

ORANGE COUNTY FIRE AUTHORITY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2017



Orange County, California
Business Services Department / Finance Division



Orange County Fire Authority Comprehensive Annual Financial Report Year ended June 30, 2017

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(Board Member Since 2011)

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(Board Member Since 2015)

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Fire Chief

Orange County Fire Authority



Mission

We enhance public safety and meet the evolving needs of our communities through education, prevention, and emergency response.

Vision

OCFA is a premier public service agency providing superior services that result in no lives or property lost. We reach this through exceptional teamwork and strong partnerships in our community.

Guiding Principles

The Board, management, and members of OCFA are committed to upholding the following guiding principles in how we run our organization and work with each other:

- Service
- Safety
- Financial Responsibility
- Teamwork
- Trust
- Excellence
- Ethics
- Personal Responsibility
- Care and Respect
- Honesty and Fairness
- Reliability
- Diversity
- Integrity

Customer Service Motto

We visualize problems and solutions through the eyes of those we serve.

**ORANGE COUNTY FIRE AUTHORITY
Comprehensive Annual Financial Report
Year ended June 30, 2017**

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Introductory
Section





ORANGE COUNTY FIRE AUTHORITY
P. O. Box 57115, Irvine, CA 92619-7115 • 1 Fire Authority Rd., Irvine, CA 92602
(714) 573-6000 **www.ocfa.org**

October 18, 2017

The Board of Directors
Orange County Fire Authority
1 Fire Authority Road
Irvine, California 92602

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Orange County Fire Authority (OCFA) for the fiscal year ended June 30, 2017. This report consists of management's representations concerning the finances of the OCFA and is presented using the financial reporting model outlined in statements issued by the Governmental Accounting Standards Board (GASB). Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

To provide a reasonable basis for making its representations, OCFA management has established a comprehensive internal control framework. This framework is designed to provide reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition and that accounting transactions are executed in accordance with management's authorization and properly recorded so that the financial statements can be prepared in conformity with generally accepted accounting principles (GAAP). The objective of the internal control framework is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. The design and operation of internal controls also ensures that federal and state financial assistance funds are expended in compliance with applicable laws and regulations related to those programs.

OCFA's financial statements have been audited by Vavrinek, Trine, Day & Company, LLP, a firm of certified public accountants. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the OCFA's financial statements for the fiscal year ended June 30, 2017, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The Management's Discussion and Analysis (MD&A) narrative provides "financial highlights" and interprets the financial reports by analyzing trends and by explaining changes, fluctuations and variances in the financial data. The MD&A is also intended to disclose any known significant events or decisions that affect the financial condition of the OCFA. The MD&A complements, and should be read in conjunction with, this letter of transmittal.

Serving the Cities of: Aliso Viejo • Buena Park • Cypress • Dana Point • Irvine • Laguna Hills • Laguna Niguel • Laguna Woods • Lake Forest • La Palma • Los Alamitos • Mission Viejo • Placentia • Rancho Santa Margarita • San Clemente • San Juan Capistrano • Santa Ana • Seal Beach • Stanton • Tustin • Villa Park • Westminster • Yorba Linda and Unincorporated Areas of Orange County

RESIDENTIAL SPRINKLERS AND SMOKE ALARMS SAVE LIVES

Background Information on the OCFA

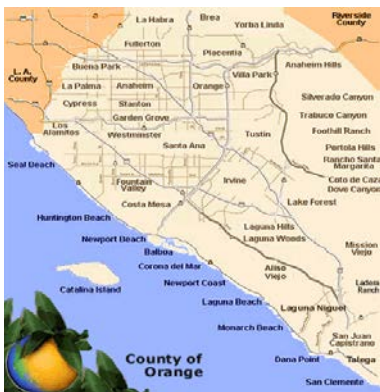
OCFA was formed on March 1, 1995, transitioning from the Orange County Fire Department to a joint powers authority (JPA) as allowed by California State Government Code 6500 et seq. OCFA is an independent organizational entity similar to a special district, and is the largest regional service organization in Orange County and one of the largest in California. The service area includes twenty-three member cities and the unincorporated areas of Orange County, California. A twenty-five member Board of Directors governs the OCFA. This Board includes an elected official appointed to represent each of the twenty-three member cities and two representatives from the County Board of Supervisors. OCFA is managed by an appointed Fire Chief who reports to the Board of Directors.

The annual budget serves as the foundation for OCFA's financial planning and control. The budget development process begins in November. The budget team compiles the input received from the section/division managers who follow the policies and guidelines established by Executive Management. The results are presented to Executive Management for review and prioritization. The draft budget is further refined through various committee reviews, including a City Managers' Budget and Finance Committee, a Capital Improvement Program Ad Hoc Committee, and the OCFA Budget and Finance Committee. The OCFA Budget and Finance Committee recommends the budget for approval by the Board of Directors in May or June. The Board has the option of holding a public hearing on the proposed budget, and is required to adopt a final budget by no later than June 30, the close of the OCFA's fiscal year.

The appropriated budget is allocated by fund and department. Department Chiefs may make transfers of appropriations between sections within a department. Transfers of appropriations between departments require the approval of Executive Management, and transfers between funds require the approval of the Board. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. Budgetary Comparison Statements for the General Fund and all major special revenue funds, if any, are presented in the governmental funds section of the accompanying financial statements. Budgetary Comparison Schedules for all remaining governmental funds with appropriated annual budgets are presented in the supplementary schedules section of the accompanying financial statements.

Information on Orange County and the Local Economy¹

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the local economic environment within which the OCFA operates.



Orange County Profile:

Orange County is located along the southern coast of California, with Los Angeles County to the north; San Diego County to the south; and Riverside and San Bernardino counties to the east. Orange County covers an area of 799 square miles, with 42 miles of coastline along the Pacific Ocean, and is home to over 3.1 million people. There are thirty-four cities in Orange County. OCFA provides regional fire services to twenty-three of those cities, along with the unincorporated areas throughout the county.

¹ Portions throughout this section obtained from the *2017 Community Indicators Report* published by the Children & Families Commission of Orange County, released May 2017. The report may be viewed in its entirety at http://occhildrenandfamilies.com/wp-content/uploads/2014/12/OCCIR_2017_web.pdf.

Population and Demographics:

Residents over the age of sixty-five currently comprise 14% of Orange County’s population, a number that is expected to rise to 26% by the year 2040. All other age groups are expected to proportionately shrink in comparison. This growth in Orange County’s senior population mirrors national trends, but is somewhat more pronounced and may have significant ramifications. Having fewer residents of working age may impact the long-term ability to sustain schools, pensions, and other government support to members of the community. The ratio of working age residents to dependent residents (ages 0-17 and 65+) was two-to-one in 2016, but is projected to be one-to-one by the year 2040.

Employment and Income:

Orange County’s unemployment rate has achieved pre-recession levels and continues to fall. The unemployment rate in December 2016 was 3.5%, which was well below the ten-year high of 10.1% from March 2010. There has been a positive trend in job growth, with Orange County’s four largest employment sectors – health services, tourism, construction, and business/professional – all adding jobs since the end of the recession. The median annual salary for all occupations is \$39,769, while the medium household income is \$78,428 as most households require two incomes in order to afford housing within the county.

Orange County does experience geographic concentrations of wealth and poverty. Approximately 34% of neighborhoods have high concentrations of families that are considered financially challenged based on their income, employment status, and housing expenses. This is an improvement from 37% reported in the previous year, as the decline in the unemployment rate has helped to improve the financial stability of these residents.

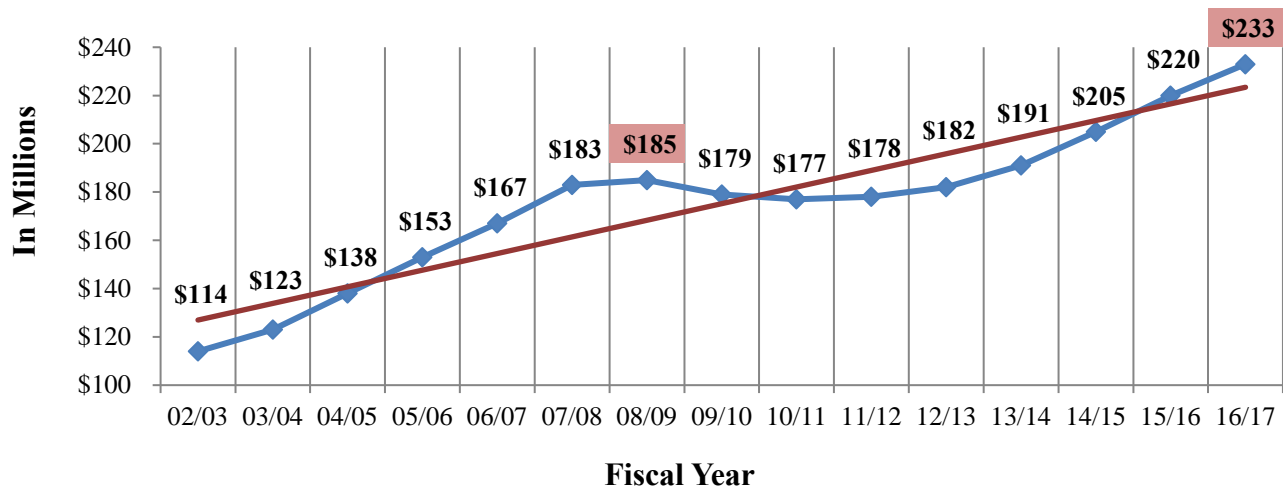
Housing Affordability:

There continues to be a shortage of affordable housing in Orange County. The median price for a single-family home in Orange County was \$745,000 in December 2016, an increase of 6.4% from the prior year. As home prices have continued to rise, the number of Orange County households that can afford to purchase at this price has remained static at 43%. First-time homebuyers need a minimum household income of \$92,000 in order to qualify to purchase a single-family home priced at 85% of the Orange County median. The issuance of building permits and new construction have not kept pace with job growth, especially for those with low or very low incomes, since most homes are being built for those with higher incomes. As housing and rental markets remain undersupplied, those with lower-paying jobs continue to be priced out of the market. Many younger and middle-aged adults and families are migrating to other parts of the state and country in search of more affordable housing and a lower cost of living. If this trend continues, there will be a greater social burden placed on the remaining workforce to support the growing older adult population.

Property Taxes:

The most significant local economic factor impacting OCFA is Orange County’s housing market, including fluctuations in new construction activities and housing prices. Property taxes derived from these activities comprised 61.9% of the OCFA’s total governmental funds revenues in Fiscal Year 2016/17. As shown in the chart below, OCFA’s property tax revenues have been steadily increasing post-recession for the last six fiscal years.

**Property Tax Revenue
(Last Fifteen Fiscal Years)**



Property tax revenues in Fiscal Year 2016/17 totaling \$233 million surpassed the pre-recession peak from Fiscal Year 2008/09 by over \$48 million (26.1%). This increase is attributed primarily to appreciation in Orange County’s housing prices and an increase in new housing development. Orange County’s real estate market continues to improve. Housing prices have risen substantially, and have nearly reached the same levels that existed prior to the 2007 housing downturn. In December 2016, Orange County’s median single family home price was \$745,000. For comparison purposes, the price peak was \$747,260 in April 2007, and the price low was \$432,100 in January 2009.

Long-term Financial Planning

Since its formation in 1995, OCFA has been preparing multi-year projections of its revenues and expenditures. A firm of property tax consultants has been retained to assist in the projection of the OCFA’s single largest revenue source – property taxes. With these projections and a collection of conservative assumptions, the OCFA forecasts its financial condition five years into the future. Various scenarios can be developed from the forecast to assess the impact of proposed or impending changes to the budget, the economy or the underlying assumptions. As a result, this tool provides an early warning of potential financial difficulties.

Historically, OCFA’s method of projecting its property tax revenue was to increase the value of existing structures by the 2% constitutional maximum, increase these values to account for re-sales, and add in the value of any new development. During the recession, those techniques were adjusted to incorporate the appreciation or depreciation rate set by the State Board of Equalization, the potential for the County Assessor to reassess existing structures, and the possibility that re-sales might actually decrease the assessed values. However, with the recession ended and housing showing signs of recovery, OCFA has, in conjunction with its property tax consultant, returned to its previous practice for estimating property tax growth.

Relevant Financial Policies

The OCFA Board of Directors has adopted the following formal budgetary and fiscal policies:

Financial Stability Budget Policy – This policy is intended to guide the OCFA budget actions toward maintaining long-term financial stability and to establish fund balance levels and annual funding targets for the General Fund and Capital Improvement Program (CIP). The policy was updated in 2017 to include guidance on facilitating the accelerated payment of OCFA’s unfunded liabilities for improved fiscal health.

Fiscal Health Plan – The purpose of this plan is to establish a framework for ensuring an ongoing focus on fiscal health and a general process to ensure timely and appropriate response to adverse fiscal circumstances. The cornerstones of this plan are a set of strong fiscal policies and a comprehensive system for monitoring OCFA’s fiscal performance. Financial indicators are monitored through frequent updates of the OCFA’s five-year financial forecast to evaluate stability, strength, or weaknesses of OCFA’s finances.

Investment Policy – This policy is updated annually to reflect changes in legislation and the changing needs of the OCFA. It specifies the types of investments allowed in the OCFA portfolio, as well as the diversification and maturity requirements for investments.

Roles/Responsibilities/Authorities for the OCFA – This document identifies those roles and responsibilities that have been retained by the Board, as well as responsibilities that have been delegated. All authority rests with the Board unless it is delegated by statute or Board action. When delegated, these authorities are further defined by contracts, resolutions, policies and/or other Board actions.

Accounts Receivable Write-off Policy for Uncollectible Accounts – This policy establishes the criteria and procedures for requesting uncollectible amounts to be written off.

Short-term Debt Policy – This policy establishes guidelines for managing the OCFA’s cash flow position in a fiscally conservative manner through the issuance of short-term debt.

Emergency Appropriations Policy – This policy, which was adopted in September 2008, establishes guidelines for increasing appropriations in the event of extraordinary fire or emergency activity following the last Board meeting of the fiscal year.

Assigned Fund Balance Policy – This policy, which was adopted in April 2011 and amended effective July 2014, establishes the authority by which OCFA may set aside cumulative resources in fund balance for an intended future use.

Grants Management Policy – This policy, which was effective January 2012, establishes an overall framework for guiding OCFA’s use and management of grant resources.

Capital Projects Fund Policy – This policy, which was effective July 2014, defines the types of allowable activities that may be accounted for in OCFA’s capital projects funds, as defined by Governmental Accounting Standard Board (GASB) Statement No. 54.

Major Initiatives Expected to Affect Future Financial Positions

OCFA has established the following strategic objectives:

Strategic Objectives
1. Improve OCFA communications at all levels
2. Establish consistency in Human Resources functions and improve labor relations
3. Conduct analysis of field operations and internal support functions
4. Focus on fiscal health
5. Build customer service mindset
6. Improve risk management outcomes
7. Implement performance improvement/efficiency measures
8. Improve public safety technology systems
9. Develop a Continuity of Operations Plan (COOP) for OCFA
10. Maintain flexibility for unforeseen events

Various initiatives, along with performance measures designed to document and assess progress toward their completion, have been identified for each of the ten strategic objectives. Highlights of select initiatives that have the potential to impact OCFA’s future financial positions are described below.

Emergency Medical Services (EMS) Delivery Enhancements – Various working groups have been established to analyze operational issues, and to develop and implement action plans that will enhance the quality, efficiency, and effectiveness of how public safety services are provided to OCFA’s member agencies and the citizens of Orange County. When a medical-related incident is dispatched, the configuration of the involved units determines how many units respond. If the unit is a four-person Paramedic Engine or Paramedic Truck, that single unit responds to the incident. However, if a three-person Basic Life Support (BLS) Unit or a Paramedic Assessment Unit (PAU) is dispatched, then a second paramedic unit is required to also respond. The need to have multiple units respond to a single incident has an impact on resource availability within the OCFA delivery area, as well as neighboring agencies. To address these and other concerns, the Board of Directors approved the phase-in and ongoing evaluation of enhancements to the EMS deployment model, as feasible, at six-month intervals. These changes are intended to improve levels of service; enhance firefighter safety; reduce response times on advanced life support (ALS) medical calls; reduce the number of responding units; and reduce the need for automatic aid support from neighboring cities.

- In July 2015, “Phase 1” was implemented in the cities of Dana Point, Laguna Niguel, Tustin, and Yorba Linda. Unit reconfigurations in these cities included the conversion of two paramedic assessment trucks to paramedic trucks; one paramedic assessment engine to a paramedic engine; and one medic van to two paramedic engines. The annual financial impact totaled approximately \$860,000 to account for additional paramedic specialty skill compensation and the addition of one firefighter paramedic post position.
- In February 2016, “Phase 2” was implemented in the cities of Irvine, Lake Forest, Mission Viejo, and Santa Ana. Unit reconfigurations included the conversion of six paramedic vans and twelve paramedic assessment engines to twelve paramedic engines; and the conversion of one paramedic assessment truck to a paramedic truck. The annual financial impact totaled approximately \$375,000 to account for additional paramedic specialty skill compensation.

- In March 2017, “Phase 3” was implemented in the cities of Buena Park, Cypress, Laguna Niguel, Los Alamitos, Placentia, San Clemente, Seal Beach, and Tustin. Unit reconfigurations included the conversion of four paramedic vans, eight paramedic assessment engines, and four basic life support engines to twelve paramedic engines. The annual financial impact totaled approximately \$2.1 million to account for additional paramedic specialty skill compensation and the addition of four firefighter paramedic post positions. The pro-rated financial impact of the implementation on Fiscal Year 2016/17 was approximately \$685,000.

The desired outcome of EMS delivery enhancements is measured by response data, which continues to be evaluated at six-month intervals. Following is a summary of the enhancements in effect during Fiscal Year 2016/17.

Phase	City	From	To
Phase One	Dana Point	PAU Engine 30	Paramedic Engine 30
	Laguna Niguel	PAU Truck 49	Paramedic Truck 49
	Tustin	PAU Truck 43	Paramedic Truck 43
	Yorba Linda	Medic 32	Paramedic Engine 32 Paramedic Engine 10
Phase Two	Irvine	PAU Engine 4 / Medic 4 PAU Engine 26 / Medic 26 PAU Engine 28 PAU Engine 38 / Medic 38 PAU Engine 47 PAU Engine 55	Paramedic Engine 4 Paramedic Engine 26 Paramedic Engine 28 Paramedic Engine 38 Paramedic Engine 47 Paramedic Engine 55
	Lake Forest	PAU Engine 54	Paramedic Engine 54
	Mission Viejo	PAU Engine 31 / Medic 31	Paramedic Engine 31
	Santa Ana	PAU Engine 70 PAU Truck 76 PAU Engine 77 / Medic 77 PAU Engine 78 / Medic 78 PAU Engine 79	Paramedic Engine 70 Paramedic Truck 76 Paramedic Engine 77 Paramedic Engine 78 Paramedic Engine 79
	Buena Park	PAU Engine 63	Paramedic Engine 63
Phase Three	Cypress	BLS Engine 17 / Medic 17	Paramedic Engine 17
	Laguna Niguel	BLS Engine 5 / Medic 5 PAU Engine 39	Paramedic Engine 5 Paramedic Engine 39
	Los Alamitos	PAU Engine 2	Paramedic Engine 2
	Placentia	PAU Engine 35	Paramedic Engine 35
	San Clemente	PAU Engine 50	Paramedic Engine 50
	Seal Beach	PAU Engine 44 BLS Engine 48 / Medic 48	Paramedic Engine 44 Paramedic Engine 48
	Tustin / Tustin Unincorporated	PAU Engine 8 BLS Engine 21 / Medic 21 PAU Engine 37	Paramedic Engine 8 Paramedic Engine 21 Paramedic Engine 37

PAU = Paramedic Assessment Unit (3 Firefighters, 1 is a Paramedic)
 BLS = Basic Life Support (3 Firefighters, none are Paramedics)
 Medic = Paramedic Van (2 Firefighters, both are Paramedics)
 Paramedic Engine or Paramedic Truck = (4 Firefighters, 2 are Paramedics)

Focus on Long-term Fiscal Health for OCFA and Its Members – OCFA remains focused on the pursuit of fiscal health, seeking to ensure that services delivered are sustainable into the future. In January 2017, a mid-year financial report was presented to the Board of Directors that reflected continued improvement in OCFA’s fiscal health and also allocated approximately \$9.8 million toward the pay-down of the Unfunded Actuarial Accrued Liability (UAAL) with the Orange County Employees Retirement System (OCERS). In addition, the Fiscal Year 2017/18 budget was adopted by the Board of Directors in May 2017, reflecting a balanced General Fund; cash contract increases to member cities that were capped at the allowable maximum, with the excess banked for recapture in the subsequent fiscal year; and a flow of surplus funds from the General Fund to the Capital Improvement Program (50%) and for the pay-down of the UAAL (50%) as outlined in the Financial Stability Budget Policy approved by the Board of Directors in March 2017.

Accelerated Pay-Down of Pension Liability with the Orange County Employees Retirement System – In September 2013, the Board of Directors approved several strategies to accelerate funding OCFA’s Unfunded Actuarial Accrued Liability (UAAL) with the Orange County Employees Retirement System (OCERS). Those strategies, referred to as the “Snowball Plan,” were revised in November 2015 to include the following: (A) using unencumbered fund balance available at the close of each fiscal year to make annual lump sum payments, estimated at an average amount of \$3 million annually; (B) including savings from reduced retirement rates resulting from the implementation of the Public Employees’ Pension Reform Act in the annual budget to make bi-weekly additional payments; (C) budgeting an additional \$1 million beginning in Fiscal Year 2016/17, and increasing by \$2 million each year until reaching an annual amount of \$15 million; and (D) contributing \$1 million annually for five years, beginning in Fiscal Year 2016/17, from surplus fund balance available from the General Fund’s fund balance assignment for workers’ compensation. In November 2016, the Board of Directors authorized the continuation of the “Snowball Plan,” with modifications to (1) alter the funding target from 100% to 85%; and (2) to redirect expedited payments from the UAAL to the OCFA’s unfunded liability for the Retiree Medical Plan after achieving that 85% target.

OCFA has been making additional payments toward its UAAL annually since Fiscal Year 2013/14, with additional payments made during Fiscal Year 2016/17 totaling \$16.6 million. A recent estimate received from the OCERS actuary indicated that accelerated payments have shortened the timeline to pay down the UAAL from an original twenty-nine years to twelve years. The Board of Directors is updated annually on the status of the pay-down plan. Following is a summary of additional payments made toward the UAAL under the “Snowball Plan” since Fiscal Year 2013/14:

	Part A	Part B	Part C	Part D	
Fiscal Year	Unencumbered Fund Balance Available	Annual PEPPRA Savings	Annual Budget Increases	Budget Increases from Workers Compensation Assignment	Total Snowball Plan Payments
2013/14	\$ 3,000,000	\$2,235,753	\$ -	\$ -	\$ 5,235,753
2014/15	21,290,238	86,061	-	-	21,376,299
2015/16	12,609,380	2,802,122	-	-	15,411,502
2016/17	9,814,477	4,781,483	1,000,000	1,000,000	16,595,960
Total	\$46,714,095	\$9,905,419	\$1,000,000	\$1,000,000	\$58,619,514

Progress on the Public Safety System Project – OCFA is in the process of a major, multi-year project to replace its Public Safety System (PSS), which has been in use since the 1980’s. The Computer Aided Dispatch (CAD) portion was completed and went live on September 9, 2014, marking a tremendous milestone for the PSS project as a whole. Building on the successful CAD implementation, OCFA has continued to work in Fiscal Year 2016/17 toward establishing timelines and objectives for the replacement of the Records Management System (RMS) portion of the Public Safety System, which includes the Orange County Fire Incident Reporting System (OCFIRS), Integrated Fire Prevention (IFP), and Investigations Case Management System (ICMS) applications. The Fiscal Year 2017/18 Capital Improvement Program budget includes funding for both the OCFIRS and IFP applications totaling approximately \$1.3 million.

Labor Negotiations for Expiring Firefighter MOU – The Memorandum of Understanding (MOU) with Orange County Professional Firefighters Association (OCPFA) for the firefighter bargaining unit expired in October 2015, and was extended to allow additional time for negotiations. Negotiation sessions between OCFA management and OCPFA were in progress through the first quarter of Fiscal Year 2016/17, and an MOU was approved at a special meeting of the Board of Directors September 1, 2016. The four-year MOU extends through August 2020 and accomplishes the Board’s goal of having employees pay 100% of the employee portion of retirement contributions. The financial impact of the MOU is the cost-equivalent of a 10.44% salary increase over a four-year period, with an average dollar increase of \$5.4 million annually.

Hiring for Vacancies and Frozen Positions

A hiring freeze for positions that do not provide front line service to the public went into effect during Fiscal Year 2008/09. As the economy has improved in recent years, positions have been unfrozen, when necessary, at a measured and sustainable pace. In addition, each position that becomes vacant through employee retirements and terminations is reviewed by Executive Management to determine whether the workload can be reassigned or if it will be necessary to fill the position. A total of 76 authorized positions were frozen as of June 30, 2017, a decrease of 10 positions from the previous year as summarized below.

Frozen Positions	June 30		
	2017	2016	+/-
Recommendations from the 2008 Santiago After Action Report included the addition of a fourth firefighter on twelve wildland engines, to be phased in over multiple fiscal years. Phase one authorized the addition of 9 positions, which were subsequently frozen in Fiscal Year 2008/09 pending improved financial condition.	9	9	-
The addition of a four-person truck company at Fire Station No. 20 (Irvine) was deferred in Fiscal Year 2008/09 until development activity and service demand increases (12 positions). In addition, the station’s 3-person engine and 2-person paramedic van were transitioned to a single 4-person paramedic engine during Fiscal Year 2010/11, resulting in 3 additional frozen firefighter positions.	15	15	-
Six staff captain positions (two training officers and Administrative Captains for Divisions 1, 3, 4 and 5) were frozen in Fiscal Year 2010/11, with personnel transitioning to fill vacant suppression field positions. During Fiscal Year 2016/17, the Administrative Captain positions for Divisions 3 and 5 were unfrozen.	4	6	(2)
<i>(Continued)</i>			

Frozen Positions	June 30		+/-
	2017	2016	
<i>(Continued)</i>			
In November 2012, the OCFA’s agreement for Aircraft Rescue Firefighting services at John Wayne Airport was amended to reduce daily staffing from seven to six personnel, resulting in 3 frozen fire apparatus engineer positions since Fiscal Year 2012/13. One of those positions was unfrozen during Fiscal Year 2016/17 and reclassified to a staff captain position in Emergency Medical Services.	2	3	(1)
Vacancies remain frozen for an additional thirty-three suppression positions, including: Fire Apparatus Engineers (15 positions, backfilled with overtime); Fire Captains (15 positions, backfilled with overtime); Staff Battalion Chief (1 position); Heavy Fire Equipment Operator (1 position); and Fire Pilot (1 position).	33	34	(1)
Subtotal – Suppression	63	67	(4)
Vacancies remain frozen for thirteen non-suppression positions.			
✓ Business Services	2	4	(2)
✓ Community Risk Reduction	7	9	(2)
✓ Executive Management (Human Resources)	-	2	(2)
✓ Operations	1	1	-
✓ Organizational Planning (Human Resources)	1	-	1
✓ Support Services	2	3	(1)
Subtotal – Non-Suppression	13	19	(6)
Total frozen positions as of June 30	76	86	(10)

Awards and Acknowledgments

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the OCFA for its Fiscal Year 2015/16 Comprehensive Annual Financial Report (CAFR), the nineteenth consecutive year OCFA has received this prestigious award. In order to be awarded this certificate, a government must publish an easily readable and efficiently organized CAFR that satisfies both GAAP and applicable legal requirements. The certificate is valid for a period of one year. We believe our Fiscal Year 2016/17 CAFR continues to meet the program’s requirements, and we are submitting it to the GFOA to determine its eligibility for this year’s award.

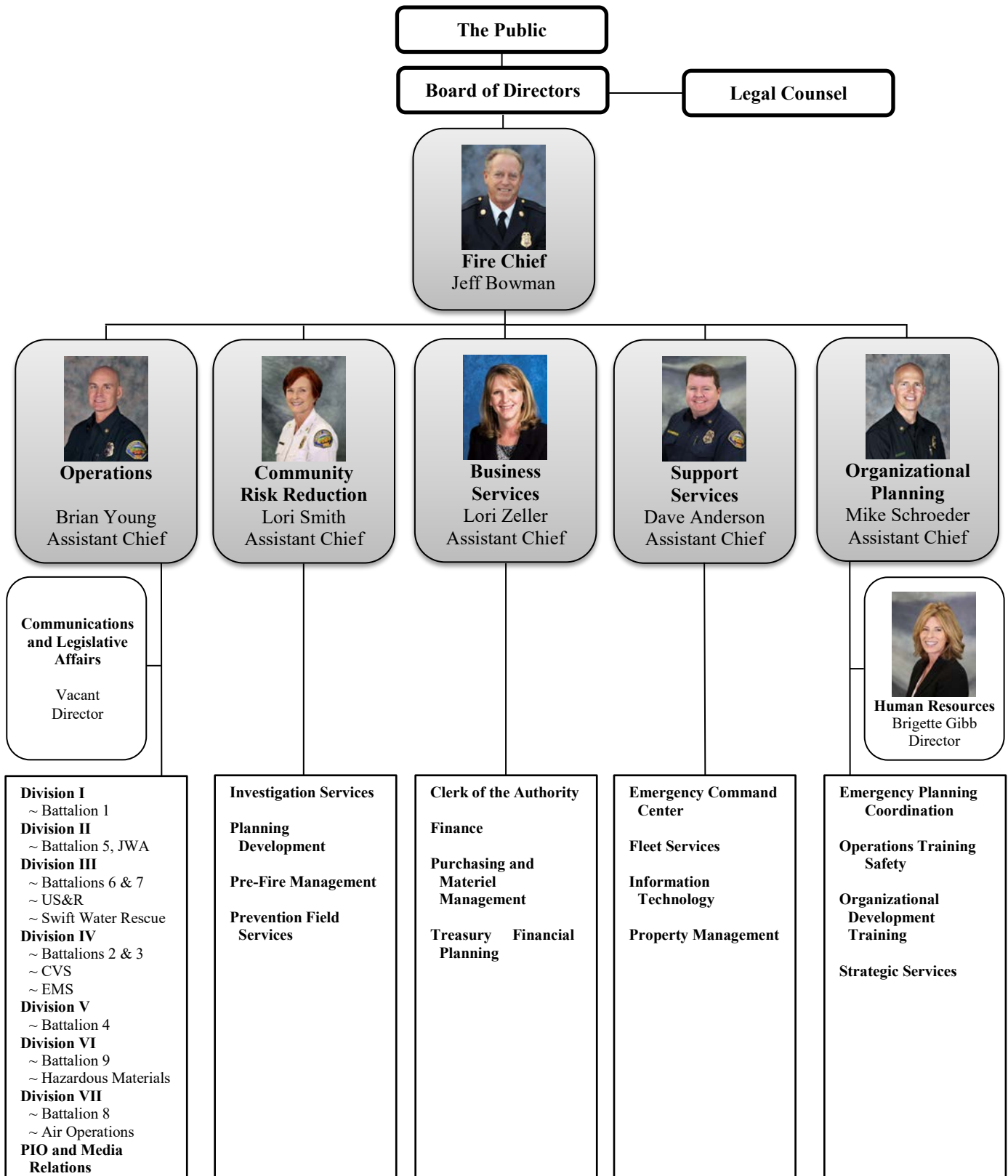
The timely preparation of the CAFR was made possible by the dedicated efforts of the staff of the Finance Division. We acknowledge the support and direction provided to OCFA staff by the accounting firm of Vavrinek, Trine, Day & Company, LLP. We would also like to express our appreciation to the Board of Directors and Budget and Finance Committee for their leadership and support in planning and conducting the financial operations of the OCFA in a responsible and progressive manner.

Respectfully submitted,



Lori Zeller, Assistant Chief of Business Services

ORANGE COUNTY FIRE AUTHORITY
Organization Chart
As of June 30, 2017



**ORANGE COUNTY FIRE AUTHORITY
Management Staff and Appointed Officials
As of June 30, 2017**

Jeff Bowman	Fire Chief
<hr/>	
Brian Young	Assistant Chief Operations Department
Lori Smith	Assistant Chief Community Risk Reduction Department
Lori Zeller	Assistant Chief Business Services Department
Dave Anderson	Assistant Chief Support Services Department
Mike Schroeder	Assistant Chief Organizational Planning Department
Brigette Gibb	Director Human Resources Division
Vacant	Director Communications
<hr/>	
Sherry A.F. Wentz	Appointed – Clerk of the Authority
Jim Ruane	Appointed – Auditor
Patricia Jakubiak	Appointed – Treasurer
<hr/>	
Woodruff, Spradlin, & Smart	General Counsel

ORANGE COUNTY FIRE AUTHORITY
Organization of Board of Directors
As of June 30, 2017

The Orange County Fire Authority Board of Directors has twenty-five members. Twenty-three of the members represent partner cities and two members represent the county unincorporated area. The Board of Directors meets monthly. Following are descriptions of each committee that has been established by the Board of Directors:

The **Executive Committee** meets monthly and conducts all business of the OCFA, with the exception of policy issues, including labor relations, budget issues and other matters specifically retained by the Board of Directors. The Executive Committee consists of no more than nine members of the Board of Directors. The committee membership is comprised of the following designated positions: the Chair and Vice Chair of the Board of Directors, the immediate past Chair of the Board, and the Chair of the Budget and Finance Committee. In addition, the Chair appoints five at-large members, subject to the approval of the Board of Directors. At least one member of the Board of Supervisors serves on this committee. In addition, the ratio of committee members representing cash contract cities to the total committee membership will be as close as reasonably possible to the ratio of the number of cash contract cities to total member agencies. The Chair of the City Managers Technical Advisory Committee serves as an ex officio non-voting member of the Executive Committee.

The **Budget and Finance Committee** meets monthly and advises staff and makes recommendations to the Board of Directors on matters related to financial and budget policies, development of budgets for the General Fund and capital expenditures, assignment of fund balances, budget balancing measures, evaluation and development of plans to meet long-term financing needs, investment oversight and purchasing policies. The Chair of the Board makes appointments to the Committee on an annual or as-needed basis. The Chair of the City Manager Budget and Finance Committee serves as an ex officio non-voting member of this committee. The Budget and Finance Committee is also designated to serve as the OCFA's audit oversight committee.

The **Claims Settlement Committee** has the authority to settle claims and lawsuits and pre-litigation claims for amounts above \$50,000, not to exceed \$250,000, including insurance pool settlements, workers' compensation settlements, and the initiation and settlement of subrogation claims. Settlements of lawsuits in amounts exceeding \$250,000 are approved by the Board of Directors. The Claims Settlement Committee meets monthly and consists of the Board Chair and Vice Chair, the Budget and Finance Committee Chair, the Fire Chief, and the Human Resources Director.

The **Human Resources Committee** advises OCFA staff and makes recommendations to the Board of Directors on matters regarding human resources policies; job class specifications; compensation programs; benefit changes and renewals; staff training, development and recognition programs; succession planning; risk management and workers' compensation policies; and development of management/performance evaluation and information systems. The committee consists of five members of the Board of Directors, all of which are appointed by the Chair of the Board.



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

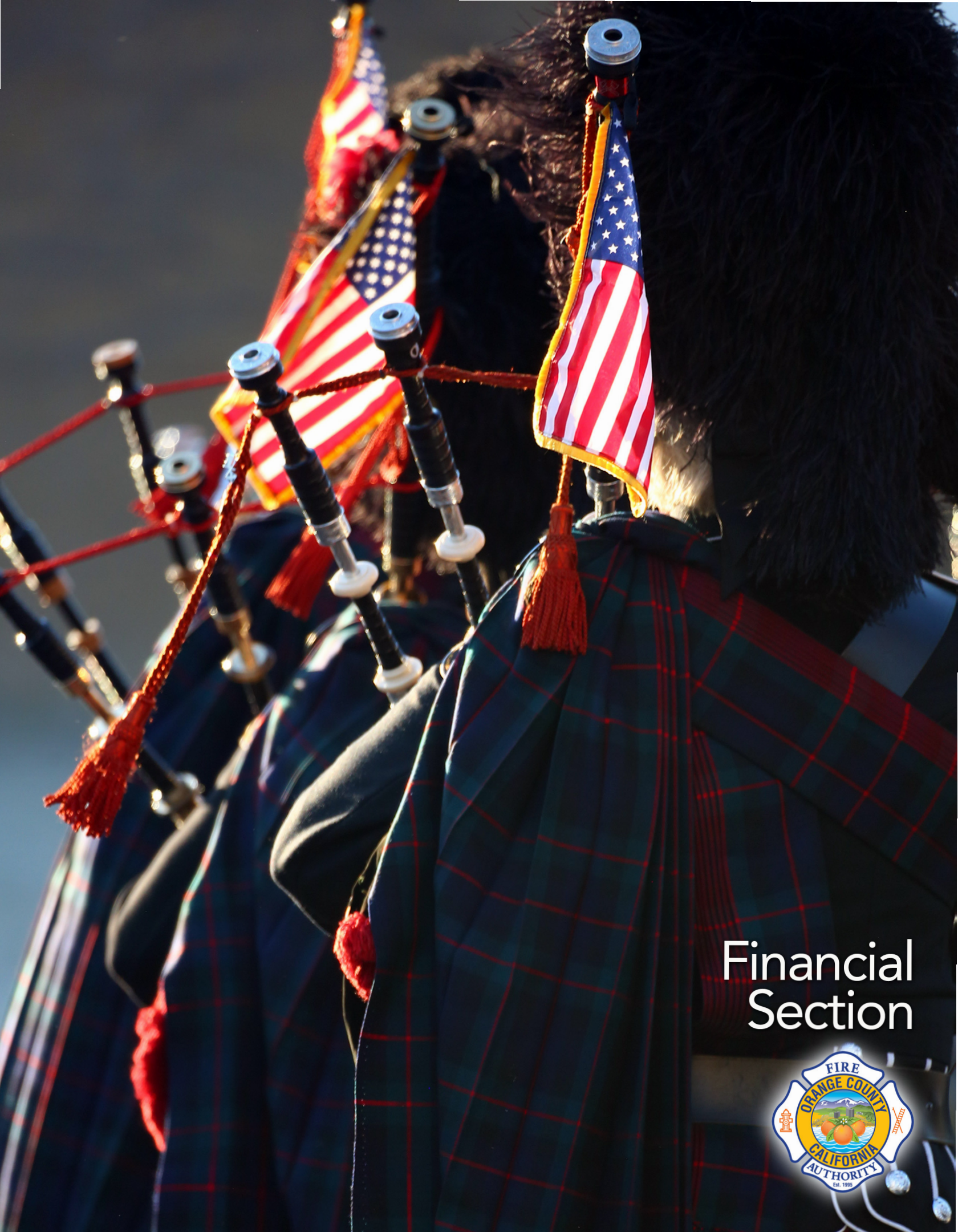
**Orange County Fire Authority
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

A handwritten signature in black ink, reading "Jeffrey R. Emer".

Executive Director/CEO



Financial Section





INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Orange County Fire Authority
Irvine, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Orange County Fire Authority (Authority), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Authority'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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Authority, as of June 30, 2017, and the respective changes in financial position, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 5 through 25), the schedule of the Authority's proportionate share of the net pension liability and schedule of contributions for the OCERS Retirement plan (pages 95 through 97), schedule of changes in net pension liability and related ratios, schedule of contributions, and schedule of money weighted rate of return for the Extra Help Retirement plan (pages 98 through 100), and schedule of funding progress for the Retiree Medical plan (page 101) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

Prior-Year Comparative Information

We did not previously audit the 2016 financial statements of the Authority. Those statements were audited by other auditors whose report has been furnished to us, and who expressed unmodified opinions on the financial statements in their report dated September 30, 2016. The financial statements include summarized prior-year comparative information. Such information does not include all of the information required to constitute a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Authority's financial statements for the year ended June 30, 2016, from which such summarized information was derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 18, 2017, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



Laguna Hills, California
October 18, 2017



Orange County Fire Authority Safety Message

Electrical Fire Safety
(Part 1 of 4)



Home electrical fires are responsible for an estimated 51,000 fires and \$1.3 billion in property damage each year. Protect your family and your home by following these electrical safety tips.

Appliances

- ✓ Always plug major appliances directly into wall outlets.
- ✓ Unplug small appliances when they are not in use.
- ✓ Check electrical cords on all appliances regularly. Replace any cracked, damaged, or loose cords. Never try to fix them yourself.
- ✓ Place lamps on level surfaces, away from things that can burn. Always use bulbs that match the recommended wattage for each lamp or fixture.

(Continued on Page 26)

Management's Discussion and Analysis



Holiday Safety Press Conference

December 2016



ORANGE COUNTY FIRE AUTHORITY
Management's Discussion and Analysis
Year ended June 30, 2017

As management of the Orange County Fire Authority (OCFA), we offer readers of OCFA's financial statements this overview and analysis of the financial activities for the fiscal year ended June 30, 2017.

Financial Highlights

Governmental Activities: OCFA's liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$176,774,047 at the end of the current fiscal year. Net position consisted of net investment in capital assets totaling \$192,430,467; restricted for capital projects and other purposes totaling \$3,897,614; and an unrestricted deficit totaling \$373,102,128. The result of current fiscal year operations caused total net position to decrease by \$16,110,129 from the prior fiscal year.

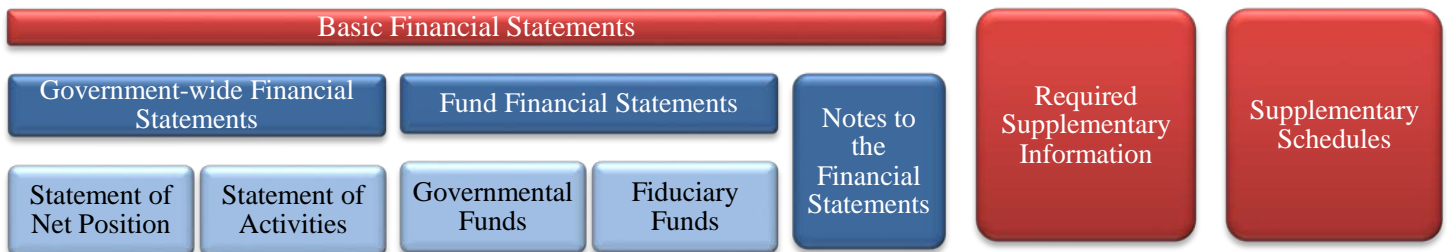
Governmental Funds: As of the close of the current fiscal year, OCFA's governmental funds showed combined ending fund balances totaling \$212,910,578, an increase of \$3,539,693 from the prior fiscal year. Of the total ending fund balance, \$31,346,672 (14.7%) was available for funding future operational needs.

General Fund: At the end of the current fiscal year, total fund balance for the General Fund was \$147,357,352, and was categorized as follows:

➤ Nonspendable	\$ 33,750,548
➤ Restricted	3,364,382
➤ Committed	549,651
➤ Assigned	78,346,099
➤ Unassigned	<u>31,346,672</u>
Fund balance of the General Fund as of June 30, 2017	<u><u>\$147,357,352</u></u>

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to OCFA's basic financial statements. The basic financial statements are comprised of the following three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This financial report also contains required and other supplementary information in addition to the basic financial statements.



Government-wide Financial Statements: The government-wide financial statements are designed to provide readers with a broad overview of OCFA's and the OCFA Foundation's finances, in a manner similar to a private-sector business. Public safety activities are reported as governmental activities, since they are principally

supported by taxes and intergovernmental revenues. The government-wide financial statements can be found on pages 28-31.

Statement of Net Position: The statement of net position presents information on all of OCFA's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the net differences reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of OCFA is improving or deteriorating.

Statement of Activities: The statement of activities presents information showing how OCFA'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.

Fund Financial Statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. OCFA, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. OCFA's funds can be divided into two categories – governmental funds and fiduciary funds.

Governmental 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 spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Because the focus of government 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 OCFA's near-term financial decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide reconciliations to facilitate this comparison.

OCFA reports four governmental funds. Information is presented separately in the fund financial statements for all four governmental funds, since OCFA has elected to classify all governmental funds as major funds. The OCFA adopts an annual appropriated budget for each governmental fund. Budgetary comparison statements and schedules have been provided for the governmental funds to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 34-42.

