NEW ISSUE - BOOK ENTRY ONLY

RATINGS: Moody's: Aa2
S&P: AA+
See "Ratings"

In the opinion of Bond Counsel, under existing law and assuming compliance with the tax covenants described herein, and the accuracy of certain representations and certifications made by the Authority and the County described herein, interest on the 2021 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Bond Counsel is also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code. Bond Counsel is further of the opinion that, interest on the 2021 Bonds is exempt from personal income taxes of the State of California (the "State") under present State law. See "TAX MATTERS" herein regarding certain other tax considerations.

$97,420,000
COUNTY OF CONTRA COSTA PUBLIC FINANCING AUTHORITY
LEASE REVENUE BONDS (CAPITAL PROJECTS AND REFUNDING), 2021 SERIES

comprised of:

$63,540,000 2021 Series A (Capital Projects)	**$33,880,000 2021 Series B (Refunding)**

Dated: Date of Delivery **Due: June 1, as shown on inside cover**

The County of Contra Costa Public Financing Authority (the "Authority") is issuing $97,420,000 principal amount of County of Contra Costa Public Financing Authority Lease Revenue Bonds, 2021 Series, comprised of $63,540,000 principal amount of County of Contra Costa Public Financing Authority Lease Revenue Bonds (Capital Projects and Refunding), 2021 Series A (Capital Projects) (the "2021 Series A Bonds") and $33,880,000 principal amount of County of Contra Costa Public Financing Authority Lease Revenue Bonds (Capital Projects and Refunding), 2021 Series B (Refunding) (the "2021 Series B Bonds" and together with the 2021 Series A Bonds, the "2021 Bonds"). The 2021 Bonds are being issued to: (i) finance the acquisition, installation, implementation and construction of various capital projects to be located within the County of Contra Costa (the "County"); (ii) refund all of the $48,410,833.95 aggregate principal amount of outstanding County of Contra Costa Public Financing Authority Lease Revenue Bonds and Obligations described herein (collectively, the "Prior Bonds"); and (iii) pay certain costs associated with the issuance of the 2021 Bonds. See "PLAN OF FINANCE" and "ESTIMATED SOURCES AND USES OF FUNDS."

The 2021 Bonds are issued pursuant to a Trust Agreement, dated as of March 1, 2021 (the "Trust Agreement"), by and between the Authority and Wells Fargo Bank, National Association (the "Trustee") and acknowledged by the County. The 2021 Bonds are limited obligations of the Authority and are payable, as to interest thereon, principal thereof and any premiums upon the redemption of any thereof, solely from the Revenues as provided in the Trust Agreement, and the Authority is not obligated to pay them except from the Revenues. Revenues consist primarily of Base Rental Payments (as defined herein) to be made by the County to the Authority for the use and occupancy of the Facilities (defined herein) pursuant to a Facilities Lease, dated as of March 1, 2021 (the "Facilities Lease") by and between the Authority, as lessor, and the County, as lessee. The County covenants in the Facilities Lease to take such action as may be necessary to include all such Base Rental Payments and Additional Payments in its annual budgets and to make the necessary annual appropriations therefor. The obligation of the County to make Base Rental Payments and Additional Payments is subject to abatement during any period in which by reason of any damage or destruction (other than by condemnation) there is substantial interference with the use and occupancy of the Facilities by the County, except as otherwise described herein. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2021 BONDS." **No debt service reserve fund will be established under the Trust Agreement for the 2021 Bonds.**

The principal of the 2021 Bonds is payable on June 1 of each year as set forth on the inside cover page. Interest on the 2021 Bonds is payable semiannually on June 1 and December 1 in each year, commencing June 1, 2021.

The 2021 Bonds will be initially delivered in book-entry form, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Principal of, redemption premium, if any, and interest on the 2021 Bonds will be paid by the Trustee, to DTC. DTC is obligated to remit such principal and interest to its DTC Participants for disbursement to the beneficial owners of the 2021 Bonds. See APPENDIX H–"DTC AND THE BOOK-ENTRY ONLY SYSTEM."

The 2021 Bonds are subject to optional and extraordinary redemption as described herein. See "THE 2021 BONDS–REDEMPTION PROVISIONS."

THE 2021 BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM REVENUES AND ARE NOT SECURED BY A LEGAL OR EQUITABLE PLEDGE OF, OR CHARGE OR LIEN UPON ANY PROPERTY OF THE AUTHORITY OR THE COUNTY OR ANY OF THEIR INCOME OR RECEIPTS, EXCEPT THE REVENUES (AS DESCRIBED HEREIN). NEITHER THE FULL FAITH NOR THE CREDIT OF THE AUTHORITY OR THE COUNTY IS PLEDGED FOR THE PAYMENT OF THE INTEREST ON OR PRINCIPAL OF THE 2021 BONDS. NEITHER THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE 2021 BONDS NOR THE OBLIGATION TO MAKE BASE RENTAL PAYMENTS UNDER THE FACILITIES LEASE CONSTITUTES A DEBT, LIABILITY OR OBLIGATION OF THE AUTHORITY, THE COUNTY, THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS FOR WHICH ANY ENTITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH ANY ENTITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. THE 2021 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. THE AUTHORITY HAS NO TAXING POWER.

This cover page contains certain information for general reference only. It is ***not*** intended to be a summary of the security or terms of this issue. Investors are advised to read the entire Official Statement to obtain information essential to the making of an informed investment decision. An investment in the 2021 Bonds involves risk. For a discussion of certain risk factors associated with investment in the 2021 Bonds, see "CERTAIN RISK FACTORS" as well as other factors discussed throughout this Official Statement.

The 2021 Bonds are offered when, as and if issued by the Authority and received by the Underwriter, subject to approval as to their validity by Nixon Peabody LLP, San Francisco, California, Bond Counsel to the Authority. Certain other legal matters will be passed upon for the County and the Authority by County Counsel and by Schiff Hardin LLP, San Francisco, California, Disclosure Counsel, and for the Underwriter by Katten Muchin Rosenman, New York, New York. It is anticipated that the 2021 Bonds in book-entry only form, will be available for delivery through the facilities of DTC in New York, New York, on or about March 18, 2021.

BARCLAYS

Date of Official Statement: February 25, 2021.

MATURITY SCHEDULE

$97,420,000
COUNTY OF CONTRA COSTA PUBLIC FINANCING AUTHORITY
LEASE REVENUE BONDS (CAPITAL PROJECTS AND REFUNDING),
2021 SERIES
comprised of:

$63,540,000 Serial 2021 Series A Bonds (Capital Projects)
Base CUSIP No.† 21226P

Maturity Date (June 1)	Principal Amount	Interest Rate	Price	Yield	CUSIP No.†
2022	$1,950,000	4.000%	0.200%	104.562	NJ3
2023	2,030,000	5.000	0.300	110.310	NK0
2024	2,135,000	5.000	0.450	114.451	NL8
2025	2,235,000	5.000	0.590	118.278	NM6
2026	2,350,000	5.000	0.730	121.759	NN4
2027	2,470,000	5.000	0.870	124.884	NP9
2028	2,590,000	5.000	1.010	127.649	NQ7
2029	2,720,000	5.000	1.150	130.052	NR5
2030	2,860,000	5.000	1.270	132.297	NS3
2031	3,000,000	5.000	1.360	134.565	NT1
2032	3,150,000	5.000	1.430	133.777 [C]	NU8
2033	3,310,000	5.000	1.510	132.883 [C]	NV6
2034	3,475,000	5.000	1.590	131.996 [C]	NW4
2035	3,650,000	5.000	1.680	131.007 [C]	NX2
2036	3,830,000	5.000	1.750	130.244 [C]	NY0
2037	4,020,000	4.000	1.990	118.474 [C]	NZ7
2038	4,185,000	4.000	2.080	117.565 [C]	PA0
2039	4,350,000	4.000	2.170	116.665 [C]	PB8
2040	4,525,000	4.000	2.210	116.267 [C]	PC6
2041	4,705,000	4.000	2.250	115.871 [C]	PD4

[C] Priced to June 1, 2031, the first optional call date at par.

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$33,880,000 Serial 2021 Series B Bonds (Refunding)
Base CUSIP No.[†] 21226P

Maturity Date (June 1)	Principal Amount	Interest Rate	Price	Yield	CUSIP No.[†]
2022	$2,970,000	4.000%	0.200%	104.562	PE2
2023	3,090,000	5.000	0.300	110.310	PF9
2024	3,245,000	5.000	0.450	114.451	PG7
2025	3,410,000	5.000	0.590	118.278	PH5
2026	2,045,000	5.000	0.730	121.759	PJ1
2027	2,150,000	5.000	0.870	124.884	PK8
2028	1,195,000	5.000	1.010	127.649	PL6
2029	1,255,000	5.000	1.150	130.052	PM4
2030	1,320,000	5.000	1.270	132.297	PN2
2031	1,385,000	5.000	1.360	134.565	PP7
2032	1,455,000	5.000	1.430	133.777 [C]	PQ5
2033	1,525,000	5.000	1.510	132.883 [C]	PR3
2034	1,600,000	5.000	1.590	131.996 [C]	PS1
2035	1,685,000	5.000	1.680	131.007 [C]	PT9
2036	1,765,000	5.000	1.750	130.244 [C]	PU6
2037	1,855,000	4.000	1.990	118.474 [C]	PV4
2038	1,930,000	4.000	2.080	117.565 [C]	PW2

[C] Priced to June 1, 2031, the first optional call date at par.

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services ("CGS") is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. Copyright 2021 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CGS. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. The CUSIP® numbers are provided for convenience of reference only. None of the Authority, the County, the Underwriter, their agents, or their counsel is responsible for the selection or uses of the CUSIP® numbers, and no representation is made as to their correctness on the applicable 2021 Bonds or as included herein. The CUSIP® numbers of specific maturities is subject to change following the issuance of the 2021 Bonds as a result of various actions, including, but not limited to, a refunding in whole or in part or as the result of procurement of a secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the 2021 Bonds.

No dealer, broker, salesperson or other person has been authorized by the Authority or the County to give any information or to make any representation other than those contained herein and, if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of any offer to buy nor shall there be any sale of the 2021 Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the 2021 Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of facts.

The County maintains a website. Unless specifically indicated otherwise, the information presented on that website is ***not*** incorporated by reference as part of this Official Statement and should not be relied upon in making investment decisions with respect to the 2021 Bonds.

The information set forth herein has been obtained from the County and from other sources and is believed to be reliable but is not guaranteed as to accuracy or completeness. The information and expressions of opinions herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority or the County since the date hereof. This Official Statement is submitted in connection with the sale of the 2021 Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose, unless authorized in writing by the County. All summaries of the documents and laws are made subject to the provisions thereof and do not purport to be complete statements of any or all such provisions. All capitalized terms used herein, unless noted otherwise, shall have the meanings prescribed in the Trust Agreement and the Facilities Lease. This Official Statement, including any supplement or amendment hereto, is intended to be deposited with the Electronic Municipal Market Access site maintained by the Municipal Securities Rulemaking Board.

Any statement made in this Official Statement involving any forecast or matter of estimates or opinion, whether or not expressly stated, is intended solely as such and not as a representation of fact. Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended (the "Securities Act"). Such forward-looking statements are generally identified by use of the words "plan," "project," "expect," "estimate," "budget" or other similar words. Such forward-looking statements include, but are not limited to, statements contained in APPENDIX B–"COUNTY FINANCIAL INFORMATION." Such forward-looking statements refer to the achievement of certain results or other expectations or performance which involve known and unknown risks, uncertainties and other factors. These risks, uncertainties and other factors may cause actual results, performance or achievements to be materially different from any projected results, performance or achievements described or implied by such forward looking statements. Neither the Authority nor the County plans to issue updates or revisions to such forward-looking statements if or when the expectations, events, conditions or circumstances on which such statements are based, occur, or if actual results, performance or achievements are materially different from any results, performance or achievements described or implied by such forward-looking statements.

The 2021 Bonds have not been registered with the Securities and Exchange Commission by reason of the provisions of Section 3(a)(2) of the Securities Act of 1933, as amended. The registration or qualification of the 2021 Bonds in accordance with applicable provisions of Securities Laws of the states in which these Bonds have been registered or qualified, and the exemption from registration or qualification in other states, shall not be regarded as a recommendation thereof. Neither these states nor any of their agencies have passed upon the merits of the securities or the accuracy or completeness of this Official Statement. Any representation to the contrary may be a criminal offense.

The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

In connection with this offering, the Underwriter may overallot or effect transactions which stabilize or maintain the market prices of a series of 2021 Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriter may offer and sell series of 2021 Bonds to certain dealers and banks at prices lower than the initial public offering prices and at yields higher than stated on the inside pages and such initial public offering prices and yields may be changed from time to time by the Underwriter.

COUNTY OF CONTRA COSTA, CALIFORNIA
BOARD OF SUPERVISORS OF THE COUNTY

Diane Burgis
(District 3)
Chair

John M. Gioia
(District 1)

Candace Andersen
(District 2)

Karen Mitchoff
(District 4)

Federal D. Glover
(District 5)
Vice Chair

COUNTY OFFICIALS

Monica Nino
Clerk of the Board and County Administrator

Robert R. Campbell
Auditor-Controller

Russell V. Watts
Treasurer-Tax Collector

Sharon L. Anderson
County Counsel

Gus S. Kramer
Assessor

Deborah Cooper
County Clerk-Recorder

Lisa Driscoll
County Finance Director

SPECIAL SERVICES

Nixon Peabody LLP
San Francisco, California
Bond Counsel

Schiff Hardin LLP
San Francisco, California
Disclosure Counsel

Montague DeRose and Associates, LLC
Walnut Creek, California
Municipal Advisor

Wells Fargo Bank, National Association
Los Angeles, California
Trustee and Prior Trustee

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$97,420,000
COUNTY OF CONTRA COSTA PUBLIC FINANCING AUTHORITY
LEASE REVENUE BONDS
(CAPITAL PROJECTS AND REFUNDING),
2021 SERIES
comprised of:

$63,540,000 2021 Series A (Capital Projects)	**$33,880,000 2021 Series B (Refunding)**

INTRODUCTION

This Introduction contains only a brief summary of the terms of the 2021 Bonds being offered and a brief description of this Official Statement. A full review should be made of the entire Official Statement, including the inside cover through the Appendices. All statements contained in this Introduction are qualified in their entirety by reference to the entire Official Statement. All capitalized terms used in this Official Statement and not otherwise defined herein have the meanings given to such terms as set forth in the Trust Agreement (defined below). See APPENDIX E–"SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS–DEFINITIONS."

General; Purpose

This Official Statement, which includes the cover page through the Appendices hereto (the "Official Statement"), provides certain information concerning the issuance by the County of Contra Costa Public Financing Authority (the "Authority") of $97,420,000 aggregate principal amount of County of Contra Costa Public Financing Authority Lease Revenue Bonds, 2021 Series, comprised of $63,540,000 principal amount of County of Contra Costa Public Financing Authority Lease Revenue Bonds (Capital Projects and Refunding), 2021 Series A (Capital Projects) (the "2021 Series A Bonds") and $33,880,000 principal amount of County of Contra Costa Public Financing Authority Lease Revenue Bonds (Capital Projects and Refunding), 2021 Series B (Refunding) (the "2021 Series B Bonds" and together with the 2021 Series A Bonds, the "2021 Bonds"). The 2021 Series A Bonds are being issued to: (i) finance the acquisition, installation, implementation and construction of various capital projects to be located within the County of Contra Costa (the "County") and (ii) pay certain costs associated with the issuance of the 2021 Series A Bonds. The 2021 Series B Bonds are being issued to: (i) refund all of the $48,410,833.95 aggregate principal amount of outstanding County of Contra Costa Public Financing Authority Lease Revenue Bonds and Obligations described herein (collectively, the "Prior Bonds") and (ii) pay certain costs associated with the issuance of the 2021 Series B Bonds. See "PLAN OF FINANCE" and "ESTIMATED SOURCES AND USES OF FUNDS."

The 2021 Bonds are limited obligations of the Authority payable as to the interest thereon, principal thereof and any redemption premium solely from Revenues, consisting primarily of base rental payments (the "Base Rental Payments") to be made by the County and paid to the Authority for the use and occupancy of certain real property and improvements (the "Facilities"). The Authority is not obligated to make payments on the 2021 Bonds except from Revenues. The Facilities will be leased by the County to the Authority pursuant to the terms and conditions of a Site Lease with respect to 2021 Bonds, dated as of March 1, 2021 (the "Site Lease"), between the County, as lessor, and the Authority, as lessee. See "THE FACILITIES." Pursuant to the terms and conditions of a Facilities Lease, dated as of March 1, 2021 (the "Facilities Lease"), between the Authority, as lessor and the County, as lessee, the Authority will let the Facilities to the County. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2021 BONDS."

