of Total County Employment
Chevron Corporation	10,000+	1	1.89 %	4,700	1	0.99 %
Bay Alarm Co.	1,000-4,999	T-2	0.56			
St. Mary's College	1,000-4,999	T-2	0.56			
Bio-Rad Laboratories, Inc.	1,000-4,999	T-2	0.56	1,700	4	0.36
Job Connections	1,000-4,999	T-2	0.56			
John Muir Medical Center	1,000-4,999	T-2	0.56	1,900	3	0.40
Kaiser Permanente	1,000-4,999	T-2	0.56			
La Raza Market	1,000-4,999	T-2	0.56			
Martinez Medical Offices	1,000-4,999	T-2	0.56			
USS-POSCO Industries	1,000-4,999	T-2	0.56	975	8	0.20
Kaiser Foundation Hospital				2,300	2	0.49
John Muir/Mt. Diablo Medical Center				1,500	5	0.32
24 Hour Fitness				1,300	6	0.27
Doctors Medical Center				1,000	7	0.21
Contra Costa Newspapers, Inc.				900	9	0.19
Bank of the West				800	10	0.17
All Others	495,400		93.07	456,725		96.40
<b>Total</b>	<b>532,400</b> <sup>4</sup>		<b>100.00 %</b>	<b>473,800</b>		<b>100.00 %</b>

<b>Contra Costa County Employment by Industry</b> <sup>5</sup>	
<b>2016* Annual Average</b>	
Educational & Health Services	18.48%
Trade, Transportation, & Utilities	17.82%
Professional & Business Services	14.31%
Government	13.81%
Leisure & Hospitality	11.12%
Financial Activities	7.39%
Mining, Logging, & Construction	6.97%
Manufacturing	4.09%
Other Services	3.57%
Information	2.22%
Farm	0.22%

<sup>1</sup> Government Employers Excluded

<sup>2</sup> State of California Employment Development Department, June 2017

<sup>3</sup> Rich's Everyday Sales, Prospecting Directory (2009) - Contra Costa County

<sup>4</sup> State of California Employment Development Department, June 2017

<sup>5</sup> State of California Employment Development Department, June 2016

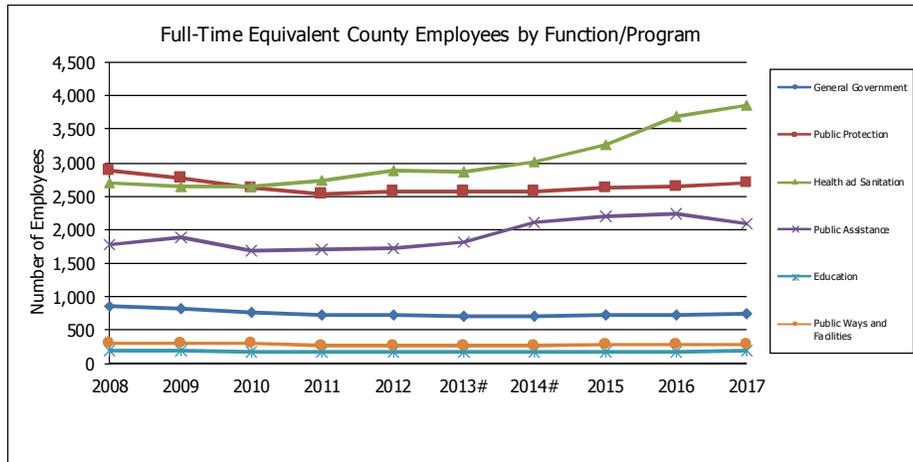
\* Information not posted for 2017

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	2008	2009	2010	2011	2012	2013#	2014#	2015	2016	2017
General Government	854	825	770	735	728	707	712	728	739	751
Public Protection	2,880	2,773	2,618	2,538	2,565	2,565	2,566	2,624	2,637	2,701
Health and Sanitation	2,689	2,645	2,639	2,735	2,876	2,866	3,014	3,259	3,693	3,855
Public Assistance	1,775	1,884	1,692	1,702	1,722	1,815	2,106	2,203	2,245	2,089
Education	197	197	174	169	175	175	175	178	180	194
Public Ways and Facilities	302	301	298	263	263	263	279	281	284	287
<b>Total</b>	<b>8,697</b>	<b>8,625</b>	<b>8,191</b>	<b>8,142</b>	<b>8,329</b>	<b>8,391</b>	<b>8,852</b>	<b>9,273</b>	<b>9,778</b>	<b>9,877</b>