Fiduciary Funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support OCFA's own programs. Combined basic fiduciary fund financial statements can be found on pages 43-44.

Notes to the Financial Statements and Required Supplementary Information (RSI): The notes and RSI provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 45-92, while RSI can be found on pages 95-101.

Supplementary Schedules: The budgetary schedules referred to earlier in connection with governmental funds are presented in the supplementary schedules section. Combining and individual fund statements and schedules can be found on pages 104-115.

Government-wide Financial Analysis

Net Position: As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of OCFA, net position totaled a deficit of \$176,774,047 at the end of the most recent fiscal year, a 10.0% decline from the prior fiscal year. Following is a summary of OCFA's net position as of June 30, 2017 and 2016:

ORANGE COUNTY FIRE AUTHORITY's Net Position

<u>Governmental Activities</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>Increase (Decrease)</u>	
			<u>Amount</u>	<u>%</u>
Assets:				
Current and other assets	\$ 211,898,221	\$ 217,743,439	\$ (5,845,218)	-2.7%
Capital assets	<u>196,143,774</u>	<u>194,021,124</u>	<u>2,122,650</u>	1.1%
Total assets	<u>408,041,995</u>	<u>411,764,563</u>	<u>(3,722,568)</u>	-0.9%
Deferred outflows of resources:				
Related to pensions	<u>122,197,259</u>	<u>150,278,544</u>	<u>(28,081,285)</u>	-18.7%
Total deferred outflows of resources	<u>122,197,259</u>	<u>150,278,544</u>	<u>(28,081,285)</u>	-18.7%
Liabilities:				
Long-term liabilities	638,389,128	668,803,193	(30,414,065)	-4.5%
Other liabilities	<u>13,419,726</u>	<u>17,992,265</u>	<u>(4,572,539)</u>	-25.4%
Total liabilities	<u>651,808,854</u>	<u>686,795,458</u>	<u>(34,986,604)</u>	-5.1%
Deferred inflows of resources:				
Related to pensions	<u>55,204,447</u>	<u>35,911,567</u>	<u>19,292,880</u>	53.7%
Total deferred inflows of resources	<u>55,204,447</u>	<u>35,911,567</u>	<u>19,292,880</u>	53.7%
Net position:				
Net investment in capital assets	192,430,467	187,910,677	4,519,790	2.4%
Restricted for capital projects	533,232	533,232	-	n/a
Restricted for other purposes	3,364,382	2,348,678	1,015,704	43.2%
Unrestricted	<u>(373,102,128)</u>	<u>(351,456,505)</u>	<u>(21,645,623)</u>	6.2%
Total net position	<u>\$(176,774,047)</u>	<u>\$(160,663,918)</u>	<u>\$(16,110,129)</u>	10.0%

Net Investment in Capital Assets: At June 30, 2017, the largest portion of OCFA's net position reflects its investment in capital assets, less related outstanding debt used to acquire those assets. OCFA uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although OCFA's investment in its capital assets is reported net of related debt, it should be noted that the repayment of any debt issued to acquire capital assets must be from other sources. OCFA cannot sell the assets to obtain funding.

Net Position Restricted for Capital Projects and Other Purposes: An additional portion of OCFA's net position represents resources that are subject to external restrictions on how they may be used. As of June 30, 2017, restricted net position relates to CALFIRE contract revenues that are legally restricted for new fire station development or improvements to existing fire stations; state funding restricted for drought augmentation activities; donations received for specific programs; and unperformed purchase orders for grant-funded programs.

Unrestricted Net Position: The remaining balance of net position is considered unrestricted. A positive unrestricted balance would represent amounts that may be used to meet OCFA's ongoing obligations to citizens and creditors. A deficit unrestricted balance, as reported on June 30, 2017 and June 30, 2016, indicates that OCFA's obligations currently exceed its resources. This deficit is due to the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68 during Fiscal Year 2014/15, which required that OCFA begin reporting its net pension liabilities on the Statement of Net Position.

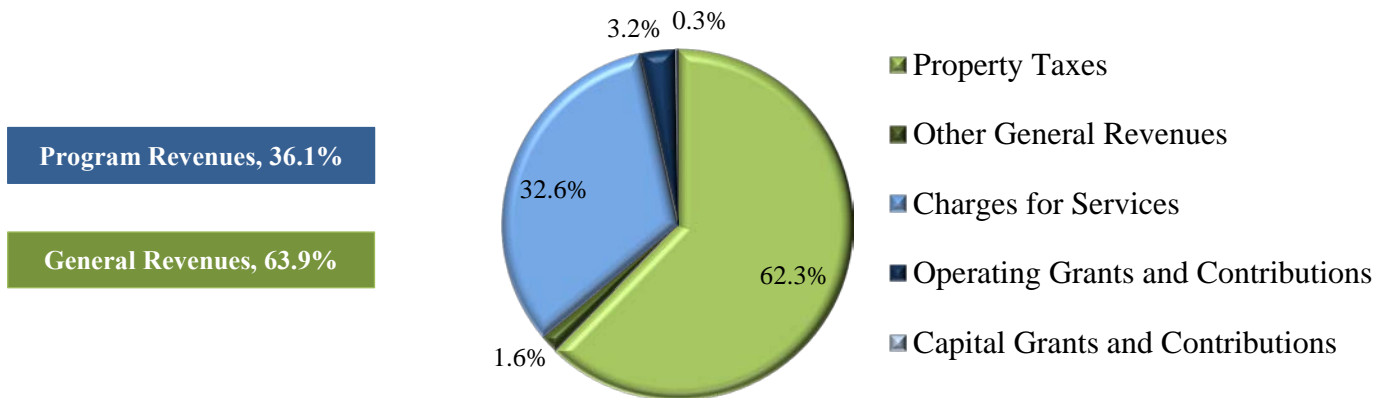
Changes in Net Position: Governmental activities decreased OCFA's net position by \$16,110,129 during the most recent fiscal year, an indication that OCFA's financial position has not improved. As previously noted, the reason for the overall deficit in net position is due to a change in financial reporting requirements under GASB Statement No. 68, not the result of a change in OCFA's financial situation.

Governmental activities are divided into two categories – program and general. Program revenues are those derived directly from a government program itself, or from parties outside the government's taxpayers, and thus reduce the net cost of providing that program. Any program expenses that are not offset by program revenues must essentially be financed by general revenues, such as taxes and investment earnings. Following is a summary of OCFA's changes in net position for Fiscal Year 2016/17 and Fiscal Year 2015/16, followed by explanations for the increases or decreases in revenues and expenses between fiscal years.

ORANGE COUNTY FIRE AUTHORITY's Changes in Net Position

<u>Governmental Activities</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>Increase (Decrease)</u>	
			<u>Amount</u>	<u>%</u>
Program revenues:				
Charges for services	\$ 121,875,157	\$ 117,263,679	\$ 4,611,478	3.9%
Operating grants and contributions	11,992,438	12,165,015	(172,577)	-1.4%
Capital grants and contributions	<u>1,040,129</u>	<u>3,331,088</u>	<u>(2,290,959)</u>	-68.8%
Total program revenues	<u>134,907,724</u>	<u>132,759,782</u>	<u>2,147,942</u>	1.6%
General revenues:				
Property taxes	232,832,758	219,840,417	12,992,341	5.9 %
Investment income	990,851	1,654,065	(663,214)	-40.1%
Gain on disposal of capital assets	657,944	6,000	651,944	10865.7%
Miscellaneous	<u>4,480,901</u>	<u>2,823,503</u>	<u>1,657,398</u>	58.7%
Total general revenues	<u>238,962,454</u>	<u>224,323,985</u>	<u>14,638,469</u>	6.5%
Total revenues	<u>373,870,178</u>	<u>357,083,767</u>	<u>16,786,411</u>	4.7%
Public safety expenses:				
Salaries and benefits	327,515,166	316,292,785	11,222,381	3.5%
Services and supplies	52,819,125	35,127,573	17,691,552	50.4%
Depreciation and amortization	9,512,777	9,267,982	244,795	2.6%
Interest on long-term debt	<u>133,239</u>	<u>917,320</u>	<u>(784,081)</u>	-85.5%
Total expenses	<u>389,980,307</u>	<u>361,605,660</u>	<u>28,374,647</u>	7.8%
Change in net position	(16,110,129)	(4,521,893)	(11,588,236)	
Net position, beginning of year	(160,663,918)	(169,124,373)	8,460,455	
Prior period adjustment	<u>-</u>	<u>12,982,348</u>	<u>(12,982,348)</u>	
Net position, end of year	<u>\$(176,774,047)</u>	<u>\$(160,663,918)</u>	<u>\$(16,110,129)</u>	10.0%

**Revenues of Governmental Activities - by Source
Fiscal Year 2016/17**



Program Revenues: Program revenues, which totaled \$134,907,724 for Fiscal Year 2016/17 and accounted for 36.1% of total revenues, increased by \$2,147,942 from the prior fiscal year.

Charges for Services include amounts received from those who purchase, use, or directly benefit from or are affected by a program. These revenues increased by \$4,611,478 over the prior fiscal year.

Amount (Rounded)	Reason for Increase / Decrease
+-\$2,385,000	Fire service contracts increased for cash contract city charges per terms of the Joint Powers Agreement (+\$35,000); OCFA's contract with California Department of Forestry (CALFIRE) for the protection of State Responsibility Area (SRA) lands (+\$2,270,000); and the Airport Rescue Firefighting (ARFF) Services contract with John Wayne Airport (+\$80,000). The increase in cash contract city contract revenues includes accrual-based adjustments for revenues from the City of Santa Ana to reimburse OCFA for usage of employee general leave balances.
+\$1,305,000	Reimbursements for state and federal incidents vary each year depending on fire and emergency response activity. State assistance performed for CALFIRE and the California Emergency Management Agency (CAL EMA) increased by \$955,000. Reimbursements for state incidents were higher in the current fiscal year due to the Soberanes Fire in August 2016. Federal assistance performed for Cleveland National Forest increased by \$280,000 primarily due to the Holy Fire in September 2016. Federal responses to national incidents also increased by \$70,000 due to the response for Hurricane Matthew in October 2016.
+\$660,000	Revenues for ambulance transport and supplies reimbursement were higher in Fiscal Year 2016/17 due to an increase in transport activity.
+\$210,000	Fee-based fire prevention revenues increased primarily due to an increase in assembly inspections completed in Fiscal Year 2016/17. Completion had been delayed in the prior fiscal year.
+\$50,000	Road maintenance, fuel reduction, and other contract revenues generated by the hand crew increased due to more work performed for Southern California Edison.
+\$4,610,000	Program Revenues: Charges for Services – Net Increase

Operating Grants and Contributions include grants, contributions, donations, and similar items that are restricted to one or more specific program. These revenues decreased by \$172,577 from the prior fiscal year.

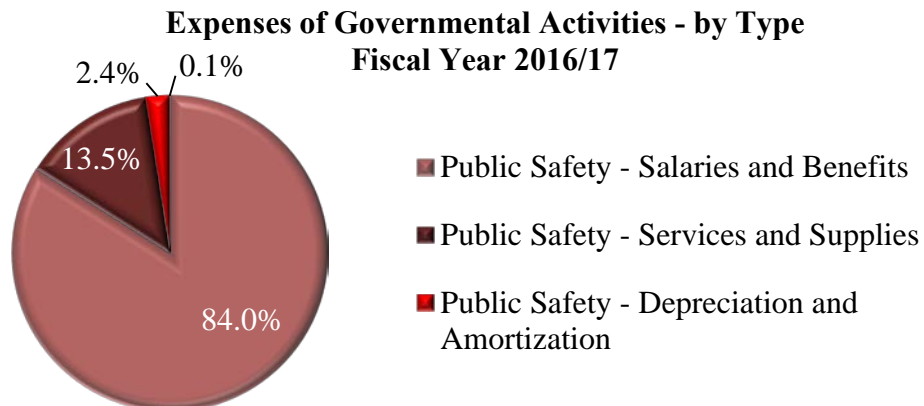
Amount (Rounded)	Reason for Increase / Decrease
-\$140,000	Other miscellaneous operating revenues decreased, primarily due to a decline in the number of reimbursable instructional hours per a contract with Santa Ana College.
-\$115,000	Federal and state operating grants decreased due to a one-time federal grant for the development of wildland urban interface pre-fire plans (-\$50,000). In addition, there was a decline in ongoing federal grants from the Homeland Security Grant Program for regional training and a captain position at the Orange County Intelligence Assessment Center (-\$65,000).
+\$80,000	Tax increment passed through from member cities decreased by \$200,000, but one-time tax increment passed through from the County of Orange increased by \$280,000. In Fiscal Year 2011/12, the State of California dissolved its sixty year-old redevelopment program, and city redevelopment agencies were replaced with successor agencies to manage the wind-down of the program. Property tax increment that was formerly passed through to OCFA by various member cities has now been deposited into the newly formed Redevelopment Property Tax Trust Fund, from which the County of Orange Auditor/Controller makes disbursements.
-\$175,000	Program Revenues: Operating Grants and Contributions – Net Decrease

Capital Grants and Contributions include grants, contributions, donations, and similar items that are restricted to one or more specific capital-related programs. These revenues decreased by \$2,290,959 from the prior fiscal year.

Amount (Rounded)	Reason for Increase / Decrease
-\$2,270,000	Revenues from developers decreased per the terms of various Secured Fire Protection Agreements. Contributions varied between prior and current fiscal years based on construction projects in County Unincorporated areas and the cities of Aliso Viejo, Dana Point, Irvine, Laguna Hills, Lake Forest, Mission Viejo, and Yorba Linda. The individual developments having the greatest impact on the decline were the Great Park (Irvine), Baker Ranch (Lake Forest), and Elements Site 1 Apartments (Irvine).
-\$45,000	Revenues from federal capital grants decreased by \$45,000. During Fiscal Year 2015/16, OCFA received a \$45,000 Assistance to Firefighters federal grant for the purchase of vehicle extrication gloves. No capital federal grants were received during Fiscal Year 2016/17.
+\$25,000	Capital assets contributed to OCFA increased primarily due to equipment items purchased by other agencies via the federal Urban Area Security Initiative (UASI) grant. During Fiscal Year 2016/17, the cities of Anaheim and Newport Beach contributed four pairs of night vision goggles and one search camera, respectively, valued at a combined \$80,000. During Fiscal Year 2015/16, the cities of Anaheim and Santa Ana acquired and contributed two search cameras and three mobile radios valued at \$45,000. In addition, during Fiscal Year 2015/16 the Orange County Fire Authority Foundation acquired and contributed the Pulsepoint software system that had been purchased for \$10,000 with a grant from Hoag Hospital.
-\$2,290,000	Program Revenues: Capital Grants and Contributions – Net Decrease

General Revenues: General revenues, which totaled \$238,962,454 for Fiscal Year 2016/17 and accounted for 63.9% of total revenues, increased by \$14,638,469 over the prior fiscal year.

Amount (Rounded)	Reason for Increase / Decrease																								
+\$12,990,000	The largest general revenue, property taxes, increased by \$12,992,341 over the prior fiscal year, primarily due to increases in secured property taxes.																								
+\$1,660,000	Miscellaneous revenues increased by \$1,657,398, primarily due to amounts received from the Orange County Professional Firefighters Association IAFF Local 3631 in connection with the contract governing OCFA's contributions to the firefighter medical trust, which pays monthly health care premiums for employees in the firefighter unit. This increase was offset by various declines in revenues such as SB90 claims reimbursed from the State of California and bankruptcy loss recoveries from the County of Orange.																								
-\$660,000	Investment income decreased by \$663,214. OCFA's year-to-date effective rate of return on its investment portfolio was 0.74% as of June 30, 2017, as compared to 0.47% as of June 30, 2016. This increase in the annual rate of return created a \$355,000 increase to overall interest earnings. However, OCFA adjusts its investments to market value as of June 30 each year. This resulted in an overall investment loss in Fiscal Year 2016/17, and generated a \$435,000 decline in total investment income, as compared to the prior fiscal year's market value gain. The market value adjustment is a "paper only" transaction, and no actual investment gains or losses have been recognized since OCFA typically holds its investments to maturity. Finally, during Fiscal Year 2015/16 OCFA issued short-term debt in the form of Tax and Revenue Anticipation Notes (TRAN), which generated a \$610,000 premium. No TRAN was issued during Fiscal Year 2016/17 since OCFA utilized only short-term internal borrowing to meet its cash flow needs. These components of investment income are summarized below: <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: right;">FY 2016/17</th> <th style="text-align: right;">FY 2015/16</th> <th style="text-align: right;">Increase (Decrease)</th> </tr> </thead> <tbody> <tr> <td>Portfolio earnings</td> <td style="text-align: right;">\$1,197,588</td> <td style="text-align: right;">\$ 843,479</td> <td style="text-align: right;">\$354,109</td> </tr> <tr> <td>Market value gain (loss)</td> <td style="text-align: right;">(311,586)</td> <td style="text-align: right;">125,018</td> <td style="text-align: right;">(436,604)</td> </tr> <tr> <td>TRAN premium</td> <td style="text-align: right;">-</td> <td style="text-align: right;">612,431</td> <td style="text-align: right;">(612,431)</td> </tr> <tr> <td>Interest on property taxes</td> <td style="text-align: right;">104,849</td> <td style="text-align: right;">73,137</td> <td style="text-align: right;">31,712</td> </tr> <tr style="border-top: 2px solid black;"> <td>Total investment income</td> <td style="text-align: right;">\$ 990,851</td> <td style="text-align: right;">\$1,654,065</td> <td style="text-align: right;">\$(663,214)</td> </tr> </tbody> </table>		FY 2016/17	FY 2015/16	Increase (Decrease)	Portfolio earnings	\$1,197,588	\$ 843,479	\$354,109	Market value gain (loss)	(311,586)	125,018	(436,604)	TRAN premium	-	612,431	(612,431)	Interest on property taxes	104,849	73,137	31,712	Total investment income	\$ 990,851	\$1,654,065	\$(663,214)
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Total investment income	\$ 990,851	\$1,654,065	\$(663,214)																						
+\$650,000	The gain on disposal of capital assets increased by \$651,944, primarily due to capital vehicles and equipment destroyed in a fire at Fire Station No. 61 (Buena Park) in January 2017. Insurance proceeds received for these items exceeded their net book value, producing a combined \$690,000 gain on their disposal. There was also an increase in the number of vehicles and equipment sold at public auction or disposed because they were obsolete or broken beyond repair. Some of these items were not fully depreciated, generating a combined \$40,000 loss on disposal.																								
+\$14,640,000	General Revenues – Net Increase																								



Public Safety Expenses: Total public safety expenses increased by \$29,158,728 from the prior fiscal year.

Amount (Rounded)	Reason for Increase / Decrease																
+\$13,175,000	Reasons for increases and decreases to the following categories of salaries and benefits are further explained in the <i>Major Governmental Funds – General Fund</i> portion of this Management’s Discussion and Analysis: overtime costs (+\$8,470,000); other pay (+\$4,190,000); employee health insurance and other benefits (+\$1,405,000); regular pay, FICA, and Medicare (-\$1,110,000); temporary “extra help” salaries (+\$165,000); and vacation and sick leave payouts (+\$55,000).																
-\$7,670,000	Retirement contributions remitted to the Orange County Employees Retirement System (OCERS) increased by \$1,920,000. Reasons for the increase in actual plan contributions are further explained in the <i>Major Governmental Funds – General Fund</i> portion of this Management’s Discussion and Analysis. In addition, under the requirements of GASB Statement No. 68, the amount of pension expense recognized during Fiscal Year 2016/17 in order to fully capture OCFA’s share of the net pension liability and related pension expense in its governmental activities, was \$9,590,000 less than the prior fiscal year.																
+\$6,520,000	Other post-employment benefit (OPEB) cost for the defined benefit Retiree Medical Plan increased by \$6,520,000. Annual OPEB cost is equal to an annual required contribution, as determined by an actuarial valuation, plus adjustments for cumulative interest and actual contributions to the plan. An updated actuarial study is completed every other year.																
-\$800,000	The net change in long-term liabilities for various employee leave balances decreased by \$800,000 as compared to the prior fiscal year, and is recognized as an expense in the governmental activities. The net decrease is primarily related to a decline in balances owed for Santa Ana employees who transitioned to OCFA employment in April 2012.																
+\$11,225,000	Subtotal for Public Safety Salaries and Benefits – Net Increase																
+\$8,220,000	OCFA’s long-term liability for workers’ compensation reflects the present value of estimated outstanding losses, as determined by an actuarial valuation and the “confidence level” set by the Board of Directors. The change in the actuarial liability estimate, plus actual cash claims paid, is recognized as an expense. Workers’ compensation expense increased as follows: <table border="1" style="margin-left: 40px; width: 100%;"> <thead> <tr> <th></th> <th style="text-align: center;">FY 2016/17</th> <th style="text-align: center;">FY 2015/16</th> <th style="text-align: center;">Increase (Decrease)</th> </tr> </thead> <tbody> <tr> <td>Actual claims paid</td> <td style="text-align: right;">\$10,200,000</td> <td style="text-align: right;">\$7,890,000</td> <td style="text-align: right;">\$2,310,000</td> </tr> <tr> <td>Change in actuarial estimate</td> <td style="text-align: right;">4,745,000</td> <td style="text-align: right;">(1,165,000)</td> <td style="text-align: right;">5,910,000</td> </tr> <tr style="border-top: 2px solid black; border-bottom: 2px solid black;"> <td>Total fiscal year expense</td> <td style="text-align: right;">\$14,945,000</td> <td style="text-align: right;">\$6,725,000</td> <td style="text-align: right;">\$8,220,000</td> </tr> </tbody> </table>		FY 2016/17	FY 2015/16	Increase (Decrease)	Actual claims paid	\$10,200,000	\$7,890,000	\$2,310,000	Change in actuarial estimate	4,745,000	(1,165,000)	5,910,000	Total fiscal year expense	\$14,945,000	\$6,725,000	\$8,220,000
	FY 2016/17	FY 2015/16	Increase (Decrease)														
Actual claims paid	\$10,200,000	\$7,890,000	\$2,310,000														
Change in actuarial estimate	4,745,000	(1,165,000)	5,910,000														
Total fiscal year expense	\$14,945,000	\$6,725,000	\$8,220,000														
+\$6,500,000	During Fiscal Year 2016/17, OCFA purchased radios and accessories as part of the 800 MHz Countywide-Coordinated Communications (CCCS) System upgrade and replacement project, including (1050) encrypted portable radios; (460) encrypted mobile radios; (110) chargers; (1050) batteries; and (800) speaker microphones.																
+\$2,970,000	Reasons for increases and decreases to the following categories of services and supplies are further explained in the <i>Major Governmental Funds – General Fund</i> portion of this Management’s Discussion and Analysis: clothing and personal supplies (+\$965,000); Fire Station No. 61 fire (+\$680,000); office supplies (+\$500,000); special department expenses (+\$330,000); utilities and communications (+\$215,000); equipment maintenance (+\$210,000); employee travel, training, and meetings (-\$185,000); transportation (+\$100,000); building maintenance (-\$90,000); household items (+\$90,000); food (+\$80,000); and insurance (+\$75,000).																
+\$17,690,000	Subtotal for Public Safety Services and Supplies – Net Increase																
+\$245,000	Public Safety Depreciation and Amortization Expense , which had no impact on OCFA’s cash balances, increased by \$244,795, and pertained primarily to depreciation on vehicles. Fiscal Year 2016/17 was the first full year of depreciation expense for thirty vehicles, including four new type 1 engines that were placed into service in August and October 2016.																
+\$29,160,000	Total Public Safety Expenses – Net Increase																

Interest on Long-term Debt: Interest on long-term debt decreased by \$784,081 from the prior fiscal year. Interest expense on the 2008 helicopter lease purchase agreement decreased by approximately \$60,000 as principal was paid down per the debt-to-maturity schedule. There was also a decrease totaling approximately \$725,000 for interest on Tax and Revenue Anticipation Notes (TRAN) issued during Fiscal Year 2015/16.

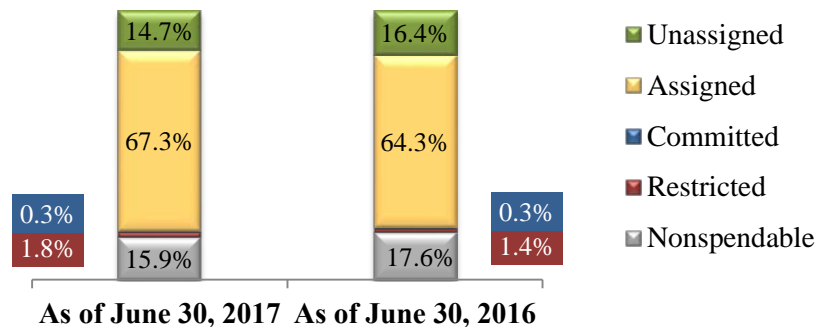
Financial Analysis of OCFA’s Governmental Funds

Governmental Funds: As noted earlier, OCFA uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of OCFA’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the OCFA’s financing requirements. Fund balance is divided into the following five categories:

Category	Description
Nonspendable	Not in a spendable form, or legally or contractually required to remain intact
Restricted	Subject to externally enforceable legal restrictions
Committed	Use is constrained by specific limitations that the Board of Directors imposes upon itself
Assigned	Intended to be used by the government for specific purposes, as established by the governing body itself
Unassigned	Residual amounts in the General Fund available for any purpose (may serve as a useful measure of a government’s net resources available for funding future operational needs)

At the end of Fiscal Year 2016/17, OCFA’s governmental funds reported combined ending fund balances of \$212,910,578, an increase of \$3,539,693 in comparison with the prior fiscal year. Approximately 14.7% constitutes unassigned fund balance, which is available for spending for any purpose. The remaining 85.3% of fund balance is not available for spending on any new purpose, because it has already been restricted, committed, or assigned for specific purposes, or it is in a nonspendable form.

Fund Balances of Governmental Funds



Major Governmental Funds: If the assets, liabilities, revenues, or expenditures of a governmental fund exceed 10% of the total of all governmental funds, that fund is reported as a major governmental fund in the fund financial statements. Because OCFA has elected to classify all of its governmental funds as major, regardless of the calculation, four major funds are reported during the current fiscal year. Following is a description of the changes in each fund’s revenues, expenditures, and transfers from the prior to the current fiscal year, and how those changes impacted net fund balance. Increases to revenues and transfers in impact fund balance positively, while increases to expenditures and transfers out impact fund balance negatively.



The **General Fund** is the chief operating fund of OCFA. At the end of Fiscal Year 2016/17, the General Fund’s fund balance totaled \$147,357,352. Unassigned fund balance totaling \$31,346,672 (21.3%) is available for future spending. The remaining \$116,010,680 (78.7%) is not available for spending on any new purpose, because it has already been restricted, committed or assigned for specific purposes, or is in a nonspendable form. Total fund balance of OCFA’s General Fund decreased by \$5,700,353 during the current fiscal year. The prior fiscal year’s fund balance increased by \$19,802,100, a difference of \$25,502,453. The significant reason(s) for that net difference are identified in the following table.

Impact on Fund Balance (Rounded)	Description
+\$12,990,000	Revenue from property taxes increased primarily due to secured property taxes.
+\$3,090,000	The increase in intergovernmental revenue related primarily to additional contract revenues and drought augmentation funds for the protection of State Responsibility Area totaling \$2.3 million. Other increases included state and federal assistance by hire revenues for increased emergency response activity; tax increment passed through from member cities and the County of Orange; and federal reimbursements for emergency response on hurricanes and other disasters. These increases totaled \$3.7 million, but were offset by \$600,000 in decreases relating to SB90 claims reimbursed from the State of California, as well as various state and federal grants.
+\$2,300,000	The most significant increase in charges for services was \$1.3 million for operating and facilities charges to cash contract cities per terms of the Joint Powers Agreement. Other revenue increases included ambulance transport and supplies reimbursements; inspection fees; the Airport Rescue Firefighting (ARFF) Services contract with John Wayne Airport; and contract work generated by the hand crew.
+\$2,025,000	The increase in miscellaneous revenue was primarily due to amounts received from the Orange County Professional Firefighters Association IAFF Local 3631 in connection with OCFA’s contract governing contributions to the firefighter medical trust, which pays monthly health care premiums for employees in the firefighter unit.
-\$520,000	The decrease in use of money and property primarily pertained to the Fiscal Year 2015/16 Tax and Revenue Anticipation Notes (TRAN) issuance premium totaling \$610,000. A TRAN was not issued during Fiscal Year 2016/17. This decline was offset by increases for investment portfolio earnings, net of a market value investment loss, allocated to the fund (+\$60,000), as well as interest earnings related to property taxes (+\$30,000).
+\$19,885,000	Subtotal – Impact of Revenues
-\$8,470,000	Overtime costs increased by over \$8.4 million, which included non-discretionary backfill for open/vacant suppression positions; overtime and backfill for suppression personnel responding to emergency incidents; and backfill for suppression personnel on workers’ compensation or those utilizing leave balances. The number of emergency response hours for emergency incidents increased by over 28,000 hours due to a higher volume of out-of-county incidents in Fiscal Year 2016/17.
-\$4,190,000	Other pay – which includes pay to employees on workers’ compensation, educational incentives, paramedic/EMT bonuses, bilingual pay, and other specialty pay – increased or decreased as follows: <ul style="list-style-type: none"> ➤ Workers’ compensation pay +\$1,600,000 ➤ Paramedic specialty pay +\$715,000 ➤ Education incentives +\$525,000 ➤ Special assignment pay for various operations specialties +\$510,000 ➤ Emergency medical technician (EMT) pay +\$400,000 ➤ Special assignment pay for staff positions +\$355,000 ➤ Military leave -\$50,000 ➤ Special assignment “on call” pay +\$50,000 ➤ Miscellaneous taxable pay +\$45,000 ➤ Bilingual pay +\$40,000

(Continued)

Impact on Fund Balance (Rounded)	Description
<i>(Continued)</i>	The number of employees on workers' compensation for all or a portion of the year increased from 206 in Fiscal Year 2015/16 to 239 in Fiscal Year 2016/17, attributing to \$1.6 million of the overall increase in other pay. Paramedic specialty pay, which is calculated at 15% of regular pay, was another significant contributor to the overall increase. This specialty pay increased by over \$700,000 because various unit reconfigurations in 2016 and 2017 increased the number of paramedic post positions.
-\$1,920,000	Retirement costs had a net increase due to additional employer contributions made toward the net unfunded pension liability (+\$1,185,000); and pension contributions based on employee compensation, net of an increase in the annual savings achieved by pre-paying a portion of the subsequent fiscal year's contributions to OCERS (+\$735,000).
-\$1,405,000	Employee health insurance and other benefits increased primarily due to firefighter health insurance premiums. Monthly rates per employee increased from \$1,742 to \$1,900 effective January 1, 2016.
+\$1,110,000	Regular pay, as well as related costs such as FICA and Medicare, increased by \$9 million due to scheduled pay increases per labor contracts negotiated with various employee groups. Pay increases that went into effect during Fiscal Year 2016/17 included chief officers (4.50% effective July 2016); firefighters (4.50% effective September 2016); administrative managers (1.95% effective January 2017); and general and supervisory employees (3.00% effective March 2017). These costs were offset by a \$10.1 million decline in the year-end estimate for accrued but unpaid payroll costs. The year-end estimate varies each year depending on the timing of the bi-weekly pay period calendar.
-\$165,000	Salary costs for temporary, "extra help" employees increased by \$165,000 in the following areas: <ul style="list-style-type: none"> <li style="margin-left: 20px;">➤ Helicopter program +\$70,000 <li style="margin-left: 20px;">➤ Emergency medical services +\$60,000 <li style="margin-left: 20px;">➤ Human resources +\$35,000 <p>During Fiscal Year 2016/17, two helicopter pilots were hired as extra help before being transitioned to full-time employee positions. In addition, OCFA's full-time Medical Director position that had been vacated in the prior fiscal year was instead filled with an extra help employee during Fiscal Year 2016/17.</p>
-\$55,000	Vacation and sick leave payouts increased primarily due to a greater number of employees either opting to cash out their vacation balances or automatically being paid out vacation balances upon reaching the maximum allowable accrual during Fiscal Year 2016/17.
-\$15,095,000	<i>Subtotal – Impact of Salaries and Benefits</i>
-\$2,375,000	The most significant increases in professional services pertained to workers compensation claims paid, which increased by over \$2.3 million in Fiscal Year 2016/17. Another significant increase included partnership costs paid to the Orange County Sheriff's Department for OCFA's proportionate share of the 800 MHz Countywide-Coordinated Communications System (CCCS) replacement, which increased by nearly \$700,000. These increases were offset by a \$700,000 decline in the annual property tax administrative fee paid to the County of Orange.
-\$965,000	Clothing and personal supply costs increased due to the purchase of firefighter turnouts. In an effort to improve firefighter safety in regards to cancer risk, OCFA has set a goal to issue a second set of turnouts to every firefighter. Additional turnouts were issued to members of Academy 42 in Fiscal Year 2015/16. Roll-out of a second set to all remaining suppression personnel occurred throughout Fiscal Year 2016/17 and is expected to continue for an additional six to nine months.
-\$680,000	OCFA incurred \$680,000 of services and supplies costs in Fiscal Year 2016/17 relating to a fire that destroyed Fire Station No. 61 (Buena Park) in January 2017, including: <ul style="list-style-type: none"> <li style="margin-left: 20px;">➤ Employee claims for loss of personal property and tools +\$190,000 <li style="margin-left: 20px;">➤ Replacement of specialized tools and supplies +\$160,000 <li style="margin-left: 20px;">➤ Uniforms and other personal protective equipment +\$125,000 <li style="margin-left: 20px;">➤ Establishment of a temporary fire station +\$90,000 <li style="margin-left: 20px;">➤ Security services +\$85,000

(Continued)

Impact on Fund Balance (Rounded)	Description
(Continued)	<ul style="list-style-type: none"> ➤ Initial incident response +\$20,000 ➤ Other services and supplies +\$10,000
-\$500,000	During Fiscal Year 2016/17, OCFA began a project to replace its Electronic Pre-Hospital Care Report (EPCR) tablets on frontline units. The purchase of these and other tablets and related accessories was the primary reason for the increase in office supply costs (+\$250,000). Other increases included the cost to license Microsoft office products and the purchase of additional desktop computers to replenish depleting stock.
-\$330,000	Increases in special department expenditures pertained primarily to a project to purchase and replace (180) automated external defibrillators (AED's) and (20) simulators for AED's and cardiac monitors, along with related supplies such as batteries and electrodes.
-\$215,000	The increase in utilities and communications charges related to the monthly cost of cell phone and public broadband. The number of tablets with broadband capabilities increased due to the rollout of new EPCR tablets on all frontline units, as well as an increase in EPCR's assigned to each medic unit from one to two as part of phased-in changes to OCFA's overall EMS deployment model.
-\$210,000	Equipment and vehicle maintenance was higher in Fiscal Year 2016/17 primarily due to replacement of tires on fire apparatus. Industry standards require tire replacement every eight years regardless of age or wear and tear. Costs were also higher due to maintenance on the Bell 412 helicopter fleet, including a hoist assembly overhaul, engine diagnostic and repairs, and removal and replacement of an engine deck.
+\$185,000	The cost of employee travel, training, and meetings decreased for a variety of reasons, including changes to hours owed under OCFA's tuition contract with Santa Ana College; implementation of a new OCFA-wide "Crucial Conversations" program during Fiscal Year 2015/16; and a decline in the number of out-of-county training trips completed by personnel in the Training & Safety Services section.
-\$100,000	Transportation costs increased due to an increase in diesel fuel prices. Fiscal Year 2015/16 diesel fuel purchases averaged \$2.04 per gallon, while Fiscal Year 2016/17 prices were 9% higher at an average price of \$2.23 per gallon. In addition, there was an increase in the use of OCFA's fuel cards, which are generally charged a higher rate per gallon as compared to bulk diesel and regular fuel purchases.
+\$90,000	Decreases in building maintenance were attributed primarily to door and gate projects. There were several significant repair projects in Fiscal Year 2015/16, including removal and replacement of fencing at Fire Station No. 26 (Irvine); installation of a fence and gate at Fire Station No. 30 (Dana Point); and repairs to the front gate security system at the Regional Fire Operations and Training Center (RFOTC). Repairs and maintenance of the heating, ventilation and air conditioning (HVAC) system at the RFOTC also declined during Fiscal Year 2016/17.
-\$90,000	Expenditures increased for household items needed at OCFA's 72 fire stations. Some of the more significant purchases in Fiscal Year 2016/17 included the replacement of chairs, furniture, appliances, mattresses, and window coverings due to normal wear and tear.
-\$80,000	Food costs were higher in Fiscal Year 2016/17 because of box lunches and catered meals for significant local fire incidents, including the Holy Jim Fire in September 2016 and the Cristianitos Fire in June 2017.
-\$75,000	Insurance premiums increased for excess workers' compensation coverage (+\$130,000), but decreased for general liability (-\$70,000) and aviation (-\$10,000) coverage. During Fiscal Year 2016/17, there were also increases in out-of-pocket deductibles for vehicle and property damage (+\$20,000), as well as insurance benefits paid to surviving spouses (+\$5,000).
-\$70,000	More medical, dental, and lab supplies were purchased in Fiscal Year 2016/17, including pharmaceuticals, catheters, defibrillator supplies, needles, and airway trainers. Purchases of these supplies vary each year as stock is replenished and expiring items are replaced.
+\$50,000	Utility costs declined during Fiscal Year 2016/17, primarily due to electricity at the RFOTC during the six-month period from July 2016 through December 2016.
-\$5,365,000	Subtotal – Impact of Services and Supplies <i>(Continued)</i>

Impact on Fund Balance (Rounded)	Description
(Continued) -\$3,925,000	Capital outlay varies each fiscal year based on organizational needs for new and replacement equipment. Significant equipment purchases in Fiscal Year 2016/17 included 120 frontline cardiac monitors and thirty tablets for testing as mobile data computers. In addition, the purchase and installation of various Code 3 equipment onto fire apparatus increased during Fiscal Year 2016/17. The most significant purchase in Fiscal Year 2015/16 included two storage system servers.
+\$475,000	Interest and fiscal charges decreased due to changes in how OCFA's short-term cash flow needs were managed. During Fiscal Year 2015/16, the General Fund borrowed a combined \$46 million through the issuance of Tax and Revenue Anticipation Notes (TRAN) and short-term borrowing from other funds, with interest rates of 2.00% and 0.41%, respectively. During Fiscal Year 2016/17, the General Fund again borrowed \$46 million but utilized only short-term borrowing from other funds, with an interest rate of 0.73%. The lower interfund borrowing rate, which is based the effective rate of return on OCFA's investment portfolio, attributed to the total decline in interest and fiscal charges incurred.
-\$90,000	OCFA incurred \$90,000 of capital outlay in Fiscal Year 2016/17 relating to a fire that destroyed Fire Station No. 61 (Buena Park) in January 2017. Replacement equipment purchases included: <ul style="list-style-type: none"> ➤ Temporary apparatus bay +\$35,000 ➤ First-in alerting system for temporary station +\$30,000 ➤ Swift water boat +\$15,000 ➤ Combination hydraulic tool for Truck 61 +\$10,000
-\$3,540,000	<i>Subtotal – Impact of Capital Outlay, Interest, and Fiscal Charges</i>
-\$24,000,000	<i>Subtotal – Impact of Expenditures</i>
-\$22,540,000	Net interfund transfers increased and decreased as follows: <ul style="list-style-type: none"> ➤ Transfers made from the General Fund to the capital projects funds to fund current and future projects in the Capital Improvement Program increased by a combined \$28,095,000. ➤ During Fiscal Year 2016/17, net resources that had accumulated in the Communications and Information Systems Fund exceeded projects identified in the upcoming five-year capital improvement program, resulting in a transfer back to the General Fund totaling \$5,555,000 in accordance with OCFA's <i>Assigned Fund Balance Policy</i>.
+\$1,100,000	Insurance recoveries increased in Fiscal Year 2016/17 due to property damage incurred during a fire at Fire Station No. 61 (Buena Park).
+\$55,000	There was an increase in the proceeds from sale of capital and other assets, primarily due to the sale of three type 1 engines and miscellaneous supplies during Fiscal Year 2016/17.
-\$21,385,000	<i>Subtotal – Impact of Other Financing Sources and Uses</i>
-\$25,500,000	General Fund – Net Impact on Fund Balance



The *Communications and Information Systems Fund* had total fund balance of \$11,393,186 at the end of Fiscal Year 2016/17. Fund balance was assigned to the Capital Improvement Program (\$11,255,995) and communications and information technologies projects (\$132,583). The remaining \$4,608 is not available for spending on any new purpose, because it is in a nonspendable form. Total fund balance decreased by \$7,609,086 during the current fiscal year. The prior fiscal year’s fund balance increased by \$346,417, a difference of \$7,955,503. The significant reason(s) for that net difference are identified in the following table.

Impact on Fund Balance (Rounded)	Description
-\$7,090,000	<p>Expenditures for services and supplies and capital outlay increased due to three significant, multi-year capital improvement projects as follows:</p> <ul style="list-style-type: none"> ➤ The 800 MHz Countywide-Coordinated Communications (CCCS) System is administered by the Orange County Sheriff’s Department. The upgrade and replacement of the original system, which was implemented from 1999 to 2001, is being implemented in various phases. Individual participating agencies are responsible for purchasing their own radios and dispatch consoles that are compatible with the new system. During Fiscal Year 2016/17, OCFA purchased over 1,500 encrypted portable, mobile, and base station 800 MHz radios, along with accessories such as chargers, batteries, and speaker microphones (+\$6,715,000). ➤ The Regional Fire Operations and Training Center (RFOTC) Audio Visual Upgrade project consists of the upgrade and replacement of various audio visual equipment used in the RFOTC board room and five classrooms. The project includes the purchase and installation of mixing boards, microphones, projectors, computers, controllers, and cabling; the addition of video teleconferencing capabilities; and an automated voting system for the board room. Work began in Fiscal Year 2015/16, but the majority of project costs were incurred during the current fiscal year at the peak of the project’s activity. All improvements were placed into service during Fiscal Year 2016/17 with the exception of the board room (+\$420,000). ➤ The Fire Station Alerting System project was a component of the overall CAD public safety system project. The project began in Fiscal Year 2013/14 and was placed in service July 2015. Some incidental costs to finalize the project were incurred during the first month of Fiscal Year 2015/16 (-\$45,000).
-\$765,000	<p>Net transfers in and out of the Communications and Information Systems Fund changed as follows:</p> <ul style="list-style-type: none"> ➤ Transfers in from the General Fund for current and future projects in the Capital Improvement Program increased by \$4,790,000 over the amount transferred in the prior fiscal year. ➤ During Fiscal year 2016/17, net resources that had accumulated in the Communications and Information Systems fund exceeded projects identified in the upcoming five-year capital improvement program, resulting in a transfer back to the General Fund totaling \$5,555,000 in accordance with OCFA’s <i>Assigned Fund Balance Policy</i>.
-\$110,000	Miscellaneous revenues pertaining to bankruptcy proceeds decreased during Fiscal Year 2016/17.
+\$10,000	Revenues for use of money and property increased due to portfolio earnings, net of the market value investment loss, allocated to the fund.
-\$7,955,000	Communications and Information Systems Fund – Net Impact on Fund Balance



The **Fire Apparatus Fund** had total fund balance of \$30,004,043 at the end of Fiscal Year 2016/17. Fund balance was assigned to the Capital Improvement Program (\$13,470,899) and purchase of fire apparatus and vehicles (\$16,533,144). Total fund balance increased by \$8,551,782 during the current fiscal year. The prior fiscal year's fund balance decreased by \$3,988,171, a difference of \$12,539,953. The significant reason(s) for that net difference are identified in the following table.