THE 2021 BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM REVENUES AND ARE NOT SECURED BY A LEGAL OR EQUITABLE PLEDGE OF, OR CHARGE OR LIEN UPON ANY PROPERTY OF THE AUTHORITY OR THE COUNTY OR ANY OF THEIR INCOME OR RECEIPTS, EXCEPT THE REVENUES (AS DESCRIBED HEREIN). NEITHER THE FULL FAITH NOR THE CREDIT OF THE AUTHORITY OR THE COUNTY IS PLEDGED FOR THE PAYMENT OF THE INTEREST ON OR PRINCIPAL OF THE 2021 BONDS. NEITHER THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE 2021 BONDS NOR THE OBLIGATION TO MAKE BASE RENTAL PAYMENTS UNDER THE FACILITIES LEASE CONSTITUTES A DEBT, LIABILITY OR OBLIGATION OF THE AUTHORITY, THE COUNTY, THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS FOR WHICH ANY ENTITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH ANY ENTITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. THE 2021 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. THE AUTHORITY HAS NO TAXING POWER.

Authority for Issuance

The 2021 Bonds will be issued pursuant to the Constitution and the laws of the State of California (the "State"), resolutions adopted by the Authority and the County, and a Trust Agreement, dated as of March 1, 2021 (the "Trust Agreement"), between the Authority and Wells Fargo Bank, National Association, as trustee (the "Trustee") and acknowledged by the County.

Security and Sources of Payment

General. Pursuant to the Trust Agreement, the Authority pledges to the Trustee, for the benefit of the Bondholders, all of the "Revenues," defined as all Base Rental Payments and other payments paid by the County and received by the Authority pursuant to the Facilities Lease (excluding Additional Payments); and all interest or other income from any investment of any money held in any fund or account (other than the Rebate Fund) established pursuant to the Trust Agreement or the Facilities Lease.

The County covenants under the Facilities Lease that it will take such action as may be necessary to include the Base Rental Payments and Additional Payments with respect to the Facilities in its annual budgets and to make the necessary annual appropriations therefor. Base Rental Payments are included in and allocated to individual department budgets. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2021 BONDS."

The Base Rental Payments and Additional Payments made by the County pursuant to the Facilities Lease are subject to abatement in the event of substantial interference with the use and occupancy by the County of the Facilities caused by damage to or destruction (other than by condemnation) of the Facilities. See "CERTAIN RISK FACTORS" and "SECURITY AND SOURCES OF PAYMENT FOR THE 2021 BONDS–Pledge of Revenues." Abatement of Base Rental Payments under the Facilities Lease could result in the Bondholders of the 2021 Bonds receiving less than the full amount of principal of and interest on the 2021 Bonds, except to the extent proceeds of insurance are available to make payments of principal of or interest on the 2021 Bonds (or the relevant portion thereof) during periods of abatement of the Base Rental.

No Reserve Fund

No debt service reserve fund will be established under the Trust Agreement for the 2021 Bonds.

Certain Risk Factors

An investment in the 2021 Bonds involves risk. For a discussion of certain risk factors associated with investment in the 2021 Bonds, see "CERTAIN RISK FACTORS" as well as other factors discussed throughout this Official Statement.

Continuing Disclosure

The County has covenanted for the benefit of the beneficial owners of the 2021 Bonds to provide certain financial information and operating data relating to the County by no later than nine months after the end of each fiscal year (which fiscal year currently ends June 30), commencing with the report due for the Fiscal Year ended June 30, 2021 (each an "Annual Report"), and to provide notices of the occurrence of certain enumerated events. The Annual Report and notices of specified events will be filed by the County or Digital Assurance Certification, L.L.C., as dissemination agent, through the Electronic Municipal Market Access site ("EMMA") maintained by the Municipal Securities Rulemaking Board (the "MSRB"). The specific nature of the information to be contained in the Annual Report or the notices of specified events is set forth in APPENDIX G–"PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT." These covenants have been made in order to assist the Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

Reference to Documents

The summaries and descriptions in this Official Statement of the Trust Agreement, the Facilities Lease, the Site Lease, the Continuing Disclosure Agreement, and other agreements relating to the 2021 Bonds are qualified in their entirety by reference to such documents, and the descriptions herein of the 2021 Bonds are qualified in their entirety by the form thereof and the information with respect thereto included in such documents. All capitalized terms used herein, unless noted otherwise, shall have the meanings prescribed in the Trust Agreement and the Facilities Lease. See APPENDIX E–"SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS–DEFINITIONS."

Recent Developments

Since the dated date of this Official Statement, disclosure under the caption "CERTAIN RISK FACTORS–Coronavirus and Other Health Related Risks–*State Responses and Actions*" relating to modifications to "The California Blueprint for a Safer Economy" has been updated. The updated disclosure appears in ***bold italic*** type.

PLAN OF FINANCE

2021 Project

The 2021 Project consists of financing the acquisition, construction, and improvement of County facilities at Buchanan Field Airport and of two fire stations, Fire Station No. 9 in Pacheco and Fire Station No. 86 in Bay Point, and the construction of a new County office building.

Airport Improvements. This component of the 2021 Project consists of the construction of an approximately 21,000 square foot, one-story multi-function facility to be located at Buchanan Field Airport, a public airport located in Concord, California. This component of the 2021 Project will replace an existing terminal facility and will include an approximately 12,525 square foot aircraft rescue and firefighting facility (an "ARFF") with up to three apparatus bays, offices, restrooms, meeting space, and ARFF support function spaces (such as for turnouts, self-contained breathing apparatus, and operations areas) for airport personnel; approximately 2,750 square feet of administrative office space; and an approximately 5,460 square foot general aviation terminal. This facility will also include a hold room, restrooms, public meeting space and rentable office spaces in the general aviation terminal section, visitor parking spaces, charging stations, a generator, and a public viewing area. The current design estimate for this component of the 2021 Project is $11.7 million, of which approximately $6 million is expected to be funded with proceeds from the 2021 Series A Bonds and approximately $5.7 million is expected to be funded with Federal Aviation Administration Airport Improvement Program (AIP) grant funds. If there are budget increases in excess of the design estimate, $3 million in Airport Enterprise Fund capital reserves is available to complete this component of the 2021 Project. Construction is expected to commence in June 2021 and be completed in October 2022.

Fire Stations

Fire Station No. 9. This component of the 2021 Project consists of the construction of an approximately 10,000 square foot one-story fire station to be located at Center Avenue and Willow Street in unincorporated Pacheco, California. This fire station will contain approximately 5,000 square feet of living area, including four firefighter dorm rooms, three gender-neutral restrooms, and living quarters for a Battalion Chief, with adjacent office space; approximately 5,000 square feet containing three apparatus bays, a separate support area for turnout, self-contained breathing apparatus ("SCBA"), and cleanup spaces; and visitor parking spaces, secured firefighter parking, and a generator and an emergency fuel tank. The estimated construction cost for this component of the 2021 Project is $16.0 million, all of which will be funded with proceeds from the 2021 Series A Bonds. Construction is expected to commence in October 2021 and be completed in January 2023.

Fire Station No. 86. This component of the 2021 Project consists of the construction of an approximately 10,000 square foot one-story fire station to be located at Willow Pass Road and Goble Drive in unincorporated Bay Point, California. This fire station will contain approximately 5,000 square feet of living area, including seven firefighter dorm rooms and three gender-neutral restrooms; approximately 5,000 square feet containing three apparatus bays, a separate support area on for turnout, SCBA, and cleanup spaces; and visitor parking spaces, secured firefighter parking, and a generator and an emergency fuel tank. The estimated construction cost for this component of the 2021 Project is $11.0 million, all of which will be funded with proceeds from the 2021 Series A Bonds. Construction is expected to commence in May 2021 and be completed in October 2022.

In connection with the construction of the Fire Stations, the County has entered into an Installment Sale Agreement dated as of March 1, 2021 (the "Installment Agreement"), with the Contra Costa County Fire Protection District (the "Fire District"), pursuant to which the County will construct the fire stations and sell them to the Fire District and the Fire District will purchase from and pay to the County the costs related to the construction of the fire stations. **The amounts payable by the Fire District to the County pursuant to the Installment Agreement are not pledged to the payment of the 2021 Bonds and are not available to Bondholders for any purpose.**

Construction of County Offices at 651 Pine. This component of the 2021 Project, depending upon the bid proposals received, will consist of the construction of either an approximately 50,000 square foot, two-story County office building (approximately 20,000 square feet of office space) or an approximately 70,000 square foot, three-story County office building (approximately 40,000 square feet of office space), above an approximately 30,000 square foot, 80-space parking lot. In addition, the County will redevelop property located across the street from the 651 Pine Street complex, including a public plaza and amenity space to serve both the New Administration Building, located at 1025 Escobar Street, Martinez, California and the new County office building, located on a portion of the current 651 Pine Street complex. The estimated construction cost for this component of the 2021 Project, if constructed as a two-story building, is $45.0 million, all of which will be funded with proceeds from the 2021 Series A Bonds. The estimated construction cost for this component of the 2021 Project, if constructed as a three-story building, is $55.0 million, of which $45 million will be funded with proceeds from the 2021 Series A Bonds and the remaining $10 million will be funded from capital reserves. Construction is expected to commence December 2021 and be completed by June 2024.

Refunding of Prior Bonds

The Authority issued the Prior Bonds pursuant to a Trust Agreement, dated as of November 1, 2010, by and between the Authority and Wells Fargo Bank, National Association (the "2010 Trustee"), and acknowledged by the County (the "2010 Trust Agreement") and a Trust Agreement dated as of October 1, 2012, by and between the Authority and Wells Fargo Bank, National Association as prior trustee (the "2012 Trustee"), and acknowledged by the County (the "2012 Trust Agreement," and, together with the 2010 Trust Agreement, the "Prior Trust Agreements"). The Prior Bonds were delivered to finance and refinance the costs of acquiring, constructing and renovating certain County facilities, pay capitalized interest with respect to certain prior projects, fund deposits into separate reserve accounts and pay certain costs associated with the issuance of the Prior Bonds.

A portion of the proceeds from the sale of the 2021 Bonds, together with other available funds, will be deposited with the Prior Trustee to pay the redemption price of and accrued interest on the Prior Bonds on the redemption date. Upon such deposit, the Prior Bonds will no longer be deemed outstanding under the Prior Trust Agreement.

The Refunded Bonds will consist of the following:

$13,130,000
Contra Costa County Public Financing Authority
Lease Revenue Bonds
2010 Series A-2 (Capital Project I – Taxable Build America Bonds)
Dated Date: November 16, 2010
Redemption Date: March 18, 2021
Redemption Price: 100%

Maturity Date (June 1)	Amount	Interest Rate	CUSIP (21226P)[1]
2021	$1,135,000	5.750%	JS8
2022	1,175,000	5.900	JT6
2023	1,220,000	6.000	JU3
2024	1,270,000	6.100	JV1
2025	1,320,000	6.250	JW9
2026	500,000	6.500	JX7
2030[2]	6,510,000	6.800	KU1

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(2) Term Bond.

$20,700,000
Contra Costa County Public Financing Authority
Lease Revenue Bonds
2010 Series A-3 (Capital Project I – Taxable Recovery Zone Bonds)
Dated Date: November 16, 2010
Redemption Date: March 18, 2021
Redemption Price: 100%

Maturity Date (June 1)	Amount	Interest Rate	CUSIP (21226P)[1]
2035[2]	$9,645,000	6.900%	KD9
2040[2]	11,055,000	7.000	KE7

$7,425,000
Contra Costa County Public Financing Authority
Lease Revenue Bonds
2010 Series B (Refunding)
Dated Date: November 16, 2010
Redemption Date: March 18, 2021
Redemption Price: 100%

Maturity Date (June 1)	Amount	Interest Rate	CUSIP (21226P)[1]
2021	$1,370,000	3.750%	KQ0
2022	250,000	5.000	KR8
2022	1,180,000	4.000	KY3
2023	1,500,000	4.000	KS6
2024	250,000	5.000	KT4
2024	1,315,000	4.125	KZ0
2025	1,560,000	4.250	KV9

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(2) Term Bond.

$7,155,833.95
Contra Costa County Public Financing Authority
Lease Revenue Obligations
2012 Series A
Dated Date: October 11, 2012
Redemption Date: March 18, 2021
Redemption Price: 100%

Maturity Date (June 1)	Amount	Interest Rate
2021	$942,968.70	2.680%
2022	968,240.26	2.680
2023	994,189.10	2.680
2024	1,020,833.37	2.680
2025	1,048,191.70	2.680
2026	1,076,283.24	2.680
2027	1,105,127.58	2.680

THE FACILITIES

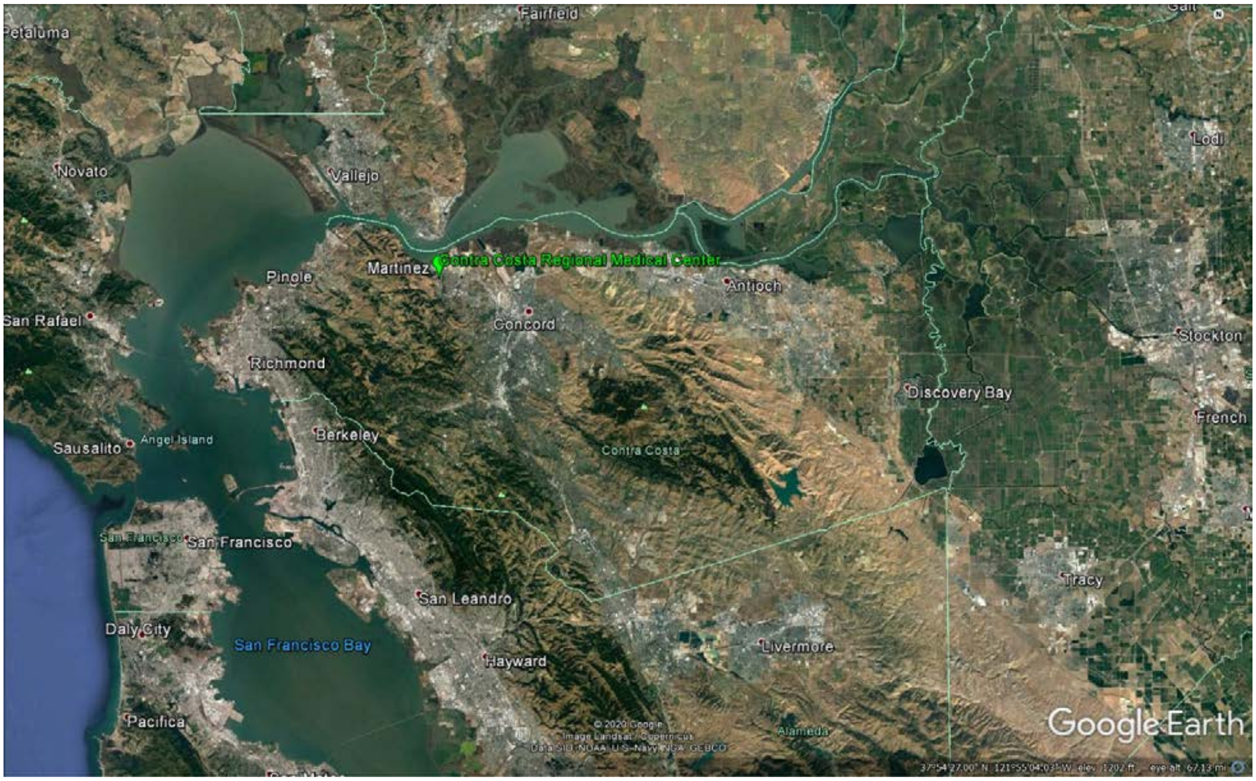
General. The County will lease the Facilities pursuant to the Site Lease, and the Authority will lease back such Facilities to the County pursuant to the Facilities Lease. The Facilities consist of the Contra Costa Regional Medical Center, constructed in 1998, including site development, landscaping, utilities, equipment, furnishings, improvements, appurtenances and related facilities located on the real property, and any future improvements made to such Facilities.

The County covenants in the Facilities Lease to use or cause the specific use of the Facilities for public purposes for the purposes for which the Facilities are customarily used, and the County covenants to take such actions as may be necessary to include all Base Rental Payments and Additional Payments with respect to the Facilities in its annual budgets and to make the necessary annual appropriations therefor. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2021 BONDS."

Description. The Facilities are located on an approximately 12.5-acre site at 2500 Alhambra Avenue in Martinez, California and consist of an approximately 210,000 square foot, five-story hospital (excluding the Martinez Health Center located on the same site, which is the leased asset for the Authority's Lease Revenue Bonds (Refunding and Capital Projects) 2017 Series A (Direct Placement), with 167-beds, an eight-bed intensive care unit, a 25-bed emergency department, and a level II (specialty care nursery for moderately ill infants with problems expected to resolve rapidly and not expected to need subspecialty services on an urgent basis) neonatal intensive care unit.

The Insured value of the Facilities is $129,466,267, based upon the insured value for Fiscal Year 2020-21. Each August, the insurer reviews third quarter factors for the western section of the Country developed by a national provider of real estate information, analytics, and services to update County real property and content values for insurance purposes. The actual market value of the Facilities may differ materially from the estimated insured value. The Authority has only a leasehold interest in the Facilities and is not authorized to sell the Facilities.

A map showing the location of the Facilities within the County is presented below.



Approximate boundary map of the Facilities is presented below.