# 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>2008</u>	<u>2009</u>	<u>2010</u>
<b>General Government</b>			
<u>Assessor</u>			
Number of Assessment Roll Units - Secured	355,637	356,213	356,247
Number of Assessment Roll Units - Unsecured	48,963	48,281	47,048
<u>Auditor-Controller</u>			
Tax Rate Areas Administered	1,057	1,064	1,089
<u>County Counsel</u>			
Tort Claims Filed Against County Transferred to County Counsel	255	277	243
Juvenile Law Contests Set for Each Child	2,596	1,873	2,322
Juvenile Law New Dependency Cases Opened			
Standard Forms Services Agreements		1,486	1,709
Attorney Overtime Hours			
Formal Written County Counsel Opinions		26	47
<u>Clerk-Recorder</u>			
New Voter Registration	63,003	79,155	19,235
Updates to Voter Registration	113,810	77,250	9,156
Cancelled Voter Registration	21,328	24,461	13,512
Total Voter Registration	493,315	524,229	523,981
Recorded Documents	332,167	305,382	311,038
<u>Human Resources</u>			
Employment Applications Processed	24,048	13,557	19,793
Examinations Conducted	248	229	159
Personnel Transactions Processed	31,700	24,903	26,803
Appointments	841	404	252
Percentage of Applications Received as a result of the Online Application Process	80.50%	82.00%	82.76%
Requisition Processed/Eligible List Referred			
Percentage of Eligible Employees Enrolled in Deferred Compensation			
<u>Information Technology</u>			
Enterprise Server Transactions Monthly	2,246,295	2,100,000	2,507,144
Enterprise Server Availability	99.98%	99.00%	99.00%
Viruses Stopped	3,000	5,000	133,547
Spam Emails Stopped	180,000,000	190,000,000	82,800,000

2011	2012	2013	2014	2015	2016	2017
357,315	357,644	357,854	359,327	360,368	361,802	363,890
46,235	45,592	45,757	45,751	45,178	42,595	43,415
1,095	1,094	1,094	1,100	1,101	1,105	1,106
263	263	212	207	237		
1,152	1,411	1,280	1,519	1,318		
	639	616	494	465		
1,730	1,651	1,701	1,345	1,444		
	2,019	2,354	2,421	2,458		
35						
31,015	23,688	74,870	19,246	28,781		
19,112	18,181	34,371	33,703	38,422		
24,538	16,721	57,294	15,315	21,977		
513,129	520,098	527,136	528,429	523,465		
333,945	320,827	401,725	273,673	274,339		
27,467	29,068	39,726	32,076	37,865	28,623	26,368
215	185	131	137	179	169	166
13,412	19,310	23,472	24,313	21,206	29,693	31,319
869	1,129	1,254	1,514	1,659	1,654	1,542
90.71%	91.46%	92.19%	92.06%	100.00%	100.00%	
						1,326
						60.00%
2,700,000	4,784,008		2,180,137	2,003,706	1,567,815	1,550,160
99.00%	99.00%		98.00%	98.50%	98.00%	99.00%
183,547	2,500,000		136,182	84,900	50,856	25,300
172,000,000	37,000,000		16,230,600	18,195,400	14,691,516	6,100,000

(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>2008</u>	<u>2009</u>	<u>2010</u>
<b>General Government (continued)</b>			
<u>Public Works</u>			
Fleet Operations			
Fleet Size	1,526	1,518	1,468
Customer Satisfaction (Repairs)			
Customer Satisfaction (Preventative Maintenance)			
Alternative Fuel Vehicles			
Real Estate Services			
Leases Renewed or Amended	12	17	5
Leased Buildings Managed	205	198	195
County Owned Buildings	261	267	270
Purchasing/Materials Management			
Requisitions to Delivery of Purchase Orders (Avg. No. of Days)			
Purchase Orders Processed	4,560	5,249	4,069
Tonnage of Recycled Material			
Facilities Maintenance			
Work Requests Completed	14,054	10,834	13,015
Emergency Requests Received	6,149	6,209	377
Percentage of Green supplies used for Custodial Maintenance			
Capital Projects			
Number of Projects		57	42
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	353,607	355,847	356,359
Unsecured Tax Bills	52,401	51,814	49,737
Supplemental Tax Bills	22,932	25,180	15,878
Business Licenses Issued	6,231	6,256	6,006
<b>Public Protection</b>			
<u>Agriculture</u>			
Number of Shipments Inspected/Profiled	74,797	69,934	64,835
Pest Control Inspections	651	657	575
Number of Taxis Inspected	198	375	355
Number of Petroleum Dispensing Devices Inspected	6,159	6,040	7,130