Impact on Fund Balance (Rounded)	Description
+\$15,405,000	Transfers in from the General Fund for current and future projects in the Capital Improvement Program increased by \$15,405,000 over the amount transferred in the prior fiscal year.
-\$2,760,000	Expenditures for services and supplies and capital outlay to purchase and outfit vehicles vary each fiscal year based on organizational needs for new and replacement vehicles. Expenditures were higher in Fiscal Year 2016/17 primarily due to the purchase of four 100' tractor drawn aerials (+\$5,180,000). The most significant purchases in the prior year were for four type 1 engines (-\$2,140,000) and six sport utility vehicles for use by Executive Management (-\$280,000).
-\$70,000	Charges for services were for vehicle charges to cash contract cities, which decreased in accordance with the terms of the Joint Powers Agreement.
-\$65,000	Miscellaneous revenues pertaining to bankruptcy proceeds decreased during Fiscal Year 2016/17.
+\$30,000	Revenues for use of money and property increased due to portfolio earnings, net of the market value investment loss, allocated to the fund.
+\$12,540,000	Fire Apparatus Fund – Net Impact on Fund Balance



The **Fire Stations and Facilities Fund** had total fund balance of \$24,155,997 at the end of Fiscal Year 2016/17. Amounts pertaining to CALFIRE revenues received for future fire station construction (\$533,232) were classified as restricted. Remaining amounts were assigned to the Capital Improvement Program (\$23,312,309) and construction projects (\$310,456). Total fund balance increased by \$8,297,350 during the current fiscal year. The prior fiscal year's fund balance increased by \$3,338,405, a difference of \$4,958,945. The significant reason(s) for that net difference are identified in the following table.

Impact on Fund Balance (Rounded)	Description
+\$7,900,000	Transfers in from the General Fund for current and future projects in the Capital Improvement Program increased by \$7,900,000 over the amount transferred in the prior fiscal year.
-\$2,270,000	Developer contribution revenue generated by Secured Fire Protection Agreements with developers vary each fiscal year based on housing development projects being completed throughout the county. Decreases in Fiscal Year 2016/17 developer activity primarily related to projects in the cities of Irvine and Lake Forest.
-\$670,000	Expenditures for services and supplies and capital outlay increased due to three significant, multi-year capital improvement projects as follows: <ul style="list-style-type: none"> ➤ A warehouse was purchased during Fiscal Year 2014/15, and various tenant improvement projects have been in process since that time to convert it into a fully-functioning, centralized facility for the Urban Search and Rescue (USAR) program. Tenant improvement include engineering, expansion and installation of roll-up doors, exhaust systems, phone and information technology upgrades, and various other facility repairs. The majority of project costs were incurred during Fiscal Year 2016/17 (+\$420,000). Work is still ongoing and is expected to be completed during Fiscal Year 2017/18.

(Continued)

Impact on Fund Balance (Rounded)	Description
<i>(Continued)</i>	<ul style="list-style-type: none"> ➤ The RFOTC Emergency Power Circuit Extension project is for the construction and installation of emergency power circuits that would energize the entire RFOTC facility in the event of a power disruption. While some initial project permits charges were incurred during the prior fiscal year, the majority of the project costs were incurred during Fiscal Year 2016/17 (+\$300,000). Work is expected to be completed in the summer of 2017. ➤ Fire Station No. 56 (Village of Sendero) was constructed and placed into service during Fiscal Year 2015/16. Project costs incurred during the prior fiscal year included final construction, furniture, and fixtures (-\$50,000).
+\$4,960,000	Fire Stations and Facilities Fund – Net Impact on Fund Balance

General Fund Budgetary Highlights

The following table summarizes the changes in General Fund appropriations, as well as the variance between the final budget and actual amounts for Fiscal Year 2016/17.

	Original Budget	Increase (Decrease)	Final Budget	Variance Positive (Negative)	Actual Amounts
Salaries and benefits	\$283,291,422	\$25,264,047	\$308,555,469	\$ (951,964)	\$309,507,433
Services and supplies	36,474,966	10,405,800	46,880,766	5,349,560	41,531,206
Capital outlay	1,088,683	4,840,498	5,929,181	1,291,823	4,637,358
Interest and fiscal charges	754,436	(541,636)	212,800	(53,504)	266,304
Transfers out	<u>22,579,894</u>	<u>5,591,713</u>	<u>28,171,607</u>	<u>-</u>	<u>28,171,607</u>
	<u>\$344,189,401</u>	<u>\$45,560,422</u>	<u>\$389,749,823</u>	<u>\$5,635,915</u>	<u>\$384,113,908</u>

Adjustments to Appropriations: Budgeted General Fund appropriations increased by \$45,560,422 from the time the original budget was adopted until the end of the fiscal year. Adjustments typically pertained to activities that occurred throughout the year but were either unknown or for which reliable estimates could not be determined at the time of the original budget adoption. Significant adjustments are listed below:

Reason for Adjustment to Original Budget	Increase (Decrease) (Rounded)
One-time contribution toward unfunded pension liability	\$9,815,000
Overtime and backfill for response to out-of-county and other incidents	7,335,000
Transfers to Capital Improvement Program (CIP)	5,540,000
Compensation changes per Memorandums of Understanding	4,955,000
Various equipment (including cardiac monitors)	4,105,000
Turnouts	2,300,000
Grant activities	2,160,000
Workers compensation	1,765,000
Firefighter and dispatcher academies	1,600,000
Staffing changes, reconfigurations, and service enhancements	1,435,000
Station 61 fire replacement and other costs (excludes vehicles)	1,405,000
Information Technology Division maintenance and support	1,070,000
	<i>(Continued)</i>

Reason for Adjustment to Original Budget	Increase (Decrease) (Rounded)
<i>(Continued)</i>	
Information Technology Division CIP projects	685,000
Interest on Tax and Revenue Anticipation Notes (TRAN) and interfund borrowing	(625,000)
Structural fire entitlement projects	585,000
Various professional services	470,000
Facilities maintenance	390,000
Helicopter maintenance and training	160,000
Various other appropriations	410,000
Total adjustments	\$45,560,000

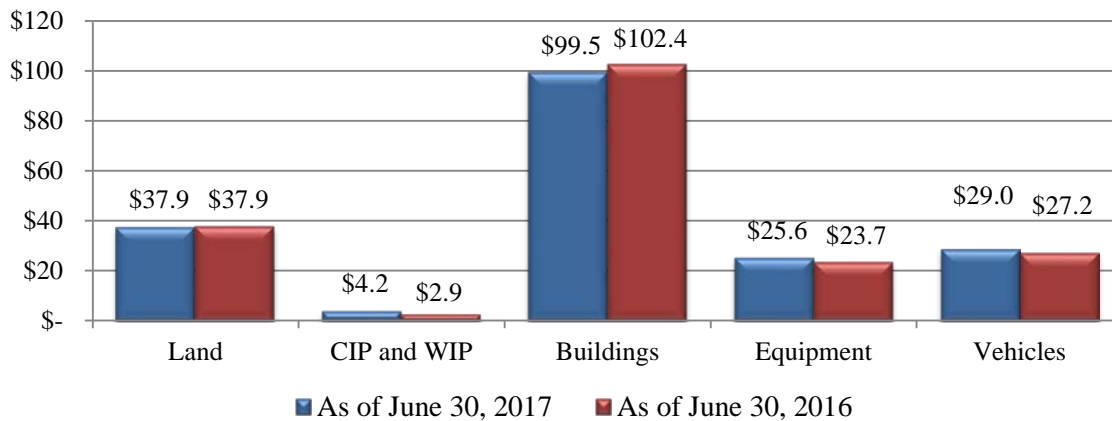
Variance Between Final Budget and Actual Amounts: Final, budgeted General Fund expenditures exceeded actual amounts, resulting in a positive budget variance totaling \$5,635,915. Over \$5.3 million of this variance related to various operating costs, projects, and other purchases and for services and supplies that were budgeted but not completed during Fiscal Year 2016/17. In some cases, uncompleted projects were delayed due to project complexity or time requirements and will be re-budgeted, if needed, to Fiscal Year 2017/18. Individually significant variances are summarized below:

Department	Amount (Rounded)
Service Center savings totaled over \$1.4 million, primarily related to firefighter turnouts that are being purchased in phases. In October 2016, the Board of Directors authorized \$2.3 million for the purchase of a second set of turnouts for all firefighters. Purchases are expected to continue into the next fiscal year. As of June 30, 2017, an encumbered purchase order for 535 turnout coats and pants had been issued (phases two and three), but items were not received prior to the end of the fiscal year.	\$1,420,000
The amount budgeted for workers' compensation is based on an actuarially-determined estimate. Actual expenditures for workers' compensation cases typically occur over multiple years, which often attributes to a difference between budgeted costs and actual expenditures during any given fiscal year. During Fiscal Year 2016/17, actual claims paid from the General Fund were \$945,000 more than the actuarial estimate, creating a negative budget variance.	(945,000)
Financial Services savings totaled \$725,000, primarily due to the annual property tax administrative fee that was much lower than originally anticipated.	725,000
In January 2017, the Board of Directors authorized appropriations totaling \$3 million for unanticipated purchases relating to the fire at Fire Station No. 61. A balance of \$720,000 remains unspent in the General Fund. Establishment of a temporary station and replacement of additional equipment and supplies are expected to extend into Fiscal Year 2017/18.	720,000
The entire balance of funds committed for Structural Fire Fund projects was budgeted during Fiscal Year 2016/17; however, eligible cities submitted reimbursement requests only for those projects completed.	545,000
The Fiscal Year 2016/17 Executive Management budget included a line item for professional services relating to integration of policy manuals and training bulletins. This project was postponed to Fiscal Year 2017/18.	385,000
Other variances combined	2,500,000
Total services and supplies variance	\$5,350,000

Capital Assets and Debt Administration

Capital Assets: OCFA’s investment in capital assets for its government activities at the end of Fiscal Year 2016/17 totaled \$192,430,467 (net of accumulated depreciation and amortization and related outstanding debt). This investment in capital assets includes land, buildings, equipment, vehicles, work in progress and construction in progress. Net capital assets increased from the prior fiscal year by \$4,519,790 (2.4%). Following is a summary of net capital assets by type for the current and prior fiscal years.

**Capital Assets, Net of Accumulated Depreciation and Amortization
 As of June 30, 2017 and 2016
 (In Millions)**



Construction in Progress (CIP) and Work in Progress (WIP): Construction projects completed over the span of multiple fiscal years are classified as CIP at year-end if they are not yet completed and placed into service. Fire engines, trucks, and other vehicles, are classified as WIP at year-end if they are in the process of being outfitted for operation and will be completed over the span of multiple fiscal years. WIP also includes multi-year communications and information systems projects. CIP and WIP accounted for thirty-four projects during Fiscal Year 2016/17, twenty-two of which were placed into service and twelve of which were still in progress at year-end.

- CIP additions totaling over \$1 million included various tenant improvements at the Urban Search and Rescue (USAR) warehouse in Foothill Ranch; a generator upgrade project at the Regional Fire Operations and Training Center (RFOTC); and audio visual upgrades in the RFOTC board room. These three projects, along with a dormitory remodel project at fire Station No. 41 (Fullerton Airport), were still in progress at fiscal year-end.
- WIP additions totaled over \$3.2 million during Fiscal Year 2016/17, including costs pertaining to two 100’ tractor drawn aerials (\$2.6 million); fifteen Chevrolet Colorado pickup trucks (\$330,000); one squad (\$190,000); one Chevrolet Silverado pickup truck (\$60,000); six front-line Chevrolet Suburban sport utility vehicles (\$40,000); four type one engines (\$25,000); and a temperature monitoring system for the RFOTC data center (\$10,000). Fifteen Chevrolet Colorado pickup trucks, three Chevrolet Suburban sport utility vehicles, and four type one engines were all placed into service during the fiscal year, while the remaining projects were still in progress as of June 30, 2017.

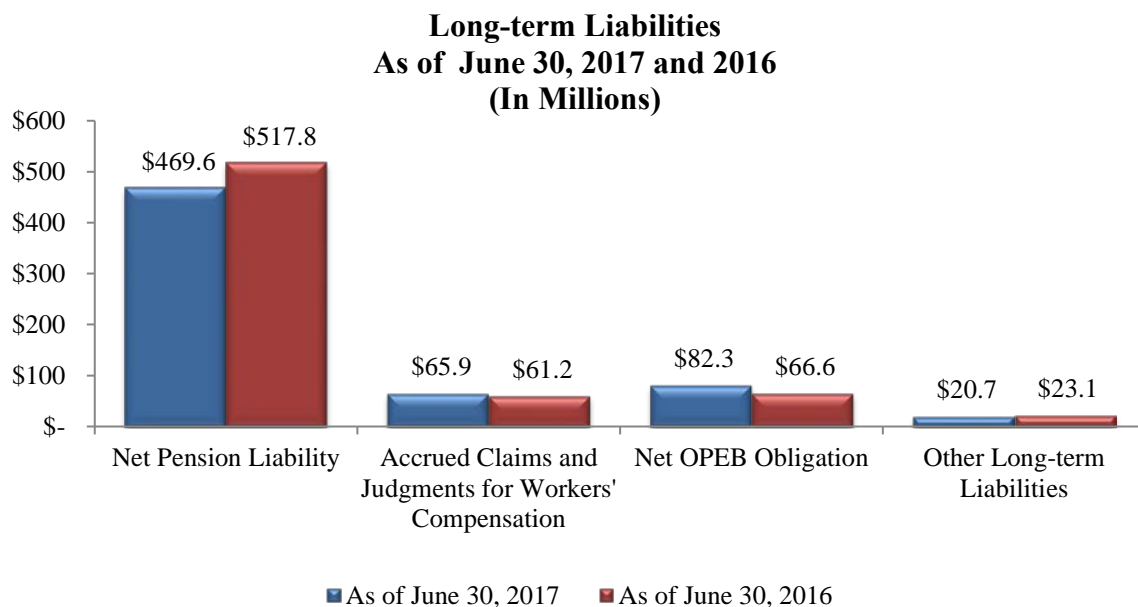
Buildings: Fiscal Year 2016/17 building and building improvement additions included \$270,000 for audio visual upgrades made in five classrooms at the RFOTC. Improvements were placed into service in November 2016 (Building D classrooms), January 2017 (Board breakout classroom), and March 2017 (Building A classrooms).

Equipment: Equipment additions totaled over \$4.7 million for 226 items during Fiscal Year 2016/17. The most individually significant additions included 127 cardiac monitors (\$3.8 million) and thirty-four encrypted base station 800 MHz radios purchased as part of the 800 MHz Countywide Coordinated Communications (CCCS) System (\$215,000). Thirty-three items were disposed of during Fiscal Year 2016/17, including twenty-one servers that were scrapped because they had reached the end of their useful service lives and were considered obsolete. An additional eight equipment items were impaired because they were destroyed during the January 2017 fire at Fire Station No. 61 in Buena Park, including a boat, two cardiac monitors, four hydraulic tools, and a thermal imaging camera.

Vehicles: Vehicle additions during Fiscal Year 2016/17 totaled \$5.9 million, consisting of \$2.9 million in new purchases plus \$3 million of completed vehicles transferred in from WIP. The most individually significant additions included two 100' tractor drawn aerials (\$2.6 million) and four type one engines (\$2.6 million). Ten vehicles were removed from OCFA's fleet during Fiscal Year 2016/17 as part of OCFA's ongoing vehicle replacement plan. These vehicles had reached the end of their useful service lives and were fully or mostly depreciated. Nine vehicles were sold at public auction and a type 1 engine was returned to the City of Santa Ana. An additional three vehicles were impaired because they were destroyed during the fire at Fire Station No. 61, including a 100' tractor drawn aerial (Truck 61), a Chevrolet Suburban sport utility vehicle (Battalion Chief), and a squad (Swift Water 61).

Additional information pertaining to OCFA's capital assets can be found in Notes 3 and 15 of the accompanying Notes to the Financial Statements.

Long-term Debt: Total long-term liabilities decreased by net \$30,414,065 (4.5%) during Fiscal Year 2016/17.



The most significant increases and decreases to long-term liabilities pertained to the net pension liability for the Orange County Employees Retirement System (OCERS) pension plan, which is reported in the financial statements as a long-term liability in conjunction with the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68. As of June 30, 2017, OCFA's share of the plan's net pension liability at OCERS, as determined by an actuarial valuation for the plan as a whole, totaled \$469.4 million, a net decline of \$48.2 million from the prior fiscal year's ending balance. The increases and decreases reported for the long-term pension liability are reported using an "accounting-based approach" in order to fully capture OCFA's net liability and related pension expense incurred during each fiscal year. This differs from the "funding-based approach" used to calculate annual retirement rates and the amount of required employer and employee contributions due from OCFA to OCERS.

Additional information on the OCFA's long-term liabilities can be found in Note 16 of the accompanying Notes to the Financial Statements.

Next Year's Budget

The Fiscal Year 2017/18 General Operating Fund adopted expenditure budget is approximately \$350.3 million, which is a net increase of \$27.1 million (8.4%) from the final Fiscal Year 2016/17 General Operating Fund budget totaling \$323.2 million. (These amounts exclude one-time and grant-related items, as well as unspent, encumbered appropriations from the prior fiscal year that are effectually re-appropriated in the ensuing year's budget). Highlights of the Fiscal Year 2017/18 General Operating Fund Budget are as follow:

- Budgeted salaries and benefits increased by \$23.0 million. The budget reflects annual costs in accordance with approved Memorandums of Understanding with each labor group and merit increases for qualifying employees. The retirement budget for Fiscal Year 2017/18 is based on rates provided by the Orange County Employees Retirement System (OCERS). The retirement budget also includes approximately \$5.9 million in additional pension liability payments, in accordance with the Board's direction to continue to expedite the payment of OCFA's net pension liability.
- Budgeted services and supplies, capital outlay, and debt service increased by \$4.1 million. Overall, budgets were held flat as compared to Fiscal Year 2016/17, unless specific increases were identified by OCFA management or one-time grant proceeds were received. In general, the base Fiscal Year 2017/18 budget excluded one-time, grant-related, and assistance by hire expenditures at the time of adoption, as these projects will be budgeted as-needed throughout the upcoming fiscal year.
- The total number of authorized positions in the Fiscal Year 2017/18 budget is 1,403, which is 40 positions higher than the final, authorized position list as of June 30, 2017. Twenty-five of those new authorized positions are for members of the Board of Directors, which were converted from contractors to employees in January 2017. In addition, the budget reflects funding for only 1,346 of the 1,403 authorized positions, since frozen vacancies, grant-funded, and limited term positions are not included at the time the original budget is adopted. Changes in authorized positions by unit are summarized as follows:

Unit	FY 2017/18 Budget	FY 2016/17 Final	Increase (Decrease)
Firefighter Unit	1,034	1,023	11
Fire Management Unit	45	45	-
General Unit	218	213	5
Supervisory Management Unit	28	27	1
Supported Employment Unit	4	4	-
Administrative Management	42	43	(1)
Executive Management	7	8	(1)
Board of Directors	25	-	25
Total authorized positions	1,403	1,363	40

Requests for Information

This financial report is designed to provide a general overview of OCFA's and the OCFA Foundation's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Manager/Auditor, Orange County Fire Authority, 1 Fire Authority Road, Irvine, California 92602.



Orange County Fire Authority Safety Message

Electrical Fire Safety **(Part 2 of 4)**

(Continued from Page 4)



Home electrical fires are responsible for an estimated 51,000 fires and \$1.3 billion in property damage each year. Protect your family and your home by following these electrical safety tips.

Outlets

- ✓ Never overload wall outlets.
- ✓ Insert plugs fully into sockets.
- ✓ Install tamper-resistant electrical outlets if you have children.

(Continued on Page 27)

Government-wide Financial Statements



Best & Bravest Awards Dinner

February 2017





Orange County Fire Authority Safety Message

Electrical Fire Safety
(Part 3 of 4)

(Continued from Page 26)



Home electrical fires are responsible for an estimated 51,000 fires and \$1.3 billion in property damage each year. Protect your family and your home by following these electrical safety tips.

Extension Cords, Power Strips, and Surge Protectors

- ✓ Replace worn, old, or damaged extension cords right away.
- ✓ Extension cords are meant for short-term use only. If necessary, have a qualified electrician add more outlets to prevent long-term use.
- ✓ Do not run electrical cords across doorways or under carpets.
- ✓ Do not overload power strips.
- ✓ Use surge protectors, not power strips, with electrical devices that require a lot of electricity to operate.

(Continued on Page 32)

ORANGE COUNTY FIRE AUTHORITY
Statement of Net Position
June 30, 2017
(With Comparative Data for Prior Year)

	Primary Government	
	Governmental Activities	
	2017	2016
Assets:		
Cash and investments (Note 4)	\$ 178,194,261	\$ 177,729,367
Receivables:		
Accounts, net (Note 5)	3,132,852	2,566,770
Accrued interest	249,934	224,075
Prepaid costs and other assets (Note 6)	19,157,452	25,551,256
Due from other governments, net (Note 7)	11,163,722	11,671,971
Capital assets (Note 15):		
Land	37,887,850	37,887,850
Construction in progress	1,152,458	102,341
Work in progress	3,031,036	2,795,704
Capital assets, net of accumulated depreciation/amortization	154,072,430	153,235,229
Total assets	408,041,995	411,764,563
Deferred Outflows of Resources:		
Deferred outflows of resources related to pensions (Note 16b)	122,197,259	150,278,544
Total deferred outflows of resources	122,197,259	150,278,544
Liabilities:		
Accounts payable	3,999,597	3,008,616
Accrued liabilities	8,293,131	14,824,059
Accrued interest	2,083	3,427
Unearned revenue (Note 9)	972,723	33,116
Due to other governments (Note 8)	152,192	123,047
Long-term liabilities (Note 16a):		
Other due within one year	16,972,087	13,377,381
Other due in more than one year	69,607,212	70,948,919
Proportionate share net pension liability	469,555,119	517,833,497
Net OPEB obligation	82,254,710	66,643,396
Total liabilities	651,808,854	686,795,458
Deferred Inflows of Resources:		
Deferred inflows of resources related to pensions (Note 16b)	55,204,447	35,911,567
Total deferred outflows of resources	55,204,447	35,911,567
Net position:		
Net investment in capital assets (Note 15b)	192,430,467	187,910,677
Restricted for:		
Capital projects	533,232	533,232
Other purposes	3,364,382	2,348,678
Unrestricted	(373,102,128)	(351,456,505)
Total net position	\$ (176,774,047)	\$ (160,663,918)

See Notes to the Financial Statements

Component Unit	
OCFA Foundation	
2017	2016
\$ 122,585	\$ 108,718
3,557	90
-	-
564	7,015
-	-
-	-
-	-
-	-
15,912	-
142,618	115,823
-	-
-	-
1,038	142
-	-
-	-
-	6,000
-	-
-	-
-	-
-	-
-	-
1,038	6,142
-	-
-	-
15,912	-
-	-
49,518	47,448
76,150	62,233
\$ 141,580	\$ 109,681

See Notes to the Financial Statements

ORANGE COUNTY FIRE AUTHORITY
Statement of Activities
Year ended June 30, 2017
(With Comparative Data for Prior Year)

	Primary Government	
	Governmental Activities	
	2017	2016
Expenses:		
Public safety:		
Salaries and benefits	\$ 327,515,166	\$ 316,292,785
Services and supplies	52,819,125	35,127,573
Depreciation and amortization (Note 15d)	9,512,777	9,267,982
Interest on long-term debt	133,239	917,320
Total program expenses	389,980,307	361,605,660
Program revenues:		
Public safety:		
Charges for services	121,875,157	117,263,679
Operating grants and contributions	11,992,438	12,165,015
Capital grants and contributions	1,040,129	3,331,088
Total program revenues	134,907,724	132,759,782
Net program (expenses) revenues	(255,072,583)	(228,845,878)
General revenues:		
Property taxes	232,832,758	219,840,417
Investment income	990,851	1,654,065
Gain on disposal of capital assets (Note 15e)	657,944	6,000
Miscellaneous	4,480,901	2,823,503
Total general revenues	238,962,454	224,323,985
Change in net position	(16,110,129)	(4,521,893)
Net position at beginning of year	(160,663,918)	(156,142,025)
Net position at end of year	\$ (176,774,047)	\$ (160,663,918)

See Notes to the Financial Statements

Component Unit	
OCFA Foundation	
2017	2016
\$ -	\$ -
31,183	65,230
67	-
-	-
31,250	65,230
-	-
55,149	69,997
8,000	-
63,149	69,997
31,899	4,767
-	-
-	-
-	-
-	-
31,899	4,767
109,681	104,914
\$ 141,580	\$ 109,681

See Notes to the Financial Statements



Orange County Fire Authority Safety Message

Electrical Fire Safety **(Part 4 of 4)**

(Continued from Page 27)



Home electrical fires are responsible for an estimated 51,000 fires and \$1.3 billion in property damage each year. Protect your family and your home by following these electrical safety tips.

Electrical Fire Warning Signs

- ✓ Frequent problems with blowing fuses or tripping circuit breakers.
- ✓ A tingling feeling when you touch an electrical appliance.
- ✓ Discolored or warm wall outlets.
- ✓ A burning or rubbery odor coming from an appliance.
- ✓ Flickering lights.
- ✓ Sparks from an outlet.

Fund Financial Statements



Firefighter Academy 43 Graduation

March 2017





Orange County Fire Authority Safety Message

Dryer Safety **(Part 1 of 2)**



Fires can happen if there is a build-up of lint in the dryer or the exhaust duct. Lint can block the flow of air, which can cause excessive heat build-up that may result in a fire.

Safety Tips

- ✓ Have your dryer installed and serviced by a professional.
- ✓ Make sure the right plug and outlet are used and that your dryer is connected properly.
- ✓ Make sure your dryer's air exhaust vent pipe is not restricted and that the outdoor vent flap opens when the dryer is operating.
- ✓ Follow the manufacturer's operating instructions for your dryer.
- ✓ Keep the dryer area clear of all combustibles.
- ✓ Keep your dryer in good working order. Gas dryers should be inspected by a qualified professional to make sure that the gas line and connections are intact and free of leaks.
- ✓ Replace coiled-wire foil or plastic venting with a rigid, non-ribbed metal duct which provides maximum air flow and reduces fire risk.

(Continued on Page 46)

ORANGE COUNTY FIRE AUTHORITY
Governmental Funds
Balance Sheet
June 30, 2017
(With Comparative Data for Prior Year)

	General Fund	Capital Communications and Information Systems
Assets:		
Cash and investments (Note 4)	\$ 112,350,568	\$ 11,396,030
Receivables:		
Accounts, net (Note 5)	3,132,852	-
Accrued interest	153,958	19,341
Prepaid costs and other assets (Note 6)	33,772,844	4,608
Due from other governments, net (Note 7)	11,127,839	-
Total assets	\$ 160,538,061	\$ 11,419,979
Liabilities:		
Accounts payable	\$ 3,572,663	\$ 26,793
Accrued liabilities	8,293,131	-
Unearned revenue (Note 9)	972,723	-
Due to other governments (Note 8)	152,192	-
Total liabilities	12,990,709	26,793
Deferred Inflows of Resources:		
Unavailable revenue (Note 9)	190,000	-
Total deferred inflows of resources	190,000	-
Fund balances:		
Nonspendable - prepaid costs (Note 6)	33,750,548	4,608
Restricted for (Note 10):		
Capital improvement program	-	-
Operations Department	28,551	-
Community Risk Reduction Department	3,307,509	-
Organizational Planning Department	28,322	-
Committed to - SFF cities enhancements (Note 11)	549,651	-
Assigned to (Note 12):		
Capital improvement program	1,107,430	11,255,995
Workers' compensation	75,375,829	-
Executive Management	66,396	-
Operations Department	236,943	-
Community Risk Reduction Department	34,759	-
Business Services Department	1,341,200	-
Support Services Department	23,307	-
Organizational Planning Department	62,047	-
Facilities projects	89,361	-
Communications and IT projects	8,827	132,583
Fire apparatus and other vehicles	-	-
Construction projects	-	-
Unassigned (Note 13)	31,346,672	-
Total fund balances	147,357,352	11,393,186
Total liabilities, deferred inflows of resources, and fund balances	\$ 160,538,061	\$ 11,419,979

See Notes to the Financial Statements

Projects Funds		Total Governmental Funds	
Fire Apparatus	Fire Stations and Facilities	2017	2016
\$ 30,146,090	\$ 24,301,573	\$ 178,194,261	\$ 177,729,367
-	-	3,132,852	2,566,770
12,915	63,720	249,934	224,075
-	-	33,777,452	36,789,256
35,883	-	11,163,722	10,050,255
\$ 30,194,888	\$ 24,365,293	\$ 226,518,221	\$ 227,359,723
\$ 190,845	\$ 209,296	\$ 3,999,597	\$ 3,008,616
-	-	8,293,131	14,824,059
-	-	972,723	33,116
-	-	152,192	123,047
190,845	209,296	13,417,643	17,988,838
-	-	190,000	-
-	-	190,000	-
-	-	33,755,156	36,779,845
-	533,232	533,232	533,232
-	-	28,551	13,867
-	-	3,307,509	2,334,811
-	-	28,322	-
-	-	549,651	584,464
13,470,899	23,312,309	49,146,633	53,746,805
-	-	75,375,829	73,720,054
-	-	66,396	36,690
-	-	236,943	51,484
-	-	34,759	15,845
-	-	1,341,200	162,699
-	-	23,307	119,743
-	-	62,047	21,000
-	-	89,361	69,987
-	-	141,410	81,624
16,533,144	-	16,533,144	6,663,607
-	310,456	310,456	13,135
-	-	31,346,672	34,421,993
30,004,043	24,155,997	212,910,578	209,370,885
\$ 30,194,888	\$ 24,365,293	\$ 226,518,221	\$ 227,359,723

See Notes to the Financial Statements

ORANGE COUNTY FIRE AUTHORITY
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2017
(With Comparative Data for Prior Year)

	<u>2017</u>	<u>2016</u>
Fund balances of governmental funds	\$ 212,910,578	\$ 209,370,885

Capital Assets

When capital assets that are to be used in governmental activities are purchased or constructed, their costs are recorded as expenditures in governmental funds. However, the Statement of Net Position includes those capital assets among the assets of the OCFA as a whole, net of accumulated depreciation/amortization.

Capital assets	327,630,789	318,064,366
Accumulated depreciation/amortization	(131,487,015)	(124,043,242)

Long-term Liabilities and Receivables

Long-term liabilities applicable to governmental activities are not due and payable in the current period and, accordingly, are not reported as governmental fund liabilities. (A portion of OCFA's long-term liability for compensated absences was reimbursable by the City of Santa Ana as of June 30, 2016, and therefore was offset by a long-term receivable.) Long-term receivables are not available to fund the activities of the current period, and are likewise not reported as governmental fund assets. All assets and liabilities, both current and long-term, are reported in the Statement of Net Position.

OCERS pension plan:		
Net pension liability	(469,430,660)	(517,669,806)
Prepaid costs and other assets	(14,620,000)	(11,238,000)
Deferred outflows of resources	122,180,027	150,243,504
Deferred inflows of resources	(55,142,127)	(35,819,433)
Extra Help pension plan:		
Net pension liability	(124,459)	(163,691)
Deferred outflows of resources	17,232	35,040
Deferred inflows of resources	(62,320)	(92,134)

See Notes to the Financial Statements

ORANGE COUNTY FIRE AUTHORITY
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2017
(Continued)

	2017	2016
<u>Long-term Liabilities and Receivables, (Continued)</u>		
Capital lease purchase agreements	(3,713,307)	(6,110,447)
Accrued claims and judgments	(65,928,152)	(61,196,645)
Compensated absences	(16,937,840)	(17,019,208)
Long-term receivable for compensated absences	-	1,621,716
Net OPEB obligation	(82,254,710)	(66,643,396)
<u>Accrued Interest</u>		
Accrued interest payable for the current portion of interest due on long-term liabilities has not been reported in the governmental funds. Accrued interest was calculated and reported in the Statement of Net Position.	(2,083)	(3,427)
<u>Unavailable Revenues</u>		
Unavailable revenues are reported in the governmental funds if not collected or expected to be collected within the OCFA's availability period. However, amounts relating to unavailable revenues are not reported in the Statement of Net Position since revenue recognition is not based upon measurable and available criteria.		
Accounts receivable, net - Station 61 fire insurance claim	190,000	-
Net position of governmental activities	\$ (176,774,047)	\$ (160,663,918)

See Notes to the Financial Statements

ORANGE COUNTY FIRE AUTHORITY
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
Year ended June 30, 2017
(With Comparative Data for Prior Year)

	<u>General Fund</u>	<u>Capital Communications and Information Systems</u>
Revenues:		
Taxes	\$ 232,832,758	\$ -
Intergovernmental	29,069,065	-
Charges for services	104,710,870	-
Use of money and property	830,271	120,120
Miscellaneous	4,123,033	203,512
Developer contributions	-	-
Total revenues	371,565,997	323,632
Expenditures:		
Current - public safety:		
Salaries and benefits	309,507,433	-
Services and supplies	41,531,206	6,536,197
Capital outlay	4,637,358	710,336
Debt service:		
Principal retirement	-	-
Interest and fiscal charges	266,304	-
Total expenditures	355,942,301	7,246,533
Excess (deficiency) of revenues over (under) expenditures	15,623,696	(6,922,901)
Other financing sources (uses):		
Transfers in (Note 14)	5,552,492	4,866,307
Transfers out (Note 14)	(28,171,607)	(5,552,492)
Sale of capital and other assets (Note 15e)	76,633	-
Insurance recoveries (Note 15e)	1,218,433	-
Total other financing sources (uses)	(21,324,049)	(686,185)
Net change in fund balances	(5,700,353)	(7,609,086)
Fund balances, beginning of year	153,057,705	19,002,272
Fund balances, end of year	\$ 147,357,352	\$ 11,393,186

See Notes to the Financial Statements

<u>Projects Funds</u>		<u>Total Governmental Funds</u>	
<u>Fire Apparatus</u>	<u>Fire Stations and Facilities</u>	<u>2017</u>	<u>2016</u>
\$ -	\$ -	\$ 232,832,758	\$ 219,840,417
-	-	29,069,065	25,978,081
1,350,190	-	106,061,060	103,830,436
165,829	140,935	1,257,155	1,671,316
124,886	120,546	4,571,977	2,786,173
-	962,627	962,627	3,233,082
1,640,905	1,224,108	374,754,642	357,339,505
-	-	309,507,433	294,414,084
9,358	10,857	48,087,618	36,303,618
5,953,342	815,901	12,116,937	3,996,650
2,397,140	-	2,397,140	2,336,279
134,583	-	400,887	935,881
8,494,423	826,758	372,510,015	337,986,512
(6,853,518)	397,350	2,244,627	19,352,993
15,405,300	7,900,000	33,724,099	78,187
-	-	(33,724,099)	(78,187)
-	-	76,633	24,470
-	-	1,218,433	121,288
15,405,300	7,900,000	1,295,066	145,758
8,551,782	8,297,350	3,539,693	19,498,751
21,452,261	15,858,647	209,370,885	189,872,134
\$ 30,004,043	\$ 24,155,997	\$ 212,910,578	\$ 209,370,885

See Notes to the Financial Statements

ORANGE COUNTY FIRE AUTHORITY
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
Year ended June 30, 2017
(With Comparative Data for Prior Year)

	2017	2016
Net change in fund balances - total governmental funds	\$ 3,539,693	\$ 19,498,751
<u>Capital Assets</u>		
Governmental funds report capital outlays as expenditures. In the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense.		
Capital outlay	12,116,937	3,996,650
Depreciation/amortization expense	(9,512,777)	(9,267,982)
Capital assets received through grant or donation are recognized as revenue in the Statement of Activities at their estimated acquisition value at time of receipt.		
From OCFA Foundation	-	10,000
From other grantors and donors	77,502	44,984
Governmental funds report the proceeds from disposal of capital and other assets as other financing sources. In the Statement of Activities, those proceeds are offset by the net book value of the asset, resulting in a gain or loss on the sale.		
Capital asset disposals	(2,628,016)	(340,820)
Accumulated depreciation/amortization on disposals	2,069,004	331,450
<u>Long-term Liabilities and Receivables</u>		
Repayment of long-term debt principal on the capital lease purchase agreements is reported as an expenditure in governmental funds. Principal payments reduce the long-term liability in the Statement of Net Position and do not result in an expense in the Statement of Activities.		
	2,397,140	2,336,279
Other long-term liabilities are reported in the Statement of Net Position. The net annual change in the liability is recognized as an expense in the Statement of Activities. Long-term liabilities do not require the use of current financial resources and are not reported as expenditures in the governmental funds.		
OCERS pension plan	(2,529,025)	(12,090,983)
Extra Help pension plan	51,238	25,659
Accrued claims and judgments - workers' compensation	(4,731,507)	1,176,045

See Notes to the Financial Statements

ORANGE COUNTY FIRE AUTHORITY
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
Year ended June 30, 2017
(Continued)

	2017	2016
Compensated absences - Santa Ana general leave	1,621,716	113,772
Compensated absences - other leave balances	(1,540,348)	(836,879)
 A long-term receivable was established in the Statement of Net Position for the portion of compensated absences reimbursable by the City of Santa Ana. The receivable balance was reduced over time as leave balances were used by employees and subsequently reimbursed by the city. Those reimbursements were reported as revenue in the governmental funds.	(1,621,716)	(113,772)
 Contributions to the defined benefit retiree medical plan are made on a pay-as-you-go basis in the governmental fund financial statements. If actual contributions are less than the actuarially-determined required amount, the difference is reported as an expense in the Statement of Activities.	(15,611,314)	(9,090,270)
<u>Accrued Interest</u>		
Interest expenditures are reported when paid in the governmental funds, while the net change in accrued interest incurred for the period is recognized as interest expense in the Statement of Activities.	1,344	1,310
<u>Unavailable Revenues</u>		
Certain receivables and grants that have been accrued but not collected are reflected as unavailable revenue in the governmental funds. All earned revenue is recognized in the Statement of Activities regardless of when collected.		
Charges for services - Santa Ana start-up costs	-	(316,087)
Insurance recoveries - Station 61 fire insurance claim	190,000	-
<u>Interfund Transactions</u>		
Transactions between governmental funds are eliminated for presentation in the government-wide financial statements.		
Transfers in	(33,724,099)	(78,187)
Transfers out	33,724,099	78,187
Use of money and property	(266,304)	(17,251)
Interest and fiscal charges	266,304	17,251
Change in net position of governmental activities	\$ (16,110,129)	\$ (4,521,893)

See Notes to the Financial Statements

ORANGE COUNTY FIRE AUTHORITY
General Fund
Budgetary Comparison Statement
Year ended June 30, 2017
(With Comparative Data for Prior Year)

	2017			Variance with Final Budget Positive (Negative)	2016
	Budget Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Budgetary fund balance, July 1	\$ 153,057,705	\$ 153,057,705	\$ 153,057,705	\$ -	\$ 133,255,605
Resources (inflows):					
Taxes	227,439,867	230,301,459	232,832,758	2,531,299	219,840,417
Intergovernmental	15,392,901	27,567,139	29,069,065	1,501,926	25,978,081
Charges for services	102,840,465	102,816,931	104,710,870	1,893,939	102,408,896
Use of money and property	1,535,797	785,775	830,271	44,496	1,353,083
Miscellaneous	1,062,197	3,873,324	4,123,033	249,709	2,096,571
Transfers in	-	-	5,552,492	5,552,492	-
Sale of capital and other assets	50,000	38,000	76,633	38,633	24,470
Insurance recoveries	-	51,130	1,218,433	1,167,303	121,288
Total resources (inflows)	348,321,227	365,433,758	378,413,555	12,979,797	351,822,806
Amounts available for appropriations	501,378,932	518,491,463	531,471,260	12,979,797	485,078,411
Charges to appropriation (outflows):					
Salaries and benefits	283,291,422	308,555,469	309,507,433	(951,964)	294,414,084
Services and supplies	36,474,966	46,880,766	41,531,206	5,349,560	36,165,092
Capital outlay	1,088,683	5,929,181	4,637,358	1,291,823	622,906
Interest and fiscal charges	754,436	212,800	266,304	(53,504)	740,437
Transfers out	22,579,894	28,171,607	28,171,607	-	78,187
Total charges to appropriations	344,189,401	389,749,823	384,113,908	5,635,915	332,020,706
Budgetary fund balance, June 30	\$ 157,189,531	\$ 128,741,640	\$ 147,357,352	\$ 18,615,712	\$ 153,057,705

See Notes to the Financial Statements

ORANGE COUNTY FIRE AUTHORITY
Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2017
(With Comparative Data for Prior Year)

	Pension Trust Funds	Total Pension Trust Funds	
	Extra Help Retirement	2017	2016
Assets:			
Cash and investments (Note 4):			
Local Agency Investment Fund -			
Domestic fixed income securities	\$ 67,754	\$ 67,754	\$ 74,798
Total assets	67,754	67,754	74,798
Net position restricted for pensions	\$ 67,754	\$ 67,754	\$ 74,798

See Notes to the Financial Statements

ORANGE COUNTY FIRE AUTHORITY
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
Year ended June 30, 2017
(With Comparative Data for Prior Year)

	Pension		
	Trust Funds		
	Extra Help	Total Pension Trust Funds	
	Retirement	2017	2016
Additions:			
Contributions:			
Employer	\$ 839	\$ 839	\$ 2,267
Plan members	21,080	21,080	8,923
Total contributions	<u>21,919</u>	<u>21,919</u>	<u>11,190</u>
Net investment income:			
Interest	2,407	2,407	1,219
Total net investment income	<u>2,407</u>	<u>2,407</u>	<u>1,219</u>
Total additions	<u>24,326</u>	<u>24,326</u>	<u>12,409</u>
Deductions:			
Benefits and refunds paid to plan members and beneficiaries	31,370	31,370	10,642
Total deductions	<u>31,370</u>	<u>31,370</u>	<u>10,642</u>
Change in net position	(7,044)	(7,044)	1,767
Net position, beginning of year	74,798	74,798	73,031
Net position, end of year	<u>\$ 67,754</u>	<u>\$ 67,754</u>	<u>\$ 74,798</u>

See Notes to the Financial Statements

Notes to the Financial Statements



Fire Apparatus Engineer Academy

March 2017



ORANGE COUNTY FIRE AUTHORITY
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Year ended June 30, 2017

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Orange County Fire Authority Safety Message

Dryer Safety (Part 2 of 2)

(Continued from Page 33)



Fires can happen if there is a build-up of lint in the dryer or the exhaust duct. Lint can block the flow of air, which can cause excessive heat build-up that may result in a fire.

Things to Remember

- ✓ Do not use a dryer that doesn't have a lint filter.
- ✓ Clean the lint filter before or after drying each load of clothes.
- ✓ If clothing is still damp at the end of a typical drying cycle or if drying your clothes requires a longer time than normal, this may be a sign that the lint filter or exhaust duct is blocked.
- ✓ Be sure to clean behind the dryer, where lint can build up.
- ✓ Don't dry items that have come into contact with anything flammable such as alcohol, cooking oils, or gasoline. Dry these items outdoors or in a well-ventilated area away from heat.
- ✓ Never overload your dryer.
- ✓ Turn your dryer off if you leave home or when you go to bed.
- ✓ If you plan to be away from home for a long period of time, unplug or disconnect your dryer.

ORANGE COUNTY FIRE AUTHORITY

Notes to the Financial Statements

Year ended June 30, 2017

(1) Summary of Significant Accounting Policies

(a) Description of the Reporting Entity

Effective March 1, 1995, the County of Orange (County) and the cities of Buena Park, Cypress, Dana Point, Irvine, Laguna Hills, Laguna Niguel, Lake Forest, La Palma, Los Alamitos, Mission Viejo, Placentia, San Clemente, San Juan Capistrano, Seal Beach, Stanton, Tustin, Villa Park, and Yorba Linda entered into a joint powers agreement to create the Orange County Fire Authority (OCFA). Since the creation of the OCFA, the cities of Aliso Viejo, Laguna Woods, Rancho Santa Margarita, Santa Ana, and Westminster have also joined as members.

The purpose of OCFA is to provide fire suppression, protection, prevention, and related and incidental services including, but not limited to, emergency medical and transport services and hazardous materials regulation, as well as providing facilities and personnel for such services. The OCFA's governing board consists of one representative from each member city and two from the County.

The operations of OCFA are funded with a portion of property taxes collected by the County (Structural Fire Fund) for the unincorporated area and on behalf of all member cities except for the cities of Buena Park, Placentia, San Clemente, Santa Ana, Seal Beach, Stanton, Tustin, and Westminster, which are considered to be cash contract cities. The County pays all Structural Fire Fund taxes it collects to the OCFA. The cash contract cities make cash contributions based on OCFA's annual budget. Upon dissolution, all surplus money and property of OCFA will be conveyed or distributed to each member in proportion to all funds provided to OCFA by that member or by the County on behalf of that member during its membership. Each member must execute any instruments of conveyance necessary to effectuate such distribution or transfer.