Upon issuance of the 2021 Bonds, the fair market value or the insured value of the leased Facilities will be at least equal to the aggregate outstanding principal amount of the Base Rental Payments of the 2021 Bonds and the annual Base Rental Payments will not exceed the annual fair rental value of the Facilities. See also "CERTAIN RISK FACTORS–Base Rental Payments Not a Debt of the County; Other County Obligations."

Pursuant to the terms of the Facilities Lease, the County and the Authority may release or substitute other properties for the Facilities or portions thereof upon the satisfaction of certain conditions. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2021 BONDS–Addition; Substitution, and Release of Property."

ESTIMATED SOURCES AND USES OF FUNDS

The following table sets forth the estimated sources and uses of funds related to the issuance of the 2021 Bonds.

Table 1
Estimated Sources and Uses of Funds

SOURCES:	2021 Series A	2021 Series B	Total
Principal Amount of 2021 Bonds	$63,540,000.00	$33,880,000.00	$97,420,000.00
Original Issue Premium	14,875,287.50	7,381,695.35	22,256,982.85
Funds Held Under the Prior Trust Agreement	–	4,281,398.56	4,281,398.56
Funds Transferred from the County	–	3,920,265.15	3,920,265.15
TOTAL SOURCES	$78,415,287.50	$49,463,359.06	$127,878,646.56
USES:			
Deposit to 2021 Project Account	$78,000,000.00	–	$78,000,000.00
Deposit with Prior Trustee(1)	–	$49,236,576.04	49,236,576.04
Costs of Issuance(2)	299,732.46	165,168.19	464,900.65
Underwriter's Discount	115,555.04	61,614.83	177,169.87
TOTAL USES	$78,415,287.50	$49,463,359.06	$127,878,646.56

(1) To pay the redemption price of the Prior Bonds. See "PLAN OF FINANCE."
(2) Includes legal and professional fees, rating agency and title insurance fees, printing costs, and other miscellaneous costs of issuance.

THE 2021 BONDS

General

The 2021 Bonds are limited obligations of the Authority payable solely from Revenues, consisting primarily of Base Rental Payments to be made by the County under the Facilities Lease.

The 2021 Bonds will be dated their date of issuance, issued as fully registered bonds and, when delivered, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the 2021 Bonds. Ownership interests in the 2021 Bonds may be purchased in book-entry form only, in the denominations hereinafter set forth. Purchasers will not receive physical certificates representing their beneficial ownership interest in the 2021 Bonds. So long as the 2021 Bonds are registered in the name of Cede & Co., payment of principal of premium, if any, and interest on the 2021 Bonds will be payable to DTC. See APPENDIX H–"DTC AND THE BOOK-ENTRY ONLY SYSTEM."

Ownership interests in the 2021 Bonds will be in Authorized Denominations of $5,000 or any integral multiple thereof. The 2021 Bonds will mature on the dates and in the principal amounts, and the interest payable thereon will be computed at the rates, all as set forth on the inside cover page of this Official Statement.

Interest on the 2021 Bonds is payable on June 1 and December 1 (each an "Interest Payment Date") of each year, commencing June 1, 2021 calculated from their date of issuance on the basis of a 360-day year composed of twelve 30-day months.

Redemption Provisions

2021 Series A Bonds

Optional Redemption. The 2021 Series A Bonds maturing on or prior to June 1, 2031 are ***not*** subject to optional redemption. The 2021 Series A Bonds maturing on or after June 1, 2032 are subject to redemption prior to their stated maturities at the option of the Authority, at the direction of the County, in whole or in part, on any date on or after June 1, 2031 (in such amounts as may be specified by the Authority), by lot, at the Redemption Price thereof, plus accrued interest to the Redemption Date.

Extraordinary Redemption. The 2021 Series A Bonds are subject to redemption by the Authority on any date prior to their stated maturities, upon notice as provided in the Trust Agreement, as a whole or in part by lot within each stated maturity in integral multiples of Authorized Denominations, from prepayments made by the County pursuant to the Facilities Lease from insurance (including proceeds of title insurance) and eminent domain proceeds, at a redemption price equal to the sum of the principal amount thereof, without premium, plus accrued interest thereon to the Redemption Date. Whenever less than all of the Outstanding 2021 Series A Bonds are to be redeemed on any one date, the Trustee will select, in accordance with written directions from the Authority, the 2021 Series A Bonds to be redeemed so that the aggregate annual principal amount of and interest on 2021 Series A Bonds which are payable after such Redemption Date will be reduced pro rata over the remaining years of the lease terms (as set forth in the Facilities Lease) for the Facilities which generated the insurance or eminent domain proceeds.

2021 Series B Bonds

Optional Redemption. The 2021 Series B Bonds maturing on or prior to June 1, 2031 are ***not*** subject to optional redemption. The 2021 Series B Bonds maturing on or after June 1, 2032 are subject to redemption prior to their stated maturities at the option of the Authority, at the direction of the County, in whole or in part, on any date on or after June 1, 2031 (in such amounts as may be specified by the Authority), by lot, at the Redemption Price thereof, plus accrued interest to the Redemption Date.

Extraordinary Redemption. The 2021 Series B Bonds are subject to redemption by the Authority on any date prior to their stated maturities, upon notice as provided in the Trust Agreement, as a whole or in part by lot within each stated maturity in integral multiples of Authorized Denominations, from prepayments made by the County pursuant to the Facilities Lease from insurance (including proceeds of title insurance) and eminent domain proceeds, at a redemption price equal to the sum of the principal amount thereof, without premium, plus accrued interest thereon to the Redemption Date. Whenever less than all of the Outstanding 2021 Series B Bonds are to be redeemed on any one date, the Trustee will select, in accordance with written directions from the Authority, the 2021 Series B Bonds to be redeemed so that the aggregate annual principal amount of and interest on 2021 Series B Bonds which are payable after such Redemption Date will be reduced pro rata over the remaining years of the lease terms (as set forth in the Facilities Lease) for the Facilities which generated the insurance or eminent domain proceeds.

Redemption Procedures

Selection of 2021 Bonds for Redemption. The Authority will designate which maturities of the series of 2021 Bonds and the principal amount of the series of 2021 Bonds which are to be redeemed. If less than all Outstanding 2021 Bonds of a series maturing by their terms on any one date are to be redeemed at any one time, the Trustee is required to select the series of 2021 Bonds of such maturity date to be redeemed by lot and will promptly notify the Authority in writing of the numbers of the series of 2021 Bonds so selected for redemption. For purposes of such selection, the series of 2021 Bonds are deemed to be composed of multiples of minimum Authorized Denominations and any such multiple may be separately redeemed.

Notice of Redemption. Notice of redemption will be mailed by first-class mail by the Trustee, not less than 20 nor more than 60 days prior to the redemption date to the respective Bondholders of the series of 2021 Bonds designated for redemption at their addresses appearing on the registration books of the Trustee. Each notice of redemption is required state the date of such notice, the date of issue of the series of 2021 Bonds, the redemption date, the Redemption Price, the place or places of redemption (including the name and appropriate address of the Trustee), the CUSIP number (if any) of the maturity date or maturities, and, if less than all of any such maturity is to be redeemed, the distinctive certificate numbers of the series of 2021 Bonds of such maturity, to be redeemed and, in the case of the series of 2021 Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice is also required also state that on said date there will become due and payable on each of said series of 2021 Bonds the Redemption Price thereof, together with interest accrued thereon to the redemption date, and that from and after such redemption date interest thereon will cease to accrue, and will require that such series of 2021 Bonds be then surrendered at the address of the Trustee specified in the redemption notice. Failure to receive such notice will not invalidate any of the proceedings taken in connection with such redemption.

Conditional Notice of Redemption. The Trustee may give a conditional notice of redemption prior to the receipt of all funds or satisfaction of all conditions necessary to effect the redemption, provided that redemption will not occur unless and until all conditions have been satisfied and the Trustee has on deposit and available or, if applicable, has received, all of the funds necessary to effect the redemption; otherwise, such redemption is required to be cancelled by the Trustee and the Trustee is required to mail notice of such cancellation to the recipients of the notice of redemption being cancelled.

Cancellation of Notice of Redemption. The Authority may, at its option, on or prior to the date fixed for redemption in any notice of optional redemption, rescind and cancel such notice of redemption by Written Request to the Trustee and the Trustee will mail notice of such cancellation to the recipients of the notice of redemption being cancelled.

Effect of Redemption. If notice of redemption has been given as required in the Trust Agreement and money for the payment of the Redemption Price of the series of 2021 Bonds called for redemption plus accrued interest to the redemption date is held by the Trustee, then on the redemption date designated in such notice the series of 2021 Bonds so called for redemption will become due and payable, and from and after the date so designated interest on such series of 2021 Bonds will cease to accrue, and the Bondholders of such series of 2021 Bonds will have no rights in respect thereof except to receive payment of the Redemption Price thereof plus accrued interest to the Redemption Date.

SECURITY AND SOURCES OF PAYMENT FOR THE 2021 BONDS

General

Pursuant to the Facilities Lease, the Authority leases the Facilities to the County. As rental for the use and occupancy of the Facilities, the County covenants to pay Base Rental Payments to the Authority, which payments are pledged to the Trustee for the benefit of the Owners of the 2021 Bonds. The Base Rental Payments, which are subject to abatement, are calculated to generate sufficient Revenues to pay principal of and interest on the 2021 Bonds when due. See also "–Abatement" and "CERTAIN RISK FACTORS–Abatement."

The County covenants in the Facilities Lease to take such action as may be necessary to include all Base Rental Payments and Additional Payments due under the Facilities Lease in its annual budgets and to make the necessary annual appropriations therefor. By the third Business Day immediately preceding each Interest Payment Date, the County must pay to the Trustee Base Rental Payments (to the extent required under the Facilities Lease) which scheduled Base Rental Payments are sufficient to pay, when due, the principal of and interest on the 2021 Bonds. **Base Rental Payments are not subject to acceleration.**

Under the Facilities Lease, the County agrees to pay Additional Payments for the payment of all expenses and all costs of the Authority and the Trustee related to the lease of the Facilities, including expenses of the Trustee payable by the Authority under the Trust Agreement, and fees of accountants, attorneys and consultants. The County is responsible for repair and maintenance of the Facilities during the term of the Facilities Lease.

The Base Rental Payments and Additional Payments will be abated during any period in which by reason of any damage to or destruction (other than by condemnation), there is substantial interference with the use and occupancy of Facilities by the County, to the extent the Base Rental Payments and Additional Payments exceed the fair rental value for the use and occupancy of that portion of the Facilities that has not been rendered unusable as reasonably determined by the County. The Base Rental Payments are not subject to abatement to the extent that rental interruption insurance proceeds are available to pay Base Rental Payments which would otherwise be abated under the Facilities Lease. See "–Abatement."

If the whole of the Facilities or so much thereof as to render the remainder unusable for the purposes for which it was used by the County is taken under the power of eminent domain, the term of the Facilities Lease will cease as of the day possession is so taken. If less than the whole of the Facilities is taken under the power of eminent domain and the remainder is usable for purposes for which it was used by the County at the time of such taking, then the Facilities Lease will continue in full force and effect as to such remainder, and the parties waive the benefits of any law to the contrary, and in such event, there will be a partial abatement of the rental due under the Facilities Lease in an amount equivalent to the amount by which the annual payments of principal of and interest on the 2021 Bonds then Outstanding will be reduced by the application of the award in eminent domain to the redemption of the 2021 Bonds Outstanding.

If the County defaults under the Facilities Lease, the Authority may (i) terminate the Facilities Lease and take possession of the Facilities for the term of such Site Lease or (ii) retain the Facilities Lease and seek to hold the County liable for all Base Rental Payments and Additional Payments thereunder (without acceleration) as they become due on an annual basis. See APPENDIX E–"SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS–THE FACILITIES LEASE–DEFAULTS AND REMEDIES." Base Rental Payments and Additional Payments may not be accelerated. See "CERTAIN RISK FACTORS."

Pledge of Revenues

The Revenues consist primarily of the Base Rental Payments made by the County to the Authority under the Facilities Lease. In accordance with the Trust Agreement, all Revenues, any other amounts (including proceeds of the sale of the 2021 Bonds) held by the Trustee in any fund or account established under the Trust Agreement (other than amounts on deposit in the Rebate Fund) and any other amounts (excluding Additional Payments) received by the Authority in respect of the Facilities are irrevocably pledged and assigned by the Authority to the payment of interest and premium, if any, on and principal of the 2021 Bonds and will not be used for any other purpose while any of the 2021 Bonds remain Outstanding; *provided, however,* that out of the Revenues and other moneys there may be applied such sums for such purposes as are permitted under the Trust Agreement. This pledge constitutes a pledge of and charge and first lien on the Revenues, all other amounts pledged under the Trust Agreement and all other moneys on deposit in the funds and accounts established under the Trust Agreement (excluding amounts on deposit in the Rebate Fund) for the payment of the interest on and principal of the 2021 Bonds in accordance with the terms of the Trust Agreement.

Pursuant to the Facilities Lease, the Authority has directed the County to pay all Base Rental Payments directly to the Trustee to be held in trust in the Revenue Fund established under the Trust Agreement (the "Revenue Fund") for the benefit of the Bondholders. The County covenants under the Facilities Lease that it will take such action as may be necessary to include all Base Rental Payments and Additional Payments due under the Facilities Lease in its annual budgets and to make the necessary annual appropriations therefor.

Base Rental Payments

Base Rental Payments are calculated on an annual basis for twelve-month periods commencing June 1 of each year and ending the following May 31, and the initial period commencing on the effective date of the Facilities Lease and ending on the following May 31 (the "Rental Payment Period") and each annual Base Rental Payment is divided into two interest components, due on June 1 and December 1, and one principal component, due on June 1, except that the first Rental Payment Period commences on the date of recording of the Facilities Lease and ends on May 31, 2021. Each Base Rental Payment installment will be payable on the third Business Day immediately preceding its due date. The interest components of the Base Rental Payments shall be paid by the County as and constitute interest paid on the principal components of the Base Rental Payments to be paid by the County hereunder, computed on the basis of a 360-day year composed of twelve 30-day months. Each annual payment of Base Rental (to be payable in installments as aforesaid) shall be for the use of the Facilities.

Pursuant to the Facilities Lease, the County is required to make all Base Rental Payments to the Trustee for deposit in the interest or principal accounts established for the 2021 Bonds within the Revenue Fund (the "Interest Account" and the "Principal Account" together, the "Principal Accounts"). In accordance with the Trust Agreement, the Trustee will transfer such amounts as are necessary to the related Interest Account or the related Principal Account, as the case may be, to pay principal of and interest on the 2021 Bonds as the same become due and payable.

Upon the expiration of the term of the Facilities Lease, the Facilities will be released from the Facilities Lease without compliance with the release requirements set forth therein. See also "–Addition; Substitution, and Release of Property."

The County represents that it has not failed to include Base Rental Payments in its annual budgets.

See APPENDIX E–"SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS–THE TRUST AGREEMENT–REVENUES–Receipt and Deposit of Revenues in the Revenue Fund."

Flow of Funds

All Revenues and all other assets pledged under the Trust Agreement when and as received by the Trustee, and any Revenues collected or received by the Authority are deemed to be held in trust under the Trust Agreement for the benefit of the Bondholders and will be transferred when and as received by the Authority to the Trustee for deposit in the Revenue Fund.

All money in the Revenue Fund is required to be set aside by the Trustee in the following respective special accounts or funds within the Revenue Fund in the following order of priority:

First: Interest Account - On or before each Interest Payment Date, the Trustee is required to set aside from the Revenue Fund and deposit in the Interest Account that amount of money which is equal to the amount of interest becoming due and payable on all Outstanding Bonds on such Interest Payment Date, and

Second: Principal Account - On or before each June 1, commencing June 1, 2021, the Trustee is required to set aside from the Revenue Fund and deposit in the Principal Account an amount of money equal to the principal amount of all Outstanding Bonds maturing on such June 1. On or before each Redemption Date, the Trustee shall set aside from the Revenue Fund and deposit in the Principal Account an amount of money equal to the Redemption Price required to be paid on such Redemption Date.

THE 2021 BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM REVENUES AND ARE NOT SECURED BY A LEGAL OR EQUITABLE PLEDGE OF, OR CHARGE OR LIEN UPON ANY PROPERTY OF THE AUTHORITY OR THE COUNTY OR ANY OF THEIR INCOME OR RECEIPTS, EXCEPT THE REVENUES (AS DESCRIBED HEREIN). NEITHER THE FULL FAITH NOR THE CREDIT OF THE AUTHORITY OR THE COUNTY IS PLEDGED FOR THE PAYMENT OF THE INTEREST ON OR PRINCIPAL OF THE 2021 BONDS. NEITHER THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE 2021 BONDS NOR THE OBLIGATION TO MAKE BASE RENTAL PAYMENTS UNDER THE FACILITIES LEASE CONSTITUTES A DEBT, LIABILITY OR OBLIGATION OF THE AUTHORITY, THE COUNTY, THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS FOR WHICH ANY ENTITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH ANY ENTITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. THE 2021 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. THE AUTHORITY HAS NO TAXING POWER.