2011	2012	2013	2014	2015	2016	2017
1,442	1,458	1,501	1,533	1,557	1,609	1,562
					90.00%	88.00%
					86.00%	94.00%
					258	252
4	5	9	10	16	21	14
153	150	148	136	118	106	107
293	284	282	224	229	197	196
					7.90	5.60
4,250	5,017	4,666	4,645	4,132	4,359	3,914
		862	739	967	701	766
16,538	18,051	18,876	21,144	29,826	30,938	33,857
454	402	720	619	260	116	100
87.00%	87.00%	87.00%	87.00%	87.00%	87.00%	87.00%
29	40	51	68	86	72	80
					30	36
					53	24
					1,000	1,385
					43	43
363,141	364,313		364,949	366,429	369,024	
51,140	49,221		49,726	48,364	44,528	
23,721	19,765		32,185	28,177	33,642	
5,588	5,737		5,352	5,292	5,302	
68,286	50,857	51,548	50,964	44,395	32,783	40,463
563	583	581	505	580	403	418
284	257	448	675	988	833	363
6,077	7,527	4,621	7,035	6,027	5,292	5,703

(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>2008</u>	<u>2009</u>	<u>2010</u>
<b>Public Protection (continued)</b>			
<u>Animal Services</u>			
Licenses Sold	37,753	39,936	37,220
Animals Handled	18,706	24,815	23,170
Animals Adopted	6,746	6,862	6,328
Animals Returned to Owner	2,366	2,303	2,203
 <u>Child Support Services</u>			
Number of Cases	36,416	35,952	34,643
 <u>Conservation and Development</u>			
Number of Land Use Applications Received	917		617
Number of Land Use Entitlements Issued	486		254
Solid Waste Diverted from Landfills	54%		
Number of Affordable Housing Units Provided			
Financial Assistance	432	486	
Building Inspection			
Plans Reviewed	1,986		6,554
Permits Issued	11,415		8,868
Inspections Performed	78,024		43,656
Code Enforcement Cases Opened*	1,431		2,633
			<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	45,504	44,491	40,641
Fire Calls	1,940	1,770	1,357
Medical Calls	30,244	29,997	26,788
Inspections Performed	2,180	5,433	6,589
Active Fire Companies	30	30	30

2011	2012	2013	2014	2015	2016	2017
37,166	41,000	42,388	48,481	50,567	52,779	46,484
23,830	15,410	14,483	17,220	23,451	17,231	16,877
6,317	6,682	6,885	6,509	6,785	6,833	6,511
2,175	1,906	1,778	1,686	1,470	1,587	1,576
31,940	30,484	30,972	29,653	28,816	27,897	26,478
480	505	742	978	926	916	
204	312	148	84	53	747	
189	157	268	156	204		
7,168	7,211	8,241	8,482	12,395	13,390	
8,500	8,334	9,213	10,347	11,498	12,130	
39,171	37,940	45,161	51,126	55,155	60,981	
1,298	1,083	969	926	719	791	
925	1,551	375	258	307	292	
	218					
41,676	42,175	42,804	45,036	46,989	47,202	49,103
1,362	1,578	1,608	1,897	2,603	2,157	2,262
28,820	29,349	30,110	30,649	32,756	34,186	35,154
13,726	14,242	16,396	14,731	14,819	17,832	14,845
29	29	24	23	24	24	26