As required by generally accepted accounting principles, these financial statements present both the OCFA as the primary government, as well as any of its component units. A component unit is an entity for which a primary government entity is considered to be financially accountable.

- The primary government is considered to be financially accountable for an organization if it appoints a voting majority of that organization's governing body, and (1) if the primary government is able to impose its will on that organization or (2) there is a potential for that organization to provide specific financial benefits to or impose specific financial burdens on the primary government.
- The primary government may also be considered financially accountable for an organization if that organization is fiscally dependent on the primary government (i.e., the organization is unable to approve or modify its budget, levy taxes or set rates/charges, or issue bonded debt without approval from the primary government).

- In certain cases, other organizations are included as component units if the nature and significance of their relationship with the primary government are such that their exclusion would cause the primary government's financial statements to be misleading or incomplete, even though the primary government is not considered financially accountable for that organization under the criteria previously described. A legally separate, tax exempt organization is reported as a component unit if (1) the economic resources received or held by the organization are entirely or almost entirely for the direct benefit of the primary government or its constituents; (2) the primary government is entitled to or has the ability otherwise access a majority of the economic resources received or held by the organization; and (3) the economic resources received or held by the organization are significant to the primary government.

Component units must be classified as either "blended" or "discrete" in the primary government's financial statements. A component unit is "blended" if the governing boards of the two organizations are substantially the same, or if the component unit provides services entirely or almost entirely to the primary government. Because of the closeness of its relationship with the primary government, a "blended" component unit is presented as though it is part of the primary government and, therefore, is included in both the government-wide and fund financial statements. Component units that do not meet either of these two criteria are considered "discrete" and are reported only in the government-wide financial statements.

A brief description of OCFA's discretely presented component unit is as follows:

- The **OCFA Foundation** ("Foundation") was established by the OCFA Board of Directors in July 2010, and qualifies as a nonprofit corporation under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. The purpose of the Foundation is to support the OCFA with the additional resources needed to provide an enhanced level of fire prevention, suppression, and emergency medical services to the citizens of Orange County. The Foundation assists OCFA by conducting fundraising activities and securing non-government grant funds, services, materials, and contributions that support OCFA's mission. OCFA provided \$50,000 from the General Fund as start-up funding for the Foundation. The tax exempt status of the Foundation was approved by the Internal Revenue Service on February 23, 2011, and the inaugural meeting of the Foundation Board was April 28, 2011.

The Foundation's Board of Directors consists of no less than three and no more than seven members, the exact number determined by resolution of the Foundation Board. Foundation Board members must have been active in or had significant prior experience in governmental or community organizations, or the fire service. The Foundation Board may consist of any combination of members of the public, OCFA employees, and/or past or current OCFA Board members. Initially, the Chair of OCFA's Board appointed the first three Foundation Directors. As of June 30, 2017, there were five non-OCFA Board members on the Foundation's Board. Additional members may be appointed by the Foundation Board at a future date via a simple majority vote.

The Foundation is considered a component unit of OCFA, because the nature and significance of its relationship with OCFA is such that its exclusion would cause OCFA's financial statements to be misleading or incomplete. Within these financial statements, the Foundation is reported as a discrete component unit in the government-wide financial statements. The Foundation also issues separate, component unit financial statements that may be obtained through written request from the OCFA Finance Division at 1 Fire Authority Road, Irvine, California 92602.

(b) Measurement Focus and Basis of Accounting

Government-wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities), report information about OCFA as a whole, excluding its fiduciary activities. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. During the course of operations, OCFA has activity between its governmental funds for various purposes. Residual balances at the end of the fiscal year, interfund transfers, and other transactions between governmental funds, if any, are eliminated in the preparation of the government-wide financial statements.

The Statement of Activities demonstrates the degree to which the direct expenses of the given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The government-wide 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 when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund Financial Statements

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. OCFA considers revenues to be available if they are typically collected within 180 days of the end of the current fiscal period, with the exception of property taxes, which are considered available if they are typically collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded

when a liability is incurred under the accrual basis of accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by OCFA.

Fiduciary fund financial statements are reported using the same *economic resources measurement focus* and the *accrual basis of accounting* described for the government-wide financial statements.

(c) Major Funds and Other Fund Types

Major Governmental Funds

Major funds are those whose revenues, expenditures, assets, or liabilities are at least 10% of corresponding totals for all governmental funds. The General Fund is always a major fund. OCFA has elected to report all of its governmental funds as major funds.

- The **General Fund** is the primary operating fund of OCFA and is used to account for all financial resources not accounted for and reported in another fund. The General Fund accounts for the financial activities of providing fire suppression, protection, prevention, and related services to OCFA's member cities and unincorporated areas. The primary sources of revenue are property taxes for fire protection (Structural Fire Fund), cash contracts, intergovernmental reimbursements, and various user fees.
- The **Communications and Information Systems Fund** is a capital projects fund used to account for the significant acquisition, improvement, or replacement of specialized communications and information technology systems and/or equipment.
- The **Fire Apparatus Fund** is a capital projects fund used to account for the significant acquisition, improvement, or replacement of fire apparatus, including vehicles, trailers, and helicopters.
- The **Fire Stations and Facilities Fund** is a capital projects fund used to account for the significant acquisition, improvement, replacement, or construction of fire stations and facilities.

Fiduciary Fund Types

- **Pension Trust Funds** are used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, other post-employment benefit plans, or other employee benefit plans. OCFA's pension trust fund accounts for the cost of the extra help post-employment defined benefit retirement plan.

(d) Cash and Investments

OCFA's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. For financial statement presentation purposes, cash and cash equivalents are shown as both restricted and unrestricted cash and investments.

Investments are stated at fair value (the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants), in accordance with GASB Statement No. 72. OCFA's policy is generally to hold investments until maturity. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

(e) Receivables

All accounts receivable are shown net of an allowance for uncollectible amounts.

Under California law, counties assess and collect property taxes up to 1% of assessed value and can increase the property tax rate no more than 2% per year. The property taxes go into a pool and are then allocated to the cities and local government entities based on complex formulas. The County bills and collects the property taxes and distributes them to OCFA in installments during the year. Accordingly, OCFA accrues only those taxes which are received from the County within 60 days after year-end. A summary of the property tax calendar is as follows:

Lien date	January 1
Levy date	Fourth Monday of September
Due dates	November 1 and February 1
Delinquent dates	December 10 and April 10

(f) Prepaid Costs and Inventories

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid costs in both the government-wide and fund financial statements. OCFA accounts for all prepaid items (i.e., warranties, annual maintenance fees, and professional memberships) under the "consumption method." This means that expenditures are recognized proportionately over the period that the services are provided. Nonspendable fund balance in an amount equal to prepaid costs is reported in the governmental fund types, since these amounts are not in a spendable form.

OCFA accounts for all supplies inventories (i.e., office supplies, automotive parts, vehicle and jet fuel, etc.) under the "purchase method." This means that expenditures are recognized at the time they are purchased, rather than when they are consumed or used.

(g) Capital Assets

Capital assets of governmental activities, which include property, plant, and equipment assets, are reported in the government-wide financial statements. Capital assets are defined by OCFA as assets with an estimated useful life in excess of one year and with an initial, individual cost of \$5,000 or

more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated or developer-contributed capital assets are recorded at estimated acquisition value at the date of donation. The costs of normal maintenance and repairs that do not materially add to the value of the asset or materially extend the asset's useful life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets received in a service concession arrangement, if any, are reported at acquisition value. OCFA's capital assets are depreciated or amortized using the straight-line method over the following estimated useful lives:

Buildings and Improvements	45 years
Equipment	3 – 40 years
Vehicles	4 – 20 years

(h) Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position of governmental activities and the Balance Sheet of governmental funds may report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position or fund balance that apply to future period(s) and so will not be recognized as outflows of resources (expenses or expenditures) during the current fiscal year. OCFA currently reports deferred outflows pertaining to pensions on the Statement of Net Position of governmental activities.

In addition to liabilities, the Statement of Net Position of governmental activities and the Balance Sheet of governmental funds may report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position or fund balance that apply to future period(s) and so will not be recognized as inflows of resources (revenues) during the current fiscal year. Unavailable revenue in the governmental funds, which arises under the modified accrual basis of accounting, is currently the only item that qualifies for reporting as a deferred inflow. These amounts will be recognized as an inflow of resources in the period that the amounts become available. OCFA also currently reports deferred inflows pertaining to pensions on the Statement of Net Position of governmental activities.

(i) Compensated Absences

OCFA's policy permits employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay and unpaid sick leave to which employees are entitled under their respective Memorandums of Understanding (MOU's) have been accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if it has matured (for example, as a result of employee resignations or retirements).

(j) Long-term Obligations

Long-term debt and other long-term obligations are reported as liabilities of governmental activities in the government-wide Statement of Net Position, and issuance costs are recognized as an expense in the Statement of Activities in the period incurred. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

(k) 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 Orange County Employees Retirement System (OCERS) plan and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by OCERS. 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.

(l) Fund Equity

The components of the fund balances of governmental funds reflect the component classifications described below.

- **Nonspendable** fund balance includes amounts that are not in a spendable form, such as prepaid items or supplies inventories, or that are legally or contractually required to remain intact, such as principal endowments.
- **Restricted** fund balance includes amounts that are subject to externally enforceable legal restrictions imposed by outside parties (i.e., creditors, grantors, contributors) or that are imposed by law through constitutional provisions or enabling legislation.
- **Committed** fund balance includes amounts whose use is constrained by specific limitations that the government imposes upon itself, as determined by a formal action of the highest level of decision-making authority. The Board of Directors serves as OCFA's highest level of decision-making authority and has the authority to establish, modify, or rescind a fund balance commitment via a minutes order, which may or may not be documented by a written Board resolution.
- **Assigned** fund balance includes amounts intended to be used by OCFA for specific purposes, subject to change, as established either directly by the Board of Directors or by management officials to whom assignment authority has been delegated by the Board of Directors. OCFA's Board of Directors has established a *Fund Balance Assignment Policy* which establishes the authority by which OCFA may set aside cumulative resources in fund balance for an intended future use. The Board of Directors has the authority to assign fund balance, and has delegated its authority to assign amounts for workers' compensation and the capital improvement program to the Assistant Chief of Business Services, or her designee, in accordance with the parameters outlined in the policy and subject to annual review and concurrence by the Budget and Finance Committee.

- **Unassigned** fund balance is the residual classification that includes spendable amounts in the General Fund that are available for any purpose.

When expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) fund balances are available, OCFA's *Flow Assumptions Policy* specifies that restricted revenues will be applied first. When expenditures are incurred for purposes for which committed, assigned, or unassigned fund balances are available, OCFA's policy is to apply committed fund balance first, then assigned fund balance, and finally unassigned fund balance.

(m) Operating Contingency

In June 1998, OCFA established a General Fund Contingency Reserve ("operating contingency"), which was subsequently revised to 10% of budgeted non-grant operating expenditures. OCFA's policy states that the operating contingency be used only for operating contingencies, emergencies caused by calamitous events, and economic uncertainty. The operating contingency's balance is included within the unassigned fund balance category of the General Fund.

(n) Prior Year Data

The information included in the accompanying financial statements for the prior year has been presented for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles. Certain minor reclassifications of prior year data have been made in order to enhance their comparability with current year figures.

(o) Use of Estimates

The financial statements are prepared in conformity with accounting principles generally accepted in the United States of America and, accordingly, include amounts that are based on management's best estimates and judgments. Actual results could differ from those estimates.

(2) Compliance and Accountability

(a) Budgetary Information

OCFA establishes accounting control through formal adoption of an annual operating budget for its governmental funds. The operating budgets are prepared on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for all of OCFA's governmental funds.

Perspective differences occur when the framework used for budgeting differs from the fund structure used for financial reporting. OCFA's General Fund consists of four separately-budgeted sub-funds that have been combined and consolidated for financial statement presentation. The table below reconciles fund balance for the General Fund as reported on the budgetary basis to the presentation in the financial statements. The Supplementary Schedules section of this report includes additional General Fund combining schedules for balance sheet, budgetary data, and actual operating data for the year ended June 30, 2017.

	Fund Balance as of June 30, 2017
Budgetary basis:	
General Operating Fund	\$ 70,222,900
General Fund Capital Improvement Program (CIP)	1,208,972
Structural Fire Entitlement	549,651
Self Insurance	<u>75,375,829</u>
General Fund for financial statement presentation	<u>\$147,357,352</u>

The adopted budget can be amended by the Board to change both appropriations and estimated revenues as unforeseen circumstances come to management’s attention. Increases and decreases in revenue and appropriations and transfers between funds require the Board’s approval; however, division and section managers, Assistant Chiefs, and Directors may authorize changes within funds and/or their respective authorized budgets. Expenditures may not exceed total appropriations at the individual fund level. It is the practice of OCFA to review the budgets mid-year and, if necessary, recommend changes to the Board. The following is a summary of the originally adopted expenditure budget (including carryovers of unexpended prior year encumbrances and transfers out) compared to the final budget by budgeted fund:

Fund	Original Budget	Increase/ (Decrease)	Final Budget
General Fund	\$344,189,401	\$45,560,422	\$389,749,823
Communications and Information Systems	9,619,832	(145,635)	9,474,197
Fire Apparatus	16,511,788	11,951,401	28,463,189
Fire Stations and Facilities	<u>8,388,135</u>	<u>547,569</u>	<u>8,935,704</u>
Total budgeted governmental funds	<u>\$378,709,156</u>	<u>\$57,913,757</u>	<u>\$436,622,913</u>

(b) Emergency Appropriations Policy

In September 2008, the Board adopted the Emergency Appropriations Policy to provide a means of increasing budgeted appropriations in the event that extraordinary fire or emergency incident activity occurs after the last Board meeting of the fiscal year, which may cause expenditures to exceed the authorized General Fund budget. The contingency appropriation, which may not exceed \$3,000,000 each fiscal year, is established for unforeseen requirements, primarily salary and employee benefits for extraordinary fire or emergency response. No expenditures may be made directly against the contingency appropriations; however, OCFA management may recommend a transfer from the contingency appropriations to a specific purpose appropriation. The Chair of the Board of Directors or the Vice Chair, in the absence of the Chair, must pre-approve any such transfers. Upon approval by the Chair or Vice Chair, notice of this transfer must be provided immediately to the full Board in writing.

(c) Encumbrance Accounting

Encumbrance accounting is employed in governmental funds. Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to

reserve that portion of the applicable appropriation, is utilized in OCFA's governmental funds. Encumbrances outstanding at year-end are reported as restricted, committed, or assigned fund balance, depending on the type of revenue source associated with the encumbrance, and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent fiscal year. All appropriations lapse at year-end with the exception of encumbered appropriations, which are effectually re-appropriated in the ensuing year's budget.

(d) Expenditures in Excess of Appropriations

For the year ended June 30, 2017, actual expenditures exceeded appropriations in the Communications and Information Systems Fund by \$3,324,828. The variance was caused primarily by an unbudgeted transfer out to the General Fund totaling \$5,552,492, which was reported in accordance with OCFA's *Assigned Fund Balance Policy*.

(3) Impairment of Capital Assets

On January 12, 2017, a significant and unexpected fire occurred at Fire Station No. 61 in Buena Park, resulting in extensive damage to the station and its contents. Although the station itself is owned by the City of Buena Park, vehicles and equipment items located within the station at the time of the fire were owned by OCFA. The physical damage sustained by these capital assets resulted in a significant and unexpected decline in their utility service. Although still in the possession of OCFA as of June 30, 2017, capital assets meeting the criteria for impairment are reported in the financial statements as follows:

Capital Asset Category and Description	Original Cost	Accumulated Depreciation as of January 12, 2017	Amount of Impairment	Carrying Value as of June 30, 2017	Insurance Recoveries		
					Cash Received	Estimated Receivable, Net	Impairment Gain (Loss) on Capital Assets
Vehicles:							
Squad, Ford F550	\$ 82,159	\$ 68,466	\$ 13,693	\$ -	\$ 74,850	\$ -	\$ 61,157
SUV, Chevrolet Suburban Truck, 100' Tractor Drawn Aerial Quint	64,170	64,170	-	-	80,000	-	80,000
	898,655	449,327	449,328	-	1,000,000	-	550,672
Equipment:							
Boat	11,706	11,706	-	-	11,706	-	11,706
Camera, Thermal Imaging	8,117	2,503	5,614	-	-	2,000	(3,614)
Defibrillator, Zoll E-Series	12,776	12,168	608	-	-	2,500	1,892
Defibrillator, Zoll E-Series	12,776	12,168	608	-	-	2,500	1,892
Hydraulic Tool, Combination	10,897	1,635	9,262	-	-	2,000	(7,262)
Hydraulic Tool, Cutter	5,962	2,037	3,925	-	-	1,000	(2,925)
Hydraulic Tool, Power Unit	6,753	6,753	-	-	-	1,000	1,000
Hydraulic Tool, Spreader	7,881	4,334	3,547	-	-	2,000	(1,547)
Total	\$1,121,852	\$635,267	\$486,585	\$ -	\$1,166,556	\$13,000	\$692,971

Insurance recoveries are reported as other financing sources in the General Fund of the governmental fund

financial statements. The capital asset impairment gain is reported as a general revenue in the governmental activities of the government-wide financial statements.

During Fiscal Year 2016/17, OCFA received \$1,166,556 from its insurance carrier for capital assets that were covered under the auto liability coverage. For all items covered under the general liability policy, including those capital equipment items identified above, OCFA has established an estimated receivable from its insurance carrier as of June 30, 2017, in the amount of \$952,000. That receivable is offset by an 80% allowance for doubtful accounts in the amount of \$762,000. The net difference of \$190,000 is reported as accounts receivable in the governmental activities of the government-wide financial statements, with the portion pertaining to capital assets totaling \$13,000.

In the fund financial statements, OCFA's non-property tax revenues are only recognized when they are collected or expected to be collected within 180 days of the end of the fiscal year. As such, the \$190,000 estimated net receivable from the insurance carrier is offset by unavailable revenue in the General Fund, rather than being recognized as insurance recoveries (other financing sources).

(4) Cash and Investments

(a) Financial Statement Presentation

OCFA maintains a cash and investment pool that is available for use for all funds. Each fund's position in the pool is reported on the balance sheet as cash and investments.

Cash and investments as of June 30, 2017, are reported in the financial statements as follows:

Statement of Net Position:	
Governmental activities	\$178,194,261
Discretely presented component unit – OCFA Foundation	122,585
Statement of Fiduciary Net Position:	
Fiduciary funds	<u>67,754</u>
Total cash and investments	<u>\$178,384,600</u>

Cash and investments consist of the following as of June 30, 2017:

Petty cash / cash on hand	\$ 16,074
Demand deposits	198,993
Investments	<u>178,169,533</u>
Total cash and investments	<u>\$178,384,600</u>

(b) Demand Deposits

At June 30, 2017, the carrying amount of OCFA's demand deposits was \$198,993 and the bank balance was \$1,023,332. The \$824,339 difference represents outstanding checks and other reconciling items.

California Government Code requires California banks and savings and loan associations to secure an entity's deposits by pledging government securities with a value of 110% of an entity's deposits.

California law also allows financial institutions to secure entity deposits by pledging first trust deed mortgage notes having a value of 150% of an entity's total deposits. The entity's Treasurer may waive the collateral requirement for deposits which are fully insured by the FDIC. The collateral for deposits in federal and state chartered banks is held in safekeeping by an authorized agent of depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an agent of depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an "agent of depository" has the effect of perfecting the security interest in the name of the local governmental agency. Accordingly, all collateral held by California agents of depository are considered to be held for, and in the name of, the local government. The OCFA Treasurer may waive the collateral requirement for deposits that are fully insured up to \$250,000 by the FDIC.

(c) Investments Authorized by Government Code and OCFA Investment Policy

The table below identifies investment types that are authorized by OCFA's investment policy and by California Government Code Section 53600 et seq. and Section 5922(d). The table also identifies provisions of the California Government Code (or OCFA's investment policy, if more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. The table, however, does not cover investments of debt proceeds, if any, held by fiscal agent, which are governed by the provisions of debt agreements of OCFA rather than the general provisions of OCFA's investment policy. In addition, this table does not include other investment types that are allowable under the California Government Code but are not specifically authorized by OCFA's investment policy.

Investment Types	Maximum Maturity	Maximum % of Portfolio in Investment Type	Maximum % of Portfolio in Single Issuer
U.S. Treasury obligations	5 years	100%	100%
Federal agency securities	5 years	75% ⁽¹⁾	75% ⁽¹⁾
Bankers' acceptances	180 days	25% ⁽¹⁾	25% ⁽¹⁾
Commercial paper	270 days	15% ⁽¹⁾	15% ⁽¹⁾
Negotiable certificates of deposit	5 years	25% ⁽¹⁾	25% ⁽¹⁾
Repurchase agreements	14 days	15% ⁽¹⁾	15% ⁽¹⁾
Money market mutual funds	n/a	15% ^(1,2)	15% ^(1,2)
Local Agency Investment Fund	n/a	75% ⁽¹⁾	75% ⁽¹⁾

(1) Based on OCFA investment policy requirement, which is more restrictive than state law

(2) No limit on automatic overnight sweep

(d) Local Agency Investment Fund

OCFA is a voluntary participant in the Local Agency Investment Fund (LAIF), which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California and the Pooled Money Investment Board. The State Treasurer's Office pools these funds with those of other governmental agencies in the State and invests the cash. The fair value of OCFA's investment in this pool, which approximates cost, is reported in the accompanying financial statements based on OCFA'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). The balance available for withdrawal is based on the

accounting records maintained by LAIF, which are recorded on an amortized cost basis and reported as cash equivalents in the Statement of Net Position. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset backed securities, and floating rate securities issued by federal agencies, government-sponsored enterprises, and corporations. Deposits and withdrawals to and from LAIF are made on the basis of \$1 and not at fair value. Accordingly, under the fair value hierarchy, the investment with LAIF is uncategorized.

The Pooled Money Investment Board has established policies, goals, and objectives to make certain that their goal of safety, liquidity, and yield are not jeopardized. The value of OCFA's LAIF deposits as of June 30, 2017, was \$64,456,210 and had a weighted average maturity of 194 days. LAIF is not rated as to credit risk by a nationally recognized statistical rating organization.

LAIF is administered by the State Treasurer's Office and audited annually by the Pooled Money Investment Board and the State Controller's Office. Copies of this audit may be obtained from the State Treasurer's Office, 915 Capitol Mall, Sacramento, California 95814.

(e) GASB Statement No. 72

GASB Statement No. 72, *Fair Value Measurement and Application*, establishes general principles for measuring fair value and standards of accounting and financial reporting for assets and liabilities measured at fair value. 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. OCFA categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. OCFA has the following fair value measurements as of June 30, 2017:

	Fair Value Hierarchy Level			Total
	Level 1	Level 2	Level 3	
U.S. Treasury obligations	\$ -	\$ 18,947,900	\$ -	\$ 18,947,900
Federal agency securities	-	82,795,940	-	82,795,940
Money market mutual funds	-	11,969,483	-	11,969,483
	\$ -	\$113,713,323	\$ -	113,713,323
Uncategorized investments:				
LAIF				64,456,210
				\$178,169,533

U.S. Treasury obligations and federal agency securities are valued using institutional bond quotes. Money market investments that have a remaining maturity at the time of purchase of one year or less and are held by governments other than external investment pools, and investments held by 2a7-like external investment pools, are measured at amortized cost as provided in GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

(f) Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required (where applicable) by the California Government Code, OCFA’s investment policy, or debt agreements, as well as the actual rating as of year-end for each investment type.

	Minimum Rating Required	Rating at Year-End		
		Aaa/ AA+/ AAA	Unrated	Total
U.S. Treasury obligations	N/A	\$ 18,947,900	\$ -	\$ 18,947,900
Federal agency securities	N/A	82,795,940	-	82,795,940
Money market mutual funds	Aaa/AAA	-	11,969,483	11,969,483
LAIF	N/A	-	64,456,210	64,456,210
Total		<u>\$101,743,840</u>	<u>\$76,425,693</u>	<u>\$178,169,533</u>

(g) Custodial Credit Risk

The custodial credit risk for *deposits* is the risk that in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. OCFA’s investment policy requires that collateral be held by an independent third party with whom OCFA has a current custodial agreement. The custodial credit risk for *investments* is the risk that in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. OCFA’s investment policy requires that all security transactions are conducted on a delivery-versus-payment (DVP) method and that all securities are held by a qualified, third-party custodian, as evidenced by safekeeping receipts. The trust department of OCFA’s bank may act as third-party custodian, provided that the custodian agreement is separate from the banking agreement. As of June 30, 2017, none of the OCFA’s deposits or investments was exposed to disclosable custodial credit risk.

(h) Concentration of Credit Risk

OCFA’s investment policy imposes restrictions for certain types of investments with any one issuer to 15% of the total investment pool with the following exceptions: U.S. Treasury obligations (100%), LAIF (75%), federal agency securities (75%), bankers’ acceptances (25%), and negotiable certificates of deposit (25%). With respect to concentration risk as of June 30, 2017, the OCFA is in compliance with the investment policy’s restrictions. In addition, GASB Statement No. 40 requires a separate disclosure if any single issuer comprises more than 5% of the total investment value (exclusive of amounts held by fiscal agent). Investments guaranteed by the U.S. government and investments in mutual funds and external investment pools are excluded from this requirement. Investments with issuers exceeding 5% of the total investment portfolio at June 30, 2017, are summarized below.

Issuer	Fair Value	% of Portfolio
Federal Home Loan Mortgage Corp (Freddie Mac)	\$44,922,150	25.2%
Federal Home Loan Bank (FHLB)	20,976,990	11.8%
Federal Farm Credit Bank (FFCB)	16,896,800	9.5%

(i) Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the fair values of investments with longer maturities have greater sensitivity to changes in market interest rates. OCFA's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. OCFA's investment policy states that at least 50% of the portfolio must mature in one year or less, and unless matched to a specific requirement and approved by the Executive Committee and the Board of Directors, no portion of the portfolio may exceed five years. OCFA has elected to use the segmented time distribution method of disclosure for its interest rate risk. As of June 30, 2017, the OCFA had the following investments and maturities:

	Investment Maturities in Months			Total
	6 or Less	7 to 12	13 to 60	
U.S. Treasury obligations	\$18,947,900	\$ -	\$ -	\$ 18,947,900
Federal agency securities	47,909,940	8,985,150	25,900,850	82,795,940
Money market mutual funds	11,969,483	-	-	11,969,483
LAIF	-	64,456,210	-	64,456,210
Total	<u>\$78,827,323</u>	<u>\$73,441,360</u>	<u>\$25,900,850</u>	<u>\$178,169,533</u>

As of June 30, 2017, OCFA's investments included the following callable investments, which are considered to be exposed to interest rate risk:

Issuer	Call Date(s)	Yield to Call	Maturity Date	Fair Value
Federal Farm Credit Bank (FFCB)	Anytime	0.559%	10/15/2018	\$9,956,300
Federal Home Loan Mortgage Corp (Freddie Mac)	10/25/2017	1.100%	10/25/2019	9,004,050
Federal Farm Credit Bank (FFCB)	8/1/2017	1.375%	8/1/2019	6,940,500

(5) Accounts Receivable

Accounts receivable, net of an allowance for doubtful accounts, consists of the following as of June 30, 2017:

	Governmental Funds	Component Unit
	General Fund	OCFA Foundation
Fire prevention/late fees	\$ 825,630	\$ -
Ambulance/other reimbursements	2,172,082	-
Station 61 fire insurance claim	952,000	-
Other/miscellaneous	54,508	3,557
Accounts receivable	4,004,220	3,557
Allowance for doubtful accounts	(871,368)	-
Accounts receivable, net	<u>\$3,132,852</u>	<u>\$3,557</u>

(6) Prepaid Costs, Other Assets, and Nonspendable Fund Balance of Governmental Funds

Prepaid costs and other assets consist of the following as of June 30, 2017:

	Governmental Funds		Primary Government	Component Unit
	General Fund	Communications and Information Systems	Governmental Activities	OCFA Foundation
Prepaid costs:				
Retirement contributions:				
Fiscal Year 2017/18	\$31,676,810	\$ -	\$17,056,810	\$ -
Fiscal Year 2016/17	1,376,158	-	1,376,158	-
Maintenance and support	580,277	4,608	584,885	-
Subscriptions and memberships	27,508	-	27,508	-
Warranties	5,746	-	5,746	-
Other	84,049	-	84,049	564
Total prepaid costs	33,750,548	4,608	19,135,156	564
Other assets:				
Health spending deposits	22,296	-	22,296	-
Total	<u>\$33,772,844</u>	<u>\$4,608</u>	<u>\$19,157,452</u>	<u>\$564</u>

In October 2015 and January 2016, OCFA prepaid a portion of its Fiscal Year 2016/17 retirement contributions to the Orange County Employees Retirement System (OCERS) totaling a combined \$35,000,000. In January 2017, OCFA prepaid a portion of its Fiscal Year 2017/18 retirement contributions to OCERS totaling \$31,676,810. In the governmental funds, the unamortized balance of the January 2016 prepayment totaled \$1,376,158 as of June 30, 2017, due to the timing of the pay period calendar. The entire amount of the January 2017 prepayment was unamortized as of June 30, 2017. In the governmental activities, a portion of Fiscal Year 2017/18 prepaid retirement contributions totaling \$14,620,000 was reported as a deferred outflow of resources related to pensions, since the contributions will reduce the net pension liability with OCERS prior to the Plan's next measurement date.

Other prepaid costs and assets as of June 30, 2017, included various equipment warranties on laptops, computers, and tablets; other amounts such as annual maintenance and support fees, subscriptions, and professional memberships; and deposits with the third party administrator of an employee benefit flexible health spending program.

Prepaid costs are reported as an asset until the expenditures are recognized proportionately over the future period in which the services are to be provided. An amount equal to the asset is reported as nonspendable fund balance in the governmental funds, since these amounts are not in a spendable form. Nonspendable fund balance totaled \$33,755,156 as of June 30, 2017, and is reported in the General Fund (\$33,750,548) and the Communications and Information Systems Fund (\$4,608).

(7) Due from Other Governments

Amounts due from other governments, net of an allowance for doubtful accounts, consist of the following as of June 30, 2017:

	Governmental Funds			Primary Government
	General Fund	Fire Apparatus	Total	Governmental Activities
Fire protection and other services:				
Cash contract cities	\$ 1,486,535	\$35,883	\$ 1,522,418	\$ 1,522,418
State responsibility area	2,614,000	-	2,614,000	2,614,000
Airport rescue firefighting	376,253	-	376,253	376,253
Other services	<u>149,320</u>	-	<u>149,320</u>	<u>149,320</u>
Subtotal	4,626,108	35,883	4,661,991	4,661,991
Assistance by hire/activation	2,388,715	-	2,388,715	2,388,715
Grants	307,254	-	307,254	307,254
Property tax/tax increment	3,840,465	-	3,840,465	3,840,465
Other/miscellaneous	<u>25,922</u>	-	<u>25,922</u>	<u>25,922</u>
Due from other governments	11,188,464	35,883	11,224,347	11,224,347
Allowance for doubtful accounts	<u>(60,625)</u>	-	<u>(60,625)</u>	<u>(60,625)</u>
Due from other governments, net	<u>\$11,127,839</u>	<u>\$35,883</u>	<u>\$11,163,722</u>	<u>\$11,163,722</u>

(8) Due to Other Governments

As of June 30, 2017, due to other governments totaling \$152,192, as reported in both the governmental activities and the governmental funds (General Fund), consists of amounts payable to the County of Orange in conjunction with bankruptcy proceeds.

(9) Unearned and Unavailable Revenue

Revenue amounts that have been collected but are *unearned* are reported as liabilities of both the governmental activities and the governmental funds. Revenue amounts that have been earned but are considered *unavailable* to finance the expenditures of the current fiscal period are reported as deferred inflows of resources of the governmental funds. Unearned and unavailable revenues consist of the following as of June 30, 2017:

	Governmental Funds	Primary Government
	General Fund	Governmental Activities
Unearned revenue:		
Helicopter hangar rental deposits	\$ 16,612	\$ 16,612
Helicopter hangar rent – July 2017	5,302	5,302
Cell tower rent – July 2017	3,679	3,679
Hazardous materials course registration – July and August 2017	18,900	18,900
Zoll Medical Corp trade-in credit	917,045	917,045
Miscellaneous cash advances	<u>11,185</u>	<u>11,185</u>
Total	<u>\$972,723</u>	<u>\$972,723</u>
Unavailable revenue:		
Station 61 fire insurance claim recoveries	<u>\$190,000</u>	

(10) Fund Balance of Governmental Funds – Restricted

Restricted fund balance in the General Fund includes grant-funded or other restricted, unexpended encumbrances outstanding at year-end; donations for specific programs; and state funding restricted for drought augmentation activities. Restricted fund balance in the Fire Stations and Facilities Fund includes CALFIRE contract revenues that are legally restricted for new fire station development or improvements to existing fire stations. Restricted fund balance consists of the following as of June 30, 2017:

Purpose of encumbrances:	General Fund			Fire Stations and Facilities	Total
	Operations Department	Community Risk Reduction Department	Organizational Planning Department	Capital Improvement Program	
Urban Search and Rescue and other grant programs	\$26,073	\$ -	\$21,620	\$ -	\$ 47,693
California Joint Apprenticeship Committee	-	-	6,702	-	6,702
	<u>26,073</u>	-	<u>28,322</u>	-	<u>54,395</u>
Donations – disaster preparation academy	2,478	-	-	-	2,478
Drought augmentation	-	3,307,509	-	-	3,307,509
CALFIRE station(s)	-	-	-	533,232	533,232
Total	<u>\$28,551</u>	<u>\$3,307,509</u>	<u>\$28,322</u>	<u>\$533,232</u>	<u>\$3,897,614</u>

(11) Fund Balance of Governmental Funds – Committed

In July 1999, the Board of Directors authorized that \$4,405,086 be set aside to fund OCFA-related service or resource enhancement projects in certain structural fire fund cities. In January 2012, the Board of Directors authorized an additional \$622,106 to be set aside for the same purpose. As of June 30, 2017, the remaining unspent amount, plus accrued interest earnings, totaling \$549,651 was reported as a fund balance commitment in the General Fund. The funds are committed for projects in the following cities:

City	General Fund
Aliso Viejo	\$ 282
Irvine	500,415
Laguna Niguel	48,954
Total	<u>\$549,651</u>

(12) Fund Balance of Governmental Funds – Assigned

Assigned fund balance includes the following as of June 30, 2017:

Capital Improvement Program	\$ 49,146,633
Workers' compensation	75,375,829
Assigned, unexpended encumbrances	<u>18,839,023</u>
Total	<u>\$143,361,485</u>

The Board of Directors has established a *Fund Balance Assignment Policy* authorizing the assignment of fund balance to the Capital Improvement Program and self-insured workers' compensation claims.

- The assignment to the Capital Improvement Program reflects cumulative amounts transferred from the General Fund to the capital projects funds, net of actual cumulative project expenditures and other revenue sources accounted for in those funds. The assignment may also include net resources accumulated within the General Fund itself in order to fund purchases and projects that are capital in nature but do not necessarily meet the criteria to be reported in one of OCFA's capital projects funds. The assignment may not exceed the net cost of future identifiable projects. Fund balance assigned for the Capital Improvement Program totaled \$49,146,633 as of June 30, 2017, and is reported in the General Fund (\$1,107,430), Communications and Information Systems Fund (\$11,255,995), Fire Apparatus Fund (\$13,470,899) and Fire Stations and Facilities Fund (\$23,312,309).
- The assignment to workers' compensation reflects the cumulative difference between actual workers' compensation expenditures incurred and budgeted costs, which are based on an annual actuarial valuation prepared by an external actuary and a confidence level set by the Board of Directors. The assignment for workers' compensation is reported in the General Fund and totaled \$75,375,829 as of June 30, 2017.

Assigned fund balance pertaining to unexpended encumbrances outstanding as of June 30, 2017, totaled \$18,839,023 and is summarized below for each governmental fund:

<u>Purpose of Encumbrance</u>	<u>Communications and Information Systems</u>	<u>Fire Apparatus</u>	<u>Fire Stations and Facilities</u>
	<u>Communications and IT Projects</u>	<u>Fire Apparatus and Other Vehicles</u>	<u>Construction Projects</u>
100' tractor drawn aerial quints	\$ -	\$ 9,650,863	\$ -
Type 1 engines	-	5,677,517	-
Type 6 brush patrols and paramedic squads	-	1,013,050	-
Suburbans	-	191,714	-
Urban Search and Rescue warehouse improvements	-	-	196,766
RFOTC emergency power extension	-	-	113,690
800 MHz radio programming	71,132	-	-
RFOTC audio visual upgrade project	<u>61,451</u>	-	-
Total	<u>\$132,583</u>	<u>\$16,533,144</u>	<u>\$310,456</u>

Purpose of Encumbrance	General Fund								
	Executive Management	Operations Department	Community Risk Reduction Department	Business Services	Support Services Department	Organizational Planning Department	Facilities Projects	Communications and IT Projects	Total
Turnout coats and pants	\$ -	\$ -	\$ -	\$1,011,663	\$ -	\$ -	\$ -	\$ -	\$1,011,663
Installation of flight director systems on Bell 412 helicopters	-	179,793	-	-	-	-	-	-	179,793
Fire shelters	-	-	-	163,524	-	-	-	-	163,524
Legal advice on pension liability	66,396	-	-	-	-	-	-	-	66,396
Other	-	57,150	34,759	166,013	23,307	62,047	89,361	8,827	441,464
Total	\$66,396	\$236,943	\$34,759	\$1,341,200	\$23,307	\$62,047	\$89,361	\$8,827	\$1,862,840

(13) Fund Balance of Governmental Funds – Unassigned

Unassigned fund balance in the General Fund consists of the following as of June 30, 2017:

10% Operating Contingency	\$29,923,608
All other residual amounts available for any purpose	<u>1,423,064</u>
Total	<u>\$31,346,672</u>

(14) Interfund Transfers

Interfund transfers are used to move revenues from the fund required by statute or budget to collect them to the fund required by statute or budget to expend them. Interfund transfers for the year ended June 30, 2017, are as follows:

Fund	Transfers In	Transfers Out
General Fund	\$ 5,552,492	\$28,171,607
Communications and Information Systems	4,866,307	5,552,492
Fire Apparatus	15,405,300	-
Fire Stations and Facilities	<u>7,900,000</u>	-
Total	<u>\$33,724,099</u>	<u>\$33,724,099</u>

Transfers totaling \$28,171,607 were made from the General Fund to the Communications and Information Systems (\$4,866,307), Fire Apparatus (\$15,405,300), and Fire Stations and Facilities (\$7,900,000) funds for current and future capital improvement projects identified in the Capital Improvement Plan.

At the close of the fiscal year, net resources that had accumulated in the Communications and Information Systems fund exceeded projects identified in the upcoming five-year capital improvement program by \$5,552,492, and were transferred back to the General Fund in accordance with OCFA's *Assigned Fund Balance Policy*.

(15) Capital Assets

(a) Changes in Capital Asset Balances by Asset Class

Capital asset activity of OCFA's governmental activities for the year ended June 30, 2017, was as follows:

<u>Primary Government/ Governmental Activities</u>	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balances</u>
Capital assets not depreciated/amortized:					
Land	\$ 37,887,850	\$ -	\$ -	\$ -	\$ 37,887,850
Construction in progress	102,341	1,050,117	-	-	1,152,458
Work in progress	<u>2,795,704</u>	<u>3,247,488</u>	-	<u>(3,012,156)</u>	<u>3,031,036</u>
Total capital assets not depreciated/amortized	<u>40,785,895</u>	<u>4,297,605</u>	-	<u>(3,012,156)</u>	<u>42,071,344</u>
Capital assets depreciated/amortized:					
Buildings	142,864,133	267,939	-	-	143,132,072
Equipment	59,874,567	4,739,128	(699,140)	-	63,914,555
Vehicles	<u>74,539,771</u>	<u>2,889,767</u>	<u>(1,928,876)</u>	<u>3,012,156</u>	<u>78,512,818</u>
Subtotal	<u>277,278,471</u>	<u>7,896,834</u>	<u>(2,628,016)</u>	<u>3,012,156</u>	<u>285,559,445</u>
Less accumulated depreciation/amortization:					
Buildings	(40,488,856)	(3,169,686)	-	-	(43,658,542)
Equipment	(36,215,000)	(2,671,309)	610,802	-	(38,275,507)
Vehicles	<u>(47,339,386)</u>	<u>(3,671,782)</u>	<u>1,458,202</u>	-	<u>(49,552,966)</u>
Subtotal	<u>(124,043,242)</u>	<u>(9,512,777)</u>	<u>2,069,004</u>	-	<u>(131,487,015)</u>
Total capital assets depreciated/amortized, net	<u>153,235,229</u>	<u>(1,615,943)</u>	<u>(559,012)</u>	<u>3,012,156</u>	<u>154,072,430</u>
Capital assets, net	<u>\$194,021,124</u>	<u>\$2,681,662</u>	<u>\$(559,012)</u>	<u>\$ -</u>	<u>\$196,143,774</u>

Capital asset activity of the OCFA Foundation for the year ended June 30, 2017, was as follows:

Component Unit/ OCFA Foundation	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
Capital assets depreciated/amortized:					
Equipment	\$ -	\$15,979	\$ -	\$ -	\$15,979
Less accumulated depreciation/amortization:					
Equipment	-	(67)	-	-	(67)
Capital assets, net	<u>\$ -</u>	<u>\$15,912</u>	<u>-</u>	<u>-</u>	<u>\$15,912</u>

(b) Net Investment in Capital Assets

The portion of net position that is invested in net capital assets is calculated as follows:

	Primary Government Governmental Activities	Component Unit OCFA Foundation
Capital assets, net of accumulated depreciation/amortization	\$196,143,774	\$15,912
Capital-related debt – 2011 aircraft lease refinance	(3,713,307)	-
Net investment in capital assets	<u>\$192,430,467</u>	<u>\$15,912</u>

(c) Capital Assets Acquired Under Capital Lease

The above amounts include assets acquired by capital lease, classified as follows by major asset class:

Asset Class	As of June 30, 2017			Fiscal Year 2016/17 Depreciation Expense
	Capital Assets	Less Accumulated Depreciation	Capital Assets, Net	
Equipment	\$22,060,494	\$ (9,408,857)	\$12,651,637	\$1,104,914
Vehicles	<u>15,992,482</u>	<u>(13,552,600)</u>	<u>2,439,882</u>	<u>604,064</u>
Total	<u>\$38,052,976</u>	<u>\$(22,961,457)</u>	<u>\$15,091,519</u>	<u>\$1,708,978</u>

(d) Depreciation/Amortization Expense

Depreciation/amortization expense in the amounts of \$9,512,777 and \$67 were charged to public safety in the Statement Activities of the primary government and the component unit, respectively.

(e) Gain on Disposal of Capital Assets

The gain on disposal of capital assets reported in the government-wide Statement of Activities for the year ended June 30, 2017, was calculated as follows:

	Fire Station No. 61 Impaired Assets	Other Capital Assets	Total Capital Assets
Equipment	\$ 76,868	\$ 622,272	\$ 699,140
Vehicles	1,044,984	883,892	1,928,876
Subtotal	1,121,852	1,506,164	2,628,016
Accumulated depreciation	<u>(635,267)</u>	<u>(1,433,737)</u>	<u>(2,069,004)</u>
Net book value	<u>486,585</u>	<u>72,427</u>	<u>559,012</u>
Sale of capital and other assets	-	37,400	37,400
Insurance recoveries	1,166,556	-	1,166,556
Estimated receivable, net	<u>13,000</u>	<u>-</u>	<u>13,000</u>
Subtotal	<u>1,179,556</u>	<u>37,400</u>	<u>1,216,956</u>
Gain (loss) on disposal of capital assets	<u>\$ 692,971</u>	<u>\$ (35,027)</u>	<u>\$ 657,944</u>

For the year ended June 30, 2017, sale of capital and other assets reported in the General Fund totaled \$76,633, which included \$37,400 and \$39,233 for capital and non-capital assets, respectively. Insurance recoveries reported in the General Fund totaled \$1,218,433, which included \$1,166,556 and \$51,877 for capital and non-capital assets, respectively.

(16) Long-term Liabilities

(a) Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2017, is summarized in the table below.