Insurance

Fire and Extended Coverage Insurance. The Facilities Lease requires the County to procure or cause to be procured and maintain or cause to be maintained, throughout the term of the Facilities Lease, insurance against loss or damage to any structures constituting any part of the Facilities by fire and lightning, with extended coverage insurance, vandalism and malicious mischief insurance and sprinkler system leakage insurance and earthquake insurance, if available on the open market from reputable insurance companies at a reasonable cost. Said extended coverage insurance is required to, as nearly as practicable, cover loss or damage by explosion, windstorm, flood, riot and riot attending a strike, aircraft, vehicle damage, hail, smoke and such other hazards as are normally covered by such insurance including earthquake coverage if such coverage is available at commercially reasonable cost from a reputable insurer in the reasonable determination of the County. Such insurance shall be in an amount equal to the replacement cost (without deduction for depreciation) of all structures constituting any part of the Facilities, excluding the cost of excavations, of grading and filling, and of the land (except that such insurance may be subject to deductible clauses for any one loss of not to exceed $250,000 or comparable amount adjusted for inflation or more in the case of earthquake insurance), or, in the alternative, be in an amount and in a form sufficient (together with moneys held under the Trust Agreement), in the event of total or partial loss, to enable the County to prepay all or any part of the Base Rental Payments then unpaid, pursuant to the Facilities Lease and to redeem outstanding Bonds.

In the event of any damage to or destruction of any part of the Facilities covered by insurance, the Authority is required to cause the proceeds of such insurance to be used for the repair, reconstruction or replacement of the damaged or destroyed portion of the Facilities, and the Trustee is required to hold said proceeds in a fund established by the Trustee for such purpose separate and apart from all other funds designated the "Insurance and Condemnation Fund," to the end that such proceeds are required to be applied to the repair, reconstruction or replacement of the Facilities to at least the same good order, repair and condition as they were in prior to the damage or destruction, insofar as the same may be accomplished by the use of said proceeds. The Authority shall file a Certificate of the Authority with the Trustee that sufficient funds from insurance proceeds or from any funds legally available to the County, or from any combination thereof, are available in the event it elects to repair, reconstruct or replace the Facilities. The Trustee shall invest said proceeds in Permitted Investments pursuant to the Written Request of the Authority under the Facilities Lease, and withdrawals of said proceeds shall be made from time to time upon the filing with the Trustee of a Written Request of the Authority, stating that the Authority has expended moneys or incurred liabilities in an amount equal to the amount therein stated for the purpose of the repair, reconstruction or replacement of the Facilities, and specifying the items for which such moneys were expended, or such liabilities were incurred, in reasonable detail. Any balance of such proceeds not required for such repair, reconstruction or replacement and the proceeds of use and occupancy insurance will be paid to the Trustee as Base Rental Payments and applied in the manner provided in the Trust Agreement. Alternatively, the Authority, if the proceeds of such insurance together with any other moneys then available for the purpose are sufficient to prepay all, in case of partial damage or destruction of the Facilities, of the Base Rental Payments, Additional Payments and all other amounts relating to the damaged or destroyed portion of the Facilities, may elect not to repair, reconstruct or replace the damaged or destroyed portion of the Facilities and cause said proceeds to be used for the redemption of Outstanding Bonds pursuant to the provisions of the Trust Agreement.

The Authority and the County will promptly apply for Federal disaster aid or State disaster aid in the event that the Facilities are damaged or destroyed as a result of an earthquake occurring at any time. Any proceeds received as a result of such disaster aid are required to be used to repair, restore, substitute or replace the damaged or destroyed portions of the Facilities, or, at the option of the County and the Authority, to enable the County to prepay all or any part of the Base Rental Payments and Additional Rental then unpaid, pursuant to the Facilities Lease, and to redeem outstanding Bonds if such use of such disaster aid is permitted.

As an alternative to providing the fire and extended coverage insurance, or any portion thereof, the County may provide a self-insurance method or plan of protection if and to the extent such self-insurance method or plan of protection affords reasonable coverage for the risks required to be insured against, in light of all circumstances, giving consideration to cost, availability and similar plans or methods of protection adopted by public entities in the State other than the County. So long as such method or plan is being provided to satisfy the requirements of the Facilities Lease, the County will provide the Authority and the Trustee with a Certificate of the County setting forth the details of such self-insurance method or plan maintained by the County and such self-insurance method or plan will comply with the following terms: (i) the self-insurance program shall be approved by an Insurance Consultant or other qualified person (which may be the Risk Manager of the County); (ii) the self-insurance program shall include an actuarially sound claims reserve fund out of which each self-insured claim and any deductible amount required under any insurance policy provided pursuant to the Facilities Lease shall be paid; (iii) there shall be filed annually with the Trustee and the Authority a statement of an actuary, Insurance Consultant or other qualified person (which may be the Risk Manager of the County), stating that, in the opinion of the signer, the substitute method or plan of protection is in accordance with the requirements of the Facilities Lease and, when effective, the reserving methods and practices employed in establishing and maintaining the substitute method or plan are appropriate, and the substitute method or plan affords reasonable coverage for the risks required to be insured against. There shall also be filed a Certificate of the County setting forth the details of such, the reserving methods and practices employed in establishing and maintaining the substitute method or plan and that the substitute method or plan affords reasonable coverage for the risks required to be insured against; (iv) the claims reserve fund shall be held in a separate fund by the County; (v) in the event of loss covered by any such self-insurance method, the liability of the County under the Facilities Lease shall be limited to the amounts in the self-insurance reserve fund or funds created under such method; and (vi) in the event the self-insurance program shall be discontinued, then the County may not maintain deductibles in excess of the amounts described above.

Liability Insurance. The Facilities Lease requires the County to procure or cause to be procured and maintain or cause to be maintained, throughout the term of the Facilities Lease, a standard comprehensive general liability insurance policy or policies in protection of the Authority and its members, directors, officers, agents and employees and the Trustee, indemnifying said parties against all direct or contingent loss or liability for damages for personal injury, death or property damage occasioned by reason of the operation of the Facilities, with minimum liability limits of $1,000,000 for personal injury or death of each person and $3,000,000 for personal injury or deaths of two or more persons in each accident or event, and in a minimum amount of $200,000 for damage to property resulting from each accident or event. Such public liability and property damage insurance may, however, be in the form of a single limit policy in the amount of $3,000,000 covering all such risks. Such liability insurance may be maintained as part of or in conjunction with any other liability insurance carried by the County.

As an alternative to providing the standard comprehensive general liability insurance described in the preceding paragraph, or any portion thereof, the County may provide a self-insurance method or plan of protection if and to the extent such self-insurance method or plan of protection affords reasonable protection to the Authority, its members, directors, officers, agents and employees and the Trustee, in light of all circumstances, giving consideration to cost, availability and similar plans or methods of protection adopted by public entities in the State other than the County. So long as such method or plan is being provided to satisfy the requirements of the Facilities Lease, the County shall provide the Authority and the Trustee with a Certificate of the County setting forth the details of such self-insurance method or plan maintained by the County and such self-insurance method or plan shall comply with the following terms; (i) the self-insurance program shall be approved by an Insurance Consultant or other qualified person (which may be the Risk Manager of the County); (ii) the self-insurance program shall include an actuarially sound claims reserve fund out of which each self-insured claim and any deductible amount required under any insurance policy provided pursuant to the Facilities Lease shall be paid; (iii) there shall be filed annually with the Trustee and the Authority a statement of an actuary, the Insurance Consultant or other qualified person (which may be the Risk Manager of the County), stating that, in the opinion of the signer, the substitute method or plan of protection is in accordance with the requirements of this Section and, when effective, would afford reasonable protection to the Authority, its members, directors, officers, agents and employees and the Trustee against loss and damage from the hazards and risks covered thereby. There shall also be filed a Certificate of the County setting forth the details of such, the reserving methods and practices employed in establishing and maintaining the substitute method or plan and that the substitute method or plan affords reasonable coverage for the risks required to be insured against; (iv) the claims reserve fund shall be held in a separate fund by the County; and (v) in the event the self-insurance program shall be discontinued, then the County may not maintain deductibles in excess of the amounts described above.

Rental Interruption or Use and Occupancy Insurance. The Facilities Lease requires the County to procure or cause to be procured and maintain or cause to be maintained, rental interruption or use and occupancy insurance to cover loss, total or partial, of the rental income from or the use of the Facilities as the result of any of the hazards covered by the insurance required by the Facilities Lease (provided with respect to earthquake insurance, only if available on the open market from reputable insurance companies at a reasonable cost, as determined by the County), in an amount at least equal to the Maximum Base Rental Payments coming due and payable during any future 24 month period (determined by the County), except that such insurance may be subject to a deductible clause of not to exceed $250,000 or a comparable amount adjusted for inflation (or more in the case of earthquake coverage), and with the additional exception that with respect to coverage for terrorism related loss, the period may be only one year, provided that the County use its best efforts to obtain such coverage for a period of at least two years assuming it is available on the open market from reputable insurance companies at a reasonable cost, as determined by the County. Any proceeds of such insurance is required to be used by the Trustee to reimburse to the County any rental paid by the County under the Facilities Lease attributable to such structure for a period of time during which the payment of Base Rental under the Facilities Lease is abated, and any proceeds of such insurance not so used is required to be applied as provided in the Facilities Lease (to the extent required for the payment of Base Rental) and any remainder is required to be treated as Revenues. The County may *not* self-insure for rental interruption insurance.

Worker's Compensation Insurance. The County is also required to maintain worker's compensation insurance issued by a responsible carrier authorized under the laws of the State to insure its employees against liability for compensation under the Worker's Compensation Insurance and Safety Act now in force in the State, or any act hereafter enacted as an amendment or supplement thereto. As an alternative, such insurance may be maintained as part of or in conjunction with any other insurance carried by the County. Such insurance may be maintained by the County in the form of self-insurance.

Title Insurance. The County is also required to obtain, for the benefit of the Authority, and Trustee, upon execution and delivery of the Facilities Lease, title insurance on the Facilities insuring (i) the fee interest of the County in the Facilities, (ii) the Authority's leasehold estate in the Facilities under the Site Lease, and (iii) the County's sub-leasehold estate under the Facilities Lease in the Facilities, naming the Trustee as the insured, in an amount equal to the aggregate principal amount of the 2021 Bonds, issued by a company of recognized standing duly authorized to issue the same, subject only to Permitted Encumbrances.

For a description of insurance and self-insurance programs of the County, see APPENDIX B–"COUNTY FINANCIAL INFORMATION–Insurance and Self-Insurance Programs."

Addition; Substitution and Release of Property

The County and the Authority may add, substitute or release real property as part of the Facilities, but only after the County files with the Authority and the Trustee, all of the following:

(i) Executed copies of the Facilities Lease or amendments thereto containing the amended description of the Facilities.

(ii) A Certificate of the County with copies of the Facilities Lease or the Site Lease, if needed or amendments thereto containing the amended description of the Facilities stating that such documents have been duly recorded in the official records of the County Recorder of the County.

(iii) A Certificate of the County, supported by expert knowledge (which may be that of the Real Estate Manager of the County) or construction cost information evidencing that the fair market value or the insured value of the Facilities that will constitute the Facilities after such addition, substitution or release will be at least equal to the aggregate outstanding principal amount of the Base Rental Payments and the amount of any Additional Payments then determinable after such addition, substitution or release, the annual fair rental value of the Facilities after such addition, substitution, or release will be at least equal to the maximum annual Base Rental Payments coming due and payable under the Facilities Lease after such addition, substitution or release, and the useful life of such Facilities will at least extend to the final Base Rental Payment date.

(iv) In connection with any addition or substitution of property, a leasehold owner's title insurance policy or policies or a commitment for such policy or policies or an amendment or endorsement to an existing title insurance policy or policies subject only to Permitted Encumbrances resulting in title insurance with respect to the Facilities after such addition or substitution in an amount at least equal to the aggregate principal amount of Bonds Outstanding at the time of substitution or addition of Facilities.

(v) A Certificate of the County stating that (A) such addition, substitution or release does not adversely affect the County's use and occupancy of the Facilities (as such term will be defined following the addition, substitution or release), and (B) no Event of Default under the Facilities Lease or under the Trust Agreement has occurred and is continuing.

(vi) In connection with any substitution or release of property, (A) a Certificate of the County stating that the substitution or release will not cause the County to violate its covenants, representations and warranties under the Facilities Lease or under the Trust Agreement, (B) a Certificate of the County that establishes that the fair market value of the property which remains subject to the Facilities Lease and the Site Lease following such substitution or release is at least equal to the aggregate outstanding principal amount of the Base Rental Payments and Additional Payments which are determinable, and the fair rental value of the Facilities which remain subject to the Facilities Lease and the Site Lease following such removal is at least equal to the Base Rental Payments and the amount of any Additional Payments then determinable thereafter coming due and payable under the Facilities Lease, (C) no Event of Default shall have occurred and be continuing under the Facilities Lease or under the Trust Agreement and (D) no event giving rise to an abatement of Base Rental Payments shall have occurred or be continuing with respect to the Facilities Lease or any Facility.

(vii) In connection with any substitution of property, a Certificate of the County stating that the Facilities to be added is of approximately the same or greater degree of essentiality to the County as the Facilities being replaced.

(viii) In connection with the addition of property, a Certificate of the County stating that the Facilities to be added is an essential facility of the County.

(ix) An Opinion of Bond Counsel stating that such amendment or modification of the Site Lease and the Facilities Lease and the substitution, release or addition of property

(A) complies with the terms of the Constitution and laws of the State and of the Trust Agreement and the Facilities Lease; (B) will, upon the execution and delivery thereof, be valid and binding upon the Authority and the County; and (C) will not cause the interest on the Series of 2021 Bonds to be included in gross income for federal income tax purposes.

There is no requirement under the Facilities Lease that any substitute Facilities be of the same or a similar nature or function as the then-existing Facilities.

Option to Purchase

Pursuant to the Facilities Lease, the County has the option to purchase the interest of the Authority in any part of the Facilities upon payment of an option price consisting of moneys or securities satisfying the requirements specified in the Trust Agreement (and which securities are not callable by the issuer thereof prior to maturity) in an amount sufficient (together with the increment, earnings and interest on such securities) to provide funds to pay the aggregate amount for the entire remaining term of the Facilities Lease of the part of the total rent thereunder attributable to such part of the Facilities (determined by reference to the proportion which the cost of such part of the Facilities bears to the cost of all of the Facilities).

Payment of the option price is required to be made to the Trustee, will be treated as rental payments, and is required to be applied by the Trustee to pay the principal, premium, if any, of the Series of 2021 Bonds and interest on such 2021 Bonds and to redeem 2021 Bonds if such 2021 Bonds are subject to redemption pursuant to the terms of the Trust Agreement.

Sale of Personal Property

The County, in its discretion, may request the Authority to sell or exchange any personal property which may at any time constitute a part of the Facilities, and to release said personal property from the Facilities Lease, if (i) in the opinion of the County the property so sold or exchanged is no longer required or useful in connection with the operation of the Facilities, (ii) the consideration to be received from the property is of a value substantially equal to the value of the property to be released, and (iii) if the value of any such property is, in the opinion of the Authority, exceeds the amount of $100,000, the Authority is required to have been furnished with a certificate of an independent engineer or other qualified independent professional consultant (satisfactory to the Authority) certifying the value thereof and further certifying that such property is no longer required or useful in connection with the operation of the Facilities. In the event of any such sale, the full amount of the money or consideration received for the personal property so sold and released is required to be paid to the Authority. Any money so paid to the Authority may, so long as the County is not in default under any of the provisions of the Facilities Lease, be used upon the Written Request of the County to purchase personal property, which property shall become a part of the Facilities leased under the Facilities Lease.

Abatement

Base Rental Payments and Additional Payments will be abated, during any period in which by reason of any damage or destruction (other than by condemnation) there is substantial interference with the use and occupancy of the Facilities by the County, to the extent the Base Rental Payments and Additional Payments exceed the fair rental value for the use and occupancy of that portion of the Facilities that has not been rendered unusable as reasonably determined by the County. Such abatement will continue for the period commencing with such damage or destruction and ending with the substantial restoration of use or completion of the work of repair or reconstruction. In the event of any such damage or destruction, the Facilities Lease will continue in full force and effect and the County waives any right to terminate the Facilities Lease by virtue of any such damage or destruction.

DEBT SERVICE SCHEDULE

The following table shows the debt service schedule relating to the Bonds (assuming no optional or extraordinary redemptions).