(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>2008</u>	<u>2009</u>	<u>2010</u>
<b>Public Protection (continued)</b>			
<u>District Attorney (Calendar Year)</u>			
Felony Cases Filed	4,319	3,620	4,053
Misdemeanor Cases Filed	10,895	10,938	9,529
<u>Probation</u>			
Court Reports	9,417	7,986	10,000
Average Supervision Caseload (Including Home Sup.)	7,555	4,906	6,395
Juvenile Hall Detention Care Days	62,179	63,432	74,610
Youth Rehabilitation Care Days	35,437	36,409	34,820
Juvenile Community Service Days Worked	3,275		
<u>Public Administrator</u>			
Cases Opened	162	177	200
Cases Closed	141	162	209
<u>Public Defender (Calendar Year)</u>			
Cases Handled			
Felony	2,998	2,907	
Misdemeanor	7,666	7,466	
Juvenile			
Criminal	3,787	1,938	
Conservatorship	470	431	
Superior Court/Probation Violation	2,314	1,895	
Other/Expungements	1,110	597	
Clean Slate			
Prop 47 resentencing			
Miscellaneous			
<u>Sheriff</u>			
Calls for Service			
Priority 1 - Respond immediately	115,936	113,595	99,801
Priority 2 - Respond as soon as possible	52,248	51,982	48,569
Priority 3 - Respond when available	163,112	151,825	136,209
Citations Issued	15,455	13,154	15,250
Crime Reports Processed	32,092	29,164	25,661
Warrants Served	7,514	8,806	11,821

2011	2012	2013	2014	2015	2016	2017
3,305	3,688	3,902	4,130	2,978	2,824	
8,999	7,708	10,366	7,985	7,139	7,459	
	8,000	7,400	7,200	6,650	6,400	6,700
	5,700	5,300	5,600	5,300	5,300	5,600
	53,996	47,352	52,925	53,048	53,609	26,924
	34,569	30,700	31,025	23,877	24,145	27,027
253	273	297	237	286	221	209
270	191	272	195	191	167	159
2,651	2,803	3,851	4,422	4,042		3,697
7,596	4,999	4,693	6,856	7,312		6,670
1,810	1,510	1,145	935	772		646
422	417	628	373	307		290
1,826	3,042	3,761	4,875	4,906		4,727
662	945	1,459	1,795	597		
						1,807
						2,548
				160		177
95,426	88,699	80,810	81,688	92,072	84,147	83,374
47,480	51,394	42,983	33,994	38,391	39,374	40,091
135,192	134,560	123,427	127,248	122,188	151,115	153,726
16,469	15,469	16,186	16,672	14,680	15,093	13,061
21,926	23,543	24,825	25,858	21,963	20,509	27,887
8,947	5,095	5,136	6,621	6,603	6,592	6,494

(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>2008</u>	<u>2009</u>	<u>2010</u>
<b>Public Protection (continued)</b>			
<u>Sheriff continued</u>			
Custody Services			
Bookings - Detention Facility	23,556	23,126	23,170
Bookings - Custody Alternative	4,259	4,268	3,836
Average Daily Population - All Facilities	1,552	1,494	1,516
<i>**Includes custody alternative bookings</i>			
<b>Health and Sanitation</b>			
<u>Health Services</u>			
Mental Health			
Inpatient Average Daily Census	19	19	19
Institution for Mental Disease (IMD)	89	52	44
Board and Care	169	183	192
Administrative Days	26	33	25
Outpatient Visits	317,256	432,667	433,982
Conservatorship Client Months	9,119	9,234	9,700
Conservatorship Clients	1,004	1,023	1,049
Alcohol & Other Drugs			
Residential Days	72,024	70,616	65,038
Outpatient Visits	64,767	61,409	49,974
Detention - Average Monthly Inmates	1,560	1,547	1,513
Public Health			
AIDS/HIV Tests	2,738	2,431	1,708
Immunizations Given	21,108	21,129	66,276
Senior Nutrition Meals Served	488,119	491,144	499,474
Environmental Health			
Hazardous Material Incident Responses	3,713	3,029	2,692
Environmental Health Inspections	53,787	58,110	57,900
California Child Serves Cases	3,195	3,239	3,940
Homeless Clients in Shelters	736	791	849
<b>Public Assistance</b>			
<u>Employment and Human Services</u>			
Average Number of Households Receiving Food Stamps	15,182	18,785	23,886
Number of Adult Protective Service Reports	1,964	1,977	1,564
Average Monthly Number of Medi-Cal Beneficiaries	114,105	122,523	131,818
Number of Children Served by Child Welfare	3,486	2,932	2,357
Number of Families Receiving Childrens Services	2,017	1,770	1,398
Average Number of Children in Foster Care	1,141	1,049	920
Average Number of Families receiving CalWORKS Assistance	9,152	9,973	10,819
Average Number of Welfare to Work Participants	3,605	4,410	3,542
Average Participants for In-Home Support Services	7,111	7,574	7,262
Number of Children Served (Head Start)	3,350	3,553	3,678
Number of Dwellings Weatherized	303	271	509