<u>Governmental Activities</u>	<u>Beginning Balances</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balances</u>	<u>Due Within One Year</u>
Net pension liability:					
OCERS pension plan	\$517,669,806	\$36,408,591	\$(84,647,737)	\$469,430,660	\$ -
Extra Help pension plan	<u>163,691</u>	<u>-</u>	<u>(39,232)</u>	<u>124,459</u>	<u>-</u>
	517,833,497	36,408,591	(84,686,969)	469,555,119	-
Capital lease purchase agreement:					
Aircraft Lease Refinance-2011	6,110,447	-	(2,397,140)	3,713,307	2,459,589
Accrued claims and judgments:					
Workers' compensation	61,196,645	14,933,512	(10,202,005)	65,928,152	10,990,788
Compensated absences	17,019,208	15,553,921	(15,635,289)	16,937,840	3,521,710
Net OPEB obligation	<u>66,643,396</u>	<u>20,492,153</u>	<u>(4,880,839)</u>	<u>82,254,710</u>	<u>-</u>
Total	<u>\$668,803,193</u>	<u>\$87,388,177</u>	<u>\$(117,802,242)</u>	<u>\$638,389,128</u>	<u>\$16,972,087</u>

The capital lease purchase agreement is liquidated by the Fire Apparatus Fund. All other long-term liabilities are normally liquidated by the General Fund.

(b) Pension Plans

OCFA participates in two defined benefit pension plans that are administered through a trust or equivalent arrangement. Additional plan information is provided within these notes as Note 21 and Note 22. Following is a summary of plan activities as of and for the year ended June 30, 2017:

Description	OCERS Pension Plan	Extra Help Pension Plan	Total
Net pension liability	\$469,430,660	\$124,459	\$469,555,119
Deferred outflows of resources related to pensions	122,180,027	17,232	122,197,259
Deferred inflows of resources related to pensions	(55,142,127)	(62,320)	(55,204,447)
Pension expense associated with net pension liabilities (as reported in the government-wide financial statements)	79,967,025	(47,544)	79,919,481

(c) Capital Lease Purchase Agreement – Aircraft Lease Refinance (2011)

On December 22, 2008, OCFA entered into a Master Aircraft Lease Agreement (Agreement) with SunTrust Equipment Finance & Leasing Corp. (SunTrust). Under the terms of the Agreement, \$21,515,238 was deposited into an escrow account with SunTrust Bank, Inc. (SunTrust Bank) to be used for the acquisition of certain aircraft equipment. OCFA purchased two helicopters and related equipment for a total amount of \$21,538,675, using the original proceeds of the lease and \$23,437 of accrued interest. The helicopters and related equipment have been capitalized as equipment in the government-wide financial statements. Title to the equipment vests with OCFA during the term of the Agreement; accordingly, the lease has been recorded as a capital lease liability.

On November 16, 2011, the terms of the Agreement were amended to reflect a reduction in the annual interest rate from 3.7609% to 2.58%. A 1.75% prepayment premium totaling \$286,599, plus accrued interest for the period September 22, 2011, through November 16, 2011, totaling \$92,386, were added to the outstanding principal balance to be repaid over the remaining life of the lease. Rental payments are payable quarterly commencing March 22, 2009, and terminating on December 22, 2018. During the year ended June 30, 2017, OCFA made principal and interest payments totaling \$2,397,140 and \$134,583, respectively. The outstanding balance of the capital lease liability was \$3,713,307 as of June 30, 2017. Future annual lease payment requirements are as follows:

Fiscal Year Ended June 30	Principal	Interest	Total
2018	\$2,459,589	\$72,134	\$2,531,723
2019	1,253,718	12,144	1,265,862
Total	<u>\$3,713,307</u>	<u>\$84,278</u>	<u>\$3,797,585</u>

(d) Compensated Absences

OCFA is obligated to its employees for accumulated earned but unused leave benefits as of June 30, 2017. Sick leave includes only those amounts that OCFA is obligated to reimburse employees at the end of their active service life.

	Vacation	Comp/Other	Sick Leave	Total
Safety Members	\$10,526,513	\$178,419	\$1,791,681	\$12,496,613
General Members	<u>2,176,577</u>	<u>393,087</u>	<u>1,871,563</u>	<u>4,441,227</u>
Total	<u>\$12,703,090</u>	<u>\$571,506</u>	<u>\$3,663,244</u>	<u>\$16,937,840</u>

(17) Commitments and Contingencies

As of June 30, 2017, commitments with vendors for outstanding encumbrances (unperformed purchase orders and contracts for goods and services) by major governmental fund are as follows:

General Fund	\$ 1,917,235
Communications and Information Systems	132,583
Fire Apparatus	16,533,144
Fire Stations and Facilities	<u>310,456</u>
Total outstanding encumbrances	<u>\$18,893,418</u>

Significant individual commitments with vendors as of June 30, 2017 are identified below.

Fund / Vendor	Description	Original Commitment	Spent-to- Date	Remaining Commitment
<i><u>General Fund:</u></i>				
Allstar Fire Equipment	Turnout coats and pants	\$1,011,663	\$ -	\$1,011,663
Rotorcraft Support, Inc.	Installation of flight director systems on Bell 412 helicopters	179,793	-	179,793
Linegear Fire & Rescue	Fire shelters	163,524	-	163,524
Meyers, Nave, Riback, Silver & Wilson	Legal advice on pension liability	100,000	33,604	66,396
<i><u>Communications and Information Systems:</u></i>				
County of Orange	800 MHz radio programming	77,200	6,068	71,132
Western A/V	RFOTC audio visual upgrade project	554,117	502,156	51,961

<u>Fund / Vendor</u>	<u>Description</u>	<u>Original Commitment</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
<i>Fire Apparatus:</i>				
KME Fire Apparatus	(6) 100' tractor drawn aerial quints	8,278,103	-	8,278,103
KME Fire Apparatus	(10) Type 1 engines	5,677,517	-	5,677,517
KME Fire Apparatus	(1) 100' tractor drawn aerial quint	1,372,760	-	1,372,760
Boise Mobile Equipment	(1) Type 6 brush patrol; (5) paramedic squads	1,203,215	190,165	1,013,050
<i>Fire Stations and Facilities:</i>				
Hoffman Management & Construction	Construction for Urban Search and Rescue warehouse improvements	651,961	473,763	178,198
GA Technical Services, Inc.	RFOTC emergency power extension	409,556	298,866	110,690

(18) Lessor in Operating Lease Agreements

(a) Aircraft Hangar Leases

OCFA entered into Aircraft Hangar Lease agreements to provide spaces to tenants in the western portion of the OCFA-owned aircraft hangar at Fullerton Municipal Airport. The original cost of the aircraft hangar's western portion was \$2,201,950, and the net book value was \$2,006,222 as of June 30, 2017. Fiscal Year 2016/17 depreciation expense was \$48,932. Terms of the agreements are as follows:

<u>Lessee/Tenant</u>	<u>Agreement Date</u>	<u>Term</u>	<u>Initial Monthly Rent</u>	<u>Automatic Annual Rent Increase</u>
Ladera Aircraft, LLC	October 30, 2013	Five Years	\$4,924	2.5%
Lidar America, LLC	June 1, 2015	Five Years	\$5,391	2.5%
Hangar 21 Helicopters	January 1, 2016; Amended June 1, 2016	Three Years	\$5,750	0.0%

Rental revenue totaled \$202,406 for Fiscal Year 2016/17. Future potential rental revenue under the terms of the leases is as follows:

Fiscal Year	Ladera Aircraft, LLC	Lidar America, LLC	Hangar 21 Helicopters	Total
2017/18	\$64,688	\$ 68,110	\$ 69,000	\$201,798
2018/19	21,740	69,817	63,250	154,807
2019/20	-	65,461	-	65,461
Total	<u>\$86,428</u>	<u>\$203,388</u>	<u>\$132,250</u>	<u>\$422,066</u>

(b) Wireless Communications Facilities Site Lease

On March 24, 2011, OCFA entered into a Wireless Communications Facilities Site Lease with Vista Towers, LLC (Vista), to provide space at the OCFA-owned Regional Fire Operations and Training Center to install and operate a digital mobile radio communications site consisting of up to two wireless communication towers, equipment shelters, and cabinets, for up to six cell phone carriers. In July 2015, the Board of Directors approved Vista's request to assign its interest in the lease to SBA Towers VI, LLC (SBA). SBA has assumed the payment terms of the original agreement, and is responsible for the installation, construction, maintenance, repairs, replacement, and operations of the towers and, if applicable, the removal of the towers upon termination of the lease.

The lease term commenced on the earlier of the pulling of all permits necessary for construction, or September 24, 2012, and continues for five years from that date. The lease may be renewed for up to four consecutive five-year increments, for a total of twenty-five years. Rent is due the first of each month and is determined based on the number of carriers being occupied by each of the towers. SBA pays \$1,250 for each month in which there is one or no carrier on one of the towers, and \$1,000 per month for each additional carrier occupied on each tower beyond the first carrier. Base rent automatically increases by 3% annually.

OCFA began collecting base rent in July 2012, with rent for a second and third carrier commencing in June and October 2013, respectively. Rental revenue totaled \$43,482 for Fiscal Year 2016/17. Future potential rental revenue, assuming rent for the three additional carriers may commence January 1, 2018, is as follows:

Fiscal Year(s)	Carriers 1-3	Carriers 4-6	Total
2017/18	\$ 44,799	\$ 20,268	\$ 65,067
2018/19	46,143	41,760	87,903
2019/20	47,533	43,020	90,553
2020/21	48,961	44,316	93,277
2021/22	50,425	45,648	96,073
2022/23 - 2026/27	275,703	249,588	525,291
2027/28 - 2031/32	319,589	289,332	608,921
2032/33 - 2036/37	370,601	335,484	706,085
2037/38 - 2041/42	<u>5,401</u>	<u>6,105</u>	<u>11,506</u>
Total	<u>\$1,209,155</u>	<u>\$1,075,521</u>	<u>\$2,284,676</u>

(19) Lessee in Operating Lease Agreements

OCFA is obligated under operating lease agreements as follows:

- On June 14, 2010, OCFA entered into a land lease agreement with the City of Fullerton for a new space at Fullerton Municipal Airport. Monthly lease payments of \$2,886 for the eastern half of the building commenced January 2011. An additional monthly lease payment of \$2,070 for the western half of the building commenced July 2013. Total monthly rent will increase annually by an amount equal to the change in the consumer price index, from a minimum of 3% to a maximum of 5%. The term of the agreement extends forty years through July 2050, with a fifteen year extension option through July 2065. Fiscal Year 2016/17 rent expenditures totaled \$71,013.
- On August 25, 2011, the OCFA Executive Committee approved the execution of a Lease Agreement with FW Aviation, LLC for a training tower at Fire Station No. 41 Air Operations and Maintenance Facility at Fullerton Airport, which includes a helicopter training prop, an additional restroom, and approximately 600 square feet of classroom/storage area. The lease term is for ten years commencing September 2011, with an optional ten-year extension. Initial monthly rent of \$1,575 will increase by \$18 each year. Fiscal Year 2016/17 rent expenditures totaled \$19,944.

Future minimum lease payments for the OCFA's operating lease obligations are as follows:

Fiscal Year(s)	Airport Land Lease	Airport Training Tower	Total
2017/18	\$ 73,140	\$20,160	\$ 93,300
2018/19	75,324	20,376	95,700
2019/20	77,592	20,592	98,184
2020/21	79,920	20,808	100,728
2021/22	82,308	3,474	85,782
2022/23 - 2026/27	450,108	-	450,108
2027/28 - 2031/32	521,856	-	521,856
2032/33 - 2036/37	605,004	-	605,004
2037/38 - 2041/42	701,352	-	701,352
2042/43 - 2046/47	813,036	-	813,036
2047/48 - 2051/52	<u>645,732</u>	<u>-</u>	<u>645,732</u>
Total	<u>\$4,125,372</u>	<u>\$85,410</u>	<u>\$4,210,782</u>

(20) Insurance

(a) Coverage Limits

OCFA has purchased commercial insurance coverage for general, auto, property, volunteer accident, aviation, and pollution liabilities; public official and auto verifier bonds; and excess coverage for the self-insured workers compensation. Coverage limits include the following:

Type of Coverage	Limit	Deductible
General and Auto Liability:		
Each Occurrence or Wrongful Act	\$1,000,000	
General Annual Aggregate	\$2,000,000	
Auto Liability	\$1,000,000 combined limit	\$1,000 - \$3,000
Umbrella Liability	\$10,000,000 each occurrence; \$20,000,000 aggregate	
Property Liability:		
Real and Business Personal Property	Scheduled replacement cost; \$783,545,979 limit	\$5,000
Coverage Extension Blanket	\$2,000,000	
Volunteer Accident:		
Accidental Death and Dismemberment	\$25,000 each occurrence; \$250,000 aggregate per accident	
Accident Medical Expense	\$100,000 per occurrence	
Dental	\$250 per tooth	
Aircraft Hull and Liability	\$50,000,000 per occurrence	\$15,000 - \$50,000
Pollution Liability	\$1,000,000 per condition	\$25,000
Public Official Bonds	\$1,000,000 each	
Auto Verifier Bonds	\$5,000 each	
Excess Workers Compensation	Statutory limits	

There have been no significant changes in insurance coverage as compared to last year. Settlements have not exceeded coverage in each of the past three fiscal years, except as follows:

- OCFA is expected to seek reimbursement for personal property and tools lost in the fire at Station No. 61 that belonged to its employees. As of June 30, 2017, the estimated loss for personal property and tools totaled \$189,000, of which \$171,000 had been reimbursed by OCFA directly to its employees. OCFA's insurance policy limits for personal property and tools are \$50,000 and \$25,000, respectively. As of June 30, 2017, general claims pertaining to the Station No. 61 fire have not yet been submitted to the insurance carrier; however, OCFA anticipates that claims for this portion of the policy will exceed insurance coverage by approximately \$114,000.

(b) Self-Insurance

OCFA transitioned its program for workers' compensation insurance from Guaranteed Cost to Self-Insurance effective March 1, 2002. OCFA's self-insurance program covers workers' compensation claims up to \$50,000,000, subject to a \$2,000,000 self-insured retention (SIR) per incident. Workers' compensation claims in excess of the self-insured level are insured by the California State Association of Counties Excess Insurance Authority (CSAC-EIA) at statutory limits. OCFA utilizes the services of a third-party claims administrator for administration of workers' compensation claims.

As of June 30, 2017, accrued claims and judgments for workers' compensation totaled \$65,928,152 and were recorded as a long-term liability in the government-wide financial statements. This liability reflects the present value of estimated outstanding losses at the 50% confidence level, as determined by an actuarial valuation dated December 31, 2016, and includes claims that have been incurred but not yet reported (IBNR's). A confidence level is the statistical certainty that an actuary believes funding will be sufficient. For example, a 50% confidence level means that the actuary believes funding will be sufficient in five years out of ten. On May 27, 2010, the Board of Directors authorized to change the OCFA's confidence level from 80% to 50%.

Following is a summary of changes in workers' compensation claims payable for the years ended June 30, 2017 and 2016, including the current and long-term portions at year-end.

	Fiscal Year Ended	
	June 30, 2017	June 30, 2016
Unpaid claims at beginning of fiscal year	\$61,196,645	\$62,372,690
Incurred claims (including IBNR's)	14,933,512	6,716,066
Claim payments	<u>(10,202,005)</u>	<u>(7,892,111)</u>
Unpaid claims at end of fiscal year	<u>\$65,928,152</u>	<u>\$61,196,645</u>
Current portion	\$10,990,788	\$ 7,743,304
Long-term portion	<u>54,937,364</u>	<u>53,453,341</u>
Unpaid claims at end of fiscal year	<u>\$65,928,152</u>	<u>\$61,196,645</u>
Confidence level at end of fiscal year	50%	50%
Discount rate	1%	1%

Because of the long-term nature of this liability, it is excluded from the OCFA's governmental fund financial statements under the modified accrual basis of accounting. However, OCFA has established a fund balance assignment for workers' compensation in the General Fund in the amount of \$75,375,829. This assignment reflects the cumulative difference for multiple years between actual expenditures and budgeted costs, which are based on the annual actuarial valuation. Actual expenditures for workers' compensation cases often occur over multiple years, attributing to the cumulative difference between budgeted costs and expenditures.

(21) Retirement Plan for Full-Time Employees

(a) General Information about the Plan

Plan Description and Administration

OCFA participates in the Orange County Employees Retirement System (OCERS), a cost-sharing multiple-employer, defined benefit pension plan for the County of Orange, the City of San Juan Capistrano, and thirteen other agencies – Orange County Cemetery District; Orange County Children and Families Commission; Orange County Department of Education; Orange County Employees Retirement System; Orange County Fire Authority (OCFA); Orange County In-Home Supportive Services Public Authority; Orange County Local Agency Formation Commission; Orange County

Public Law Library; Orange County Sanitation District; Superior Court of California; Orange County Transportation Authority; Transportation Corridor Agencies; and the University of California, Irvine Medical Center and Campus. The Orange County Department of Education and the University of California, Irvine Medical Center and Campus are closed to new member participation and only the latter has remaining active employees. Capistrano Beach, Cypress Recreation & Parks District, Orange County Vector Control District, and the City of Rancho Santa Margarita are no longer active plan sponsors, but retired members and their beneficiaries, as well as deferred members, remain in the OCERS system. OCERS is legally and fiscally independent of the County of Orange.

OCERS was established in 1945 under the provisions of the County Employees Retirement Law of 1937. OCERS is governed by a ten-member Board of Retirement, including nine voting members and one alternate member. Board membership consists of four members appointed by the County of Orange Board of Supervisors and five members elected by the members of the pension system – two by the general members, two by the safety members (one voting and one alternate), and one by the retired members. The County of Orange Treasurer-Tax Collector, who is elected by the voters registered in the county, serves as an ex-officio member. The OCERS Board of Retirement is responsible for establishing policies governing the administration of the retirement plan; making disability determinations; assuring benefit payments; establishing investment policy for the retirement system; and monitoring execution of its policies. OCERS issues a publicly available financial report that includes financial statements and required supplementary information for the cost-sharing plans that are administered by OCERS. The report can be obtained from OCERS at 2223 Wellington Avenue, Santa Ana, California 92701.

Benefits Provided

OCERS provides retirement, disability, and death benefits to general and safety members. Safety membership includes those members serving in active law enforcement, fire suppression, and as probation officers. General membership applies to all other occupations. Plan retirement benefits are tiered based upon date of OCERS membership. Tier I members were hired prior to September 21, 1979, and use their highest one-year average salary to determine their retirement allowance. Tier II members were hired after September 21, 1979, and use their highest three-year average salary to determine their retirement allowance. Member rate groups are determined by employer, bargaining unit, and benefit plan. The benefit plan represents the benefit formula and tier that will be used in calculating a retirement benefit. All regular employees scheduled to work twenty hours or more per week become members of the plan upon commencing employment with one of OCERS' plan sponsors, with the exception of a provision adopted in 2014 that allows new members over the age of 65 to opt out of the plan. Active members are vested in OCERS upon accumulating five years of accredited service or attaining the age of 70.

On September 12, 2012, California Governor Brown signed Assembly Bill 340, which created the California Public Employees' Pension Reform Act of 2012 (PEPRA) and amended sections of the 1937 Act under which OCERS operates. The law created a benefit tier for new employees entering public agency employment and public retirement system membership, effective January 1, 2013. One of the many changes brought about by PEPRA involved new retirement formulas for newly hired employees who do not establish reciprocity with OCERS. Another change brought about by PEPRA requires employees who do not establish reciprocity to pay 50% of the normal retirement costs from the beginning of their employment.

In general, the retirement benefits received by members are determined by plan formula, age at retirement, years of service, and final average salary. Members are entitled to receive a retirement allowance upon reaching the following years of service and age criteria:

Years of Service Credit	Eligible Age
10 or more	Age 50
5 or more (PEPRA Members)	Age 52
30 or more (General Members)	Any age
20 or more (Safety Members)	Any age
5 or more, and at least 10 years of active employment with a sponsoring agency covered by OCERS (Part-time Members)	Age 55
Any	Age 70

Retired member monthly allowances are adjusted annually in accordance with changes in the cost-of-living, as determined by the average annual change in the Consumer Price Index (CPI) for the prior calendar year. The cost-of-living adjustment is limited to a maximum increase or decrease of three percent per year as established by the OCERS Board of Retirement.

The OCFA’s Board establishes and amends benefit plan formulas for active OCFA members through negotiations with its labor bargaining units. The provisions and benefits provided by OCFA to its safety and general members as of June 30, 2017, are summarized below:

Benefits Provided to Safety Members					
Plan	Tier	Benefit Formula	Representation / Bargaining Unit / Employee Hire Date		
			Orange County Professional Firefighters Association	Orange County Fire Authority Chief Officers Association	Unrepresented
			Firefighter Unit	Fire Management Unit	Executive Management in Safety Positions
E	I	3.0% at 50	Prior to 7/1/2012	Prior to 7/1/2012	Prior to 7/1/2011
F	II	3.0% at 50	Prior to 7/1/2012	Prior to 7/1/2012	Prior to 7/1/2011
R	II	3.0% at 55	On or After 7/1/2012 (with reciprocity)	On or After 7/1/2012 (with reciprocity)	On or After 7/1/2011 (with reciprocity)
V	II	2.7% at 57 (PEPRA)	On or After 1/1/2013 (without reciprocity)	On or After 1/1/2013 (without reciprocity)	On or After 1/1/2013 (without reciprocity)

Benefits Provided to General Members					
Plan	Tier	Benefit Formula	Representation / Bargaining Unit / Employee Hire Date		
			Orange County Employees Association	Orange County Fire Authority Management Association	Unrepresented
			General and Supervisory Management	Administrative Management	Executive Management in General Positions
I	I	2.7% at 55	Prior to 7/1/2011	Prior to 12/1/2012	Prior to 12/1/2012
J	II	2.7% at 55	Prior to 7/1/2011	Prior to 12/1/2012	Prior to 12/1/2012
N	II	2.0% at 55	On or After 7/1/2011 (with reciprocity)	On or After 12/1/2012 (with reciprocity)	On or After 12/1/2012 (with reciprocity)
U	II	2.5% at 67 (PEPRA)	On or After 1/1/2013 (without reciprocity)	On or After 1/1/2013 (without reciprocity)	On or After 1/1/2013 (without reciprocity)

Contributions

Each year, an actuarial valuation is performed for OCERS to determine funding contributions for each agency member within their assigned rate group and plan on an actuarial basis. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability (UAAL). The table below summarizes OCFA's required employer contribution rates and employee rates (paid by OCFA) for the year ended June 30, 2017:

Category	Plan	Tier	Benefit Formula	Employer Contribution Rates				Employee Contribution Rates (See Below)
				Normal Cost	UAAL	Total	Total After Phase-In*	
Safety	E	I	3.0% at 50	27.05%	24.42%	51.47%	48.60%	10.49% - 14.11%
Safety	F	II	3.0% at 50	27.05%	24.42%	51.47%	48.60%	14.32% - 20.22%
Safety	R	II	3.0% at 55	22.38%	24.42%	46.80%	43.93%	13.70% - 19.35%
Safety	V	II	2.7% at 57 (PEPRA)	15.71%	24.42%	40.13%	38.08%	13.04% - 20.53%
General	I	I	2.7% at 55	13.53%	20.28%	33.81%	N/A	9.67% - 15.99%
General	J	II	2.7% at 55	13.53%	20.28%	33.81%	N/A	9.22% - 15.99%
General	N	II	2.0% at 55	12.47%	20.28%	32.75%	N/A	6.84% - 12.95%
General	U	II	2.5% at 67 (PEPRA)	9.63%	20.28%	29.91%	N/A	7.29% - 14.02%

* The OCERS Board adopted a three-year phase-in of the impact of the change in economic assumptions on the employer contribution rates for safety members.

Employees in each unit have agreed through their respective Memorandums of Understanding or Personnel and Salary Resolution to pay their full employee share of retirement costs, with those employee payments being phased in over three to four years. The retirement payment is deducted from the employee's compensation earnable and continues throughout the employee's entire term of employment with OCFA. Employee contribution rates vary depending on the individual employee's hire date and unit, and are summarized below for the year ended June 30, 2017.

Employee Hire Date	Benefit Formula	Employee Contribution Rate
Safety – Firefighter Unit		
Prior to 1/1/2011	3.0% at 50	9.0% as of 11/14/2014 14.5% as of 9/16/2016 **^
1/1/2011 - 6/30/2012	3.0% at 50	11.0% as of 11/14/2014*
On or After 7/1/2012 (with reciprocity)	3.0% at 55	14.5% as of 9/16/2016 **^
On or After 1/1/2013 (without reciprocity)	2.7% at 57 (PEPRA)	50% of Normal Cost
Safety – Firefighter Management Unit		
Prior to 7/1/2012	3.0% at 50	12.5% as of 7/1/2016^
On or After 7/1/2012 (with reciprocity)	3.0% at 55	
On or After 1/1/2013 (without reciprocity)	2.7% at 57 (PEPRA)	50% of Normal Cost
Safety – Executive Management		
Prior to 7/1/2011	3.0% at 50	13.5% as of 3/4/2016^
On or After 7/1/2011 (with reciprocity)	3.0% at 55	50% of Normal Cost as of 3/3/2017^
On or After 1/1/2013 (without reciprocity)	2.7% at 57 (PEPRA)	50% of Normal Cost

Employee Hire Date	Benefit Formula	Employee Contribution Rate
General – General and Supervisory Management		
Prior to 7/1/2011	2.7% at 55	13.5% as of 3/4/2016 [^]
On or After 7/1/2011 (with reciprocity)	2.0% at 55	16.5% as of 3/3/2017 [^]
On or After 1/1/2013 (without reciprocity)	2.5% at 67 (PEPRA)	50% of Normal Cost
General – Administrative Management		
Prior to 12/1/2012	2.7% at 55	14.25% as of 1/8/2016 [^]
On or After 12/1/2012 (with reciprocity)	2.0% at 55	16.5% as of 1/6/2017 [^]
On or After 1/1/2013 (without reciprocity)	2.5% at 67 (PEPRA)	50% of Normal Cost
General – Executive Management		
Prior to 12/1/2012	2.7% at 55	13.5% as of 3/4/2016 [^]
On or After 12/1/2012 (with reciprocity)	2.0% at 55	50% of Normal Cost as of 3/3/2017 [^]
On or After 1/1/2013 (without reciprocity)	2.5% at 67 (PEPRA)	50% of Normal Cost

* Consists of a 9.0% employee payroll deduction and a 2.0% Healthcare Converted Retirement Contribution credit for savings obtained as a result of modifications to the OCPFA Health Plan Agreement.

** Consists of a 12.5% employee payroll deduction and a 2.0% Healthcare Converted Retirement Contribution credit for savings obtained as a result of modifications to the OCPFA Health Plan Agreement.

[^] Capped at maximum employee contribution

For the year ended June 30, 2017, employer and employee contributions remitted to OCERS were as follows:

	Employer Contributions	Employee Contributions	Total Contributions
Contributions paid by OCFA	\$82,880,775	\$ 1,766,962	\$ 84,647,737
Contributions paid by employees	-	17,102,899	17,102,899
Contributions remitted to OCERS	<u>\$82,880,775</u>	<u>\$18,869,861</u>	<u>\$101,750,636</u>

(b) Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources

OCFA’s net pension liability with OCERS is measured as the proportionate share of the net pension liability. The net pension liability of each member agency is measured as of December 31, 2016, and the total pension liability for each member agency used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015, rolled forward to December 31, 2016, using standard update procedures. OCFA’s proportion of the net pension liability was based on a projection of OCFA’s long-term share of contributions to the pension plan relative to the projected contributions of all participating agencies, actuarially determined. OCFA’s proportionate share of the total OCERS net pension liability as of June 30, 2016 and 2017 was as follows:

Member Type	OCFA’s Proportionate Share of the Total OCERS Net Pension Liability					
	At June 30, 2016		Increase (Decrease)		At June 30, 2017	
	Amount	%	Amount	%	Amount	%
Safety	\$449,472,023	7.9%	\$(46,997,781)	(0.1%)	\$402,474,242	7.8%
General	68,197,783	1.2%	(1,241,365)	0.0%	66,956,418	1.2%
Total	<u>\$517,669,806</u>	<u>9.1%</u>	<u>\$(48,239,146)</u>	<u>(0.1%)</u>	<u>\$469,430,660</u>	<u>9.0%</u>

For the year ended June 30 2017, OCFA recognized pension expense of \$79,967,025. At June 30, 2017, OCFA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience in the Total Pension Liability	\$ 1,181,288	\$(52,828,035)
Changes in assumptions	18,503,614	(2,314,092)
Net differences between projected and actual earnings on plan investments	45,677,125	-
	65,362,027	(55,142,127)
Employer contributions subsequent to measurement date	56,818,000	-
Total	\$122,180,027	\$(55,142,127)

Deferred outflows of resources related to contributions subsequent to the measurement date totaling \$56,818,000 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 pensions will also be recognized as an adjustment to pension expense as follows:

Year Ended June 30	Amount
2018	\$ 11,179,230
2019	11,179,227
2020	5,615,645
2021	(12,597,825)
2022	(5,156,377)
Total	\$ 10,219,900

(c) Actuarial Assumptions

The total pension liability in the December 31, 2015, actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2015
Measurement Date	December 31, 2016, rolled forward on an actuarial basis
Actuarial Cost Method	Entry age normal
Actuarial Assumptions:	
• Discount rate	7.25%
• Inflation	3.00%
• Investment rate of return	7.25%, net of pension plan investment expense, including inflation
• Salary increases	“Across the board” real salary increases of 0.50% per year
• Date of experience study	Actuarial assumptions were based on the results of an experience study for the period January 1, 2011 through December 31, 2013.

• Mortality:	Safety	General
○ Healthy	RP-2000 Combined Healthy Mortality Table projected with Scale BB to 2020 with ages set back two years.	RP-2000 Combined Healthy Mortality Table projected with Scale BB to 2020.
○ Disabled	RP-2000 Combined Healthy Mortality Table projected with Scale BB to 2020.	RP-2000 Combined Healthy Mortality Table projected with Scale BB to 2020 with ages set forward six years for males and set forward three years for females.
○ Beneficiaries	Beneficiaries are assumed to have the same mortality as a General Member of the opposite sex who is receiving a service (non-disability) retirement.	
○ Employee Contribution Rates	RP-2000 Combined Healthy Mortality Table projected with Scale BB to 2020 with ages set back two years weighted 80% male and 20% female.	RP-2000 Combined Healthy Mortality Table projected with Scale BB to 2020 weighted 40% male and 60% female.

The mortality tables above were determined to contain about a 10% margin to reflect future mortality improvement, based on a review of the mortality experience by OCERS, as of December 31, 2016.

Discount Rate

The discount rate used to measure the Total Pension Liability was 7.25% as of December 31, 2016, and December 31, 2015. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only 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 pension 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 total pension liability as of both December 31, 2016, and December 31, 2015.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real 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 OCERS Retirement 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	14.90%	5.92%
Small/Mid Cap U.S. Equity	2.73%	6.49%
Developed International Equity	10.88%	6.90%
Emerging International Equity	6.49%	8.34%
Core Bonds	10.00%	0.73%
Global Bonds	2.00%	0.30%
Emerging Market Debt	3.00%	4.00%
Real Estate	10.00%	4.96%
Diversified Credit (U.S. Credit)	8.00%	4.97%
Diversified Credit (Non-U.S. Credit)	2.00%	6.76%
Hedge Funds	7.00%	4.13%
GTAA	7.00%	4.22%
Real Return	10.00%	5.86%
Private Equity	6.00%	9.60%
Total	<u>100.00%</u>	

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents OCFA's proportionate share of the net pension liability with OCERS, calculated using the discount rate of 7.25%, as well as what OCFA's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate.

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Total proportionate share of net pension liability	<u>\$709,796,767</u>	<u>\$469,430,660</u>	<u>\$271,606,264</u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued OCERS financial report.

(22) Retirement Plan for Part-Time Employees

(a) General Information about the Plan

Plan Description and Administration

OCFA administers the Extra Help Retirement Plan (Plan), a single-employer defined benefit pension plan that provides retirement benefits for its less than half-time and extra help employees. The Plan was established on January 1, 1997, and is accounted for in the Extra Help Retirement Plan fiduciary

fund. The Board establishes and amends all Plan provisions, and has the authority to change contribution rates and investment types. A separate, audited pension plan report is not available.

Benefits Provided

The Plan provides retirement benefits in the form of a lifetime annuity. Retirement benefits are calculated at the rate of 2% of career earnings during the first thirty years of credited service. Upon retirement, participants are eligible to receive their benefit either as a lump sum payment or as a monthly payment. If employment with OCFA is terminated prior to retirement and the value of the employee's contributions with interest is \$3,500 or less, the employee may receive an immediate lump sum distribution in lieu of any future benefits payable under the Plan. If the value of the terminated employee's contributions with interest exceeds \$3,500, the employee may elect to receive a lump sum distribution or leave the contributions on deposit until he or she reaches retirement age.

During the year ended June 30, 2017, lump sum distributions totaling \$31,370 were made to sixteen participants. Currently, there are no participants collecting retirement benefits.

Plan Membership

As of June 30, 2017, Plan membership consisted of the following:

Plan Members (or Beneficiaries)	Balance as of June 30, 2017		
	\$3,500 or Less	More than \$3,500	Total
Inactive; currently receiving benefits	-	-	-
Inactive; entitled to but not yet receiving benefits	43	3	46
Active	<u>31</u>	-	<u>31</u>
Total plan members	<u>74</u>	<u>3</u>	<u>77</u>

Contributions

All eligible half-time and extra help employees hired on or after January 1, 1997, are required to contribute a percentage of compensation corresponding to an age-based table included in the Plan. Age is determined as attained age on every January 1. Employee contributions rates range from 2.5% to 7.5% based on age. After 30 years of credited service, OCFA is responsible for the employee's Plan contributions. Employee contributions are credited with 5% interest compounded semi-annually. Any interest earnings credited to the Plan in excess of actual investment earnings are reported as employer contributions. During the year ended June 30, 2017, employee and employer contributions totaled \$21,080 and \$839, respectively.

(b) Investments

Method Used to Value Investments

All Plan assets are invested in the Local Agency Investment Fund (LAIF), which is reported based on OCFA'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).

Investment Policy

Contributions are deposited into OCFA’s Local Agency Investment Fund (LAIF), which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California and the Pooled Money Investment Board. Additional LAIF information is provided within these notes as Note 4(e).

Concentrations

All Plan assets are invested in the Local Agency Investment Fund (LAIF).

(c) Net Pension Liability

Net pension liability is measured as the total pension liability, less the pension plan’s fiduciary net position. The Plan’s net pension liability is measured as of June 30, 2017, using an actuarial valuation as of January 1, 2016, rolled forward to June 30, 2017, using standard update procedures. A summary of components of the Plan’s net pension liability as of June 30, 2017, is shown below, followed by principal assumptions and methods used to determine the net pension liability.

Total pension liability	\$192,213
Plan fiduciary net position	<u>(67,754)</u>
Net pension liability	<u>\$124,459</u>
Plan fiduciary net position as a % of the total pension liability	35.25%

Actuarial Assumptions

Actuarial calculations reflect a long-term perspective. Calculations are based on the benefits provided under the terms of the Plan in effect at the time of each valuation and on the pattern of sharing of costs between the OCFA and plan members to that point. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future.

The total pension liability in the January 1, 2017, actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	January 1, 2016
Measurement Date	June 30, 2017, rolled forward on an actuarial basis
Actuarial Cost Method	Entry age normal
Actuarial Assumptions:	
• Discount rate	3.40%, net of pension investment expense, including inflation; average of 3-20 year municipal bond rate indices, rounded to 5 basis points (S&P Municipal Bond 20 Year High Grade Rate Index, Bond Buyer 20-Bond GO Index, Fidelity GO AA 20 Year Bond Index)
• Inflation	2.75%
• Investment rate of return	0.50%

<ul style="list-style-type: none"> • Salary increases • Mortality 	<p>3.00%, including merit, seniority, and inflation; annual salary for the current year assumed to be equal to the average annual salary over the last 3 years</p> <p>RP-2000 mortality table for combined healthy participants to 2016 for mortality according to Scale BB</p>
Experience study	Given the size of the plan, there was not enough data available to conduct a credible experience study. Assumptions are not anticipated to produce significant cumulative actuarial gains or losses over time. Liabilities and data are analyzed each year in order to identify any trends of experience deviating from the actuarial assumptions.
Form of payment	Participants who have 5 years or less of credited service or have a contribution balance less than or equal to \$3,500 are assumed to take an immediate lump sum upon termination or retirement. Participants who have worked more than 5 years or have attained age 55 are assumed to commence a modified cash refund annuity starting at age 65.
Retirement	100% retirement at age 65
Termination	Service 0 years, Rate 30%; Service 1-3 years, Rate 50%; Service 4 years, Rate 25%; Service 5+ years, Rate 5%
Plan Assets	The employee contributions are deposited into the Authority's LAIF account. The LAIF account is managed by the State Treasurer's Office and is invested in fixed income securities.

Changes of Assumptions

Following is a comparison of actuarial assumptions for the years ended June 30, 2017 and 2016:

	<u>As of June 30, 2017</u>	<u>As of June 30, 2016</u>	<u>Change</u>
Discount rate	3.40%	2.90%	0.50%
Inflation	2.75%	2.75%	n/a
Investment rate of return	0.50%	0.50%	n/a
Salary increases	3.00%	3.00%	n/a

Discount Rate

The discount rate used to measure the total pension liability was 3.40% (an increase of 0.50% since the prior measurement date). The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These expected future real rates of return 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 and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2017, are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Local Agency Investment Fund	100.00%	0.50%

The annual money-weighted rate of return was 3.43%, and was an estimate based on mid-year timing of contributions and benefit payments. The money rated rate of return expresses investment performance, net of pension plan investment expenses, adjusted for changing amounts actually invested.

(d) Changes in the Net Pension Liability

Changes in the Plan's net pension liability for the year ended June 30, 2017, were as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/ (Asset)
Balance at June 30, 2016	<u>\$238,489</u>	<u>\$74,798</u>	<u>\$163,691</u>
Changes in the year:			
Service cost	6,050	-	6,050
Interest	6,637	-	6,637
Changes of assumptions	(27,593)	-	(27,593)
Contributions – employer	-	839	(839)
Contributions – plan members	-	21,080	(21,080)
Net investment income	-	2,407	(2,407)
Benefit payments, including refunds of employee contributions	<u>(31,370)</u>	<u>(31,370)</u>	-
Net changes	<u>(46,276)</u>	<u>(7,044)</u>	<u>(39,232)</u>
Balance at June 30, 2017	<u>\$192,213</u>	<u>\$ 67,754</u>	<u>\$124,459</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability, calculated using the discount rate of 3.40%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.40%) or one percentage point higher (4.40%) than the current rate:

	1% Decrease (2.40%)	Current Discount Rate (3.40%)	1% Increase (4.40%)
Net pension liability	<u>\$287,819</u>	<u>\$124,459</u>	<u>\$80,198</u>

Pension Plan Fiduciary Net Position

As previously mentioned, the Plan does not issue a separate stand-alone financial report. More detailed information on the Plan's fiduciary net position is presented on pages 43 and 44 of this report.

(e) Pension Expense and Deferred Outflows/Inflows of Resources

For the year ended June 30 2017, OCFA recognized pension expense (credit) of \$(47,544). At June 30, 2017, OCFA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between actual and expected experience in the Total Pension Liability	\$ -	\$(43,925)
Changes in assumptions	15,775	(18,395)
Net differences between projected and actual earnings on plan investments	<u>618</u>	<u>-</u>
	16,393	(62,320)
Employer contributions subsequent to measurement date	<u>839</u>	<u>-</u>
Total	<u>\$17,232</u>	<u>\$(62,320)</u>

Deferred outflows of resources related to contributions subsequent to the measurement date totaling \$839 will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. All other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will also be recognized as an adjustment to pension expense as follows:

<u>Year Ended June 30</u>	<u>Amount</u>
2018	\$(37,117)
2019	(8,966)
2020	231
2021	<u>(75)</u>
Total	<u>\$(45,927)</u>

(23) Defined Benefit Retiree Medical Plan – Other Post-Employment Benefits (OPEB)

(a) Plan Description

OCFA provides a post-employment Retiree Medical Plan (Plan), a single-employer defined benefit plan, for its full-time employees hired prior to January 1, 2007. The Plan, which was established on January 1, 1997, and amended on September 28, 2006, provides a monthly grant toward the cost of retirees' health insurance coverage. The Board establishes and amends all Plan provisions through negotiations with labor bargaining units. Prior to the amendment on September 28, 2006, all Plan activity was accounted for in OCFA's Retiree Medical Fund. Thereafter, plan assets were remitted to OCERS and are no longer reported in the OCFA's financial statements.

The Plan's assets are held in an irrevocable trust for the exclusive benefit of Plan participants and are administered by the Orange County Employees Retirement System (OCERS). Funds are held in a trust account established pursuant to Section 401(h) of the Internal Revenue Code and are held separate from the assets of the OCERS retirement system, except for investment purposes. A publicly available financial report can be obtained from OCERS at 2223 Wellington Avenue, Santa Ana, California 92701.

All retirees and full-time employees hired prior to January 1, 2007, are eligible to participate in the Plan. As of June 30, 2017, there were 1,257 active Plan participants (excluding any terminated/declined participants), which consisted of 567 active employees; and 690 current retirees and survivors.

(b) Funding Policy

Current, active employees are required to contribute 4% of their pay through payroll deductions to the OCFA. (Prior to September 28, 2006, the required contribution rate was 1% of pay.) OCFA may also periodically remit Plan contributions to the trust administered by OCERS in amounts authorized to be contributed by the Board of Directors.

(c) Benefits

Participating employees who are credited with at least one year of service are eligible to receive Plan benefits upon retirement. A participating employee who terminates employment with the OCFA for reasons other than retirement is eligible to begin receiving Plan benefits at age 55. Participants must be covered under a qualified health plan, Medicare, or a recognized health insurance plan.

The amount of the monthly grant is based on years of credited service and is applied as a credit towards the cost of the retiree's monthly medical insurance premium. For the year ended June 30, 2017, there were 690 eligible retirees and survivors who received monthly benefits aggregating to an annual total of \$5,178,437. In addition, there were two deferred retirees who received benefits directly from the OCFA during Fiscal Year 2016/17 totaling \$871.

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

OCFA's Annual OPEB Cost is equal to the annual required contribution to the Plan, plus an adjustment for the cumulative difference between the Annual OPEB Cost and the OCFA's actual contributions for the year. The cumulative difference is called the Net OPEB Obligation (NOPEBO). For the year ended June 30, 2017, OCFA's annual OPEB cost was \$20,492,153, as determined by an actuarial valuation with a measurement date as of July 1, 2016, and was calculated as follows:

Annual Required Contribution (ARC)	\$22,707,032
Interest on the Net OPEB Obligation (NOPEBO)	2,732,379
Actuary's adjustment on the ARC	<u>(4,947,258)</u>
Annual OPEB Cost	<u>\$20,492,153</u>

During the year ended June 30, 2017, actual contributions totaled \$4,880,839 resulting in an increase to the NOPEBO of \$15,611,314 (the difference between the Annual OPEB Cost and actual contributions). The outstanding balance of the NOPEBO as of June 30, 2017, was \$82,254,710. Following is a schedule of employer contributions, as well as a calculation of OCFA's Net OPEB Asset (Obligation) for the current and previous two fiscal years.

FYE June 30	Annual OPEB Cost	Actual Contributions	% of Annual OPEB Cost Contributed	Net Increase to Net OPEB Obligation	Cumulative Net OPEB Obligation at June 30
2015	\$13,704,972	\$4,237,163	30.92%	\$9,467,809	\$57,553,126
2016	13,550,385	4,460,115	32.92%	9,090,270	66,643,396
2017	20,492,153	4,880,839	23.82%	15,611,314	82,254,710

The Annual OPEB Cost includes an implicit subsidy for safety members under the age of 65. Accordingly, the Actual Contributions also reflect the implicit subsidy for the current and previous two fiscal years:

	2017	2016	2015
Amounts irrevocably transferred to OCERS trust:			
Active employees	\$2,491,681	\$2,454,900	\$2,601,233
Retirees and other plan members	<u>879,640</u>	<u>939,826</u>	<u>714,338</u>
Subtotal	3,371,321	3,394,726	3,315,571
Implicit insurance premiums paid on behalf of retirees	1,508,647	1,058,599	916,573
Amounts paid directly to retirees	<u>871</u>	<u>6,790</u>	<u>5,019</u>
Total actual contributions	<u>\$4,880,839</u>	<u>\$4,460,115</u>	<u>\$4,237,163</u>

(e) Funded Status and Funding Progress

The following schedule of funding progress shows whether the actuarial value of Plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. A required schedule of funding progress immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits over time.