Table 2
Debt Service Schedule

Fiscal Year Ended June 30	2021 Series A Bonds Principal	Interest	Total	2021 Series B Bonds Principal	Interest	Total	Total Fiscal Year Debt Service
2021	–	$596,095.70	$596,095.70	–	$329,807.91	$329,807.91	$925,903.61
2022	$1,950,000	2,939,650.00	4,889,650.00	$2,970,000	1,626,450.00	4,596,450.00	9,486,100.00
2023	2,030,000	2,861,650.00	4,891,650.00	3,090,000	1,507,650.00	4,597,650.00	9,489,300.00
2024	2,135,000	2,760,150.00	4,895,150.00	3,245,000	1,353,150.00	4,598,150.00	9,493,300.00
2025	2,235,000	2,653,400.00	4,888,400.00	3,410,000	1,190,900.00	4,600,900.00	9,489,300.00
2026	2,350,000	2,541,650.00	4,891,650.00	2,045,000	1,020,400.00	3,065,400.00	7,957,050.00
2027	2,470,000	2,424,150.00	4,894,150.00	2,150,000	918,150.00	3,068,150.00	7,962,300.00
2028	2,590,000	2,300,650.00	4,890,650.00	1,195,000	810,650.00	2,005,650.00	6,896,300.00
2029	2,720,000	2,171,150.00	4,891,150.00	1,255,000	750,900.00	2,005,900.00	6,897,050.00
2030	2,860,000	2,035,150.00	4,895,150.00	1,320,000	688,150.00	2,008,150.00	6,903,300.00
2031	3,000,000	1,892,150.00	4,892,150.00	1,385,000	622,150.00	2,007,150.00	6,899,300.00
2032	3,150,000	1,742,150.00	4,892,150.00	1,455,000	552,900.00	2,007,900.00	6,900,050.00
2033	3,310,000	1,584,650.00	4,894,650.00	1,525,000	480,150.00	2,005,150.00	6,899,800.00
2034	3,475,000	1,419,150.00	4,894,150.00	1,600,000	403,900.00	2,003,900.00	6,898,050.00
2035	3,650,000	1,245,400.00	4,895,400.00	1,685,000	323,900.00	2,008,900.00	6,904,300.00
2036	3,830,000	1,062,900.00	4,892,900.00	1,765,000	239,650.00	2,004,650.00	6,897,550.00
2037	4,020,000	871,400.00	4,891,400.00	1,855,000	151,400.00	2,006,400.00	6,897,800.00
2038	4,185,000	710,600.00	4,895,600.00	1,930,000	77,200.00	2,007,200.00	6,902,800.00
2039	4,350,000	543,200.00	4,893,200.00	–	–	–	4,893,200.00
2040	4,525,000	369,200.00	4,894,200.00	–	–	–	4,894,200.00
2041	4,705,000	188,200.00	4,893,200.00	–	–	–	4,893,200.00
TOTAL	$63,540,000	$34,912,695.70	$98,452,695.70	$33,880,000	$13,047,457.91	$46,927,457.91	$145,380,153.61

CERTAIN RISK FACTORS

The following factors, along with the other information in this Official Statement, should be considered by potential investors in evaluating the purchase of the 2021 Bonds. However, the following does not purport to be an exhaustive listing of risks and other considerations, which may be relevant to investing in the 2021 Bonds. In addition, the order in which the following information is presented is not intended to reflect the relative importance of any such risks.

Limited Obligation

The 2021 Bonds are not County debt and are limited obligations of the Authority. Neither the full faith and credit of the Authority nor the County is pledged for the payment of the interest on or principal of the 2021 Bonds nor for the payment of Base Rental Payments. The Authority has no taxing power. The obligation of the County to pay Base Rental Payments when due is an obligation payable from amounts in the General Fund of the County. The obligation of the County to make Base Rental Payments under the Facilities Lease does not constitute an obligation of the County for which the County is obligated to levy or pledge any form of taxation or for which the County has levied or pledged any form of taxation. Neither the 2021 Bonds nor the obligation of the County to make Base Rental Payments under the Facilities Lease constitute a debt or indebtedness of the Authority, the County, the State or any of its political subdivisions, within the meaning of any constitutional or statutory debt limitation or restrictions.

Base Rental Payments Not a Debt of the County; Other County Obligations

The Base Rental Payments due under the Facilities Lease (and insurance costs, payment of costs of repair and maintenance of the Facilities, taxes and other governmental charges and assessments levied against the Facilities) are not secured by any pledge of taxes or any other revenues of the County but are payable from any funds lawfully available to the County. The County may incur other obligations in the future payable from the same sources as the Base Rental Payments. In the event the County's revenue sources are less than its total obligations, the County could choose to fund other municipal services before making Base Rental Payments. The same result could occur if, because of State constitutional limits on expenditures, the County is not permitted to appropriate and spend all of its available revenues. The County's appropriations, however, have never exceeded the limitations on appropriations under Article XIII B of the California Constitution. For information on the County's current limitations on appropriations, see "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES, REVENUES AND APPROPRIATIONS–Article XIII B of the California Constitution."

Valid and Binding Covenant to Budget and Appropriate

Pursuant to the Facilities Lease, the County covenants to take such action as may be necessary to include the related Base Rental Payments due in its annual budgets and to make necessary appropriations for all such payments. Such covenants are deemed to be duties imposed by law, and it is the duty of the public officials of the County to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the County to carry out and perform such covenants. A court, however, in its discretion may decline to enforce such covenants. Upon issuance of the 2021 Bonds, Bond Counsel will render its opinion (substantially in the form of APPENDIX F–"PROPOSED FORM OF BOND COUNSEL OPINION") to the effect that, subject to the limitations and qualifications described therein, the Facilities Lease constitutes a valid and binding obligation of the County. As to the Authority's practical realization of remedies upon default by the County, see "–Limitations on Remedies."

Abatement

During any period there is loss or substantial interference in the use and occupancy of the Facilities by the County caused by damage or destruction (other than by condemnation) Base Rental Payments will be abated proportionately in the proportion in which the cost of that portion of the Facilities rendered unusable bears to the cost of the whole Facilities, the related Base Rental Payments are subject to abatement. In the event that the Facilities or any component thereof, if damaged or destroyed by an insured casualty, could not be replaced during the period of time that proceeds of the County's rental interruption insurance will be available in lieu of Base Rental Payments plus the period for which funds are available from the Revenue Fund, or in the event that casualty insurance proceeds or condemnation proceeds are insufficient to provide for complete repair, reconstruction or replacement of the Facilities or redemption of the Series of 2021 Bonds, there could be insufficient funds to make payments to Owners of the Series of 2021 Bonds in full. See APPENDIX E–"SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS–THE FACILITIES LEASE–RENTAL PAYMENTS; USE OF PROCEEDS–Rental Abatement."

It is not possible to predict the circumstances under which such an abatement of rental may occur. In addition, there is no statute, case or other law specifying how such an abatement of rental should be measured. Abatement, therefore, could have an uncertain and material adverse effect on the security for and payment of the 2021 Bonds.

No Reserve Fund

The Authority has not funded a debt service reserve fund for the Series 2021 Bonds.

Limited Recourse on Default; No Acceleration of Base Rental Payments

The enforcement of remedies provided in the Facilities Lease and the Trust Agreement could be both expensive and time consuming. The Trustee has no interest in the Authority's title to any of the Facilities, and has no right to terminate the Facilities Lease or reenter or relet the Facilities. Upon the occurrence of one of the "events of default" described below, the County will be deemed to be in default under the Facilities Lease and the Authority may exercise any and all remedies available pursuant to law or granted pursuant to the Facilities Lease. Upon any such default, including a failure to pay Base Rental Payments, the Authority may either (1) terminate the Facilities Lease and seek to recover certain damages or (2) without terminating the Facilities Lease, (i) continue to collect rent from the County on an annual basis by seeking a separate judgment each year for that year's related defaulted Base Rental Payments and/or (ii) reenter the Facilities and relet them. In the event of default, there is no right to accelerate the total Base Rental Payments due over the term of the Facilities Lease, and the Trustee has no possessory interest in the Facilities and is not empowered to sell the Facilities or any of the Facilities.

Events of default under the Facilities Lease include: (i) the failure of the County to pay any rental payment under the Facilities Lease when the same become due (ii) the failure of the County to keep, observe or perform any term, covenant or condition of the Facilities Lease required to be kept or performed by the County for a period of 60 days after notice of the same has been given to the County by the Authority or the Trustee or for such additional time as reasonably required in the sole discretion of the Authority, to correct the same and (iii) assignment or transfer of the County's interest in the Facilities Lease, either voluntarily or by operation of law or otherwise, without the written consent of the Authority; (iv) the County or any assignee files any petition or institutes any proceeding under any act or acts, State or federal, dealing with or relating to the subject or subjects of the bankruptcy or insolvency or under any amendment of such act or acts, either as a bankrupt or as an insolvent, or as a debtor, or in any similar capacity, wherein or whereby the County asks or seeks or prays to be adjudicated a bankrupt, or is to be discharged from any or all of its debts or obligations, or offers to its creditors to effect a composition or extension of time to pay the debts of the County or asks, seeks or prays for reorganization or to effect a plan of reorganization, or for a readjustment of the debts of the County, or for any other similar relief, or if any such petition or any such proceedings of the same or similar kind or character be filed or be instituted or taken against the County, or if a receiver of the business or of the property or assets of the County is appointed by any court, except a receiver appointed at the instance or request of the Authority, or if the County makes a general or any assignment for the benefit of the County's creditors, (v) the County abandons or vacates the Facilities, or (vi) any representation or warranty made by the County in the Facilities Lease proves to have been false, incorrect, misleading or breached in any material respect on the date when made.

Upon a default, the Trustee may elect to proceed against the County to recover damages pursuant to the Facilities Lease. Any suit for money damages would be subject to statutory and judicial limitations on lessors' remedies under real property leases, other terms of the Facilities Lease and limitations on legal remedies against counties in the State, including a limitation on enforcement of judgments against funds needed to serve the public welfare and interest.

Limitations on Remedies

The rights of the Bondholders are subject to the limitations on legal remedies against counties in the State, including applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting the enforcement of creditors' rights generally, now or hereafter in effect, and to the application of general principles of equity, including concepts of materiality, reasonableness, good faith and fair dealing and the possible unavailability of specific performance or injunctive relief, regardless of whether considered in a proceeding in equity or at law.

Under Chapter 9 of the Bankruptcy Code, which governs the bankruptcy proceedings for public agencies such as the County, there are no involuntary petitions in bankruptcy. If the County were to file a petition under Chapter 9 of the Bankruptcy Code, the Bondholders, the Trustee and the Authority could be prohibited from taking any steps to enforce their rights under the Facilities Lease, and from taking any steps to collect amounts due from the County under the Facilities Lease.

All legal opinions with respect to the enforcement of the Facilities Lease and the Trust Agreement will be expressly subject to a qualification that such agreements may be limited by bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting creditors' rights generally and by applicable principles of equity if equitable remedies are sought.

Bankruptcy

The rights and obligations of the County and the Authority under the 2021 Bonds, the Facilities Lease, the Site Lease, the Trust Agreement, and the Tax Certificate and their enforceability may be subject to bankruptcy, insolvency, receivership, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against joint powers authorities and counties in the State.

The County is a political subdivision of the State permitted, under certain circumstances, to file for municipal bankruptcy under chapter 9 ("Chapter 9") of the United States Bankruptcy Code (the "Bankruptcy Code"). Chapter 9 permits only a voluntary filing by the County, not involuntary filings.

Among the adverse effects of such a bankruptcy might be: (a) the application of the automatic stay provisions of the Bankruptcy Code, which, until relief is granted, would prevent collection of payments from the County or the commencement of any judicial or other action for the purpose of recovering or collecting a claim against the County; (b) the avoidance of preferential transfers occurring during the relevant period prior to the filing of a bankruptcy petition; (c) the occurrence of unsecured or court-approved secured debt which may be secured by a lien with priority over the lien of the Trust Agreement or the release of Revenues to the County, free and clear of the lien of the Trust Agreement, in each case provided that the bankruptcy court determines that the rights of the Trustee and the Holders of the 2021 Bonds will be adequately protected; or (d) the possibility of the adoption of a plan for the adjustment of a county's debt without the consent of all creditors, which plan may restructure, delay, compromise or reduce the amount of the claim of the Holders of the 2021 Bonds if the bankruptcy court finds that such a plan is fair and equitable. The County may also be able, without the consent and over the objection of the Trustee and the Holders of the 2021 Bonds, to alter the priority, interest rate, payment terms, collateral, maturity dates, payment sources, covenants (including tax-related covenants), and other terms or provisions of the Trust Agreement and the 2021 Bonds, provided that the bankruptcy court determines that the alterations are fair and equitable.

Such adverse effects may result in the parties (including the Holders of the 2021 Bonds) being prohibited from taking any action to collect any amount from the County or to enforce any obligation of the County, unless the permission of the bankruptcy court is obtained. These restrictions may also prevent the Trustee from making payments to the Holders of the 2021 Bonds from funds in the Trustee's possession. There may also be delays in payments on the 2021 Bonds while the court considers any of these issues. There may be other possible effects of a bankruptcy of the County that could result in delays or reductions in payments on the 2021 Bonds, or result in losses to the Holders of the 2021 Bonds. Regardless of any specific adverse determinations in a County bankruptcy proceeding, the fact of a County bankruptcy proceeding could have an adverse effect on the liquidity and value of the 2021 Bonds.

A bankruptcy filing by the County could also limit remedies under the Facilities Lease or permit the County to assign the Facilities Lease to a third party without complying with any relevant provisions of the transaction documents. Among other limitations, a debtor in bankruptcy may choose to assume or reject executory contracts and leases. It is not clear whether a bankruptcy court would treat the Facilities Lease as an unexpired lease or executory contract under Section 365 ("Section 365") of the Bankruptcy Code (a "True Lease") or a loan or other financing arrangement (a "Financing Arrangement"). The Bankruptcy Code specifies different consequences for True Leases and Financing Arrangements. Were a bankruptcy court to find that the Facilities Lease is a True Lease, the Bankruptcy Code permits the County to reject the Facilities Lease and return possession of the Facilities to the lessor, leaving the Trustee, on behalf of Holders of the 2021 Bonds, with a general, unsecured claim that would likely be limited by the cap on landlord claims provided in the Bankruptcy Code, *i.e.*, to the rent payable under the Facilities Lease (without acceleration) for the greater of one year or 15% of the remaining term of the Facilities Lease, but not to exceed three years, following the earlier of (a) the date the bankruptcy petition was filed, and (b) the date on which the Authority repossessed or the County surrendered the leased property, plus any unpaid rentals under the Facilities Lease (without acceleration) on the earlier of such dates. Thus, if the Facilities Lease is treated as a True Lease under Section 365 and rejected in a County bankruptcy, any damage claim could be severely limited, resulting in reduced funds available to pay the 2021 Bonds. Alternatively, if a bankruptcy court found that the Facilities Lease was a Financing Arrangement, the Trustee, on behalf of Holders of the 2021 Bonds, may have a secured claim only up to the value of the economic value of the secured interest in the Facilities. Such value would be subject to determination by the bankruptcy court. Any portion of the claim of the Trustee, on behalf of the Holders of the 2021 Bonds that exceeded such value would likely be treated as unsecured.

Pension Issues in Bankruptcy. In a bankruptcy of the County, if a material unpaid liability is owed to the Contra Costa County Employees' Retirement Association ("CCCERA") or any other pension system (collectively the "Pension Systems") on the filing date, or accrues thereafter, such circumstances could create additional uncertainty as to the County's ability to make Base Rental Payments or other Lease Payments. Given that municipal pension systems in the State are usually administered pursuant to State constitutional provisions and, as applicable, other state, county and/or city law, the Pension Systems may take the position, among other possible arguments, that their claims enjoy a higher priority than all other claims, that Pension Systems have the right to enforce payment by injunction or other proceedings outside of a County bankruptcy case, and that Pension System claims cannot be the subject of adjustment or other impairment under the Bankruptcy Code because that would purportedly constitute a violation of state statutory, constitutional and/or municipal law. It is uncertain how a bankruptcy judge in a County bankruptcy would rule on these matters. Issues of pension underfunding claim priority, pension contribution enforcement, and related bankruptcy plan treatment of such claims (among other pension-related matters) were the subject of litigation in the Chapter 9 cases and related appeals, including those of Stockton, California and San Bernardino, California.

Military Conflicts and Terrorist Activities

Military conflicts and terrorist activities may adversely impact the finances of the County. The County is unable to determine the effect of future terrorist events, if any, on, among other things, the County's current and future budgets, tax revenues, available reserves and additional public safety expenditures. The County conducted a review of certain existing safety and security measures after the events of September 11, 2001 and participates in additional security and public safety precautions taken in conjunction with "code" designations (*i.e.*, red, orange, yellow) announced by the federal government. Such precautions include coordination of safety and medical personnel, although specific anti-terrorist programs are not divulged publicly. The County does not guarantee that such actions will be adequate in the event that terrorist activities are directed against the County or its residents. The County cannot guarantee that additional safety or security related precautions taken by or affecting the County will not have a material adverse financial impact on the County.

Although, the County maintains various insurance coverages on its properties, including terrorism coverage for real and personal property, the County makes no representation that this insurance coverage will continue to be maintained in the future or as to the ability of any insurer to fulfill its obligations under any insurance policy. See also APPENDIX B–"COUNTY FINANCIAL INFORMATION–Insurance and Self-Insurance Programs."

There are three petroleum refineries located within the County, and during the past five Fiscal Years, the owners of these refineries were among the top 10 principal property taxpayers in the County. A terrorist act against any of these refineries or any principal taxpayer resulting in damage or destruction to facilities or infrastructure could have a material impact on revenues of the County. See also APPENDIX B–"COUNTY FINANCIAL INFORMATION."