2011	2012	2013	2014	2015	2016	2017
23,621	23,310	23,069	24,644	25,356	26,634	24,961
3,220	2,982	2,936	2,916	2,355	2,835	2,808
1,545	1,502	1,529	1,929**	1,751	1,817	1,944
20	19	19	18	18	18	17
36	49	39	44	32	32	36
209	172	167	219	217	219	217
25	29	20	22	23	22	23
457,937	430,713	432,793	460,618	469,613	441,828	446,603
9,950	10,242	10,466	10,524	10,224	10,646	
1,087	1,120	1,219	1,182	1,113	1,140	1,119
72,836	49,492	59,808	62,104	55,540	49,099	53,614
39,836	29,994	35,692	31,470	27,701	27,192	31,787
1,699	1,503	1,524	1,568	1,432	1,407	1,487
1,600	2,105	1,941	1,736	1,522	1,001	614
25,144	18,022	16,067	13,332	9,634	9,612	8,291
514,455	540,586	542,283	500,514	541,754	584,942	588,315
3,780	3,182	2,876	2,835	3,555	4,826	4,722
54,281	50,207	54,357	46,540	44,532	34,218	33,597
3,694	3,725	3,841	4,092	4,157	4,210	4,233
877	1,114	1,165	1,252	1,195	1,208	1,399
28,583	32,791	33,232	34,147	35,450	35,370	32,340
1,713	1,791	1,701	1,640	2,607	3,115	3,614
135,988	141,360	159,748	155,102	224,052	266,064	264,251
2,087	2,232	2,362	2,517	2,512	2,482	2,245
1,246	1,316	1,551	1,873	1,922	1,865	1,708
801	798	781	858	867	822	771
11,322	10,948	10,592	10,243	10,160	8,909	7,940
3,125	2,562	3,109	2,934	2,952	1,954	1,509
7,409	7,065	6,971	7,614	8,081	8,583	9,144
4,667	3,225	3,198	2,717	2,801	2,564	2,369
1,113	1,014	195	146	160	138	330

(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>2008</u>	<u>2009</u>	<u>2010</u>
<b>Public Assistance (continued)</b>			
<u>Veteran Services</u>			
Claims/Appeals Filed for the Benefit of Veterans	2,193	2,140	2,360
Interviews			
Martinez	5,500	5,467	6,112
San Pablo			
Danville			
Brentwood			
Incoming Calls Received		14,798	15,546
State of California College Fee Waiver Applications		372	350
Number of Veterans receiving monthly benefits		941	1,098
Number of Veterans, Family Members, Dependents or Survivors receiving retroactive or lump sum benefits		1,069	822
<b>Education</b>			
<u>Library</u>			
Library Visits	3,742,311	3,878,217	4,049,654
Items Circulated	6,132,207	6,728,411	6,944,422
Annual Hours Open	56,940	57,148	50,953
<u>Cooperative Education</u>			
4-H Club Membership	906		934
Youth Federal Nutrition Program	3,214		2,876
<b>Public Ways and Facilities</b>			
<u>Public Works</u>			
Pavement Condition Index Rating	83	79	75
Flood Control Level of Protection	90.00%	90.00%	90.00%
Flood Control Community Rating System			6
Roads Level of Service			
Bridge Condition (Congestion Grade Level, General Plan Standard)			
Collisions on County Roads	452	383	350
Land Development Reviews	47	31	9
Percentage of Improvement Plans reviewed within 6 weeks			
Encroachment Permits			