	(a)	(b)	(b-a)	(a/b)	(c)	(b-a)/c
As of <u>July 1</u>	Actuarial Value of <u>Assets</u>	Entry Age Actuarial Accrued <u>Liability (AAL)</u>	Unfunded AAL <u>(UAAL)</u>	Funded <u>Ratio</u>	Covered <u>Payroll</u>	UAAL as a % of Covered <u>Payroll</u>
2016	35,857,649	263,303,006	227,445,357	13.62%	61,161,000	371.88%

(f) Actuarial Methods and Assumptions

Actuarial calculations reflect a long-term perspective. Calculations are based on the benefits provided under the terms of the Plan in effect at the time of each valuation and on the pattern of sharing of costs between the OCFA and plan members to that point. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. The funded status of the Plan and the annual required contributions are subject to revision as actual results are compared with past expectations and new estimates are made about the future. The annual required contribution for the year ended June 30, 2017, was determined by an actuarial valuation of the Plan dated July 1, 2016. Unfunded liabilities are amortized over a closed period ending June 30, 2036.

The principle assumptions and methods used to determine the annual required contribution were as follows:

Valuation date	July 1, 2016
Actuarial cost method	Entry age normal
Amortization method	30 years beginning July 1, 2006, closed, level dollar
Remaining amortization period	20 years as of July 1, 2016
Asset valuation method	Market value
Actuarial assumptions:	
• Discount rate	4.1%, blended using a short-term rate of 4.0% for portion of expected benefits not expected to be paid from contributions and return on assets
• Wage inflation	3.25%
• Asset rate of return	7.25%
• Projected salary increases	N/A
• Medical trend rates	5.00% - 7.00%
• Increase in retiree medical grant	5.0%
Plan membership:	
• Current retirees and survivor	662
• Current active members	602
• Terminated participants entitled but not yet eligible	39
• Declined	15

(24) Retiree Defined Contribution Healthcare Expense Reimbursement Plan

On September 28, 2006, OCFA created the Orange County Fire Authority Retiree Defined Contribution Healthcare Expense Reimbursement Plan (Plan), an employer-sponsored defined contribution benefit plan. The Plan, which became effective January 1, 2007, provides for the reimbursement of medical, dental, and other healthcare expenses of retirees. The Board establishes and amends all Plan provisions in conjunction with its negotiated labor contracts and is subject to all applicable requirements of the Myers-Milias-Brown Act and any other applicable law. Plan assets are held in trust and administered by Select Account.

All active, full-time employees who became employed by the OCFA on or after January 1, 2007, are required to contribute 4% of their gross pay through payroll deductions to the OCFA. All contributions, investment income, realized and unrealized gains and losses are credited to individual recordkeeping accounts maintained in the name of each Plan participant. Account assets are invested as directed by the participant from among investment funds selected by the OCFA. Participants are eligible to receive Plan benefits upon reaching retirement age, including those who terminate employment with the OCFA for reasons other than retirement. Required and actual employee contributions totaled \$2,326,102 for the year ended June 30, 2017.

Required Supplementary Information



Fire Station 61 Ground-Breaking Ceremony

May 2017



Required Supplementary Information

OCERS Retirement Plan

OCFA participates in the Orange County Employees Retirement System (OCERS), a cost-sharing multiple-employer, defined benefit pension plan that provides retirement, disability, and death benefits to general and safety members.

Extra Help Retirement Plan

OCFA administers a single-employer, defined benefit pension plan that provides retirement benefits for OCFA's less than half-time and extra help employees. Plan assets are accounted for in the Extra Help Retirement fiduciary fund.

Retiree Medical Plan

OCFA provides a single-employer, defined benefit plan for OCFA's full-time employees hired prior to January 1, 2007, which provides a monthly grant toward the cost of retirees' health insurance coverage. Plan assets are held in an irrevocable trust for the exclusive benefit of Plan participants and are administered by the Orange County Employees Retirement System (OCERS).



Orange County Fire Authority Safety Message

Disaster Supply Kit and Go! Bag



A Disaster Supply Kit and a Go! Bag contain a collection of basic items your family may need during or after a wildfire. Creating a Disaster Supply Kit in advance will prepare your family, not only for an evacuation, but for a long stay at home if escape routes are blocked during or after a wildfire.

6 P's for Immediate Evacuation

- ✓ People and Pets
- ✓ Papers
- ✓ Prescription Medication and Eyeglasses
- ✓ Pictures
- ✓ Personal Computer Hard Drive and Disks
- ✓ Personal Supplies

Disaster Supply Kit

The American Red Cross, FEMA, and the California Emergency Management Agency recommend putting together a Disaster Supply Kit with supplies for at least 72 hours, including food, water, and supplies for pets. Keeping extra supply kits in your car and at work is also a great idea in case a wildfire or other disaster stops you from going home.

Go! Bag

If you're forced to evacuate and can grab only your Go! Bag, the items inside will make it easier for you during and after a wildfire, earthquake, or other disaster. A Go! Bag should contain some of the 6 P's like prescription medication, copies of important documents (papers), and personal supplies (credit cards, toothbrush/toothpaste, phone lists, maps, etc.).

ORANGE COUNTY FIRE AUTHORITY
OCERS Retirement Plan
A Cost-Sharing, Multiple-Employer Defined Benefit Pension Plan
As of June 30, 2017
Last Ten Fiscal Years (A)
Schedule of OCFA's Proportionate Share of the Net Pension Liability

	Fiscal Year Ended June 30			
	2014	2015	2016	2017
OCFA's proportion of the collective net pension liability	8.366%	9.188%	9.056%	9.043%
OCFA's proportionate share of the collective net pension liability	\$ 442,651,348	\$ 466,968,323	\$ 517,669,806	\$ 469,430,660
OCFA's covered payroll	\$ 129,689,221	\$ 129,187,729	\$ 129,452,647	\$ 124,514,004
OCFA's proportionate share of the collective net pension liability as a percentage of covered payroll	341.32%	361.46%	399.89%	377.01%
Plan's fiduciary net position	\$ 10,821,318,000	\$ 11,536,106,000	\$ 11,657,318,000	\$ 12,809,208,000
Plan's fiduciary net position as a percentage of the total pension liability	67.16%	69.42%	67.10%	71.16%

Notes to Schedule:

(A) Fiscal year ended June 30, 2015 was the first year of implementation; therefore only four years of data are available for presentation. Other years will be added as they become available.

ORANGE COUNTY FIRE AUTHORITY
OCERS Retirement Plan
A Cost-Sharing, Multiple-Employer Defined Benefit Pension Plan
As of June 30, 2017
Last Ten Fiscal Years
Schedule of Contributions

	Fiscal Year Ended June 30			
	2008	2009	2010	2011
Required contributions (actuarially determined)	\$ 35,709,526	\$ 37,183,082	\$ 42,331,507	\$ 45,543,856
Actual contributions	35,709,526	37,183,082	42,331,507	45,543,856
Contribution excess (deficiency)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 100,313,038	\$ 104,571,731	\$ 106,718,627	\$ 107,268,263
Actual contributions as a percentage of covered payroll	35.60%	35.56%	39.67%	42.46%

Notes to Schedule:

(A) Beginning in Fiscal Year 2014/15, required and actual contributions presented in the above schedule exclude any employer-paid member contributions. Since it was not practical to obtain data in this format prior to Fiscal Year 2014/15, earlier periods have not been restated. Required and actual contributions presented for Fiscal Year 2013/14 and prior include any employer-paid member contributions.

2012	2013	2014	2015	2016	2017
\$ 55,756,764	\$ 61,206,670	\$ 57,795,043	\$ 61,323,319	\$ 63,297,103	\$ 66,284,815
55,756,764	61,206,670	63,030,796	82,699,618	78,708,605	82,880,775
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,235,753</u>	<u>\$ 21,376,299</u>	<u>\$ 15,411,502</u>	<u>\$ 16,595,960</u>
(A)					
\$ 111,444,130	\$ 128,121,447	\$ 125,869,628	\$ 128,215,528	\$ 132,248,620	\$ 144,564,215
50.03%	47.77%	50.08%	64.50%	59.52%	57.33%

ORANGE COUNTY FIRE AUTHORITY
Extra Help Retirement Plan
A Single-Employer Defined Benefit Pension Plan
As of June 30, 2017
For the Last Ten Fiscal Years (A)
Schedule of Changes in Net Pension Liability and Related Ratios

	Fiscal Year Ended June 30			
	2014	2015	2016	2017
Total pension liability (TPL):				
Service cost	\$ 8,030	\$ -	\$ 8,331	\$ 6,050
Interest	11,484	-	11,865	6,637
Differences between expected and actual experience	(3,269)	9,728	(131,777)	-
Changes of assumptions	-	-	47,323	(27,593)
Benefit payments, including refunds of member contributions	(8,676)	(6,459)	(10,642)	(31,370)
Net change in total pension liability	7,569	3,269	(74,900)	(46,276)
Total pension liability - beginning	302,551	310,120	313,389	238,489
Total pension liability - ending	310,120	313,389	238,489	192,213
Plan fiduciary net position (FNP):				
Contributions - employer	2,117	2,481	2,267	839
Contributions - plan members	13,542	11,831	8,923	21,080
Net investment income	586	714	1,219	2,407
Benefit payments, including refunds of member contributions	(8,676)	(6,459)	(10,642)	(31,370)
Net change in plan fiduciary net position	7,569	8,567	1,767	(7,044)
Total plan fiduciary net position - beginning	56,895	64,464	73,031	74,798
Total plan fiduciary net position - ending	64,464	73,031	74,798	67,754
Net pension liability (NPL)	\$ 245,656	\$ 240,358	\$ 163,691	\$ 124,459
Plan FNP as a % of the TPL	20.79%	23.30%	31.36%	35.25%
Covered payroll	\$ 205,340	\$ 205,340	\$ 108,526	\$ 108,526
NPL as a % of covered payroll	119.63%	117.05%	150.83%	114.68%

Notes to Schedule:

(A) GASB Statements No. 67 and No. 68 were implemented during Fiscal Year 2013/14 and Fiscal Year 2014/15, respectively. Additional years will be added as they become available in the future.

Change in actuarial assumptions:

Discount rate and investment rate of return	3.75%	3.75%	2.90%	3.40%
Inflation	3.00%	3.00%	2.75%	2.75%
Salary increases	3.00%	3.00%	3.00%	3.00%

ORANGE COUNTY FIRE AUTHORITY
Extra Help Retirement Plan
A Single-Employer Defined Benefit Pension Plan
As of June 30, 2017
For the Last Ten Fiscal Years (A)
Schedule of Contributions

	Fiscal Year Ended June 20			
	2014	2015	2016	2017
Required employer contributions	\$ 2,117	\$ 2,481	\$ 2,267	\$ 839
Actual employer contributions	2,117	2,481	2,267	839
Contribution excess (deficiency)	\$ -	\$ -	\$ -	\$ -
Actual contributions as a % of required contributions	100.00%	100.00%	100.00%	100.00%
Covered payroll	\$ 205,340	\$ 205,340	\$ 108,526	\$ 108,526
Actual contributions as a % of covered payroll	1.03%	1.21%	2.09%	0.77%

Notes to Schedule:

(A) GASB Statements No. 67 and No. 68 were implemented during Fiscal Year 2013/14 and Fiscal Year 2014/15, respectively. Additional years will be added as they become available in the future.

Changes in size or composition of plan members:

Inactive; currently receiving benefits	-	-	-	-
Inactive; entitled to but not yet receiving benefits	10	39	47	46
Active	59	41	17	31
Total plan members as of June 30	69	80	64	77

ORANGE COUNTY FIRE AUTHORITY
Extra Help Retirement Plan
A Single-Employer Defined Benefit Pension Plan
As of June 30, 2017
For the Last Ten Fiscal Years (A)
Schedule of Money Weighted Rate of Return

	Fiscal Year Ended June 30			
	2014	2015	2016	2017
Annual money-weighted rate of return, net of investment expense	0.97%	1.24%	1.66%	3.43%

Notes to Schedule:

(A) GASB Statement No. 67, which requires ten years of history for this schedule, was implemented during Fiscal Year 2013/14. Additional years will be added as they become available in the future.

ORANGE COUNTY FIRE AUTHORITY
Retiree Medical Plan
A Single-Employer Defined Benefit Plan
As of June 30, 2017
Last Three Actuarial Valuations
Schedule of Funding Progress

	Actuarial Valuation Dated July 1		
	2012	2014	2016
Entry age actuarial accrued liability (AAL)	\$156,623,184	\$179,056,290	\$263,303,006
Actuarial value of assets	28,910,090	36,945,371	35,857,649
Unfunded AAL (UAAL)	<u>\$ 127,713,094</u>	<u>\$ 142,110,919</u>	<u>\$ 227,445,357</u>
Funded ratio	18.46%	20.63%	13.62%
Covered payroll	\$ 75,432,000	\$ 66,021,000	\$ 61,161,000
UAAL as a percentage of covered payroll	169.31%	215.25%	371.88%

Notes to Schedule:

	Actuarial Valuation Dated July 1		
	2012	2014	2016
Changes in size or composition of plan members:			
Current retirees and surviving spouses	471	573	662
Current active members	804	697	602
Terminated participants entitled but not yet eligible	9	13	39
Declined	13	14	15
	<u>1,297</u>	<u>1,297</u>	<u>1,318</u>

A publicly available financial report can be obtained from the Orange County Employees Retirement System (OCERS) at 2223 Wellington Avenue, Santa Ana, California 92701.



Orange County Fire Authority Safety Message

Fire Extinguishers **(Part 1 of 4)**



Fire extinguishers can save lives and property, but should only be used if the fire is small and smoke and heat have not filled the room. If you're unsure, evacuate immediately and call 9-1-1.

Types of Fire Extinguishers

Fire extinguishers are classified as A, B, or C to indicate which type of fire they will extinguish. Multipurpose (ABC) fire extinguishers are recommended for home use.

- ✓ **A** – For use with ordinary materials like cloth, wood, and paper.
- ✓ **B** – For use with flammable liquids like grease, gasoline, oil, and oil-based paints.
- ✓ **C** – For use with electrical equipment that is connected to an outlet.

(Continued on Page 116)

Supplementary Schedules



Open House
May 2017



Major Governmental Funds

Capital Projects Funds

Communications and Information Systems

This fund is used to account for the significant acquisition, improvement, or replacement of specialized communications and information technology systems and/or equipment.

Fire Apparatus

This fund is used to account for the significant acquisition, improvement, or replacement of fire apparatus, including vehicles, trailers, and helicopters.

Fire Stations and Facilities

This fund is used to account for the significant acquisition, improvement, replacement, or construction of fire stations and facilities.

ORANGE COUNTY FIRE AUTHORITY
Communications and Information Systems
Budgetary Comparison Schedule
Year ended June 30, 2017
(With Comparative Data for Prior Year)

	2017			Variance with Final Budget Positive (Negative)	2016
	Budget Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Budgetary fund balance, July 1	\$ 19,002,272	\$ 19,002,272	\$ 19,002,272	\$ -	\$ 18,655,855
Resources (inflows):					
Use of money and property	164,012	148,621	120,120	(28,501)	111,865
Miscellaneous	166,092	203,512	203,512	-	312,605
Transfers in	4,866,307	4,866,307	4,866,307	-	78,187
Total resources (inflows)	5,196,411	5,218,440	5,189,939	(28,501)	502,657
Amounts available for appropriations	24,198,683	24,220,712	24,192,211	(28,501)	19,158,512
Charges to appropriation (outflows):					
Services and supplies	24,715	24,715	6,536,197	(6,511,482)	84,845
Capital outlay	9,595,117	9,449,482	710,336	8,739,146	71,395
Transfers out	-	-	5,552,492	(5,552,492)	-
Total charges to appropriations	9,619,832	9,474,197	12,799,025	(3,324,828)	156,240
Budgetary fund balance, June 30	\$ 14,578,851	\$ 14,746,515	\$ 11,393,186	\$ (3,353,329)	\$ 19,002,272

ORANGE COUNTY FIRE AUTHORITY
Fire Apparatus
Budgetary Comparison Schedule
Year ended June 30, 2017
(With Comparative Data for Prior Year)

	2017			2016	
	Budget Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final		Positive (Negative)	
Budgetary fund balance, July 1	\$ 21,452,261	\$ 21,452,261	\$ 21,452,261	\$ -	\$ 25,440,432
Resources (inflows):					
Charges for services	1,358,858	1,350,190	1,350,190	-	1,421,540
Use of money and property	184,423	186,890	165,829	(21,061)	131,954
Miscellaneous	101,923	124,886	124,886	-	191,832
Transfers in	9,813,587	15,405,300	15,405,300	-	-
Total resources (inflows)	11,458,791	17,067,266	17,046,205	(21,061)	1,745,326
Amounts available for appropriations	32,911,052	38,519,527	38,498,466	(21,061)	27,185,758
Charges to appropriation (outflows):					
Services and supplies	-	100,000	9,358	90,642	248
Capital outlay	13,980,065	25,831,466	5,953,342	19,878,124	3,201,526
Principal retirement	2,397,140	2,397,140	2,397,140	-	2,336,279
Interest and fiscal charges	134,583	134,583	134,583	-	195,444
Total charges to appropriations	16,511,788	28,463,189	8,494,423	19,968,766	5,733,497
Budgetary fund balance, June 30	\$ 16,399,264	\$ 10,056,338	\$ 30,004,043	\$ 19,947,705	\$ 21,452,261

ORANGE COUNTY FIRE AUTHORITY
Fire Stations and Facilities
Budgetary Comparison Schedule
Year ended June 30, 2017
(With Comparative Data for Prior Year)

	2017			Variance with Final Budget Positive (Negative)	2016
	Budget Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Budgetary fund balance, July 1	\$ 15,858,647	\$ 15,858,647	\$ 15,858,647	\$ -	\$ 12,520,242
Resources (inflows):					
Use of money and property	132,393	151,582	140,935	(10,647)	74,414
Miscellaneous	98,381	120,546	120,546	-	185,165
Developer contributions	-	630,394	962,627	332,233	3,233,082
Transfers in	7,900,000	7,900,000	7,900,000	-	-
Total resources (inflows)	8,130,774	8,802,522	9,124,108	321,586	3,492,661
Amounts available for appropriations	23,989,421	24,661,169	24,982,755	321,586	16,012,903
Charges to appropriation (outflows):					
Services and supplies	875,000	824,931	10,857	814,074	53,433
Capital outlay	7,513,135	8,110,773	815,901	7,294,872	100,823
Total charges to appropriations	8,388,135	8,935,704	826,758	8,108,946	154,256
Budgetary fund balance, June 30	\$ 15,601,286	\$ 15,725,465	\$ 24,155,997	\$ 8,430,532	\$ 15,858,647

Major Governmental Funds

“Sub-Fund” Components of General Fund

The following “sub-funds” are have been combined and consolidated in order to report a single General Fund for financial statement presentation. Descriptions of each “sub-fund” component are identified below.

General Operating Fund

This sub-fund is used to account for all operating activities not accounted for in another sub-fund.

General Fund Capital Improvement Program (CIP)

This sub-fund is used to account for financial activity associated with maintenance and improvement projects that are considered “capital in nature” but do not meet the criterial to be included in a Capital Projects Fund.

Structural Fire Entitlement

This sub-fund is used to account for service enhancement funds of over-funded Structural Fire Fund members.

Self Insurance

This sub-fund is used to account the workers’ compensation self-insurance program.

ORANGE COUNTY FIRE AUTHORITY
Components of General Fund
Combining Balance Sheet
June 30, 2017
(With Comparative Data for Prior Year)

	<u>General Operating Fund</u>
Assets:	
Cash and investments	\$ 34,725,928
Receivables:	
Accounts, net	3,132,852
Accrued interest	104,122
Prepaid costs and other assets	33,692,900
Due from other governments, net	11,127,839
	\$ 82,783,641
Liabilities:	
Accounts payable	\$ 2,952,695
Accrued liabilities	8,293,131
Unearned revenue	972,723
Due to other governments	152,192
Total liabilities	12,370,741
Deferred Inflows of Resources:	
Unavailable revenue	190,000
Total deferred inflows of resources	190,000
Fund balances:	
Nonspendable - prepaid costs	33,670,604
Restricted for:	
Operations Department	28,551
Community Risk Reduction Department	3,307,509
Organizational Planning Department	28,322
Committed to - SFF cities enhancements	-
Assigned to:	
Capital improvement program	-
Workers' compensation	-
Executive Management	66,396
Operations Department	236,943
Community Risk Reduction Department	21,988
Business Services Department	1,341,200
Support Services Department	23,307
Organizational Planning Department	62,047
Facilities projects	89,361
Communications and IT projects	-
Unassigned	31,346,672
Total fund balances	70,222,900
Total liabilities, deferred inflows of resources, and fund balances	\$ 82,783,641

General Fund CIP	Structural Fire Entitlement	Self Insurance	Eliminations	Total General Fund	
				2017	2016
\$ 1,235,994	\$ 572,263	\$ 75,816,383	\$ -	\$ 112,350,568	\$ 121,350,414
-	-	-	-	3,132,852	2,442,570
-	390	49,446	-	153,958	125,706
79,944	-	-	-	33,772,844	36,789,256
-	-	-	-	11,127,839	10,050,255
\$ 1,315,938	\$ 572,653	\$ 75,865,829	\$ -	\$ 160,538,061	\$ 170,758,201
\$ 106,966	\$ 23,002	\$ 490,000	\$ -	\$ 3,572,663	\$ 2,720,274
-	-	-	-	8,293,131	14,824,059
-	-	-	-	972,723	33,116
-	-	-	-	152,192	123,047
106,966	23,002	490,000	-	12,990,709	17,700,496
-	-	-	-	190,000	-
-	-	-	-	190,000	-
79,944	-	-	-	33,750,548	36,779,845
-	-	-	-	28,551	13,867
-	-	-	-	3,307,509	2,334,811
-	-	-	-	28,322	-
-	549,651	-	-	549,651	584,464
1,107,430	-	-	-	1,107,430	4,668,314
-	-	75,375,829	-	75,375,829	73,720,054
-	-	-	-	66,396	36,690
-	-	-	-	236,943	51,484
12,771	-	-	-	34,759	15,845
-	-	-	-	1,341,200	162,699
-	-	-	-	23,307	119,743
-	-	-	-	62,047	21,000
-	-	-	-	89,361	69,987
8,827	-	-	-	8,827	56,909
-	-	-	-	31,346,672	34,421,993
1,208,972	549,651	75,375,829	-	147,357,352	153,057,705
\$ 1,315,938	\$ 572,653	\$ 75,865,829	\$ -	\$ 160,538,061	\$ 170,758,201

ORANGE COUNTY FIRE AUTHORITY
Components of General Fund
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Year ended June 30, 2017
(With Comparative Data for Prior Year)

	General Operating Fund
Revenues:	
Taxes	\$ 232,832,758
Intergovernmental	29,069,065
Charges for services	104,710,870
Use of money and property	413,788
Miscellaneous	4,123,033
Total revenues	371,149,514
Expenditures:	
Current - public safety:	
Salaries and benefits	320,951,898
Services and supplies	30,119,055
Capital outlay	485,968
Debt service:	
Interest and fiscal charges	266,304
Total expenditures	351,823,225
Excess (deficiency) of revenues over (under) expenditures	19,326,289
Other financing sources (uses):	
Transfers in	5,552,492
Transfers out	(29,942,999)
Sale of capital and other assets	76,633
Insurance recoveries	1,218,433
Total other financing sources (uses)	(23,095,441)
Net change in fund balances	(3,769,152)
Fund balances, beginning of year, as restated	73,992,052
Fund balances, end of year	\$ 70,222,900

General Fund CIP	Structural Fire Entitlement	Self Insurance	Eliminations	Total General Fund	
				2017	2016
\$ -	\$ -	\$ -	\$ -	\$ 232,832,758	\$ 219,840,417
-	-	-	-	29,069,065	25,978,081
-	-	11,444,465	(11,444,465)	104,710,870	102,408,896
-	3,168	413,315	-	830,271	1,353,083
-	-	-	-	4,123,033	2,096,571
-	3,168	11,857,780	(11,444,465)	371,565,997	351,677,048
-	-	-	(11,444,465)	309,507,433	294,414,084
1,172,165	37,981	10,202,005	-	41,531,206	36,165,092
4,151,390	-	-	-	4,637,358	622,906
-	-	-	-	266,304	740,437
5,323,555	37,981	10,202,005	(11,444,465)	355,942,301	331,942,519
(5,323,555)	(34,813)	1,655,775	-	15,623,696	19,734,529
1,771,392	-	-	(1,771,392)	5,552,492	-
-	-	-	1,771,392	(28,171,607)	(78,187)
-	-	-	-	76,633	24,470
-	-	-	-	1,218,433	121,288
1,771,392	-	-	-	(21,324,049)	67,571
(3,552,163)	(34,813)	1,655,775	-	(5,700,353)	19,802,100
4,761,135	584,464	73,720,054	-	153,057,705	133,255,605
\$ 1,208,972	\$ 549,651	\$ 75,375,829	\$ -	\$ 147,357,352	\$ 153,057,705

ORANGE COUNTY FIRE AUTHORITY
Components of General Fund
Combining Original Budget
Year ended June 30, 2017

	General Operating Fund	General Fund CIP	Structural Fire Entitlement
Budgetary fund balance, July 1	\$ 73,992,052	\$ 4,761,135	\$ 584,464
Resources (inflows):			
Taxes	227,439,867	-	-
Intergovernmental	15,392,901	-	-
Charges for services	102,840,465	-	-
Use of money and property	961,615	-	4,567
Miscellaneous	1,062,197	-	-
Transfers in	-	1,823,000	-
Sale of capital and other assets	50,000	-	-
Total resources (inflows)	347,747,045	1,823,000	4,567
Amounts available for appropriations	421,739,097	6,584,135	589,031
Charges to appropriation (outflows):			
Salaries and benefits	294,735,887	-	-
Services and supplies	27,647,038	1,333,909	-
Capital outlay	542,683	546,000	-
Interest and fiscal charges	754,436	-	-
Transfers out	24,402,894	-	-
Total charges to appropriations	348,082,938	1,879,909	-
Budgetary fund balance, June 30	\$ 73,656,159	\$ 4,704,226	\$ 589,031

Self Insurance	Eliminations	Total General Fund 2017
\$ 73,720,054	\$ -	\$ 153,057,705
-	-	227,439,867
-	-	15,392,901
11,444,465	(11,444,465)	102,840,465
569,615	-	1,535,797
-	-	1,062,197
-	(1,823,000)	-
-	-	50,000
12,014,080	(13,267,465)	348,321,227
85,734,134	(13,267,465)	501,378,932
-	(11,444,465)	283,291,422
7,494,019	-	36,474,966
-	-	1,088,683
-	-	754,436
-	(1,823,000)	22,579,894
7,494,019	(13,267,465)	344,189,401
\$ 78,240,115	\$ -	\$ 157,189,531

ORANGE COUNTY FIRE AUTHORITY
Components of General Fund
Combining Final Budget
Year ended June 30, 2017

	General Operating Fund	General Fund CIP	Structural Fire Entitlement
Budgetary fund balance, July 1	\$ 73,992,052	\$ 4,761,135	\$ 584,464
Resources (inflows):			
Taxes	230,301,459	-	-
Intergovernmental	27,567,139	-	-
Charges for services	102,816,931	-	-
Use of money and property	283,622	-	3,895
Miscellaneous	3,873,324	-	-
Transfers in	-	1,771,392	-
Sale of capital and other assets	38,000	-	-
Insurance recoveries	51,130	-	-
Total resources (inflows)	364,931,605	1,771,392	3,895
Amounts available for appropriations	438,923,657	6,532,527	588,359
Charges to appropriations (outflows):			
Salaries and benefits	319,999,934	-	-
Services and supplies	35,169,895	1,869,044	584,464
Capital outlay	962,917	4,966,264	-
Interest and fiscal charges	212,800	-	-
Transfers out	29,942,999	-	-
Total charges to appropriations	386,288,545	6,835,308	584,464
Budgetary fund balance, June 30	\$ 52,635,112	\$ (302,781)	\$ 3,895

Self Insurance	Eliminations	Total General Fund 2017
\$ 73,720,054	\$ -	\$ 153,057,705
-	-	230,301,459
-	-	27,567,139
11,444,465	(11,444,465)	102,816,931
498,258	-	785,775
-	-	3,873,324
-	(1,771,392)	-
-	-	38,000
-	-	51,130
11,942,723	(13,215,857)	365,433,758
85,662,777	(13,215,857)	518,491,463
-	(11,444,465)	308,555,469
9,257,363	-	46,880,766
-	-	5,929,181
-	-	212,800
-	(1,771,392)	28,171,607
9,257,363	(13,215,857)	389,749,823
\$ 76,405,414	\$ -	\$ 128,741,640



Orange County Fire Authority Safety Message

Fire Extinguishers

(Part 2 of 4)

(Continued from Page 102)



Fire extinguishers can save lives and property, but should only be used if the fire is small and smoke and heat have not filled the room. If you're unsure, evacuate immediately and call 9-1-1.

Using a Fire Extinguisher

- ✓ Alert others that there is a fire.
- ✓ Have someone call 9-1-1.
- ✓ Make sure you have a clear escape route.

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ORANGE COUNTY FIRE
43
ACADEMY

Statistical Section



ORANGE COUNTY FIRE AUTHORITY

Overview of the Statistical Section

The Statistical Section provides a context for understanding information in the financial statements, note disclosures and required supplementary information and how that information relates to the OCFA's overall financial health. The detailed schedules presented in the Statistical Section are grouped into five sections pertaining to financial trends, revenue capacity, debt capacity, demographic and economic information, and operating information.

Financial Trends Information – These schedules contain trend information to assist the reader in understanding how the OCFA's financial performance and well-being have changed over time.

Revenue Capacity Information – These schedules contain information to assist the reader in assessing property taxes, the OCFA's most significant local revenue source.

Debt Capacity Information – These schedules present information to assist the reader in assessing the affordability of the OCFA's current levels of outstanding debt and its ability to issue additional debt in the future.

Demographic and Economic Information – These schedules offer demographic and economic indicators to assist the reader in understanding the environment within which the OCFA's financial activities take place.

Operating Information – These schedules contain data to assist the reader in understanding how the information in the financial report relates to the services provided by and the activities performed by the OCFA.



Orange County Fire Authority Safety Message

Fire Extinguishers (Part 3 of 4)

(Continued from Page 116)



Fire extinguishers can save lives and property, but should only be used if the fire is small and smoke and heat have not filled the room. If you're unsure, evacuate immediately and call 9-1-1.

The P.A.S.S. Method

When operating a fire extinguisher, remember P.A.S.S.

- ✓ Pull the pin.
- ✓ Aim low. Stand six to eight feet away and point the extinguisher nozzle at the base of the fire.
- ✓ Squeeze the lever slowly and evenly.
- ✓ Sweep the nozzle from side to side until the fire is completely out. If the fire does not extinguish, evacuate immediately.

(Continued on Page 128)

ORANGE COUNTY FIRE AUTHORITY

Financial Trends Information

Net Position by Component – Presents net position of the OCFA’s governmental activities by the three individual components of net position for each of the last ten fiscal years.

Changes in Net Position – Presents the changes in net position of governmental activities for each of the last ten fiscal years.

Fund Balances of Governmental Funds – Presents information on the fund balances of the General Fund and the aggregate of all other governmental funds for each of the last ten fiscal years.

Changes in Fund Balances of Governmental Funds – Presents information on the changes in fund balances for total governmental funds for each of the last ten fiscal years, including the ratio of debt service expenditures to noncapital expenditures.

ORANGE COUNTY FIRE AUTHORITY
Net Position by Component
Last Ten Fiscal Years
 (accrual basis of accounting)

	Fiscal Year ended June 30			
	2008	2009	2010	2011
Governmental activities:				
Net investment in capital assets	\$ 163,340,815	\$ 172,293,178	\$ 183,717,406	\$ 186,297,543
Restricted	11,331,122	7,394,371	1,623,121	1,627,233
Unrestricted	<u>120,539,628</u>	<u>129,119,689</u>	<u>115,965,726</u>	<u>99,704,595</u>
Total governmental activities net position	<u>\$ 295,211,565</u>	<u>\$ 308,807,238</u>	<u>\$ 301,306,253</u>	<u>\$ 287,629,371</u>
		(1)		

SOURCE: OCFA Comprehensive Annual Financial Reports

NOTES:

(1) Restricted net position as of June 30, 2009, pertained to requirements of the revenue bonds issued to construct the Regional Fire Operations and Training Center. Those revenue bonds were issued in Fiscal Year 2001/02 and repaid in full during Fiscal Year 2009/10.

(2) Restricted net position as of June 30, 2012, included a one-time, \$1.5 million unperformed purchase order for self-contained breathing apparatus that was funded by a federal grant.

(3) GASB Statement No. 68 was implemented during Fiscal Year 2014/15, which required a \$362 million restatement to beginning net position in order to fully reflect net OCFA's net pension liabilities. This adjustment contributed to an overall negative balance in unrestricted net position as of June 30, 2015 and thereafter.

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 183,584,385	\$ 181,363,364	\$ 180,917,654	\$ 190,800,116	\$ 187,910,677	\$ 192,430,467
3,252,969	1,690,858	1,810,134	1,840,561	2,881,910	3,897,614
<u>81,450,846</u>	<u>74,510,482</u>	<u>61,026,827</u>	<u>(361,765,050)</u>	<u>(351,456,505)</u>	<u>(373,102,128)</u>
<u>\$ 268,288,200</u> (2)	<u>\$ 257,564,704</u>	<u>\$ 243,754,615</u>	<u>\$ (169,124,373)</u> (3)	<u>\$ (160,663,918)</u>	<u>\$ (176,774,047)</u>

ORANGE COUNTY FIRE AUTHORITY
Changes in Net Position
Last Ten Fiscal Years
 (accrual basis of accounting)

Governmental Activities	Fiscal Year ended June 30			
	2008	2009	2010	2011
Expenses - public safety:				
Salaries and benefits	\$ 199,095,873	\$ 209,092,693	\$ 211,729,989	\$ 221,031,439
Services and supplies	31,669,603	31,425,592	24,318,065	30,736,034
Depreciation and amortization	7,399,902	7,923,947	8,432,793	8,970,508
Interest on long-term debt	1,410,673	1,718,137	855,577	677,910
Total program expenses	<u>239,576,051</u>	<u>250,160,369</u>	<u>245,336,424</u>	<u>261,415,891</u>
Program revenues - public safety:				
Charges for services	69,187,051	67,305,621	63,743,942	61,975,963
Operating grants and contributions	6,835,746	5,981,800	5,784,969	5,963,648
Capital grants and contributions	22,092,218	140,903	1,415,618	395,180
Total program revenues	<u>98,115,015</u>	<u>73,428,324</u>	<u>70,944,529</u>	<u>68,334,791</u>
Net program revenues (expenses)	<u>(141,461,036)</u>	<u>(176,732,045)</u>	<u>(174,391,895)</u>	<u>(193,081,100)</u>
General revenues:				
Property taxes	182,536,717	184,696,756	179,001,919	177,181,086
Investment income	6,295,464	3,704,964	1,006,128	611,408
Gain on disposal of capital assets	-	-	-	39,803
Miscellaneous	730,733	1,925,998	890,127	835,021
Total general revenues	<u>189,562,914</u>	<u>190,327,718</u>	<u>180,898,174</u>	<u>178,667,318</u>
Changes in net position	<u>\$ 48,101,878</u>	<u>\$ 13,595,673</u>	<u>\$ 6,506,279</u>	<u>\$ (14,413,782)</u>

(1)

SOURCE: OCFA Comprehensive Annual Financial Reports

NOTES:

(1) During Fiscal Year 2007/08, three fire stations valued at \$17.9 million were contributed to OCFA by The Irvine Company and recognized as revenue (capital grants and contributions).

(2) The City of Santa Ana became a member city of OCFA during Fiscal Year 2011/12 (April 2012).

(3) GASB Statement No. 68 was implemented during Fiscal Year 2014/15, which required that pension expense be adjusted annually to fully reflect the accrual-based cost incurred during the year. OCFA recognized an increase to its pension expense totaling \$39.9 million during the year ended June 30, 2015. That amount is included within salaries and benefits.

2012	2013	2014	2015	2016	2017
\$ 240,084,607	\$ 264,067,489	\$ 266,764,367	\$ 335,419,737	\$ 316,292,785	\$ 327,515,166
37,069,099	45,879,501	47,912,808	46,073,201	35,127,573	52,819,125
9,300,853	9,793,491	9,612,453	9,050,195	9,267,982	9,512,777
494,014	367,701	311,327	582,565	917,320	133,239
<u>286,948,573</u>	<u>320,108,182</u>	<u>324,600,955</u>	<u>391,125,698</u>	<u>361,605,660</u>	<u>389,980,307</u>
76,347,126	102,875,410	106,874,513	113,150,325	117,263,679	121,875,157
6,580,681	19,523,853	10,339,966	11,410,019	12,165,015	11,992,438
3,926,275	2,811,180	1,462,540	9,182,195	3,331,088	1,040,129
<u>86,854,082</u>	<u>125,210,443</u>	<u>118,677,019</u>	<u>133,742,539</u>	<u>132,759,782</u>	<u>134,907,724</u>
<u>(200,094,491)</u>	<u>(194,897,739)</u>	<u>(205,923,936)</u>	<u>(257,383,159)</u>	<u>(228,845,878)</u>	<u>(255,072,583)</u>
177,728,290	181,720,253	190,873,689	205,141,237	219,840,417	232,832,758
524,602	(136,493)	823,010	839,864	1,654,065	990,851
79,705	11,924	21,834	63,953	6,000	657,944
<u>2,420,723</u>	<u>4,329,603</u>	<u>1,200,195</u>	<u>1,235,004</u>	<u>2,823,503</u>	<u>4,480,901</u>
<u>180,753,320</u>	<u>185,925,287</u>	<u>192,918,728</u>	<u>207,280,058</u>	<u>224,323,985</u>	<u>238,962,454</u>
<u>\$ (19,341,171)</u>	<u>\$ (8,972,452)</u>	<u>\$ (13,005,208)</u>	<u>\$ (50,103,101)</u>	<u>\$ (4,521,893)</u>	<u>\$ (16,110,129)</u>
(2)			(3)		

ORANGE COUNTY FIRE AUTHORITY
Fund Balances of Governmental Funds
Last Ten Fiscal Years
 (modified accrual basis of accounting)

	Fiscal Year ended June 30			
	2008	2009	2010	2011
General Fund:				
Reserved	\$ 1,519,961	\$ 1,417,069	\$ -	\$ -
Unreserved	60,436,769	67,926,629	-	-
Nonspendable	-	-	117,473	23,186,680
Restricted	-	-	111,305	111,980
Committed	-	-	861,116	797,935
Assigned	-	-	37,621,864	35,550,989
Unassigned	-	-	41,985,648	25,592,531
Total General Fund	<u>\$ 61,956,730</u>	<u>\$ 69,343,698</u>	<u>\$ 80,697,406</u>	<u>\$ 85,240,115</u>
All other governmental funds:				
Reserved	\$ 8,446,422	\$ 14,752,366	\$ -	\$ -
Unreserved, reported in:				
Special revenue funds	62,633,870	75,515,265	-	-
Capital projects funds	16,718,235	13,344,809	-	-
Debt service funds	8,738,484	4,752,258	-	-
Nonspendable	-	-	567,349	478,449
Restricted	-	-	1,015,700	1,515,253
Assigned	-	-	87,476,588	78,023,210
Total all other governmental funds	<u>\$ 96,537,011</u>	<u>\$ 108,364,698</u>	<u>\$ 89,059,637</u>	<u>\$ 80,016,912</u>
			(1)	

SOURCE: OCFA Comprehensive Annual Financial Reports

NOTES:

(1) OCFA implemented GASB Statement No. 54 during the fiscal year ended June 30, 2011. This statement eliminated the previous fund balance categories (reserved and unreserved), and replaced them with five new categories (nonspendable, restricted, committed, assigned, unassigned). Fund balance amounts as of June 30, 2010, and thereafter reflect the new categories; however, all previous fiscal years are presented using the old categories.

2012	2013	2014	2015	2016	2017
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
22,756,709	26,727,849	30,560,638	31,127,148	36,779,845	33,750,548
1,699,787	137,676	766,094	1,307,329	2,348,678	3,364,382
1,372,789	1,268,160	784,617	691,265	584,464	549,651
34,715,397	53,668,608	61,236,092	69,282,830	78,922,725	78,346,099
25,751,128	25,782,851	22,156,848	17,864,685	34,421,993	31,346,672
<u>\$ 86,295,810</u>	<u>\$ 107,585,144</u>	<u>\$ 115,504,289</u>	<u>\$ 120,273,257</u>	<u>\$ 153,057,705</u>	<u>\$ 147,357,352</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
405,815	352,318	284,349	32,946	-	4,608
1,553,182	1,553,182	1,044,040	533,232	533,232	533,232
74,037,637	67,317,090	64,340,833	56,050,351	55,779,948	65,015,386
<u>\$ 75,996,634</u>	<u>\$ 69,222,590</u>	<u>\$ 65,669,222</u>	<u>\$ 56,616,529</u>	<u>\$ 56,313,180</u>	<u>\$ 65,553,226</u>

ORANGE COUNTY FIRE AUTHORITY
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
 (modified accrual basis of accounting)

	Fiscal Year ended June 30			
	2008	2009	2010	2011
Revenues:				
Taxes	\$ 182,536,717	\$ 184,696,756	\$ 179,001,919	\$ 177,181,086
Intergovernmental	24,168,953	18,898,459	14,202,209	11,080,619
Charges for services	53,510,278	54,125,964	55,325,007	56,582,867
Use of money and property	7,336,664	4,148,889	1,341,991	822,002
Miscellaneous	982,487	2,517,891	1,333,170	1,320,856
Developer contributions	1,744,392	-	551,365	43,200
Total revenues	<u>270,279,491</u>	<u>264,387,959</u>	<u>251,755,661</u>	<u>247,030,630</u>
Expenditures:				
Current - public safety:				
Salaries and benefits	195,481,030	203,790,256	206,942,045	211,801,889
Services and supplies	31,386,487	28,561,308	28,521,125	28,207,018
Capital outlay	13,323,621	32,624,294	9,647,853	9,899,979
Debt service:				
Principal retirement	4,867,453	5,933,911	13,370,586	1,911,912
Interest and fiscal charges	2,526,877	2,119,347	1,459,383	890,067
Issuance costs	-	-	-	-
Total expenditures	<u>247,585,468</u>	<u>273,029,116</u>	<u>259,940,992</u>	<u>252,710,865</u>
Excess (deficiency) of revenues over (under) expenditures	<u>22,694,023</u>	<u>(8,641,157)</u>	<u>(8,185,331)</u>	<u>(5,680,235)</u>
Other financing sources (uses):				
Transfers in	29,914,910	30,257,506	10,608,277	4,137,811
Transfers out	(29,914,910)	(30,257,506)	(10,608,277)	(4,137,811)
Issuance of long-term debt	-	21,515,238	-	-
Refinanced long-term debt	-	-	-	-
Sale of capital and other assets	93,807	93,480	162,533	434,914
Insurance recoveries	-	81,576	71,445	8,405
Total other financing sources (uses)	<u>93,807</u>	<u>21,690,294</u>	<u>233,978</u>	<u>443,319</u>
Net change in fund balances	<u>\$ 22,787,830</u>	<u>\$ 13,049,137</u>	<u>\$ (7,951,353)</u>	<u>\$ (5,236,916)</u>
Debt service as a percentage of noncapital expenditures	3.2%	3.3%	5.9%	1.2%

SOURCE: OCFA Comprehensive Annual Financial Reports

2012	2013	2014	2015	2016	2017
\$ 177,728,290	\$ 181,720,253	\$ 190,873,689	\$ 205,141,237	\$ 219,840,417	\$ 232,832,758
12,894,882	28,883,649	19,111,811	23,565,214	25,978,081	29,069,065
65,556,905	95,904,052	97,705,183	102,000,677	103,830,436	106,061,060
660,621	(20,556)	932,284	841,522	1,671,316	1,257,155
2,753,421	5,111,908	1,677,853	1,679,976	2,786,173	4,571,977
10,140	538,260	1,271,400	8,307,207	3,233,082	962,627
<u>259,604,259</u>	<u>312,137,566</u>	<u>311,572,220</u>	<u>341,535,833</u>	<u>357,339,505</u>	<u>374,754,642</u>
228,452,010	255,301,913	257,134,030	285,988,997	294,414,084	309,507,433
30,737,551	32,613,137	40,187,878	40,490,370	36,303,618	48,087,618
932,034	5,420,102	7,681,418	16,644,798	3,996,650	12,116,937
2,139,694	2,162,809	2,219,152	2,276,963	2,336,279	2,397,140
635,351	484,851	421,845	585,501	935,881	400,887
286,599	-	-	-	-	-
<u>263,183,239</u>	<u>295,982,812</u>	<u>307,644,323</u>	<u>345,986,629</u>	<u>337,986,512</u>	<u>372,510,015</u>
<u>(3,578,980)</u>	<u>16,154,754</u>	<u>3,927,897</u>	<u>(4,450,796)</u>	<u>19,352,993</u>	<u>2,244,627</u>
-	381,222	5,370,375	6,845,320	78,187	33,724,099
-	(381,222)	(5,370,375)	(6,845,320)	(78,187)	(33,724,099)
16,756,078	-	-	-	-	-
(16,377,093)	-	-	-	-	-
146,317	58,051	77,077	134,123	24,470	76,633
89,095	53,529	360,803	32,948	121,288	1,218,433
<u>614,397</u>	<u>111,580</u>	<u>437,880</u>	<u>167,071</u>	<u>145,758</u>	<u>1,295,066</u>
<u>\$ (2,964,583)</u>	<u>\$ 16,266,334</u>	<u>\$ 4,365,777</u>	<u>\$ (4,283,725)</u>	<u>\$ 19,498,751</u>	<u>\$ 3,539,693</u>
1.1%	0.9%	0.9%	0.9%	1.0%	0.8%



Orange County Fire Authority Safety Message

Fire Extinguishers (Part 4 of 4)

(Continued from Page 118)



Fire extinguishers can save lives and property, but should only be used if the fire is small and smoke and heat have not filled the room. If you're unsure, evacuate immediately and call 9-1-1.