Risk of Earthquake and Other Natural Disasters

The occurrence of any natural disaster in the County, including, without limitation, earthquake, fire, windstorm, drought, landslide, mudslide, flood or a rise in sea levels as result of climate change, could have an adverse material impact on the economy within the County, its General Fund, and the Revenues available to make Base Rental Payments.

There are several earthquake faults in the greater San Francisco Bay Area that could result in damage to the Facilities, buildings, roads, bridges, and property within the County in the event of an earthquake. Past experiences, including the 1989 Loma Prieta earthquake, measuring 6.9 on the moment magnitude scale (7.1 on the Richter scale) with an epicenter approximately 60 miles south of the County and the 2014 Napa earthquake, measuring 6.0 on the moment magnitude scale with an epicenter approximately 33 miles northwest of the County, resulted in some structural damage to the infrastructure and property in the County, the repair of which was covered by insurance. Earthquake faults that could affect the County include but may not be limited to the Hayward Fault in the western part of the County, and the Concord/Green Valley, Diablo and Calaveras Faults within the eastern portions of the County.

The Facilities Lease does not require the County to maintain insurance on the Facilities against earthquake risk unless such insurance is available from a reputable insurance company at a reasonable cost to the County. The County has purchased an earthquake insurance policy that expires on March 31, 2021 to cover all County property, including the Facilities. The County currently expects this insurance will be renewed.

The occurrence of natural disasters within the County could result in substantial damage within the County and to the Facilities which, in turn, could substantially reduce the ability of the County to make Base Rental Payments or cause an abatement in Base Rental Payments. Reduced ability to pay Base Rental Payments could affect the payment of the principal of and interest on the Series 2021 Bonds. The County maintains liability insurance and property casualty insurance on the Facilities, however, there can be no assurance that specific losses will be covered by insurance or, if covered, that claims will be paid in full by the applicable insurers. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2021 BONDS–Insurance" and APPENDIX B–"COUNTY FINANCIAL INFORMATION–Insurance and Self-Insurance Programs."

Risk of Declines in Assessed Valuation

Property tax levied against the assessed value of property within the County generally represents approximately one-third of General Fund revenues annually. Possible causes for a reduction in assessed values include the complete or partial destruction of taxable property within the County caused by natural or manmade disasters, such as flood, sea level rise, fire, toxic dumping, acts of terrorism, etc., or reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes). Any significant reduction in assessed value would have a material effect on Revenues available to make Base Rental Payments on the 2021 Bonds.

Climate Change

General. In 2005, the Governor signed Executive Order S-3-05 (the "Executive Order") setting the stage for multiple legislative actions to ultimately reduce greenhouse gas emissions ("GHG") by 80% below 1990 levels by 2050. The adoption by the State of the California Global Warming Solutions Act of 2006 (Assembly Bill No. 32) and subsequent companion bills, including but not limited to the Sustainable Communities and Climate Protection Act of 2008 ("Senate Bill No. 375") that builds upon the Assembly Bill No. 32 GHG emissions reductions by linking transportation funding to land use planning and demonstrates the commitment by the State to take action and reduce GHG levels. The State Attorney General's Office, in accordance with the terms of Senate Bill No. 375, requires that local governments examine local policies and large-scale planning efforts to determine how to reduce GHG emissions. Additionally, in 2006, the State adopted Senate Bill No. 32, which established a revised Statewide GHG emission reduction target of 40% below 1990 levels by 2030.

Additionally, the State's 100 Percent Clean Energy Act of 2018 ("Senate Bill No. 100"), establishes targets for making the State's power sources emissions free by December 31, 2045. Achieving that goal will require the State to increase its renewable energy portfolio as a source of electricity and will require utility companies, including those companies from whom the County may purchase energy from, to source energy from renewable zero-carbon resources.

County Climate Change Policy. In 2005, the County released the "*Contra Costa County Climate Protection Report,"* which provided a baseline GHG inventory, reported existing County efforts to reduce GHG emissions, and potential actions that could reduce GHG emissions in the future. The Board of Supervisors then adopted a resolution in February 2007 to join Local Governments for Sustainability and to conduct a GHG emissions inventory of Countywide and municipal emissions. In October 2007, the Board of Supervisors adopted a resolution to complete a Bay Area Air Quality Management District funded climate action plan for the County's municipal facilities and operations.

In December 2008, the Board of Supervisors adopted a Municipal Climate Action Plan (the "2008 Plan") which reviewed GHG emissions from County operations. The 2008 Plan established formal GHG reduction targets, GHG reduction measures, and methods for analysis and monitoring of GHG reduction measures for the County. An interim GHG survey was completed in 2013 to direct policies toward achieving the GHG reduction target of 15% below 2005 levels by December 31, 2020.

On December 15, 2015, the Board of Supervisors adopted an updated Climate Action Plan (the "2015 Plan") identifying the strategy for achieving the Assembly Bill No. 32 GHG emissions reduction targets and further addressed climate change locally. The 2015 Plan included sections covering the scientific and regulatory environment, an updated GHG inventory and forecast, a GHG reduction strategy, and implementation plan. The County achieved the required GHG reduction to 2000 levels by December 31, 2020.

To assist the County in designing actions and strategies to achieve GHG emissions reduction targets and in revising its Climate Action Plan in connection with the 2040 County General Plan, an update to a 2017 GHG emissions inventory was completed in 2019. This 2019 update indicates that the County will need to further reduce GHG emissions to meet the 2030 and 2050 targets. The Board of Supervisors are expected to adopt the 2040 County General Plan, which includes the 2019 Climate Action Plan in winter 2022.

On September 22, 2020, the Board of Supervisors adopted Resolution No. 2020/256, that, among other things, declared a climate emergency that "threatens the long-term economic and social well-being, health, safety, and security of the County, and that urgent action by all levels of government is needed to immediately address this climate emergency," prioritizes the implementation of the County's Climate Action Plan to achieve GHG reductions and to consider equity and social justice issues in the implementation of such plan, and that health, socio-economic, and racial equity considerations be included in policymaking and climate solutions in all levels.

Sea Level Rise. In May 2009, the California Climate Change Center released a final paper (for informational purposes only) entitled "*The Impacts of Sea-Level Rise on the California Coast*" prepared by the Pacific Institute and funded by the California Energy Commission, the California Environmental Protection Agency, the Metropolitan Transportation Commission, the California Department of Transportation, and the California Ocean Protection Council. This paper posits that increases in sea level will be a significant consequence of climate change over the next century.

Climate change models predict more intense rainfall events, more frequent or extensive runoff, and more frequent and severe flood events. Localized flood events may increase in periods of heavy rain. Although climate change is likely to lead to a drier climate overall, risks from regular, more intense rainfall events can generate more frequent and/or more severe flooding that upsets California's managed balance between storage and protection. Additionally, erosion may increase and water quality may decrease as a result of increased rainfall amounts.

The Pacific Institute identified several portions of shoreline areas within the County which may be affected by sea level rise. Local impacts of climate change are not definitive, but the County, including and portions of the unincorporated areas of Bay Point (formerly West Pittsburg), North Richmond, and Rodeo could experience changes to local and regional weather patterns; rising bay water levels; increased risk of flooding; changes in salinity and tidal patterns of San Francisco and San Pablo bays; coastal erosion; water restrictions; and vegetation changes.

In addition, the County participated in the Adapting to Rising Tides (ART) project to identify risks of sea level rise throughout the County. In March 2017, a final report (the "ART Study-West") was released identifying the major risks to west and central areas of the County, from Richmond to unincorporated Bay Point (collectively, the "West Project Area"). In summary, the report estimates that sea levels may rise 2-12 inches by 2030, 5-24 inches by 2050, and 17-66 inches by 2100 within the West Project Area. Using these estimates combined with National Research Council data, the ART Study-West quantifies the damage posed by sea-level rise in the West Project Area, with particular emphasis on what is at risk across sectors and for the most vulnerable communities in the West Project Area.

In 2017, a separate study was initiated for the eastern portion of the County (the "ART Study-East") in collaboration with Adapting to Rising Tides, the Delta Stewardship Council and the County. In April 2020, a final report was released identifying the major risks to the eastern portion of the County, from the City of Pittsburg, east to the Webb Tract, then south to the Clifton Court Forebay, which is located southeast of the unincorporated area of Byron (collectively, the "East Project Area"). Although many of the vulnerability and adaptation issues are similar to the ART Study-West, much of the ART Study-East project area includes subsided land ranging from 0 to -15 feet below sea level, has much of its coastline protected by levees, has islands within the Sacramento/San Joaquin Delta, and generally has more rural agricultural landscape. The study found the following exposure risks based on current and future flooding scenarios:

- The East Project Area includes a total of 24 retail business parcels and nine General Commercial parcels. At the current high tide, nine retail and business parcels, all located on Bethel Island or Holland Tract, are affected by flooding from tides. Assuming 83" sea level rise the parcels on Bethel Island and Hotchkiss Tract are significantly flooded.

- Using current 100-year storm event assumptions, there is significant flooding of retail business sites on Bethel Island. Retail businesses on Hotchkiss and Holland Tract are minimally affected. Using the current 100-year storm event assumptions plus factoring in 12" of sea level rise, the retail business sites on Bethel Island, Holland, and Hotchkiss Tracts are significantly affected by flooding.

- Qualitative assessment of the East Project Area map reveals that impacts to businesses begin at either 83-inches sea level rise or the 100-year storm event plus 12-inches of sea level rise scenarios in downtown Antioch, along the shoreline of Hotchkiss Tract where there are shops along the levee and some of the piers along the Antioch Bridge.

- Even if services are not directly impacted, more critically, access to services may be blocked. While no hospitals are exposed to flooding, the 83" sea level rise or the 100-year storm event plus 24" sea level rise scenarios show that the Town of Discovery Bay and neighboring homes, businesses and roads may be flooded. This may prevent egress and access to services such as hospitals for these communities. Additionally, some neighborhoods in Knightsen, near Eagle Lane, may become isolated under the current 100-year storm event scenario due to railroad tracks blocking egress on the west and south side and flooding coming from the north and east.

Sea level rise occurs as a result of rising average ocean temperatures, thermal expansion, and melting of snow and ice. While many different climate change effects will impact the County, sea level rise has been extensively researched and quantified, allowing for a clearer geographic understanding of its effects. The rate and amount of sea level rise will be influenced by rising average temperatures and the speed of melting glacial ice. There is a degree of uncertainty in many projections, and the present rate of sea level rise is faster than many previous projects have estimated. On average, the Pacific Institute paper projected that the County will experience a 40% increase in acreage vulnerable to a 100-year flood event between 2000 and 2100.

Wildfires. The State continues to battle devastating wildfires. According to recent research, California's annual wildfire extent increased fivefold since the 1970's. It is believed that this trend was mainly due to an eightfold increase in summertime forest-fire area and was very likely driven by drying of fuels promoted by human-induced warming.[1] This trend is likely to continue, resulting in significant economic and public safety challenges for the State, the San Francisco Bay Area, and the County.

According to the California Department of Forestry and Fire Protection ("CalFire"), 15 (or 75%) of the top 20 most destructive California wildfires in State history have occurred since 2015. In addition, CalFire reports that six of the top 20 largest wildfires in State history occurred in calendar year 2020 alone. Of those top 20 largest California wildfires, a portion of the County was impacted in only one fire, the SCU Lightning Complex Fire in August 2020, which also encompassed portions of Stanislaus, Santa Clara, Alameda, and San Joaquin counties. There was no material economic impact to the County from the SCU Lightning Complex fire.

Climate change concerns are leading to new laws and regulations at the federal, State and local levels. Research suggests that the State will experience hotter and drier conditions, reductions in winter snow and increases in winter rains, sea level rise, significant changes to the water cycle, increased occurrences of extreme and unpredictable weather events, and increased catastrophic wildfires and severity of flood events. The compound impacts of which will affect economic systems throughout the State, the San Francisco Bay Area region, and the County. The County is unable to predict the impact that such laws and regulations, if adopted, and the effects of climate change will have on the Revenues available to make Base Rental Payments, however, the effects could be material.

Drought. From 2012 through 2016, the State experienced "exceptional drought conditions" (the most severe drought classification) according to the U.S. Drought Monitor. Other notable historical droughts included 2007-09, 1987-92, 1976-77, and off-and-on dry conditions spanning more than a decade in the 1920s and 1930s.

Droughts cause public health and safety impacts, as well as economic and environmental impacts. Public health and safety impacts are primarily associated with catastrophic wildfire risks and drinking water shortage risks for small water systems in rural areas and private residential wells. Examples of other impacts include costs to homeowners due to loss of residential landscaping, degradation of urban

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[1] Williams, A. P., Abatzoglou, J. T., Gershunov, A., Guzman-Morales, J., Bishop, D. A., Balch, J. K., & Lettenmaier, D. P. (2019). Observed impacts of anthropogenic climate change on wildfire in California. Earth's Future, Vol. 7, Issue 8, 892–910. https://doi.org/10.1029/2019EF001210.

environments due to loss of landscaping, agricultural land fallowing and associated job loss, degradation of fishery habitat, and tree mortality with damage to forest ecosystems.

Conclusion. It is not possible for the County to make any representations regarding the extent to which climate change conditions, mitigation measures, or effects could result in reduced economic activity within the County or the extent to which such conditions may affect General Fund revenues of the County.

Potential Impacts of Coronavirus and Other Health-Related Risks

Background. On January 7, 2020, the Centers for Disease Control and Prevention established an incident management system for, and has since responded to, an outbreak of respiratory disease caused by a novel coronavirus that was first detected in China and which has now been detected worldwide, including the United States. The virus has been named "SARS-CoV-2" and the disease it causes has been named "coronavirus disease 2019" ("COVID-19"). On January 30, 2020, the International Health Regulations Emergency Committee of the World Health Organization ("WHO") declared the COVID-19 outbreak a "public health emergency of international concern."

On January 31, 2020, Health and Human Services Secretary declared a public health emergency for the United States to aid the nation's healthcare community in responding to COVID-19, and on March 11, 2020, WHO declared COVID-19 to be a pandemic.

On March 4, 2020, the Governor of the State declared a State of Emergency to make additional resources available, formalize emergency actions currently underway across multiple State agencies, including the California Department of Public Health, the California Health and Human Services Agency, the Governor's Office of Emergency Services and other agencies, and help the State prepare for broader spread of COVID-19. A week later, the Governor announced that State public health officials issued an updated policy determining that all gatherings in the State of more than 250 should be postponed or canceled until at least the end of March 2020. And, on March 10, 2020, the Board of Supervisors adopted resolutions proclaiming the existence of a local emergency and requesting the Governor to proclaim a state of emergency within the County and the County Department of Health Services issued guidance for social distancing, including the cancellation or postponement of events for greater than 49 people.

Federal Responses and Relief Actions. On March 13, 2020, a national emergency was declared by the President to combat COVID-19. This declaration provides access to the Federal Emergency Management Agency (FEMA) Public Assistance program, which allows for a 75% federal cost share on certain emergency protective measures taken at the direction or guidance of public health officials in response to the COVID-19 pandemic. Qualifying expenditures are those that are not supported by the authority of another federal agency (*i.e.* reimbursement for response activities funded by another federal agency grant program). Examples of reimbursable activities include the activation of Emergency Operations Centers, National Guard costs, law enforcement, and other measures necessary to protect public health and safety.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act established the Coronavirus Relief Fund (CRF) and appropriated $150 billion to the CRF. The CRF is to be used to make payments for specified uses to states and certain local governments with populations over 500,000; the District of Columbia and U.S. Territories; and Tribal governments.

On April 22, 2020, the County received an allocation of $201,281,393.70 from the U.S. Treasury as a direct allocation from the CRF as it is a local jurisdiction with a population exceeding 500,000 and an allocation of $26,546,260 from the State CRF funds. The CARES Act includes certain restrictions on the use of the CRF direct allocation. The County has spent or otherwise obligated all of these funds to uses permitted under the CARES Act.

State Responses and Actions. On March 19, 2020, the Governor issued Executive Order N-33-10 requiring all residents to remain home or at their places of residence, except as needed to maintain continuity of operation of 16 critical infrastructure sectors identified by the federal government (essential businesses).

Following the President's emergency declaration, the Governor requested that the federal government declare a major disaster in California due to COVID-19. That request was approved by the President on March 22, 2020, which activated additional federal resources directed to assist the State, including deployment of mobile hospital units and a U.S. Navy hospital ship among other things. The County was a recipient of mobile field hospital equipment and took delivery of those resources at the Craneway Pavilion in Richmond, which will serve as a 250-bed alternate care site supporting the capacity of the County's hospital and clinic system. On April 28, 2020, the Board of Supervisors ratified a renewal of the license agreement for the Craneway Pavilion through May 2020 and subsequently extended the license agreement through March 31, 2021.

The California Governor's Office of Emergency Services (CalOES) is facilitating the collection of FEMA Requests for Public Assistance (RPA) from agencies (public and private) impacted by the COVID-19 pandemic and has requested that impacted agencies adopt required Project Assurances for Federal Assistance and a resolution designating agents that can act on behalf of the impacted agency.