2011	2012	2013	2014	2015	2016	2017
2,077	1,890	2,503	2,615	2,522	2,522	2,275
6,283	5,873	5,995	5,322	4,817	6,635	6,749
		299	262	311	266	323
		251	206	236	226	236
		204	297	356	386	505
14,815	13,228	16,350	17,525	17,600	17,750	18,600
401	384	435	485	419	514	532
822	597	2,457	2,187	2,135	2,135	1,938
729	491	2,457	2,303	2,212	2,212	2,033
4,098,136	3,959,334	4,068,772	4,063,830	3,768,045	3,591,552	3,235,783
7,489,545	7,483,487	7,222,059	6,890,877	6,548,953	6,071,733	5,748,869
50,772	54,113	53,895	56,654	56,524	54,977	54,730
683	667	679				
1,709	4,993	4,005				
72	69	68	71	73	72	71
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%	8.20%
308	321	299	327	379	371	425
69	49	29	23	36	41	26
					70.00%	68.00%
1,066	1,112	1,014	1,339	1,259	1,299	1,153

(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>2008</u>	<u>2009</u>	<u>2010</u>
<b>Enterprise Activities</b>			
<u>Hospital</u>			
Hospital & Clinics			
Inpatient Days	45,126	44,716	44,947
Outpatient Visits	433,541	452,486	461,567
<u>Health Maintenance Plans</u>			
CCHP M-Cal Plan Enrollees	48,393	53,195	58,495
CCHP Commercial Plan Enrollees	31,218	29,035	28,460
CCHP Major Risk Enrollees	68	54	54
<u>Sheriff Training Center</u>			
Law Enforcement Training Academy - LETC			
Number of Students - Academy	120	95	212
Number of Students - In Service	2,690	2,007	2,031
Hours of Instruction - Academy	2,776	2,200	2,946
Hours of Instruction - In Service	2,228	2,436	2,596
<u>Airport (Calendar Year)</u>			
Aircraft Operations (Take off / Landing)			
Buchanan	92,951	93,881	88,124
Byron (Estimated)	50,000	50,000	50,000
Tenant Satisfaction (goal of 90% or better)			98.00%
Noise Complaints	157	103	87
Safety Deviations			1
Hangar Occupancy Rate		100.00%	100.00%

Source: Contra Costa County Departments

2011	2012	2013	2014	2015	2016	2017
44,722	45,264	44,236	45,077	49,586	48,728	47,433
449,019	455,993	377,152	421,972	453,093	480,367	488,436
66,244	77,338	92,179	124,217	159,685	181,405	181,131
32,350	31,705	26,024	13,310	11,876	11,011	9,249
51	54	48	10	1		
200	182	218	280	263	177	127
2,185	3,000	3,834	4,056	3,405	5,391	5,107
3,125	3,383	3,240	3,843	3,445	3,037	2,990
3,096	2,400	2,418	2,997	2,563	2,619	3,016
79,000	75,000	79,098	93,000	109,000	114,000	122,000
50,000	50,000	50,000	50,000	60,000	60,000	60,000
95.00%	97.00%	96.00%	100.00%	98.00%	95.00%	100.00%
108	74	47	60	81	152	170
1	0	0	1	1	2	4
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	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>General Government</b>										
<u>Clerk-Recorder</u>										
DFM Mark-A-Vote System										
Data General Terminal	1	1	1	1						
Card Readers	20	20	20	19						
BCWin Terminal	4	4	4	4						
<u>Election Systems and Software</u>										
M100 Precinct Tally Machines	768	768	768	768	768	768	768	768		
AutoMark - ADA Assist Ballot Marking Devices	768	768	768	768	768	768	768	768		
M650 High Volume Ballot Scanners	5	6	6	6	6	6	6	6		
<b>Public Protection</b>										
<u>Animal Services</u>										
Animal Shelters	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	90	97	80	80	81	82	82	83	98	83
<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	138
Waterways Patrolled					250	250	250	250	250	250
Patrol Vessels					8	9	9	11	11	11
Detention Facilities	3	3	3	3	3	3	3	3	3	3
<b>Education</b>										
<u>Library</u>										
Community Libraries	25	25	25	25	26	26	26	26	26	26
<b>Public Ways and Facilities</b>										
<u>Public Works</u>										
Miles of Road Maintained	664	664	670	670	660	670	672	666	666	666
Miles of Creek/Channels Maintained	75	75	75	75	75	79	79	79	79	79
<b>Enterprise Activities</b>										
<u>Hospital</u>										
Hospital	1	1	1	1	1	4	4	2	4	12
<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 8, 2016  
Presidential General Election

REGISTERED VOTERS	607,515
NUMBER VOTING	481,355
PERCENT VOTING	79.23%

Source: County Clerk-Recorder Department, Elections Division