Fire Extinguisher Maintenance

Inspect your extinguisher regularly to ensure that it will operate safely and effectively.

- ✓ Keep your extinguisher in plain view and out of reach of children.
- ✓ If your extinguisher has a pressure indicator, make sure the needle is in the green zone.
- ✓ Check for dents, scratches, corrosion, or other damage. Make sure the lock pin is firmly in place and that the discharge nozzle is clean.
- ✓ Read and follow all instructions on the label and in the owner's manual. Some extinguishers may need to be shaken or tested monthly for adequate pressure.
- ✓ Non-rechargeable fire extinguishers should generally be replaced every five to seven years. Check with the manufacturer for exact dates.

ORANGE COUNTY FIRE AUTHORITY

Revenue Capacity Information

Assessed Value and Estimated Actual Value of Taxable Property – Presents information on the assessed property values of each city and the unincorporated area within the OCFA’s jurisdiction for each of the last ten fiscal years.

Property Tax Rates of Direct and Overlapping Governments – Presents the County of Orange’s direct property tax rate, as well as the rates of any overlapping governments that are applied to the same revenue base.

Principal Property Tax Payers – Presents information about the OCFA’s ten largest property tax payers for the current fiscal year, as compared to nine fiscal years ago.

Property Tax Levies and Collections – Presents information on the levy and subsequent collection of OCFA’s property taxes for each of the last ten fiscal years.

ORANGE COUNTY FIRE AUTHORITY
Assessed Value (1) and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
 (dollars in thousands)

Jurisdiction	FY 2007/08	FY 2008/09	FY 2009/10	FY 2010/11
Buena Park	\$ 7,351,653	\$ 7,611,793	\$ 7,438,787	\$ 7,478,553
Placentia	4,991,175	5,070,123	4,967,651	4,969,023
San Clemente	12,486,976	12,855,038	12,631,337	12,431,717
Santa Ana (4)	n/a	n/a	n/a	n/a
Seal Beach	3,875,902	4,256,884	4,241,221	4,282,032
Stanton	2,184,177	2,195,788	2,070,815	2,042,112
Tustin	9,070,627	9,958,561	9,501,069	9,419,294
Westminster	6,640,057	6,775,451	6,698,153	6,779,972
Total cash contract cities (3)	<u>46,600,567</u>	<u>48,723,638</u>	<u>47,549,033</u>	<u>47,402,703</u>
Aliso Viejo	7,499,861	7,792,144	7,553,177	7,459,562
Cypress	5,421,886	5,604,677	5,529,005	5,514,794
Dana Point	8,532,709	8,879,909	8,763,402	8,687,748
Irvine	44,382,983	47,257,608	47,212,001	46,538,576
Laguna Hills	5,736,525	5,692,646	5,589,417	5,460,470
Laguna Niguel	12,073,542	12,227,117	11,883,056	11,892,951
Laguna Woods	2,262,295	2,295,254	2,273,717	2,214,363
Lake Forest	10,896,488	11,189,197	10,915,562	10,744,518
La Palma	1,636,875	1,685,812	1,695,126	1,698,469
Los Alamitos	1,515,499	1,582,738	1,589,309	1,616,120
Mission Viejo	13,246,125	13,357,566	13,104,698	13,157,979
Rancho Santa Margarita	6,977,082	6,921,865	6,617,903	6,605,397
San Juan Capistrano	5,794,133	5,961,050	5,835,957	5,817,501
Villa Park	1,311,588	1,355,557	1,359,734	1,353,409
Yorba Linda	10,909,311	11,165,576	10,897,981	10,936,312
Unincorporated	21,846,485	22,212,379	21,447,511	21,485,307
Total SFF jurisdictions (2)	<u>160,043,387</u>	<u>165,181,095</u>	<u>162,267,556</u>	<u>161,183,476</u>
Percentage change from prior year	9.44%	3.21%	-1.76%	-0.67%
Total assessed valuation	<u>\$ 206,643,954</u>	<u>\$ 213,904,733</u>	<u>\$ 209,816,589</u>	<u>\$ 208,586,179</u>
Total direct tax rate	0.11%	0.11%	0.11%	0.11%

SOURCE: County of Orange, Auditor-Controller, Assessed Valuations by Fiscal Year
http://acweb1.ocgov.com/ac/txfdr_Civica/av/default_egov.asp

NOTES:

- (1) Assessed value is stated at taxable full cash value. These values may include an increased value over the base year for that portion of the city or district which lies within a redevelopment agency.
- (2) Assessed value for these cities is part of the Structural Fire Fund (SFF).
- (3) Cities pay for services on a cash contract basis. Assessed value is shown for comparison only.
- (4) Santa Ana joined OCFA on April 20, 2012.

	<u>FY 2011/12</u>	<u>FY 2012/13</u>	<u>FY 2013/14</u>	<u>FY 2014/15</u>	<u>FY 2015/16</u>	<u>FY 2016/17</u>
\$	7,484,717	7,602,927	7,886,342	8,313,496	8,769,022	9,229,491
	5,007,558	5,080,849	5,203,417	5,519,085	5,878,473	6,133,423
	12,356,019	12,506,118	12,824,727	13,666,851	14,447,434	15,269,878
	20,100,864	20,339,779	21,119,683	22,075,383	23,013,226	23,886,126
	4,434,345	4,480,557	4,580,472	4,891,060	5,081,691	5,167,629
	2,063,293	2,073,752	2,144,270	2,297,508	2,433,266	2,569,937
	9,378,899	9,502,173	9,732,381	10,292,805	11,004,027	11,577,792
	<u>6,935,762</u>	<u>7,023,383</u>	<u>7,176,141</u>	<u>7,628,669</u>	<u>8,279,644</u>	<u>8,410,335</u>
	<u>67,761,457</u>	<u>68,609,538</u>	<u>70,667,433</u>	<u>74,684,857</u>	<u>78,906,783</u>	<u>82,244,611</u>
	7,511,408	7,605,524	7,877,812	8,440,740	8,765,964	9,262,105
	5,560,190	5,666,354	5,854,809	6,104,218	6,463,650	6,751,019
	8,735,352	8,844,364	9,126,750	9,787,132	10,513,667	11,209,516
	47,136,231	48,646,093	51,002,248	55,693,885	60,912,694	65,754,243
	5,463,649	5,513,066	5,643,545	5,961,947	6,256,109	6,506,374
	11,991,939	12,116,601	12,402,919	13,270,851	14,015,647	14,571,803
	2,186,990	2,193,624	2,237,288	2,424,736	2,620,217	2,772,774
	10,721,083	10,885,724	11,238,775	11,920,081	12,672,969	13,710,657
	1,698,169	1,718,007	1,744,907	1,829,353	1,904,950	1,998,105
	1,603,255	1,638,193	1,674,933	1,778,110	1,887,771	1,961,259
	13,226,115	13,320,574	13,639,460	14,533,544	15,262,434	15,835,376
	6,623,819	6,679,191	6,759,144	7,231,597	7,572,862	7,810,951
	5,799,444	5,833,269	6,039,344	6,443,224	6,828,239	7,190,143
	1,372,687	1,398,666	1,466,599	1,527,255	1,596,806	1,674,085
	11,262,427	11,484,958	11,857,840	12,668,130	13,488,124	14,098,053
	<u>21,509,471</u>	<u>21,332,072</u>	<u>21,915,863</u>	<u>23,573,390</u>	<u>24,999,336</u>	<u>26,380,370</u>
	<u>162,402,229</u>	<u>164,876,280</u>	<u>170,482,236</u>	<u>183,188,193</u>	<u>195,761,439</u>	<u>207,486,833</u>
	0.76%	1.52%	3.40%	7.45%	6.86%	5.99%
\$	<u>230,163,686</u>	<u>233,485,818</u>	<u>241,149,669</u>	<u>257,873,050</u>	<u>274,668,222</u>	<u>289,731,444</u>
	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%

(5) In 1978, the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only re-assessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

ORANGE COUNTY FIRE AUTHORITY
Property Tax Rates of Direct and Overlapping Governments
Last Ten Fiscal Years

	County of Orange (B)			OCFA (B)
	Overlapping	Direct		Direct
	Basic Operating			Basic Operating
	Levy	Debt Service	Total	Levy
2008	1.00000	0.00000	1.00000	0.0011
2009	1.00000	0.00000	1.00000	0.0011
2010	1.00000	0.00000	1.00000	0.0011
2011	1.00000	0.00000	1.00000	0.0011
2012	1.00000	0.00000	1.00000	0.0011
2013	1.00000	0.00000	1.00000	0.0011
2014	1.00000	0.00000	1.00000	0.0011
2015	1.00000	0.00000	1.00000	0.0011
2016	1.00000	0.00000	1.00000	0.0011
2017	1.00000	0.00000	1.00000	0.0011
	(A)	(A)		(C)

SOURCE:

- (A) County of Orange, Auditor-Controller, Tax Rate Books by Fiscal Year
<http://acdcweb01.ocgov.com/acInternet/WhatWeDo/TaxRateBook.aspx>
- (B) Data for the entire County of Orange is not limited to the cities/unincorporated areas served by the Orange County Fire Authority. Data for OCFA is limited to its member cities that are part of the Structural Fire Fund (SFF).
- (C) Direct tax rate calculation per the "Assessed Value and Estimated Actual Value of Taxable Property" schedule included in this report.

NOTE: This schedule presents tax rates per \$100 of assessed/full cash value.

ORANGE COUNTY FIRE AUTHORITY
Principal Property Tax Payers
Current and Nine Years Ago
(Dollars in Thousands)

Property Tax Payer	Fiscal Year 2007/2008 (A)			Fiscal Year 2016/17 (B)		
	Actual		Percent of	Actual		Percent of
	Taxes Levied	Rank	Total Taxes Levied	Taxes Levied	Rank	Total Taxes Levied
The Irvine Company	\$ 55,806	1	1.12%	\$ 106,206	1	1.75%
Irvine Apartment Communities	\$ 22,146	3	0.45%			
Irvine Co. LLC	\$ 5,844	10	0.12%			
Irvine Community Development	\$ 9,869	5	0.20%			
	<u>\$ 93,665</u>			<u>\$ 106,206</u>		
Walt Disney Parks & Resorts U.S.				\$ 52,961	2	0.87%
Walt Disney Company	\$ 31,680	2	0.64%			
Walt Disney World Company	\$ 7,772	8	0.16%			
	<u>\$ 39,452</u>			<u>\$ 52,961</u>		
Southern California Edison Company	\$ 19,195	4	0.39%	\$ 38,592	3	0.63%
Five Points Holding, LLC				\$ 17,221	4	0.28%
Pacific Bell Telephone Company (AT&T)	\$ 7,389	9	0.15%	\$ 10,181	5	0.17%
United Laguna Hills Mutual	\$ 7,895	7	0.16%	\$ 9,145	6	0.15%
Heritage Fields El Toro LLC	\$ 8,586	6	0.17%			
Essex Property Trust, Inc.				\$ 7,305	7	0.12%
Southern California Gas Company				\$ 6,777	8	0.11%
Bella Terra Associates, LLC				\$ 5,740	9	0.09%
BEX Portfolio, Inc.				\$ 4,999	10	0.08%

SOURCES:

(A) OCFA Comprehensive Annual Financial Report for Fiscal Year 2007/08

(B) County of Orange, Treasurer-Tax Collector, Tax Collector Top 20 Taxpayer List for Fiscal Year 2016/17 (<http://www.ttc.ocgov.com/rptstats/stats>). Taxpayers are grouped under a parent company, if identifiable.

NOTE:

This schedule presents data for the entire County of Orange and is not limited to the cities/unincorporated areas served by the Orange County Fire Authority.

ORANGE COUNTY FIRE AUTHORITY
Property Tax Levies and Collections
Last Ten Fiscal Years
(dollars in thousands)

Fiscal Year ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of		Collection of Prior Year		Collection of		Total Collection to Date	Collection of Property Tax Increment (2)		
		Levy	% of	Levies	Delinquencies and Other	Penalties and Interest	Penalties and Interest		Pass-Through	Pass-Through	
		Amount	Levy	Teeter Plan	Delinquencies and Other	Delinquency Penalties	Interest	Total Amounts Collected	% of Levy	RDA	H&S
2008	\$ 182,400	\$ 174,208	95.5%	\$ 6,157	\$ 812	\$ 125	\$ 471	\$ 181,773	99.7%	\$ -	\$ -
2009	\$ 184,776	\$ 176,080	95.3%	\$ 5,985	\$ 878	\$ 157	\$ 226	\$ 183,326	99.2%	\$ -	\$ -
2010	\$ 179,914	\$ 158,509	88.1%	\$ 3,683	\$ 493	\$ 110	\$ 100	\$ 162,895	90.5% (1)	\$ -	\$ -
2011	\$ 178,812	\$ 172,543	96.5%	\$ 2,510	\$ 246	\$ 79	\$ 58	\$ 175,436	98.1%	\$ -	\$ -
2012	\$ 179,564	\$ 173,169	96.4%	\$ 2,324	\$ 262	\$ 79	\$ 46	\$ 175,880	97.9%	\$ 3,468	\$ -
2013	\$ 184,029	\$ 178,299	96.9%	\$ 1,674	\$ 157	\$ 30	\$ 37	\$ 180,197	97.9%	\$ 6,248	\$ 10,269
2014	\$ 192,876	\$ 187,828	97.4%	\$ 1,371	\$ 49	\$ 32	\$ 37	\$ 189,317	98.2%	\$ 6,958	\$ 208
2015	\$ 207,775	\$ 202,356	97.4%	\$ 1,336	\$ 50	\$ 32	\$ 38	\$ 203,812	98.1%	\$ 8,110	\$ 605
2016	\$ 224,452	\$ 216,219	96.3%	\$ 1,368	\$ 157	\$ 38	\$ 73	\$ 217,855	97.1%	\$ 9,180	\$ 639
2017	\$ 237,082	\$ 229,934	97.0%	\$ 1,329	\$ 140	\$ 35	\$ 105	\$ 231,543	97.7%	\$ 9,237	\$ 662

SOURCE: County of Orange, Auditor-Controller, Tax Ledger Detail by Fiscal Year
Tax Ledger Selection C84 Orange County Fire Authority
http://tax.ocgov.com/acledger/choice_eGov.asp

NOTES:

- (1) Due to a Proposition 1A borrowing by the State, the property tax apportionment in Fiscal Year 2009/10 was reduced by \$14,648,105. These funds were restored by a securitization mechanism and, had they been included in the tax ledger, collections would have been \$177,543,386 (96.2% of levy collected within the fiscal year and 98.7% of levy collected to date).
- (2) Upon dissolution of California redevelopment agencies during Fiscal Year 2011/12, property tax increment formerly remitted to OCFA by its member city redevelopment agencies was instead deposited into the newly formed Redevelopment Property Tax Trust Fund (RPTTF) from which the Auditor/Controller made disbursements on behalf of the successor agencies. There is no tax levy associated with these collections; thus, they have been excluded from the "% of levy collected" calculations.

ORANGE COUNTY FIRE AUTHORITY

Debt Capacity Information

Ratios of Outstanding Debt by Type – Presents information on the OCFA’s total outstanding debt for each of the last ten fiscal years, including the ratio of outstanding debt to median family income and the calculation of outstanding debt per capita.

Ratios of General Bonded Debt Outstanding – Presents information on net bonded debt that will be repaid by general OCFA resources for each of the last ten fiscal years, including the ratio of outstanding debt to total assessed property value and the calculation of net bonded debt per capita.

The following schedules are not included in the OCFA’s CAFR:

Computation of Legal Debt Margin –OCFA is not subject to a legal debt margin.

Pledged Revenue Coverage – Debt of the OCFA is not secured by a pledged revenue stream.

Computation of Direct and Overlapping Bonded Debt – OCFA is not obligated for any direct, bonded debt.

ORANGE COUNTY FIRE AUTHORITY
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
 (dollars in thousands)

Fiscal Year ended June 30	Governmental Activities (A)			(B)	Debt as a	(C)	Debt per Capita
	Revenue	Capital Lease Purchase	Total Outstanding Debt	County of Orange Median Household Income	Percentage of Household Income	Population (OCFA Jurisdiction Only)	
2008	\$ 10,365	\$ 6,203	\$ 16,568	\$84	19723.8%	1,376	\$12
2009	\$ 7,040	\$ 25,109	\$ 32,149	\$86	37382.6%	1,387	\$23
2010	\$ -	\$ 18,778	\$ 18,778	\$87	21583.9%	1,403	\$13
2011	\$ -	\$ 16,866	\$ 16,866	\$84	20078.6%	1,355	\$12
2012	\$ -	\$ 15,106	\$ 15,106	\$85	17771.8%	1,694	\$9 (1)
2013	\$ -	\$ 12,943	\$ 12,943	\$84	15408.3%	1,712	\$8
2014	\$ -	\$ 10,724	\$ 10,724	\$85	12616.5%	1,734	\$6
2015	\$ -	\$ 8,447	\$ 8,447	\$86	9822.1%	1,755	\$5
2016	\$ -	\$ 6,110	\$ 6,110	\$85	7188.2%	1,784	\$3
2017	\$ -	\$ 3,713	\$ 3,713	\$88	4219.3%	1,793	\$2

SOURCES:

- (A) Details regarding OCFA's outstanding debt can be found in the notes to the financial statements.
- (B) U.S. Department of Housing and Urban Development, Median Family Income Documentation System by Fiscal Year (estimate) <http://www.huduser.org/portal/datasets/il.html>
- (C) California Department of Finance, Population and Housing Estimates as of January 1 <http://www.dof.ca.gov/forecasgin/demographics/estimates>

NOTE:

- (1) The population data presented in this schedule includes only the cities and unincorporated county areas served by the OCFA. Since the City of Santa Ana became a member of the OCFA in April 2012, its population data is not included with population totals prior to Fiscal Year 2011/12. The Fiscal Year 2011/12 population total includes 327,731 for the City of Santa Ana.

ORANGE COUNTY FIRE AUTHORITY
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(amounts in thousands)

Fiscal Year ended June 30	(A) Population (OCFA Jurisdiction Only)	(B) Assessed Value	(C) Gross Bonded Debt	(D) Amounts Available in Debt Service Fund	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2008	1,376	\$ 206,643,954	\$ 10,365	\$ 2,806	\$ 7,559	0.00%	\$ 5
2009	1,387	\$ 213,904,733	\$ 7,040	\$ 2,806	\$ 4,234	0.00%	\$ 3
2010	1,403	\$ 209,816,589	\$ -	\$ -	\$ -	0.00%	\$ - (1)
2011	1,355	\$ 208,586,179	\$ -	\$ -	\$ -	0.00%	\$ -
2012	1,694	\$ 230,163,686	\$ -	\$ -	\$ -	0.00%	\$ -
2013	1,712	\$ 233,485,818	\$ -	\$ -	\$ -	0.00%	\$ -
2014	1,734	\$ 241,149,669	\$ -	\$ -	\$ -	0.00%	\$ -
2015	1,755	\$ 257,873,050	\$ -	\$ -	\$ -	0.00%	\$ -
2016	1,784	\$ 274,668,222	\$ -	\$ -	\$ -	0.00%	\$ -
2017	1,793	\$ 289,731,444	\$ -	\$ -	\$ -	0.00%	\$ -

SOURCES:

- (A) California Department of Finance, Population and Housing Estimates as of January 1
<http://www.dof.ca.gov/forecasting/demographics/estimates>
- (B) County of Orange, Auditor-Controller, Assessed Valuations by Fiscal Year
http://acweb1.ocgov.com/ac/txfdr_Civica/av/default_egov.asp
- (C) Orange County Fire Authority, Finance Division, Accounting Section
- (D) Minimum reserve requirement per bond documents

NOTE:

- (1) OCFA's revenue bonds were repaid during Fiscal Year 2009/10.



Orange County Fire Authority Safety Message

Safety in Public Buildings (Part 1 of 3)



When you get on an airplane, the first thing you do is locate the exits in case of an emergency. It's important to do the same thing when entering any building where a large number of people are gathered.

Before You Enter

- ✓ Look carefully before entering any public building. Is the main entrance wide? Does it open outward to allow easy exit? Are areas outside the building clear of material that might block exits?
- ✓ Identify a friend or family member to contact in case of emergency or if you are separated from your group.
- ✓ Pick an outside meeting place where people in your group can meet if a fire or other emergency occurs.
- ✓ Make sure someone is assigned to assist small children, older adults, or family members with disabilities.

(Continued on Page 151)

ORANGE COUNTY FIRE AUTHORITY

Demographic and Economic Information

Demographic and Economic Indicators – Presents information regarding population, personal income, per capita income and the unemployment rate for the County of Orange for each of the last ten fiscal years.

Population and Housing Statistics – Presents information on population and housing units of each city and the unincorporated area within the OCFA’s jurisdiction for the current fiscal year, as compared to nine fiscal years ago.

Principal Employers – Presents information about the ten largest employers within the OCFA’s jurisdiction for the current fiscal year, as compared to nine fiscal years ago.

ORANGE COUNTY FIRE AUTHORITY
Demographic and Economic Indicators
Last Ten Fiscal Years
 (amounts in thousands)

Calendar Year	(A)	(B)		(C)
	Population (Orange County)	Total Personal Income	Per Capita Income	Unemployment Rate
2008	3,104	\$ 155,068,400	\$ 49,958	7.0
2009	3,135	\$ 145,247,400	\$ 46,331	10.9
2010	3,166	\$ 147,195,100	\$ 46,492	11.8
2011	3,030	\$ 154,486,000	\$ 50,985	11.4
2012	3,056	\$ 169,584,000	\$ 55,492	10.2
2013	3,082	\$ 166,370,000	\$ 53,981	9.0
2014	3,114	\$ 174,451,000	\$ 56,022	7.6
2015	3,147	\$ 183,052,000	\$ 58,167	6.1
2016	3,183	\$ 190,835,000	\$ 59,954	4.9
2017	3,194	\$ 199,492,000	\$ 62,458	4.3

SOURCES:

- (A) California Department of Finance
 Population and Housing Estimates Table E-5, As of January 1
<http://www.dof.ca.gov/forecasting/demographics/estimates>

- (B) Chapman University Economic & Business Review
 Annual History and Forecasts
 Years 2012 - 2016 have been updated as of June 30, 2017.
 Most recent year (2017) is an estimate.

- (C) Bureau of Labor Statistics (www.data.bls.gov/lau), Local Area
 Unemployment Statistics, Los Angeles-Long Beach-Anaheim, CA
 Metropolitan Statistical Area. The 2008 - 2016 figures reflect revised
 inputs, re-estimation, and new statewide control. The 2017 figure is a six-
 month average for a partial year January - June.

NOTE:

Data presented on this schedule is for the County of Orange and is not limited to the cities/county unincorporated areas served by the OCFA.

ORANGE COUNTY FIRE AUTHORITY
Population and Housing Statistics
Current Year and Nine Years Ago

Jurisdiction	Population			Housing Units		
	2008	2017	% Change	2008	2017	% Change
Aliso Viejo	45,173	50,312	11.4%	18,047	19,355	7.2%
Buena Park	82,332	83,884	1.9%	24,280	24,994	2.9%
Cypress	49,281	49,655	0.8%	16,611	16,244	-2.2%
Dana Point	36,788	33,699	-8.4%	15,942	16,053	0.7%
Irvine	207,646	267,086	28.6%	77,680	98,676	27.0%
Laguna Hills	33,246	31,544	-5.1%	11,153	11,296	1.3%
Laguna Niguel	66,522	66,689	0.3%	24,908	25,884	3.9%
Laguna Woods	18,344	16,319	-11.0%	13,629	13,079	-4.0%
Lake Forest	77,906	84,931	9.0%	26,384	28,995	9.9%
La Palma	16,091	15,984	-0.7%	5,131	5,230	1.9%
Los Alamitos	12,128	11,739	-3.2%	4,422	4,390	-0.7%
Mission Viejo	99,683	96,718	-3.0%	34,278	34,882	1.8%
Placentia	51,354	52,268	1.8%	16,463	17,158	4.2%
Rancho Santa Margarita	49,501	48,602	-1.8%	16,793	17,308	3.1%
San Clemente	67,549	65,975	-2.3%	27,138	26,188	-3.5%
San Juan Capistrano	36,589	36,262	-0.9%	11,877	12,319	3.7%
Santa Ana (A)	351,161	341,341	-2.8%	75,424	77,891	3.3%
Seal Beach	25,851	24,890	-3.7%	14,537	14,530	0.0%
Stanton	39,069	39,611	1.4%	11,161	11,377	1.9%
Tustin	73,670	82,372	11.8%	25,994	27,836	7.1%
Villa Park	6,226	5,944	-4.5%	2,021	2,025	0.2%
Westminster	92,536	93,533	1.1%	27,419	27,856	1.6%
Yorba Linda	67,797	67,890	0.1%	21,893	23,152	5.8%
Unincorporated	120,227	125,792	4.6%	39,008	40,799	4.6%
Total OCFA, adjusted (A)	1,726,670	1,793,040	3.8%	562,193	597,517	6.3%
Total non-OCFA	1,377,376	1,400,984	1.7%	468,721	486,046	3.7%
Total Orange County	3,104,046	3,194,024	2.9%	1,030,914	1,083,563	5.1%
Total OCFA, adjusted	1,726,670			562,193		
Less: Santa Ana	(351,161)			(75,424)		
Total OCFA, actual	1,375,509	1,793,040	30.4%	486,769	597,517	22.8%

SOURCE: California Department of Finance, Population and Housing Estimates Table E-5
As of January 1, 2008 and 2017 <http://www.dof.ca.gov/forecasting/demographics/estimates>

NOTE:

(A) Before Santa Ana became an OCFA member city in April 2012, the city's data was included in the "non-OCFA" total. However, Santa Ana's 2007 data has been identified separately for comparison purposes.

ORANGE COUNTY FIRE AUTHORITY
Principal Employers
Current and Nine Years Ago

Employer	Fiscal Year 2007/08			Fiscal Year 2016/17		
	Number of Employees	Rank	Percent of Total Employment	Number of Employees	Rank	Percent of Total Employment
Walt Disney Co.	20,000	1	1.22%	27,000	1	1.67%
University of California, Irvine	17,579	3	1.08%	22,385	2	1.39%
County of Orange	18,301	2	1.12%	18,190	3	1.13%
St. Joseph Health System	10,047	4	0.61%	12,227	4	0.76%
Kaiser Permanente				7,000	5	0.43%
Boeing Co.	9,961	5	0.61%	6,890	6	0.43%
Walmart				6,000	7	0.37%
Memorial Care Health System				5,650	8	0.35%
Bank of America	5,000	10	0.31%	5,500	9	0.34%
Target Corporation				5,400	10	0.33%
Yum! Brands Inc.	7,200	6	0.44%			
AT&T Incorporated	6,000	7	0.37%			
California State University, Fullerton	5,634	8	0.34%			
Home Depot, Incorporated	5,450	9	0.33%			

SOURCE:

County of Orange Comprehensive Annual Financial Report for Fiscal Year 2015/16
 For years ended June 30, 2016 and 2007

Amounts are reported one year in arrears due to availability of data at time of publication of this document.
<http://acdcweb01.ocgov.com/acInternet/Reports/CAFRReports.aspx>

NOTE:

Data presented on this schedule is for the County of Orange and is not limited to the cities/county unincorporated areas served by the OCFA.

ORANGE COUNTY FIRE AUTHORITY

Operating Information

Authorized Positions by Function/Fund/Department – Presents the number of funded and authorized positions by function/fund/department for each of the last ten fiscal years.

Authorized Positions by Unit – Presents the number of authorized positions by unit for each of the last ten fiscal years.

Frozen Positions by Department – Presents the number of frozen positions by department as of June 30 for each of the last ten fiscal years.

Jurisdiction Information – Presents information on the OCFA’s member agencies, square mile area served, population served, and number of fire stations for each of the last ten fiscal years.

Incidents by Type – Presents the number of OCFA major incidents by category for each of the last ten fiscal years.

Incidents by Member Agency – Presents the number of OCFA major incidents by member agency for each of the last ten fiscal years.

Incidents by Major Category Definitions – Provides OCFA’s definitions for categories of major incidents.

Capital Equipment by Category – Presents the historical cost and quantity of capital equipment by category for each of the last ten fiscal years.

Capital Vehicles by Category – Presents the historical cost and quantity of capital vehicles by category for each of the last ten fiscal years.

Map of Division/Battalion Boundaries and Station Locations – This Orange county map identifies the areas included within OCFA’s jurisdiction, the boundaries of its divisions/battalions, and the locations of all OCFA fire stations.

List of Stations by Member Agency – Presents a list of OCFA fire stations and street addresses by member agency.

Description of the Organization, Programs and Service Delivery – Provides an overview of the activities and responsibilities carried out by each of the OCFA’s five departments.

ORANGE COUNTY FIRE AUTHORITY
Authorized Positions by Function/Fund/Department
Last Ten Fiscal Years

Public Safety	As of June 30									
Fund/Department	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Funded positions:										
Executive Management	45	45	45	35	33	33	40	36 (E,F)	37	9 (G)
Operations	892	902	878	881	1,001 (B)	994	968 (D)	966 (F)	984	989 (G)
Community Risk Reduction	76	72	65	67	76	76	96 (D)	98	98	98
Business Services	77	77	73	48 (A)	47	47	48	53 (E)	53	54
Support Services	35	35	34	55 (A)	88 (B)	88	88	86 (F)	97	99
Organizational Planning	-	-	-	-	-	-	-	5 (F)	5	35 (G)
General Operating Fund	1,125	1,131	1,095	1,086	1,245	1,238	1,240	1,244	1,274	1,284
Facilities Replacement	1	1	1	-	-	-	-	-	-	-
Total funded positions	1,126	1,132	1,096	1,086	1,245	1,238	1,240	1,244	1,274	1,284
(C)										
Unfunded positions:										
Limited term and/or grant-funded positions	-	-	-	-	1	3	3	3	3	3
Frozen positions	1	50	86	95	93	102	100	97	86	76
Total unfunded positions	1	50	86	95	94	105	103	100	89	79
Total authorized positions	1,127	1,182	1,182	1,181	1,339	1,343	1,343	1,344	1,363	1,363

SOURCE: Orange County Fire Authority, Treasury & Financial Planning Division, Budget Section

- (A) During Fiscal Year 2010/11, Information Technology (23 positions) was transferred from Business Services to Support Services.
- (B) During Fiscal Year 2011/12, the Emergency Command Center (32 positions) was transferred from Operations to Support Services.
- (C) The net increase of 159 total funded employees during Fiscal Year 2011/12 included 163 authorized/funded positions for employees transitioning from the City of Santa Ana (151 Operations; 9 Community Risk Reduction; 3 Support Services).
- (D) During Fiscal Year 2013/14, Crews & Equipment (26 positions) was transferred from Operations to Community Risk Reduction.
- (E) During Fiscal Year 2014/15, the Clerk of the Authority (5 positions) was transferred from Executive Management to Business Services.
- (F) During Fiscal Year 2014/15, the Organizational Planning Department was created by transferring positions from Executive Management (Human Resources - 1 position); Operations (Emergency Planning and Coordination - 1 position); and Support Services (Strategic Services - 3 positions).
- (G) During Fiscal Year 2016/17, Human Resources (18 positions) and Operations Training & Safety (12 positions) were transferred to Organizational Planning from Executive Management and Operations, respectively. In addition, PIO and Media Reations (4 positions) and Communications and Legislative Affairs (2 positions) were transferred from Executive Mangement to Operations.

ORANGE COUNTY FIRE AUTHORITY
Authorized Positions by Unit
Last Ten Fiscal Years

Unit	As of June 30									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Firefighter	808	863	863	863	1,010	1,011	1,011	1,011	1,023	1,023
Fire Management	41	41	41	41	45	45	45	45	45	45
General	197	197	197	196	203	205	205	205	213	213
Supervisory Management	28	28	28	28	28	28	27	27	27	27
Supported Employment	4	4	4	4	4	4	4	4	4	4
Administrative Management	42	42	42	42	42	43	44	44	43	43
Executive Management	7	7	7	7	7	7	7	8	8	8
Total authorized positions	1,127	1,182	1,182	1,181	1,339	1,343	1,343	1,344	1,363	1,363
Increase (decrease) from prior fiscal year	16	55	-	(1)	158	4	-	1	19	-

(A)

SOURCE: OCFA Treasury & Financial Planning Division, Budget Section

(A) The net increase of total authorized positions during Fiscal Year 2011/12 included 163 authorized positions for employees transitioning from the City of Santa Ana (147 Firefighter Unit, 4 Fire Management Unit, 11 General Unit, and 1 Supervisory Management Unit).

ORANGE COUNTY FIRE AUTHORITY
Frozen Positions by Department
Last Ten Fiscal Years

Department	As of June 30									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Suppression:										
Operations:										
Firefighter	-	15	15	18	18	18	18	18	18	18
Fire Apparatus Engineer	-	3	13	18	18	24	24	24	21	20
Fire Captain	-	3	16	24	24	27	27	27	24	22
Battalion Chief (Staff)	-	-	2	2	2	2	2	2	2	1
Fire Pilot	-	-	-	-	-	-	1	1	1	1
Hand Crew Firefighter	-	22	22	-	-	-	-	-	-	-
Heavy Fire										
Equipment Operator	-	-	-	1	1	1	1	1	1	1
Subtotal Suppression	-	43	68	63	63	72	73	73	67	63
Non-Suppression:										
Executive Management:										
Executive Management	-	-	-	1	-	-	-	-	-	-
Human Resources	-	-	-	4	4	4	4	3	2	-
Corporate										
Communications/CAPA	-	-	-	1	-	-	-	-	-	-
Subtotal Executive Management	-	-	-	6	4	4	4	3	2	-
Operations	-	-	-	-	1	2	1	1	1	1
Community Risk Reduction	1	6	12	16	15	15	14	12	9	7
Business Services	-	1	5	6	6	5	4	4	4	2
Support Services	-	-	1	4	4	4	4	4	3	2
Organizational Planning	-	-	-	-	-	-	-	-	-	1
Subtotal Non-Suppression	1	7	18	32	30	30	27	24	19	13
Total frozen positions	1	50	86	95	93	102	100	97	86	76

SOURCE: Orange County Fire Authority, Treasury & Financial Planning Division, Budget Section

ORANGE COUNTY FIRE AUTHORITY
Jurisdiction Information
Last Ten Fiscal Years

Fiscal Year Ended June 30	(A) Number of Member Agencies	(B) Square Mile Area Served	(C) Population Served	(A) Number of Stations	New and Closed Station(s)	
					+/-	Description
2008	23	550	1,375,509	61	1	New Station 27 (Irvine/Portola Springs)
2009	23	550	1,387,171	62	1	New Station 20 (Irvine/Great Park)
2010	23	550	1,403,072	62	-	
2011	23	548	1,355,090	61	(1)	Closed Station 3 (County/Sunset Beach)
2012	24	576	1,694,010	71	10	New Stations 70 through 79 (Santa Ana)
2013	24	571	1,712,234	71	-	
2014	24	571	1,733,563	71	-	
2015	24	571	1,755,436	71	-	
2016	24	576	1,783,505	72	1	New Station 56 (County/Rancho Mission Viejo)
2017	24	576	1,793,040	72	-	

SOURCES:

- (A) Orange County Fire Authority, Clerk of the Authority
- (B) Orange County Fire Authority, Geographic Information Systems
- (C) California Department of Finance, Population and Housing Estimates as of January 1
<http://www.dof.ca.gov/forecasting/demographics/estimates>

NOTE: The City of Santa Ana became an OCFA member city in Fiscal Year 2011/12.

**ORANGE COUNTY FIRE AUTHORITY
 Incidents by Type
 Last Ten Fiscal Years**

Fiscal Year ended June 30 (1)	Fire/ Explosion	Ruptures	Rescue/ EMS	Hazmat	Service Call	Good Intent	False Alarm	Natural Disaster	Other	Total
2008	1,946	178	57,871	1,353	5,257	10,933	4,835	10	547	82,930
2009	1,795	169	58,358	1,080	5,508	10,839	4,503	3	294	82,549
2010	1,464	164	59,408	1,049	5,703	10,979	4,300	25	349	83,441
2011	1,541	158	61,870	1,011	6,157	12,897	4,293	51	249	88,227 (2)
2012	1,635	157	66,383	965	6,457	12,802	4,065	4	192	92,660 (3)
2013	2,004	219	80,167	1,100	7,753	14,786	5,710	1	149	111,889 (3)
2014	1,936	220	83,762	1,254	6,978	12,411	6,238	6	220	113,025
2015	1,898	229	94,740	1,220	6,996	12,046	6,515	5	345	123,994
2016	2,338	197	102,994	1,314	7,921	13,261	6,575	6	9	134,615
2017	2,372	192	106,679	1,466	7,819	14,207	6,644	37	67	139,483

SOURCE:

Orange County Fire Authority, Organizational Planning Department, Strategic Services

NOTES:

(1) Response statistics are normally reported on a calendar year basis in other reports. These statistics have been reported on the fiscal year basis, July through June.

(2) Beginning in Fiscal Year 2010/11, totals were revised to include incidents outside of OCFA jurisdiction that involved OCFA units and personnel (Auto/Mutual Aid Given).

(3) The City of Santa Ana joined the OCFA effective April 20, 2012. Fiscal Year 2011/12 data includes the portion of the fiscal year during which the city was a member of OCFA. Fiscal Year 2012/13 data includes the first full year of Santa Ana activity.

ORANGE COUNTY FIRE AUTHORITY
Incidents by Member Agency
Last Ten Fiscal Years

Member	Fiscal Year ended June 30 (1)									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Aliso Viejo	2,060	1,998	2,005	2,094	2,071	2,226	2,194	2,420	2,511	2,654
Buena Park	5,528	5,668	5,676	5,652	5,836	5,849	6,057	6,569	7,016	7,053
Cypress	2,552	2,504	2,600	2,490	2,556	2,699	2,633	2,833	3,013	3,145
Dana Point	2,700	2,650	2,787	2,870	2,772	2,950	2,925	3,297	3,291	3,663
Irvine	11,632	11,385	11,981	12,214	11,969	12,485	12,896	13,875	14,688	15,967
La Palma	760	760	754	778	750	808	925	1,036	1,059	1,212
Laguna Hills	2,434	2,421	2,558	2,614	2,542	2,579	2,584	2,675	2,887	3,078
Laguna Niguel	3,101	3,079	3,094	3,255	3,358	3,476	3,685	3,584	3,861	4,054
Laguna Woods	4,349	4,350	4,399	4,560	4,717	4,748	4,306	4,847	5,319	5,636
Lake Forest	4,170	4,272	4,320	4,334	4,230	4,459	4,297	4,651	4,995	5,474
Los Alamitos	1,032	1,083	1,080	1,055	1,101	1,199	1,123	1,254	1,380	1,360
Mission Viejo	6,139	6,424	6,363	6,379	6,355	6,760	6,791	7,072	7,508	7,777
Placentia	2,829	2,699	2,696	2,837	2,714	2,846	2,806	2,981	3,132	3,325
Rancho Santa Margarita	2,002	1,965	2,009	2,015	2,105	1,983	2,111	2,254	2,415	2,447
San Clemente	3,863	3,678	3,961	3,813	3,999	4,187	4,334	4,668	5,080	5,311
San Juan Capistrano	2,569	2,526	2,429	2,580	2,617	2,701	2,934	3,164	3,629	3,899
Santa Ana (3)	n/a	n/a	n/a	n/a	3,654	18,915	19,303	21,465	23,455	25,074
Seal Beach	3,453	3,388	3,503	3,375	3,617	3,571	3,343	3,783	4,882	4,753
Stanton	2,438	2,420	2,401	2,597	2,660	2,878	2,879	3,113	3,413	3,396
Tustin	3,865	3,761	3,744	4,055	4,196	4,582	4,614	5,205	5,406	5,419
Villa Park	324	329	336	388	363	392	338	378	452	475
Westminster	5,795	5,835	5,724	5,882	6,012	6,486	6,201	6,880	7,442	7,560
Yorba Linda	3,100	3,134	2,937	2,928	3,125	3,277	3,185	3,547	3,716	3,747
Unincorporated	6,235	6,220	6,084	6,087	5,991	6,312	6,073	6,496	6,719	7,390
	<u>82,930</u>	<u>82,549</u>	<u>83,441</u>	<u>84,852</u>	<u>89,310</u>	<u>108,368</u>	<u>108,537</u>	<u>118,047</u>	<u>127,269</u>	<u>133,869</u>
Auto/Mutual Aid Given (2)	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>3,375</u>	<u>3,350</u>	<u>3,521</u>	<u>4,488</u>	<u>5,947</u>	<u>7,346</u>	<u>5,614</u>
Total	<u>82,930</u>	<u>82,549</u>	<u>83,441</u>	<u>88,227</u>	<u>92,660</u>	<u>111,889</u>	<u>113,025</u>	<u>123,994</u>	<u>134,615</u>	<u>139,483</u>

SOURCE: Orange County Fire Authority, Organizational Planning Department, Strategic Services

NOTES:

(1) Response statistics are normally reported on a calendar year basis in other reports. These statistics have been reported on the fiscal year basis, July through June.

(2) Beginning in Fiscal Year 2010/11, methodology was revised to include incidents outside of OCFA jurisdiction that involved OCFA units and personnel (Auto/Mutual Aid Given).

(3) The City of Santa Ana joined the OCFA effective April 20, 2012. Fiscal Year 2011/12 data is reported only for the portion of the fiscal year during which the city was a member of OCFA. Fiscal Year 2012/13 data includes the first full year of Santa Ana activity.

ORANGE COUNTY FIRE AUTHORITY Incidents by Major Category Definitions

Fire, Explosion: This category includes fire responses, even if the fire has been extinguished upon arrival. This category also includes combustion explosions with no resulting fire. Examples of this category include structure fires, rubbish fires, dumpster fires and vehicle fires.