On August 28, 2020 the Governor announced “The California Blueprint for a Safer Economy” (the “Blueprint), a tool for reducing COVID-19 in the State with revised criteria for loosening and tightening restrictions on activities. Every county in the State is assigned to a tier based on its test positivity and adjusted case rate for tier assignment. There are four tiers, designated by color: purple (widespread), red (substantial), orange (moderate), and yellow (minimal) to designate community disease transmission with each tier having a different level of associated restrictions. Based upon size, counties can travel between tiers based upon performance in two case measures, among other things:

“Adjusted Case Rate,” the average daily number of COVID-19 cases over seven days, excluding persons out of State or with unknown county of residence and persons incarcerated, divided by the number of people living in the county multiplied by a case rate adjustment factor (as set forth in the Blueprint); and

“Testing Positivity Rate,” the total number of positive polymerase chain reaction (“PCR”) tests for COVID-19 over a seven-day period (based on specimen collected date) divided by the total number of PCR tests conducted, excluding persons out of State or with unknown county of residence and persons incarcerated, multiplied by 100.

Additionally, the California Health Equity Metric (the “Metric”) took effect on October 6, 2020. The Metric is designed to help guide counties in their continuing efforts to reduce COVID-19 cases in all communities and requires more intensive efforts to prevent and mitigate the spread of COVID-19 among Californians who have been disproportionately impacted by the pandemic. In order to advance to the next less restrictive tier, each county will need to meet an equity metric or demonstrate targeted investments to eliminate disparities in levels of COVID-19 transmission, depending on the size of a specific county

On November 16, 2020, in light of the recent, unprecedented surge in the rate of increase of COVID-19 cases, the Governor made the following changes to the tier framework, described above, effective until further notice:

- Tier assignments may occur any day of the week and may occur more than once a week when the California Department of Public Health ("CDPH") determines that the most recent reliable data indicate that immediate action is needed to address COVID-19 transmission in a county;

- Counties may be moved back more than one tier if CDPH determines that the data support the more intensive intervention. Key considerations will include the rate of increase in new cases and/or test positivity, more recent data as noted below, public health capacity, and other epidemiological factors;

- The most recent reliable data will be used to complete the assessment; and

- In light of the extreme circumstances requiring immediate action, counties will be required to implement any sector changes the day following the tier announcement.

As of the date of this Official Statement, the County is in the widespread (purple) tier. ***On March 4, 2021, the Blueprint was updated to reflect upcoming framework modifications and a vaccine equity metric. These updates to the Blueprint may result in the County advancing to a less restrictive tier on or before the closing date for the 2021 Bonds.***

County Responses and Actions. The County activated the Emergency Operations Center (EOC) and several Department Operations Centers (DOC) over the course of the response to the pandemic to assist in the response to the pandemic. Those operations centers are the hub for procurement and distribution of services and equipment necessary to respond to the emergency.

On March 16, 2020, the County, along with Health Officers from the San Francisco Bay Area (collectively, the "Health Officers"), announced Public Health Orders requiring residents to stay home to limit the spread of COVID-19. These "shelter-in-place" orders were initially in effect through April 7, 2020. Pursuant to County Code Section 42-2.602, on March 20, 2020, the County Administrator, in his capacity of Administrator of Emergency Services, issued an emergency blanket purchase order in the amount of $20 million for the procurement of services and supplies necessary to facilitate the COVID-19 response within the County.

The initial shelter-in-place order and the Public Health Orders have been extended and modified several times, to expand and clarify activities deemed to be "essential" and "non-essential" among other things. The County and the Health Officers issued a "Cover Your Face" order, which went into effect on April 22, 2020 and requires face coverings be worn when working in or visiting an essential business, riding on public transportation, and visiting healthcare facilities. These interventions are designed to reduce harm from the spread of the coronavirus in the community. Because COVID-19 spreads so easily, it is believed that without dramatic intervention like these orders, the number of patients requiring medical attention in hospitals could dramatically increase and quickly overwhelm hospital facilities and increase the risks to health care workers and other first responders. Also see the discussion in APPENDIX B–"COUNTY FINANCIAL INFORMATION–Major General Fund Revenues."

In the Fiscal Year 2020-21 Adopted Budget as finally determined, the Board of Supervisors appropriated an additional $30 million for homeless housing and wraparound services directly related to COVID-19. These costs are expected to be funded with CARES Act and FEMA monies.

On November 20, 2020, the County filed a Voluntary Notice (Coronavirus and COVID-19 Impacts) Update No. 1 on EMMA (https://emma.msrb.org/P21415544-P21099942-P21509218.pdf) updating the effects of COVID-19 on the Fiscal Year 2020-21 budget and the General Fund cash position, among other matters. The contents of that voluntary notice are incorporated herein by this reference.

Currently, the spread of COVID-19 is altering the behavior of businesses and the public in a manner that is having negative effects on global and local economies. There can be no assurances that the spread of COVID-19 will not have a longer-term material adverse impact on the economy and the financial condition of the County. Potential impacts to the County associated with COVID-19 transmission include, but are not limited to, reductions in commercial activity, with corresponding decreases in major revenues such as sales tax and increases in expenditures to clean, sanitize, and maintain County facilities as a result of public health risks. The degree to which any such impact to the operations and finances of the County is extremely difficult to predict due to the evolving nature of COVID-19 transmission, including uncertainties relating to (i) the duration of the outbreak, (ii) the severity of the outbreak, and (iii) the ultimate geographic spread of the outbreak, as well as with regard to what actions may be taken by governmental authorities to contain or mitigate its impact.

Cybersecurity

The County, like many other public and private entities, relies on computer and other digital technology and systems to conduct its operations. The County and its departments are potentially subject to multiple cyber threats including, but not limited to, hacking, viruses, malware, ransomware, and other attacks on computers and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized access to County systems for the purposes of misappropriating assets or information or causing operational disruption or damage. The County maintains insurance coverage for cyber threat losses if a successful breach occurs, however, the County makes no representation that such insurance would be sufficient to cover all losses in the event of a material and sustained cyber breach. In January 2020, the County Library branches and its administrative offices experienced a ransomware attack of its computer system resulting in the affected servers being taken offline, and in February 2020, a second outage occurred. The County Library is working with law enforcement and IT experts to gather information and prevent future attacks. The County Library does not collect social security numbers or store credit card payment information, and in 2019 ceased collecting driver's license information and removed that information form customer records. Currently, there is no evidence that any personal patron data was compromised. The County Library computer system is not integrated with the general County computer systems

No assurances can be given that the security and operational control measures of the County will be successful in guarding against any and each cyber threat and attack. The results of any attack on the computer and information technology systems of the County could have a material adverse impact on the operations and finances of the County and damage the digital networks and systems. The resulting impacts on the operations of the County and the costs of remedying any such damage could be material and result in a delay of payments of the Base Rental Payments or the ability of the County to comply with its reporting obligations under the Continuing Disclosure Agreement.

Hazardous Substances

Owners and operators of real property may be required by law to remedy conditions of the property relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as "CERCLA" or the "Superfund Act," is the most well-known and widely applicable of these laws, but California laws with regard to hazardous substances are also stringent and similar. Under many of these laws, the owner (or operator) is obligated to remedy a hazardous substance whether or not the owner (or operator) has or had anything to do with creating or handling the hazardous substance. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling it. All of these possibilities could significantly and adversely affect the operations and finances of the County.

Although the County handles, uses and stores certain hazardous substances, including but not limited to, solvents, paints and certain other chemicals on or near the Facilities, the County knows of no existing hazardous substances which require remedial action on or near the Facilities. However, it is possible that such substances do currently or potentially exist and that the County is not aware of them.

Limited Liability of Authority to the Owners

Except as expressly provided in the Trust Agreement, the Authority will not have any obligation or liability to the Owners of the 2021 Bonds with respect to the payment when due of the Base Rental Payments by the County, or with respect to the performance by the County of other agreements and covenants required to be performed by it contained in the Facilities Lease, or with respect to the performance by the Trustee of any right or obligation required to be performed by it contained in the Trust Agreement.

State Funding of Counties

The County receives a significant portion of its funding from subventions by the State. In Fiscal Year 2020-21, approximately 23% (representing approximately $408.6 million) of the Recommended General Fund Budget is expected to consist of payments from the State. As a result, decreases in the revenues received by the State can affect subventions made by the State to the County and other counties in the State. The potential impact of State budget actions on the County in particular, and other counties in the State generally, in this and future Fiscal Years is uncertain. For a discussion of the potential impact of State budget actions on the County in particular, and counties in the State generally, see APPENDIX B–“COUNTY FINANCIAL INFORMATION–State Budgets.”

Loss of Tax Exemption

As discussed under “TAX MATTERS,” interest on the 2021 Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date of issuance, as a result of acts or omissions of the Authority or the County subsequent to the issuance of the 2021 Bonds in violation of the covenants contained in the Trust Agreement or the Facilities Lease. The Trust Agreement *does not* contain a special redemption provision triggered by the occurrence of an event of taxability. As a result, if interest on the 2021 Bonds were to become includable in gross income for purposes of the federal income tax, the 2021 Bonds would continue to remain outstanding until maturity or unless earlier redeemed pursuant to optional redemption.

IRS Examination

The IRS has an ongoing program of examining tax and revenue anticipation notes, other working capital financings and other tax-exempt obligations to determine whether, in the view of the IRS, interest on such obligations is properly excluded from gross income for federal income tax purposes.

In 2011, the IRS selected three series of tax allocation revenue bonds issued by the Authority in 1999, 2003 and 2007 for examination. The Authority provided certain information relating to those bonds to the IRS as requested and made a settlement payment to the IRS with respect to those bonds. In January 2013, the IRS completed and closed its examination of those bonds with no change in position that interest received by bondholders of those bonds is excludable from gross income under Section 103 of the Code.

It is possible that the 2021 Bonds or other tax-exempt obligations of the County may be selected for examination under such program. There is no assurance that an IRS examination of the 2021 Bonds or other tax-exempt obligations of the County will not adversely affect the market value of the 2021 Bonds. See "TAX MATTERS."

Pension and Other Post-Employment Benefit Liability

Many factors influence the amount of the pension and other post-employment benefit liabilities of the County, including, without limitation, inflationary factors, changes in laws, changes in the levels of benefits provided or in the contribution rates of the County, increases or decreases in the number of covered employees, changes in actuarial assumptions or methods (including but not limited to the assumed rate of return), and differences between actual and anticipated investment experience of the plans. Any of these factors could give rise to additional liability of the County as a result of which the County would be obligated to make additional payments in order to fully fund its obligations. See APPENDIX B–"COUNTY FINANCIAL INFORMATION–Pension Plan" and "–Other Post-Employment Benefits."

Changes in Law

Initiative measures have been proposed or adopted which affect the ability of local governments to increase taxes and rates. Article XIII A, Article XIII B, Article XIII C, Article XIII D, and Propositions 218, 1A, 22 and 26, were each adopted as measures that qualified for the ballot through the State's initiative process. From time to time, other initiative measures could be adopted, which may place further limitations on the ability of the State and the County to increase revenues or to increase appropriations which may affect the revenues available to make the Base Rental Payments or the ability of the County to expend its revenues. There is no assurance that the electorate or the State Legislature will not at some future time approve additional limitations which could affect the ability of the County to make payments under the Facilities Lease and adversely affect the security for the 2021 Bonds.

Secondary Market

There can be no guarantee that there will be a secondary market for the 2021 Bonds or, if a secondary market exists, that any 2021 Bonds can be sold for any particular price. Prices of municipal securities for which a market is being made will depend upon then-prevailing circumstances. Such prices could be substantially different from the original purchase price. No assurance can be given that the market price for the 2021 Bonds will not be affected by the introduction or enactment of any future legislation, or changes in interpretation of existing law.

CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES, REVENUES AND APPROPRIATIONS

Described below are certain measures that have impacted or may in the future impact the County's General Fund Budget.

Article XIII A of the California Constitution

General. In 1978, California voters approved Proposition 13, adding Article XIII A to the California Constitution. Article XIII A was subsequently amended on several occasions in various respects. Article XIII A limits the amount of any ad valorem tax on real property to 1% of the full cash value thereof, except that additional ad valorem taxes may be levied to pay debt service on indebtedness approved by the voters prior to July 1, 1978 and on bonded indebtedness for the acquisition or improvement of real property which has been approved on or after July 1, 1978 by two-thirds of the voters voting on such indebtedness and or bonded indebtedness incurred by a school district, community college district or county office of education for the construction, reconstruction, rehabilitation or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities approved by 55% of the voters voting on the proposition. Article XIII A defines full cash value to mean "the county assessor's valuation of real property as shown on the 1975-76 tax bill under "full cash" or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment." This full cash value may be increased at a rate not to exceed 2% per year to account for inflation.

Article XIII A has been amended to permit reduction of the "full cash value" base in the event of declining property values caused by damage, destruction or other factors, and to provide that there would be no increase in the "full cash value" base in the event of reconstruction of property damaged or destroyed in a disaster or in the event of certain transfers to children or spouses or of the elderly or disabled to new residences.

Legislation Implementing Article XIII A

Legislation has been enacted and amended a number of times since 1978 to implement Article XIII A. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The 1% property tax is automatically levied by the County and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1979.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the 2% annual adjustment are allocated among the various jurisdictions in the "taxing area" based upon their respective "situs." Any such allocation made to a local agency continues as part of its allocation in future years. See APPENDIX B–"COUNTY FINANCIAL INFORMATION–*Ad Valorem* Property Taxes."

Article XIII B of the California Constitution

On October 6, 1979, California voters approved Proposition 4, known as the Gann Initiative, which added Article XIII B to the California Constitution. Propositions 98 and 111, approved by the California voters in 1988 and 1990, respectively, substantially modified Article XIII B. The principal effect of Article XIII B is to limit the annual appropriations of the State and any city, county, school district, authority, or other political subdivision of the State to the level of appropriations for the prior fiscal year, as adjusted for changes in the cost of living and population. The initial version of Article XIII B provided that the "base year" for establishing an appropriations limit was the 1978-79 fiscal year, which was then adjusted annually to reflect changes in population, consumer prices and certain increases in the cost of services provided by these public agencies. Proposition 111 revised the method for making annual adjustments to the appropriations limit by redefining changes in the cost of living and in population. It also required that beginning in Fiscal Year 1990-91 each appropriations limit must be recalculated using the actual 1986-87 appropriations limit and making the applicable annual adjustments as if the provisions of Proposition 111 had been in effect.

Appropriations subject to limitations of a local government under Article XIII B include generally any authorization to expend during a fiscal year the proceeds of taxes levied by or for that entity and the proceeds of certain State subventions to that entity, exclusive of refunds of taxes. Proceeds of taxes include, but are not limited to all tax revenues plus the proceeds to an entity of government from (1) regulatory licenses, user charges and user fees (but only to the extent such proceeds exceed the cost of providing the service or regulation), (2) the investment of tax revenues, and (3) certain subventions received from the State. Article XIII B permits any government entity to change the appropriations limit by a vote of the electors in conformity with statutory and constitutional voting effective for a maximum of four years.

As amended by Proposition 111, Article XIII B provides for testing of appropriations limits over consecutive two-year periods. If an entity's revenues in any two-year period exceed the amounts permitted to be spent over such period, the excess has to be returned by revising tax rates or fee schedules over the subsequent two years. As amended by Proposition 98, Article XIII B provides for the payment of a portion of any excess revenues to a fund established to assist in financing certain school needs. Appropriations for "qualified capital outlays" are excluded from the limits of Proposition 111.

The Article XIII B limits for the County for the last four Fiscal Years and estimated for Fiscal Year 2020-21 are set forth below.

Fiscal Year	Article XIII A Limit	Budget Amount
2016-17	$19,899,587,179	$397,683,814
2017-18	20,874,666,951	423,977,321
2018-19	21,855,776,298	447,954,143
2019-20	22,861,142,008	472,687,280
2020-21†	23,825,882,201	506,596,368

† Budgeted.
Source: County Auditor-Controller.

The County has never exceeded its Article XIII B appropriations limit and does not anticipate having any difficulty in operating within the appropriations limit.

Article XIII C and Article XIII D of the California Constitution

On November 5, 1996, the voters of the State approved Proposition 218, known as the "Right to Vote on Taxes Act." Proposition 218 added Articles XIII C and XIII D to the State Constitution, which contain a number of provisions affecting the ability of a local agency to levy and collect both existing and future taxes, assessments, fees and charges. Article XIII C requires that all new local taxes be submitted to the electorate before they become effective. Taxes for general governmental purposes of a local agency require a majority vote and taxes for specific purposes, even if deposited in the general fund, require a two-thirds vote. Further, any general purpose tax which the local agency imposed, extended or increased without voter approval after December 31, 1994 may continue to be imposed only if approved by a majority vote in an election held prior to November 5, 1998. The voter approval requirements of Article XIII C reduce a local agency's flexibility to deal with fiscal problems by raising revenue through new or extended or increased taxes and no assurance can be given that the County will be able to impose, extend or increase taxes in the future to meet increased expenditure requirements. Article XIII D contains several provisions making it generally more difficult for local agencies to levy and maintain "assessments" for municipal services and programs. "Assessment" in this Article is defined to mean any levy or charge upon real property for a special benefit conferred upon the real property.