Over-Pressure Rupture: This category includes vessels or containers that suffer failure or near failure due to extreme pressure from either an outside source, such as direct heating, or internally due to a cooling system failure or over-filling, such as a propane tank. Examples of this category also include explosions from bombs, dynamite or similar explosives.

Rescue/EMS Call: This category includes all medical aids, illness and heart attacks, as well as traffic accidents and missing persons.

Hazardous Condition Standby: This category includes Hazardous Materials incidents; electrical wire arcing; suspected drug labs; or situations where there is a perceived problem that may prove to be a potential emergency.

Service Call: This category includes incidents for persons in distress, such as a lock-in or lock-out of a vehicle or dwelling creating an emergency situation or critical need, and smoke or odor problems. This category would also include moving units from one station to another to provide area coverage.

Good Intent Call: This category includes incidents that are cleared prior to arrival, such as a medical aid where the injured party has left the scene, or the initial information indicated that there were injuries and upon arrival no persons were injured. This category may also include calls where the informant has mistaken steam for smoke.

False Alarm: Some examples of the incidents in this category are malicious mischief calls, system malfunctions and the accidental tripping of an interior alarm sensor or device.

Natural Disaster: This category includes incidents that are not normal occurrences, such as earthquakes, lightning strikes, hurricanes and other weather or natural events.

Other: This includes citizen complaints and reports of fire code or ordinance violations.

SOURCE: Orange County Fire Authority, Organizational Planning Department, Strategic Services



Orange County Fire Authority Safety Message

Safety in Public Buildings (Part 2 of 3)

(Continued from Page 138)



When you get on an airplane, the first thing you do is locate the exits in case of an emergency. It's important to do the same thing when entering any building where a large number of people are gathered.

Once Inside

- ✓ Immediately locate all available exits and exit paths as soon as you enter a public building.
- ✓ Check to make sure exit doors are not blocked or chained.
- ✓ Look for alternative exits, sprinklers, smoke alarms, and fire extinguishers.
- ✓ Leave immediately if you don't feel safe for any reason. Overcrowding, cigarettes, candles, pyrotechnics, and other heat sources can increase fire risk.
- ✓ Be prepared to act immediately if an alarm sounds, you see smoke or fire, or there is an unusual disturbance. Remain calm and exit the building as quickly as possible.

(Continued on Page 160)

ORANGE COUNTY FIRE AUTHORITY
Capital Equipment by Category
Last Ten Fiscal Years

Category	June 30, 2008		June 30, 2009	
	Historical Cost	Quantity	Historical Cost	Quantity
Air fill station	\$ 53,179	2	\$ 53,179	2
Aboveground storage tank	678,014	8	678,014	8
Audio visual equipment	784,559	25	784,559	25
Boat	36,504	4	36,504	4
Camera, thermal imaging	1,205,722	89	1,205,722	89
Camera, other	47,387	4	47,387	4
Communications equipment	1,456,590	37	1,465,264	38
Computer	85,459	5	91,328	6
Defibrillator	1,324,920	74	1,341,790	75
Exercise equipment	34,177	5	44,260	6
Fleet equipment	162,771	16	162,771	16
Forklift	102,994	3	102,994	3
Generator	564,051	25	553,049	24
GPS equipment (AVL regional interoperability projects)	1,391,000	2	1,391,000	2
Hazmat equipment	248,782	20	248,782	20
Helicopters and improvements:				
Helicopter	7,294,218	2	28,854,977	4
Helicopter, rotor blades	-	-	151,573	2
Helicopter, fast fin kits	-	-	-	-
Helicopter equipment	421,615	16	670,576	37
Hydraulic tool	97,746	18	97,746	18
Kitchen equipment	33,403	4	33,403	4
Laptop	53,782	9	53,782	9
Manikin	73,144	12	73,144	12
Miscellaneous equipment	385,042	27	447,889	29
Mobile radio project (FY 2003/04 - FY 2004/05)	2,424,594	1	2,424,594	1
Mobile radio	110,199	17	116,008	18
Mobile radio, mobile data computer (MDC)	-	-	-	-
Network equipment	976,386	29	976,386	29
Office equipment	500,659	7	635,138	8
Portable building	179,863	9	219,564	12
Portable radio	-	-	25,640	5
Printer	99,499	9	99,499	9
Projector	34,565	5	34,565	5
Router	25,980	2	37,405	4
Scanner	-	-	-	-
Search equipment	192,378	13	192,377	13
Server	1,224,377	72	1,090,643	80
Software	6,636,035	47	6,709,908	52
Switch	232,515	11	232,515	11
Tablet	-	-	-	-
Tent	122,237	12	122,237	12
Trailer	419,725	16	433,283	17
Workstation	1,634,122	24	1,641,243	25
	<u>\$ 31,348,193</u>	<u>681</u>	<u>\$ 53,580,698</u>	<u>738</u>

SOURCE: Orange County Fire Authority, Finance Division, Accounting Section

June 30, 2010		June 30, 2011		June 30, 2012	
Historical Cost	Quantity	Historical Cost	Quantity	Historical Cost	Quantity
\$ 53,179	2	\$ 53,179	2	\$ 53,179	2
678,014	8	678,014	8	678,014	8
768,132	23	754,726	23	716,800	18
23,412	2	23,412	2	31,515	4
1,205,722	89	1,223,802	91	1,251,757	104
41,577	3	41,577	3	11,171	1
1,465,264	38	1,488,213	41	1,512,740	42
82,126	5	82,126	5	82,126	5
1,149,858	90	1,149,858	90	1,528,398	105
35,622	5	35,622	5	35,622	5
162,771	16	170,441	16	172,042	16
102,994	3	88,098	2	93,177	3
553,049	24	510,078	23	504,562	22
1,391,000	2	1,391,000	2	1,391,000	2
248,782	20	248,782	20	337,453	24
28,854,977	4	28,854,977	4	28,854,977	4
319,149	4	319,149	4	319,149	4
-	-	-	-	-	-
747,865	40	770,085	42	778,885	42
97,746	18	195,119	31	368,216	55
33,403	4	33,403	4	33,403	4
62,732	10	56,632	9	44,108	7
73,144	12	67,452	11	67,452	11
495,934	31	559,561	35	597,167	40
2,424,594	1	2,424,594	1	2,424,594	1
116,008	18	116,008	18	107,671	17
-	-	-	-	-	-
967,465	28	967,465	28	804,981	27
648,440	8	648,440	8	648,440	8
226,348	13	226,348	13	226,348	13
25,640	5	25,640	5	25,640	5
77,218	7	77,218	7	72,039	7
25,838	4	25,838	4	10,372	2
37,405	4	37,405	4	37,405	4
-	-	-	-	-	-
211,366	15	204,105	14	163,944	11
1,148,057	88	1,049,533	82	1,027,950	81
7,068,488	55	7,068,488	55	7,074,050	55
264,893	14	282,393	16	282,393	16
-	-	-	-	-	-
122,237	12	122,237	12	122,237	12
423,376	16	423,376	16	437,742	16
1,641,243	25	1,641,243	25	1,641,243	25
<u>\$ 54,075,068</u>	<u>766</u>	<u>\$ 54,135,637</u>	<u>781</u>	<u>\$ 54,569,962</u>	<u>828</u>

(Continued on next page)

ORANGE COUNTY FIRE AUTHORITY
Capital Equipment by Category
 (Continued)

Category	June 30, 2013		June 30, 2014	
	Historical Cost	Quantity	Historical Cost	Quantity
Air fill station	\$ 53,179	2	53,179	2
Aboveground storage tank	678,014	8	678,014	8
Audio visual equipment	716,800	18	716,800	18
Boat	31,515	4	31,515	4
Camera, thermal imaging	1,117,422	97	1,214,725	113
Camera, other	11,171	1	11,171	1
Communications equipment	1,533,009	44	1,458,744	39
Computer	82,126	5	82,126	5
Defibrillator	1,528,398	105	1,526,069	105
Exercise equipment	35,622	5	35,622	5
Fleet equipment	172,042	16	172,042	16
Forklift	93,177	3	93,177	3
Generator	504,562	22	504,562	22
GPS equipment (AVL regional interoperability projects)	1,391,000	2	1,391,000	2
Hazmat equipment	336,275	23	432,282	23
Helicopters and improvements:				
Helicopter	28,854,977	4	28,854,977	4
Helicopter, rotor blades	319,149	4	319,149	4
Helicopter, fast fin kits	-	-	148,104	2
Helicopter equipment	787,062	43	780,245	42
Hydraulic tool	377,287	56	401,133	60
Kitchen equipment	33,403	4	33,403	4
Laptop	29,058	5	29,058	5
Manikin	67,452	11	67,452	11
Miscellaneous equipment	643,040	46	660,496	49
Mobile radio project (FY 2003/04 - FY 2004/05)	2,424,594	1	2,424,594	1
Mobile radio	107,671	17	107,671	17
Mobile radio, mobile data computer (MDC)	-	-	-	-
Network equipment	952,374	30	1,321,172	31
Office equipment	638,472	7	632,865	6
Portable building	236,843	14	274,656	14
Portable radio	79,452	15	79,452	15
Printer	72,039	6	72,039	6
Projector	10,372	2	10,372	2
Router	37,405	4	37,405	4
Scanner	-	-	-	-
Search equipment	163,944	11	196,302	13
Server	1,022,818	81	997,288	79
Software	7,117,506	56	7,117,506	56
Switch	282,393	16	312,760	17
Tablet	-	-	-	-
Tent	122,237	12	122,237	12
Trailer	527,629	18	512,761	18
Workstation	1,641,243	25	1,641,243	25
	<u>\$ 54,832,732</u>	<u>843</u>	<u>\$ 55,555,368</u>	<u>863</u>

June 30, 2015		June 30, 2016		June 30, 2017	
Historical Cost	Quantity	Historical Cost	Quantity	Historical Cost	Quantity
\$ 53,179	2	53,179	2	53,179	2
678,014	8	678,014	8	678,014	8
734,581	20	734,581	20	734,581	20
31,515	4	31,515	4	64,986	6
1,167,318	107	1,115,772	102	1,107,655	101
33,713	4	44,264	5	44,264	5
1,458,744	39	1,458,744	39	1,429,464	37
90,386	6	90,386	6	25,900	4
1,526,069	105	1,526,069	105	5,312,042	229
35,622	5	35,622	5	40,790	6
189,888	17	252,867	24	284,885	27
93,177	3	93,177	3	134,138	4
504,562	22	504,562	22	504,562	22
1,391,000	2	1,391,000	2	1,391,000	2
479,786	26	479,786	26	479,786	26
28,854,977	4	28,854,977	4	28,854,977	4
319,149	4	319,149	4	319,149	4
148,104	2	148,104	2	148,104	2
942,245	43	942,245	43	995,953	46
468,400	67	490,913	69	535,309	72
33,403	4	33,403	4	26,394	3
29,058	5	23,832	4	17,957	3
67,452	11	67,452	11	67,452	11
702,500	52	735,503	55	798,762	59
2,424,594	1	2,424,594	1	2,424,594	1
82,659	14	153,768	28	361,948	62
-	-	-	-	196,398	30
1,288,223	29	1,294,452	30	1,294,452	30
632,865	6	632,865	6	632,865	6
352,872	17	352,872	17	352,872	17
143,605	27	138,477	26	138,477	26
72,039	6	72,039	6	68,552	6
10,372	2	10,372	2	10,372	2
37,405	4	72,745	8	72,745	8
5,489	1	5,489	1	5,489	1
210,657	14	236,657	16	258,921	18
1,000,858	69	1,211,242	72	936,541	57
9,176,979	50	10,502,153	53	10,491,277	52
312,760	17	349,909	20	349,909	20
5,455	1	24,882	4	24,882	4
122,237	12	122,237	12	154,551	13
523,455	18	523,455	18	465,143	18
1,641,243	25	1,641,243	25	1,641,243	25
<u>\$ 58,076,609</u>	<u>875</u>	<u>\$ 59,874,567</u>	<u>914</u>	<u>\$ 63,930,534</u>	<u>1,099</u>

ORANGE COUNTY FIRE AUTHORITY
Capital Vehicles by Category
Last Ten Fiscal Years

Category	June 30, 2008		June 30, 2009	
	Historical Cost	Quantity	Historical Cost	Quantity
Air Utility	\$ 629,011	3	\$ 629,011	3
Ambulance	464,082	5	464,082	5
Battalion Chief Vehicle	1,203,251	25	1,300,458	26
Brush Chipper	34,289	2	34,289	2
Crew Cab	176,403	4	176,403	4
Crew-Carrying Vehicle	297,336	4	297,336	4
Dump Truck	66,366	1	66,366	1
Fire Command	402,755	2	402,755	2
Fire Dozer	445,205	4	723,403	4
Foam Tender	152,245	1	152,245	1
Fuel Tender	226,392	2	226,392	2
Hazmat Unit	674,962	2	674,962	2
Heavy Rescue Unit	-	-	649,343	1
Hose Tender	103,189	1	103,189	1
Lift Truck	-	-	-	-
Loader	-	-	-	-
Paramedic Van	1,449,569	22	1,449,569	22
Parade Engine	35,000	2	35,000	2
Patrol	1,539,901	19	1,539,901	19
Patrol, Compressed Air Foam System (CAFS)	-	-	488,603	7
Pickup Truck	1,352,388	42	1,562,434	41
Road Grader	102,396	1	102,396	1
Sedan	123,991	7	123,991	7
Squad	578,998	7	578,998	7
Stakeside	34,289	1	34,289	1
Sport Utility Vehicle (SUV)	2,849,285	104	2,809,830	103
Telesquirt	2,617,035	8	2,617,035	8
Transport Tractor	399,409	5	506,673	5
Truck, 90', 100' and 110' Tractor Drawn Aerials	1,737,166	3	4,428,314	5
Truck, 75' Quint	2,717,185	6	2,717,185	6
Truck, 90' Quint	4,827,476	10	4,429,851	9
Truck, 100' Quint	-	-	-	-
Truck, Other	427,613	5	427,613	5
Truck, Compressed Air Foam System (CAFS)	-	-	-	-
Type 1 Engine	22,538,064	87	21,865,361	82
Type 1 Wildland Urban Interface Engine	-	-	-	-
Type 2 Engine	1,862,087	13	1,752,417	12
Type 3 Engine	914,455	8	4,673,626	18
Utility	176,422	5	176,422	5
Van	681,041	29	648,591	27
Water Tender	753,535	5	753,535	5
	<u>\$ 52,592,791</u>	<u>445</u>	<u>\$ 59,621,868</u>	<u>455</u>

SOURCE: Orange County Fire Authority, Finance Division, General Accounting Unit

June 30, 2010		June 30, 2011		June 30, 2012	
Historical Cost	Quantity	Historical Cost	Quantity	Historical Cost	Quantity
\$ 629,011	3	\$ 629,011	3	\$ 820,733	4
935,731	8	776,283	6	776,283	6
1,300,458	26	1,488,518	28	1,518,914	29
34,289	2	34,289	2	34,289	2
139,057	3	139,057	3	69,009	2
297,336	4	297,336	4	452,373	4
66,366	1	66,366	1	66,366	1
402,755	2	402,755	2	402,755	2
723,403	4	723,403	4	723,403	4
152,245	1	152,245	1	152,245	1
226,392	2	226,392	2	376,164	3
674,962	2	674,962	2	1,077,646	3
658,107	1	658,107	1	658,107	1
103,189	1	103,189	1	103,189	1
71,780	1	71,780	1	71,780	1
-	-	-	-	-	-
1,393,496	21	1,860,604	22	1,860,604	22
35,000	2	35,000	2	-	-
1,539,901	19	1,539,901	19	1,539,901	19
858,456	12	858,456	12	858,456	12
1,590,978	41	1,590,978	41	1,796,208	49
102,396	1	102,396	1	102,396	1
83,753	4	61,256	3	61,256	3
578,998	7	578,998	7	578,998	7
34,289	1	34,289	1	34,289	1
2,866,442	107	2,820,880	104	2,658,508	98
2,358,138	7	2,099,242	6	2,344,077	7
506,673	5	506,673	5	506,673	5
4,428,314	5	4,428,314	5	4,943,110	8
2,717,185	6	3,536,736	7	3,124,257	6
4,429,851	9	4,429,851	9	3,562,035	7
-	-	-	-	2,354,146	2
427,613	5	427,613	5	427,538	5
-	-	-	-	21,649	1
26,065,677	91	25,031,630	84	26,638,285	90
1,702,359	4	2,127,949	5	2,127,949	5
1,020,651	7	305,219	2	152,610	1
4,105,746	13	4,105,746	13	4,105,746	13
161,801	4	161,801	4	145,169	3
639,778	25	623,608	24	623,608	24
753,535	5	753,535	5	753,535	5
<u>\$ 64,816,111</u>	<u>462</u>	<u>\$ 64,464,368</u>	<u>447</u>	<u>\$ 68,624,259</u>	<u>458</u>

(Continued on next page)

ORANGE COUNTY FIRE AUTHORITY
Capital Vehicles by Category
(Continued)

Category	June 30, 2013		June 30, 2014	
	Historical Cost	Quantity	Historical Cost	Quantity
Air Utility	\$ 820,733	4	\$ 820,733	4
Ambulance	674,739	5	674,739	5
Battalion Chief Vehicle	1,518,914	29	1,518,914	29
Brush Chipper	34,289	2	34,289	2
Crew Cab	69,009	2	-	-
Crew-Carrying Vehicle	452,373	4	452,373	4
Dump Truck	66,366	1	66,366	1
Fire Command	402,755	2	820,829	4
Fire Dozer	723,403	4	723,403	4
Foam Tender	152,245	1	152,245	1
Fuel Tender	376,164	3	376,164	3
Hazmat Unit	1,077,646	3	1,077,646	3
Heavy Rescue Unit	658,107	1	658,107	1
Hose Tender	103,189	1	103,189	1
Lift Truck	71,780	1	71,780	1
Loader	-	-	-	-
Paramedic Van	1,860,604	22	1,860,604	22
Parade Engine	-	-	-	-
Patrol	1,539,901	19	1,539,901	19
Patrol, Compressed Air Foam System (CAFS)	858,456	12	858,456	12
Pickup Truck	1,943,905	51	2,081,006	53
Road Grader	102,396	1	102,396	1
Sedan	61,256	3	44,994	2
Squad	578,998	7	578,998	7
Stakeside	34,289	1	34,289	1
Sport Utility Vehicle (SUV)	2,637,875	97	2,560,913	94
Telesquirt	1,995,305	6	1,736,407	5
Transport Tractor	506,673	5	506,673	5
Truck, 90', 100' and 110' Tractor Drawn Aerials	4,938,110	7	4,938,110	7
Truck, 75' Quint	3,124,257	6	3,124,257	6
Truck, 90' Quint	3,562,035	7	3,562,035	7
Truck, 100' Quint	2,354,146	2	2,354,146	2
Truck, Other	427,538	5	592,188	7
Truck, Compressed Air Foam System (CAFS)	44,058	2	44,058	2
Type 1 Engine	26,638,285	90	28,363,285	92
Type 1 Wildland Urban Interface Engine	3,451,627	8	3,451,627	8
Type 2 Engine	152,610	1	152,610	1
Type 3 Engine	3,871,874	11	4,653,221	13
Utility	145,169	3	145,169	3
Van	623,608	24	623,608	24
Water Tender	753,535	5	753,535	5
	<u>\$ 69,408,222</u>	<u>458</u>	<u>\$ 72,213,263</u>	<u>461</u>

June 30, 2015		June 30, 2016		June 30, 2017	
Historical Cost	Quantity	Historical Cost	Quantity	Historical Cost	Quantity
\$ 820,733	4	820,733	4	820,733	4
573,194	4	573,194	4	573,194	4
1,518,914	29	2,098,087	42	2,161,593	42
34,289	2	103,545	3	84,438	2
-	-	-	-	-	-
452,373	4	452,373	4	452,373	4
66,366	1	66,366	1	66,366	1
674,655	3	674,655	3	674,655	3
550,978	2	550,978	2	550,978	2
152,245	1	152,245	1	152,245	1
376,164	3	376,164	3	376,164	3
1,077,646	3	1,077,646	3	939,162	2
658,107	1	679,608	1	679,608	1
103,189	1	103,189	1	103,189	1
71,780	1	71,780	1	71,780	1
81,996	1	81,996	1	81,996	1
1,860,604	22	1,860,604	22	1,860,604	22
-	-	-	-	-	-
1,539,901	19	1,539,901	19	1,539,901	19
858,456	12	858,456	12	858,456	12
2,081,006	53	2,327,501	63	3,213,233	85
102,396	1	102,396	1	102,396	1
44,994	2	-	-	-	-
578,998	7	578,998	7	496,839	6
34,289	1	34,289	1	34,289	1
2,505,905	92	2,621,995	93	2,602,271	92
1,736,407	5	1,736,407	5	1,736,407	5
506,673	5	506,673	5	506,673	5
4,938,110	7	4,948,930	8	6,641,223	9
3,124,257	6	3,124,257	6	3,124,257	6
3,062,553	6	3,062,553	6	3,062,553	6
2,354,146	2	2,354,146	2	2,354,146	2
768,076	11	768,076	11	804,028	11
44,058	2	44,058	2	44,058	2
28,442,065	90	30,580,415	94	32,151,624	94
3,451,627	8	3,451,627	8	3,451,627	8
152,610	1	152,610	1	152,610	1
4,653,221	13	4,653,221	13	4,653,221	13
145,169	3	145,169	3	145,169	3
451,395	19	451,395	19	435,224	18
753,535	5	753,535	5	753,535	5
<u>\$ 71,403,080</u>	<u>452</u>	<u>\$ 74,539,771</u>	<u>480</u>	<u>\$ 78,512,818</u>	<u>498</u>



Orange County Fire Authority Safety Message

Safety in Public Buildings
(Part 3 of 3)

(Continued from Page 151)

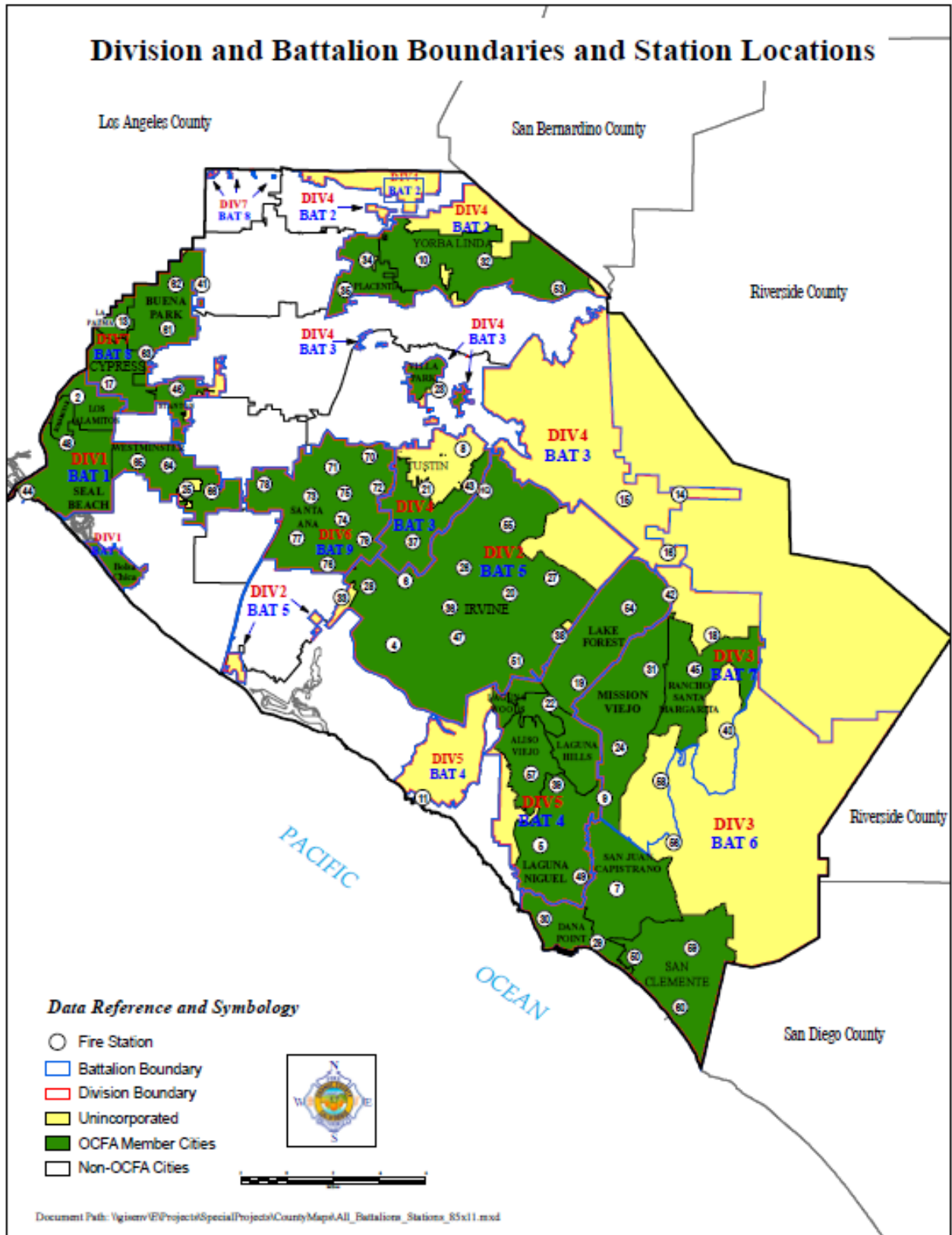


When you get on an airplane, the first thing you do is locate the exits in case of an emergency. It's important to do the same thing when entering any building where a large number of people are gathered.

During a Fire

- ✓ Crawl low if you encounter smoke or heat.
- ✓ Evacuate before phoning for help. Call 9-1-1 from outside the building.
- ✓ Never go back into a burning building for any reason.

ORANGE COUNTY FIRE AUTHORITY



SOURCE: Orange County Fire Authority, Information Technology Division, Geographic Information Systems

ORANGE COUNTY FIRE AUTHORITY
List of Stations by Member Agency



City of Aliso Viejo
#57, 57 Journey, 92656



City of Buena Park
#61, 8081 Western Ave. 90620
#62, 7780 Artesia Blvd. 90621
#63, 9120 Holder St. 90620



City of Cypress
#17, 4991 Cerritos Ave. 90630



City of Dana Point
#29, 26111 Victoria Blvd. 92624
#30, 23831 Stonehill Dr. 92629



City of Irvine
#4, 2 California Ave. 92612
#6, 3180 Barranca Pkwy. 92606
#20, 6933 Trabuco Rd., 92618
#26, 4691 Walnut Ave. 92604
#27, 12400 Portola Springs 92618
#28, 17862 Gillette Ave. 92614
#36, 301 E. Yale Loop 92604
#38, 26 Parker 92618
#47, 47 Fossil 92603
#51, 18 Cushing 92618
#55, 4955 Portola Pkwy. 92620



City of La Palma
#13, 7822 Walker St. 90623



**Cities of Laguna Hills and
Laguna Woods**
#22, 24001 Paseo de Valencia, Laguna Hills 92653



City of Laguna Niguel
#5, 23600 Pacific Island Dr. 92677
#39, 24241 Avila Rd. 92677
#49, 31461 St. of the Golden Lantern 92677



City of Lake Forest
#19, 23022 El Toro Rd. 92630
#42, 19150 Ridgeline Rd., 92679
#54, 19811 Pauling Ave., 92610



City of Los Alamitos
#2, 3642 Green Ave. 90720



City of Mission Viejo
#9, #9 Shops at Mission Viejo 92691
#24, 25862 Marguerite Pkwy. 92692
#31, 22426 Olympiad Rd. 92692



City of Placentia
#34, 1530 N. Valencia 92870
#35, 110 S. Bradford 92870



City of Rancho Santa Margarita
#45, 30131 Aventura 92688



City of San Clemente

- #50, 670 Camino de Los Mares 92672
- #59, 48 Avenida La Pata 92673
- #60, 100 Avenida Victoria 92672



City of San Juan Capistrano

- #7, 31865 Del Obispo 92675



City of Santa Ana

- #70, 2301 Old Grand 92701
- #71, 1029 West 17th St. 92706
- #72, 1688 East 4th St. 92701
- #73, 419 Franklin 92703
- #74, 1427 South Broadway 92707
- #75, 120 West Walnut 92701
- #76, 950 West MacArthur 92707
- #77, 2317 South Greenville 92704
- #78, 501 North Newhope 92703
- #79, 1320 East Warner 92705



City of Seal Beach

- #44, 718 Central Ave. 90740
- #48, 3131 N. Gate Rd. 90740



City of Stanton

- #46, 7871 Pacific St. 90680



City of Tustin

- #37, 15011 Kensington Park Dr. 92780
- #43, 11490 Pioneer Way 92782



City of Villa Park

- #23, 5020 Santiago Canyon Rd. 92869



City of Westminster

- #64, 7351 Westminster Blvd. 92683
- #65, 6061 Hefley St. 92683
- #66, 15061 Moran St. 92683



City of Yorba Linda

- #10, 18422 E. Lemon Dr. 92886
- #32, 20990 Yorba Linda Blvd. 92887
- #53, 25415 La Palma Ave. 92887



County of Orange, Unincorporated

- #8, 10631 Skyline Dr., Santa Ana 92705
- #11, 259 Emerald Bay, Laguna Beach 92651
- #14, P.O. Box 12, Silverado 92676
- #15, 27172 Silverado Canyon Rd., Silverado 92676
- #16, 28891 Modjeska Canyon Rd., Silverado 92676
- #18, 30942 Trabuco Canyon Rd., Trabuco Canyon 92679
- #21, 1241 Irvine Blvd., Tustin 92780
- #25, 8171 Bolsa Ave., Midway City 92655
- #40, 25082 Vista del Verde, Coto de Caza 92679
- #56, 56 Sendero Way, Rancho Mission Viejo 92694
- #58, 58 Station Way, Ladera Ranch 92694

Specialty Stations



Airport Rescue & Firefighting

- #33, 374 Paularino, Costa Mesa 92626



Helicopter Operations

- #41, 3900 W. Artesia Ave., Fullerton 92633

ORANGE COUNTY FIRE AUTHORITY
Description of the Organization, Programs and Service Delivery
June 30, 2017

EXECUTIVE MANAGEMENT

Orange County Fire Authority (OCFA) is managed by an appointed Fire Chief, five Assistant Chiefs, and two Directors. Service activities are organized into five departments – Operations, Community Risk Reduction, Business Services, Support Services, and Organizational Planning. Executive Management is responsible for providing direction to all departments within the organization and ensuring that the types and levels of services provided are consistent with Board policy and the adopted budget. OCFA contracts with the firm of Woodruff, Spradlin, & Smart located in Costa Mesa, California for its legal services. General Counsel reports directly to the Board of Directors.

OPERATIONS DEPARTMENT

The Operations Department is responsible for providing command and control direction regarding daily operations and all fire suppression activities.

Communications and Legislative Affairs – Communications provides support to the Fire Chief and Executive Management staff on special projects designed to keep the public and other agencies informed about OCFA. The Communications Director, who is a member of the Executive Management team, reports directly to the Assistant Chief of Operations. Legislative Affairs identifies and tracks local, state, and federal legislation that could impact OCFA; submits legislative analysis to the Board of Directors; sends letters on behalf of the Board of Directors when a position is taken on an item of legislation; and manages the grant application process for all OCFA grants.

PIO and Media Relations facilitates public information, media relations, public education, and community outreach. The Public Information Office (PIO) ensures that the public is kept informed during major incidents; serves as the spokesperson for OCFA during request from reporters and during major incidents; ensures that accurate and timely information is released to the public; and generates news releases and board advisories. The Community Relations and Education section is responsible for large-scale educational campaigns and community outreach events, including the creation and delivery of messaging material that promote public safety awareness.

Divisions I through VII – There are seven operational divisions, each under the command of a Division Chief. Divisions are divided into field battalions, which are under the command of Battalion Chiefs. Within these field battalions are 72 fire stations that provide for regional emergency response to structure fires, medical aids, rescues, hazardous materials incidents, and wildland fires. Battalion Chiefs also oversee various support activities and specialty resources, which are described in more detail below.

Division I	<ul style="list-style-type: none"> • Battalion 1 primarily serves the cities of Los Alamitos, Seal Beach, and Westminster, as well as the unincorporated communities of Midway City and Rossmoor. • Division I also assists with the provision of emergency services to Seal Beach Naval Weapons Station and the Joint Forces Training Base in Los Alamitos.
Division II	<ul style="list-style-type: none"> • Battalion 5 primarily serves the city of Irvine, as well as the unincorporated community of Santa Ana Heights. • Division II provides emergency services to the University of California, Irvine (UCI), John Wayne Airport (JWA), and the Orange County Great Park. The division also provides oversight for the Airport Rescue Fire Fighting (ARFF) services and the Fire Exploring Program.
Division III	<ul style="list-style-type: none"> • Battalion 6 primarily serves the cities of Dana Point, San Clemente, and San Juan Capistrano, as well as the unincorporated community of Rancho Mission Viejo and areas along Ortega Highway in southern Orange County. • Battalion 7 primarily serves the cities of Mission Viejo and Rancho Santa Margarita, as well as the unincorporated communities of Coto de Caza, Ladera Ranch, Las Flores, and Trabuco Canyon. • Division III oversees specialized emergency response capabilities and equipment for the Urban Search and Rescue task force, which includes the Swift Water Rescue program and the Mass Casualty Unit.

Division IV	<ul style="list-style-type: none"> • Battalion 2 primarily serves the cities of Placentia and Yorba Linda, as well as the unincorporated communities of Carbon Canyon, Chino Hills State Park, and Tonner Canyon. • Battalion 3 primarily serves the cities Tustin and Villa Park, as well as the unincorporated communities of Cowan Heights, El Modena, Lemon Heights, Orange Park Acres, Modjeska Canyon, Santiago Canyon, and Silverado Canyon. • Community Volunteer Services (CVS) is responsible for the coordination of Reserve Firefighters (RFF) who provide emergency medical aid, fire suppression, and support services responding out of three stand-alone fire stations, five combination fire stations (both RFF and career personnel assigned), one RFF Fire Crew location, and one RFF Helicopter Crew location. CVS also administers and coordinates the OCFA Chaplain Program. • Emergency Medical Services (EMS) manages the delivery of medical services by OCFA’s emergency medical technicians (EMT) and paramedics. This includes the implementation of the continuing quality improvement program; continuing education for both career and reserve personnel; ongoing review of patient care; supply and equipment evaluation and purchasing; monitoring and tracking of paramedic licensure and EMT certifications; ambulance contract administration oversight; and paramedic recruitment, selection, evaluation, and accreditation. In addition, EMS serves as a liaison to county and state regulatory agencies, hospitals, ambulance providers, and other EMS groups. EMS oversees the Wellness and Fitness (WEFIT) program, which schedules wellness exams, coordinates peer fitness trainers, provides employee health education and fitness programs, and provides physical training fir firefighter academy recruits.
Division V	<ul style="list-style-type: none"> • Battalion 4 primarily serves the cities of Aliso Viejo, Laguna Hills, Laguna Niguel, Laguna Woods, and Lake Forest, as well as the unincorporated community of Emerald Bay. • Division V is also responsible for the ongoing oversight and management of the Staffing Program, which ensures correct, 24/7 staffing levels at all stations; the Staffing Committee; and the employee transfer process within the Operations Department.
Division VI	<ul style="list-style-type: none"> • Battalion 9 primarily serves the city of Santa Ana. • The division also provides administration, oversight, and training for the Hazardous Materials Response Team (HMRT) and the Fire and Law Enforcement Joint Hazard Assessment Team (JHAT).
Division VII	<ul style="list-style-type: none"> • Battalion 8 primarily serves the cities of Buena Park, Cypress, La Palma, and Stanton. • Air Operations is responsible for coordination of the OCFA’s helicopters. OCFA currently maintains firefighting helicopters used for emergency responses throughout the year for wildland and wildland urban interface fires and special rescues such as swift and still water rescues, medical rescue support, and disaster mitigation. • Division VII also provides oversight for the OCFA Equipment Committee.

COMMUNITY RISK REDUCTION DEPARTMENT

The Community Risk Reduction Department adopts and enforces codes and ordinances relative to fire and life safety issues; reviews plans and conducts inspections of construction projects; coordinates annual life safety inspections of all existing commercial buildings; provides long range analysis of impacts on resources associated with future land use and development; and investigates all fires.

Investigation Services conducts fire investigations and evaluations, and initiates early intervention strategies. Other responsibilities include administration of the Fire F.R.I.E.N.D.S. diversion program for juvenile-related fires; OCFIRS quality assurance; and state and national reporting.

Planning and Development interacts with developers, architects, and engineers to meet the fire protection requirements for buildings and developments. This division is responsible for reviewing all architectural development plans and proposals submitted within OCFA's jurisdiction, including tract and parcel maps, permits for conditional use, site development, coastal development, and other items related to the developmental process.

Pre-Fire Management takes a proactive approach to wildland fire prevention through the systematic evaluation of risk, fuels mitigation, road maintenance, vegetation management, and home hardening education through ongoing collaboration with partner organizations, land owners, and communities. Pre-Fire Management also oversees the coordination of firefighting hand crews and heavy fire equipment.

Prevention Field Services assists stakeholders in maintaining and enhancing safe communities by conducting fire safety inspections; enforcing and educating about applicable fire codes and ordinances; and assuring that public safety issues are researched and addressed as appropriate. Activities are carried out through four regional offices that focus the risk reduction efforts more closely to the risks of the individual communities.

BUSINESS SERVICES DEPARTMENT

The Business Services Department provides public records oversight; all financial functions; purchasing, receiving, shipping, warehousing and mail operations; and treasury and financial planning services.

The **Clerk of the Authority (COA)** administers democratic processes, such as access to OCFA records and all legislative actions ensuring transparency to the public.

The **Finance Division** oversees the processing, accounting, reporting, and auditing of all OCFA financial records. It is also responsible for developing policies and procedures designed to protect and safeguard OCFA's financial assets. Specific functions and responsibilities include accounts receivable; general accounting (including financial reporting and the monitoring and inventorying of OCFA's fixed and controlled assets); cost accounting (including grants and incident restitutions); accounts payable (including procurement cards and travel-related disbursements); payroll; and timekeeping.

Purchasing and Materiel Management – The Purchasing Division administers the centralized procurement of all supplies, services, equipment, and construction services through competitive solicitations. Through centralized procurement, OCFA achieves standardized bidding and evaluation procedures; economies of scale on agency purchases; and an open, fair and competitive procurement process. The Purchasing Division is also responsible for developing and administering procurement policies and procedures; the procurement card program; and surplus disposition. The Materiel Management (Service Center) section provides OCFA's organization-wide logistical support. Responsibilities include shipping, receiving, and warehousing services for a wide variety of organizational supplies; mail processing and delivery; testing and repair of firefighting equipment; and providing specialized emergency support on incidents. The Service Center Supervisor reports directly to the Purchasing Manager.

Treasury and Financial Planning is responsible for providing a variety of cash management, budgetary services, and financial support for the OCFA. Treasury services include monitoring cash balances; making investments in compliance with OCFA's Investment Policy; issuing and administering long and short-term debt; and providing oversight of the deferred compensation, pension, and retiree medical programs. Financial Planning services include preparation of the budget; monthly analysis and reporting of revenue and expenditure activities; annual reviews of OCFA's fiscal health; financial forecasting; and special financial studies. Additional responsibilities include maintenance of lease-purchase agreements and various administrative support functions.

SUPPORT SERVICES DEPARTMENT

The Support Services Department provides essential support to all departments of the OCFA. Responsibilities include coordinating all facilities maintenance, repairs, and construction; automotive and fleet maintenance, repairs, and acquisition; development, operation, maintenance, and security of the OCFA's computers and technical infrastructure; and operations of the Emergency Command Center.

The **Emergency Command Center (ECC)** serves as a secondary 9-1-1 Public Safety Answering Point (PSAP) and dispatch center for fire and medical emergencies. In coordination with 9-1-1 centers throughout the county and state, the ECC answers emergency calls, identifies the nature and location of the emergency, and dispatches resources. The ECC serves as the Operational Area Coordinator for fire and rescue mutual aid for all Orange County fire service agencies, where responsibilities include handling requests for mutual aid within and outside of Orange County and out-of-state.

Fleet Services ensures the effective and timely repair, servicing, and maintenance of all vehicles, apparatus, and equipment. Responsibilities include coordinating new vehicle specifications and purchases, maintenance schedules, replacement prioritization, and service. This section also oversees projects to improve apparatus and automotive-related functions.

Information Technology is responsible for development, operation, maintenance, and security of OCFA's computers, network, and overall technical infrastructure; the development and support of information systems applications and databases; maintenance of centralized enterprise Geographic Information System (GIS) and mapping capabilities; and the acquisition and maintenance of emergency communications equipment. Activities include development and monitoring of Information Technology standards and guidelines; internal and external network development and coordination; and the evaluation, selection, and deployment of all computers, printers, and automation software and hardware purchases, upgrades, and replacements. Additional activities include the analysis, design, programming, implementation, maintenance, and security for existing and future computer systems; oversight for the installation of radios and mobile data computers (MDC) in emergency apparatus; and oversight for fire station alarm systems.

Property Management builds, maintains, and repairs all OCFA real property and durable infrastructure. Responsibilities include construction of new fire stations and the maintenance and operations of all fire stations and facilities, including the air operations hangar, the Urban Search & Rescue and Training facility, and the Regional Fire Operations and Training Center (RFOTC).

ORGANIZATIONAL PLANNING DEPARTMENT

The Organizational Planning Department oversees emergency management planning; human resource functions; training and performance improvement; and organization-wide strategic and advanced planning.

Emergency Planning and Coordination (EPAC) is primarily responsible for emergency management planning, agreement coordination, and Homeland Security Grant coordination. The EPAC Chief is the OCFA's representative to the Operational Area Emergency Operations Center (Loma Ridge). There the EPAC Chief is the Operational Area Fire Mutual Aid Representative to the California Office of Emergency Services Region I Office. The EPAC Chief is also the Operational Area Fire Resources Branch Coordinator. This section coordinates and facilitates all operational agreements that OCFA maintains with outside entities, including automatic aid, mutual aid, the California Governor's Office of Emergency Services (Cal OES), the California Department of Forestry and Fire Protection (CAL FIRE), and the United States Forest Service (USFS). Finally, the EPAC Chief oversees the Captain assigned to the Orange County Intelligence and Assessment Center (OCIAAC) and all grants tied to the Office of Homeland Security. These include all activities and programs funded by the Urban Area Security Initiative (UASI) and the State Homeland Security Grant Program (SHSGP).

The **Human Resources Division** provides programs and services designed to support the OCFA and its employees in the achievement of its mission and objectives. The Human Resources Director, who is a member of the Executive Management team, reports directly to the Assistant Chief of Organizational Planning. Employee Benefits is responsible for the administration of employee benefit programs, including health, accidental death and dismemberment, dental, vision, life, disability, and optional benefit plans. Employee Relations oversees classification and compensation studies, recruitment and selection, labor negotiations, and Memorandum of Understanding (MOU) administration. Risk Management administers OCFA's general liability insurance, workers' compensation self-insurance program, and occupational safety and health programs.

Operations Training and Safety (Training) delivers and facilitates all operations personnel training activities, including basic and advanced firefighter techniques and administrative and supervisory training; coordinates and administers recruit and promotional training academies including reserve firefighters, firefighters, lateral paramedics, engineers and officer academies; and serves in a lead capacity on issues of employee and incident safety. Training Officers double as incident safety officers. Training also coordinates with Santa Ana College and the California Joint Apprentice Commission (CFFJAC) on various training activities and programs. Finally, Multimedia is responsible for meeting all OCFA audio, video, and photographic needs. Responsibilities include the production of a monthly video newsletter; coverage of firefighter academies; management of audio and video for Executive Committee and Board of Directors meetings; and design of OCFA information material.

Organizational Development & Training (ODT) is responsible for overseeing performance improvement, organizational development, workforce/employee development, and succession planning efforts.

Strategic Services provides strategic and advanced planning functions for OCFA. Areas of responsibility include initiating Secured Fire Protection Agreements with developers for infill fee projects; deployment and resource modeling; analytics and statistical data review; new station placement and related agreements; developing OCFA's Strategic Plan and Standards of Cover; overseeing the accreditation process; Insurance Services Office (ISO) ratings; coordination with Local Agency Formation Commission (LAFCO); and monitoring land use, annexations, and associated new road and development pre-planning.