Article XIII D also contains several provisions affecting a "fee" or "charge," defined for purposes of Article XIII D to mean "any levy other than an *ad valorem* tax, a special tax, or an assessment, imposed by a local agency upon a parcel or upon a person as an incident of property ownership, including a user fee or charge for a property related service." All new and existing property related fees and charges must conform to requirements prohibiting, among other things, fees and charges which (i) generate revenues exceeding the funds required to provide the property related service, (ii) are used for any purpose other than those for which the fees and charges are imposed, (iii) with respect to any parcel or person, exceed the proportional cost of the service attributable to the parcel, (iv) are for a service not actually used by, or immediately available to, the owner of the property in question, or (v) are used for general governmental services, including police, fire or library services, where the service is available to the public at large in substantially the same manner as it is to property owners. Further, before any property related fee or charge may be imposed or increased, written notice must be given to the record owner of each parcel of land affected by such fee or charge. The local agency must then hold a hearing upon the proposed imposition or increase, and if written protests against the proposal are presented by a majority of the owners of the identified parcels, the local agency may not impose or increase the fee or charge. Moreover, except for fees or charges for sewer, water and refuse collection services (or fees for electrical and gas service, which are not treated as "property related" for purposes of Article XIII D), no property related fee or charge may be imposed or increased without majority approval by the property owners subject to the fee or charge or, at the option of the local agency, two-thirds voter approval by the electorate residing in the affected area.

The County does not believe that it is currently collecting fees, charges or assessments in violation of Article XIII D. The County has two enterprise funds that are self-supporting from fees and charges, which could, depending upon judicial interpretation of Proposition 218, ultimately be determined to be property related for purposes of Article XIII D. In the event that fees and charges cannot be appropriately increased, or are reduced pursuant to exercise of the initiative power (described in the following paragraph), the County may have to decide whether to support any deficiencies in these enterprise funds with moneys from the general fund or to curtail service, or both.

In addition to the provisions described above, Article XIII C also removes prohibitions and limitations on the initiative power in matters of any "local tax, assessment, fee or charge." Consequently, the voters of the County could, by future initiative, repeal, reduce or prohibit the future imposition or increase of any local tax, assessment, fee or charge. "Assessment," "fee" and "charge," are not defined in Article XIII C and it is not clear whether the definitions of these terms in Article XIII D (which are generally property-related as described above) would limit the scope of the initiative power set forth in Article XIII C. If the Article XIII D definitions are not held to limit the scope of Article XIII C initiative powers, then the Article XIII C initiative power could potentially apply to revenue sources that currently constitute a substantial portion of general fund revenues. No assurance can be given that the voters of the County will not, in the future, approve initiatives that repeal, reduce or prohibit the future imposition or increase of local taxes, assessments, fees or charges.

Proposition 62

On November 4, 1986, California voters adopted Proposition 62, an initiative statute that, among other things, requires (i) that any new or increased general purpose tax be approved by a two-thirds vote of the local governmental entity's legislative body and by a majority vote of the voters voting in an election on the issue, (ii) that any new or increased special purpose tax be approved by a two-thirds vote of the local governmental entity's legislative body and by a two-thirds vote of the voters voting in an election on the issue, and (iii) that the revenues from a special tax be used for the purposes or for the services for which the special tax was imposed.

On September 28, 1995, the California Supreme Court filed its decision in *Santa Clara County Local Transportation Authority v. Guardino,* 11 Cal. 4th 220 (1995) (the "Santa Clara decision"), which upheld a Court of Appeal decision invalidating a one-half cent countywide sales tax for transportation purposes levied by a local transportation authority. The California Supreme Court based its decision on the failure of the authority to obtain a two-thirds vote for the levy of a "special tax" as required by Proposition 62. The Santa Clara decision did not address the question of whether it should be applied retroactively. In *McBrearty v. City of Brawley,* 59 Cal. App. 4th 1441 (1997), the Court of Appeal, Fourth District, concluded that the Santa Clara decision is to be applied retroactively to require voter approval of taxes enacted after the adoption of Proposition 62 but before the Santa Clara decision.

Following the California Supreme Court's decision upholding Proposition 62, several actions were filed challenging taxes imposed by public agencies since the adoption of Proposition 62. On June 4, 2001, the California Supreme Court released its decision in one of these cases, *Howard Jarvis Taxpayers Association et al. v. City of La Habra,* 25 Cal. 4th 809 (2011). In this case, the court held that the public agency's continued imposition and collection of a tax is an ongoing violation, upon which the statute of limitations period begins anew with each collection. The court also held that, unless another statute or constitutional rule provided differently, the statute of limitations for challenges to taxes subject to Proposition 62 is three years. Accordingly, a challenge to a tax subject to Proposition 62 may only be made for those taxes received within three years of the date the action is brought.

Proposition 62 as an initiative statute does not have the same level of authority as a constitutional initiative, but is analogous to legislation adopted by the State Legislature, except that it may be amended only by a vote of the State's electorate. Since the passage of Proposition 218, however, certain provisions of Proposition 62 (e.g., voter approval of taxes) are governed by the California Constitution. The requirements of Proposition 218 and Proposition 62 are not in complete harmony, and so where they diverge, the local governmental entity must meet both standards. For a discussion of taxes affected by Proposition 218, see "–Article XIII C and Article XIII D of the California Constitution" above. If a court determined that a jurisdiction imposed a tax in violation of Proposition 62, Proposition 62 would require that the portion of the one percent general *ad valorem* property tax levy allocated to that jurisdiction be reduced by $1 for every $1 in revenue attributable to the tax for each year that the tax had been collected.

Proposition 1A

The California Constitution and existing statutes give the Legislature authority over property taxes, sales taxes and the vehicle license fee (the "VLF"). The Legislature has authority to change tax rates, the items subject to taxation and the distribution of tax revenues among local governments, schools, and community college districts. The State has used this authority for many purposes, including increasing funding for local services, reducing State costs, reducing taxation, addressing concerns regarding funding for particular local governments, and restructuring local finance. The California Constitution generally requires the State to reimburse the local governments when the State mandates a new local program or higher level of service. Due to the ongoing financial difficulties of the State in recent years, it has not provided reimbursements for many mandated costs. In other cases, the State has suspended mandates, eliminating both responsibility of the local governments for complying with the mandate and the need for State reimbursements.

On November 3, 2004, the voters of the State approved Proposition 1A, which amended the California Constitution to, among other things, reduce the State Legislature's authority over local government revenue sources by placing restrictions on the State's access to local government's property, sales and vehicle license fee revenues. Proposition 1A generally prohibits the shift of property tax revenues from cities, counties and special districts, except to address a "severe state financial hardship," which must be approved by a two-thirds vote of both houses of the Legislature, and only then if, among other things, such amounts were agreed to be repaid with interest within three years. The measure also (a) protects the property tax backfill of sales tax revenues diverted to pay the State's economic recovery bonds, and the reinstatement of the sales tax revenues once such bonds are repaid, and (b) protects local agency vehicle license fee revenue (or a comparable amount of backfill payments from the State).

If the State reduces the VLF rate below its current level of 0.65 percent of the vehicle value, Proposition 1A requires the State to provide local governments with equal replacement revenues. Proposition 1A provides two significant exceptions to the above restrictions regarding sales and property taxes. First, the State may shift to schools and community colleges up to 8 percent of local government property tax revenues if the Governor proclaims that the shift is needed due to a severe State financial hardship, the legislature approves the shift with a two-thirds vote of both houses and certain other conditions are met. The State must repay local governments for the diversion of their property tax revenues, with interest, within three years. Second, Proposition 1A allows the State to approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county.

Proposition 1A amends the California Constitution to require the State to suspend certain State laws creating mandates in any year that the State does not fully reimburse local governments for their costs to comply with the mandates. If the State does not provide funding for the activity that has been determined to be mandated, the requirement on cities, counties or special districts to abide by the mandate would be suspended. In addition, Proposition 1A expands the definition of what constitutes a mandate to encompass State action that transfers to cities, counties and special districts financial responsibility for a required program for which the State previously had complete or partial financial responsibility. This provision does not apply to mandates relating to schools or community colleges, or to those mandates relating to employee rights.

Proposition 1A restricts the State's authority to reallocate local tax revenues to address concerns regarding funding for specific local governments or to restructure local government finance. For example the State could not enact measures that changed how local sales tax revenues are allocated to cities and counties. In addition, measures that reallocated property taxes among local governments in a county would require approval by two-thirds of the members of each house of the legislature (rather than a majority vote). As a result, Proposition 1A could result in fewer changes to local government revenues than otherwise would have been the case.

Proposition 22

Proposition 22 ("Proposition 22") which was approved by California voters in November 2010, prohibits the State, even during a period of severe fiscal hardship, from delaying the distribution of tax revenues for transportation, redevelopment, or local government projects and services and prohibits fuel tax revenues from being loaned for cash-flow or budget balancing purposes to the State General Fund or any other State fund. In addition, Proposition 22 generally eliminates the State's authority to temporarily shift property taxes from cities, counties, and special districts to schools, temporarily increase a school and community college district's share of property tax revenues, prohibits the State from borrowing or redirecting redevelopment property tax revenues or requiring increased pass-through payments thereof, and prohibits the State from reallocating vehicle license fee revenues to pay for State-imposed mandates. The County is unable to predict how Proposition 22 will be interpreted, or to what extent the measure will affect the revenues in the general fund of local agencies, although it could eventually provide greater stability in local agency revenues.

Due to the prohibition with respect to the State's ability to take, reallocate, and borrow money raised by local governments for local purposes, Proposition 22 supersedes certain provisions of Proposition 1A (2004). However, borrowings and reallocations from local governments during 2009 are not subject to Proposition 22 prohibitions. In addition, Proposition 22 supersedes Proposition 1A of 2006. Accordingly, the State is prohibited from borrowing sales taxes or exercise taxes on motor vehicle fuels or changing the allocations of those taxes among local governments except pursuant to specified procedures involving public notices and hearings.

Proposition 26

On November 2, 2010, the voters of the State approved Proposition 26 ("Proposition 26"), revising certain provisions of Articles XIII A and XIII C of the California Constitution. Proposition 26 re-categorizes many State and local fees as taxes, requires local governments to obtain two-thirds voter approval for taxes levied by local governments, and requires the State to obtain the approval of two-thirds of both houses of the State Legislature to approve State laws that increase taxes. Furthermore, pursuant to Proposition 26, any increase in a fee beyond the amount needed to provide the specific service or benefit is deemed to be a tax and the approval thereof will require a two-thirds vote. In addition, for State imposed charges, any tax or fee adopted after January 1, 2010 with a majority vote which would have required a two-thirds vote if Proposition 26 were effective at the time of such adoption is repealed as of November 2011 absent the re-adoption by the requisite two-thirds vote.

Proposition 26 amends Article XIII C of the State Constitution to state that a "tax" means a levy, charge or exaction of any kind imposed by a local government, except: (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property or the purchase, rental or lease of local government property; (5) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law, including late payment fees, fees imposed under administrative citation ordinances, parking violations, etc.; (6) a charge imposed as a condition of property development; or (7) assessments and property related fees imposed in accordance with the provisions of Article XIII D. Fees, charges and payments that are made pursuant to a voluntary contract that are not "imposed by a local government" are not considered taxes and are not covered by Proposition 26.

Proposition 26 applies to any levy, charge or exaction imposed, increased, or extended by local government on or after November 3, 2010. Accordingly, fees adopted prior to that date are not subject to the measure until they are increased or extended or if it is determined that an exemption applies. If the local government specifies how the funds from a proposed local tax are to be used, the approval will be subject to a two-thirds voter requirement. If the local government does not specify how the funds from a proposed local tax are to be used, the approval will be subject to a fifty percent voter requirement. Proposed local government fees that are not subject to Proposition 26 are subject to the approval of a majority of the governing body. In general, proposed property charges will be subject to a majority vote of approval by the governing body although certain proposed property charges will also require approval by a majority of property owners.

Future Initiatives

The laws and Constitutional provisions described above were each adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time to time other initiative measures could be adopted, further affecting revenues of the County, the County's ability to expend revenues. Neither the Authority nor the County can anticipate the nature or impact of such measures.

THE AUTHORITY

The Authority is a joint powers authority, organized pursuant to an Amended and Restated Joint Exercise of Powers Agreement, dated as of June 16, 2015 (the "JPA Agreement"), by and between the County and the Contra Costa County Flood Control and the Water Conservation District (the "District"). The JPA Agreement amended and restated the Joint Exercise Powers Agreement, dated as of April 7, 1992, between the County and the Contra Costa County Redevelopment Agency (the "Agency") and provided for the addition of the District and the withdrawal of the Successor to the Agency as members of the Authority. The JPA Agreement was entered into pursuant to the California Government Code, commencing with Section 6500. The Authority is a separate entity constituting a public instrumentality of the State of California and was formed for the public purpose of assisting in financing and refinancing projects for the benefit of the County and the District.

The Authority is governed by a five-member Board of Directors. The Board of Supervisors of the County constitutes the Board of Directors of the Authority. The Executive Director and Secretary of the Authority is the County Administrator; the Assistant Executive Director of the Authority is the County Public Works Director; the Deputy Executive Directors of the Authority are the Chief Assistant County Administrator and the County Finance Director; the Treasurer of the Authority is the County Auditor-Controller; and the Assistant Secretary of the Authority is the County Finance Director. The Authority's powers include, but are not limited to, the power to issue bonds and to sell such bonds to public or private purchasers at public or by negotiated sale. The Authority is entitled to exercise the powers common to its members and necessary to accomplish the purposes for which it was formed. These powers include the power to make and enter into contracts; to employ agents and employees; to acquire, construct, manage, maintain and operate buildings, works or improvements; to acquire, hold or dispose of property within the County; and to incur debts, liabilities or obligations.

THE COUNTY

The County of Contra Costa lies northeast of the San Francisco Bay and is the ninth most populous county in California. The County seat is in the City of Martinez. Major industries in the County include petroleum refining healthcare, education, and telecommunications. The General Fund Final Budget expenditures for Fiscal Year 2019-20 was approximately $1.79 billion and for Fiscal Year 2020-21, the General Fund Adopted Budget as Finally Determined is approximately $1.85 billion.

For certain economic, demographic and financial information with respect to the County, see APPENDIX A–"GENERAL COUNTY ECONOMIC AND DEMOGRAPHIC INFORMATION," APPENDIX B–

"COUNTY FINANCIAL INFORMATION" and APPENDIX C–"COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE COUNTY FOR THE FISCAL YEAR ENDED JUNE 30, 2020."

RATINGS

Moody's Investors Service ("Moody's") and S&P Global Ratings ("S&P") have assigned ratings of "Aa2" and "AA+," respectively, to the 2021 Bonds.

Certain information was supplied by the Authority and the County to Moody's and S&P to be considered in evaluating the 2021 Bonds. A rating reflects only the view of the agency giving such rating and is not a recommendation to buy, sell or hold the 2021 Bonds. An explanation of the significance of the rating may be obtained from the rating agency at the following addresses: Moody's Investors Service, 7 World Trade Center at 250 Greenwich Street, New York, New York 10007 and S&P Global Ratings, 55 Water Street, New York, New York 10041.

There is no assurance that such ratings will continue for any given period of time or that they will not be reduced or withdrawn entirely by the rating agencies, or either of them, if in their or its, judgment, circumstances so warrant. The Authority, the County, and the Trustee undertake no responsibility to oppose any such revision or withdrawal. Any such downward revision or withdrawal may have an adverse effect on the market price of the 2021 Bonds.

In providing a rating on the 2021 Bonds, the rating agencies may have performed independent calculations of coverage ratios using their own internal formulas and methodology which may not reflect the provisions of the 2021 Indenture. The Authority and the County make no representation as to any such calculations, and such calculations should not be construed as a representation by the Authority or the County as to past or future compliance with any bond covenants, the availability of particular revenues for the payment of debt service on the 2021 Bonds or for any other purpose.

The County will covenant in the Continuing Disclosure Certificate to file on EMMA, notices of any ratings changes on the 2021 Bonds. See "CONTINUING DISCLOSURE" and APPENDIX G–"PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT." Notwithstanding such covenants, information relating to ratings changes on the 2021 Bonds may be publicly available from the rating agencies prior to such information being provided to the County and prior to the date notice of such rating change is obligated to be filed on EMMA. Purchasers of the 2021 Bonds are directed to the rating agencies and their respective websites and official media outlets for the most current ratings changes with respect to the 2021 Bonds following the initial issuance of the 2021 Bonds.

LITIGATION MATTERS

At the time of delivery of and payment for the 2021 Bonds, the County and the Authority will each certify that there is no action, suit, litigation, inquiry or investigation before or by any court, governmental agency, public board or body served, or to the best knowledge of the County or the Authority threatened, against the County or the Authority in any material respect affecting the existence of the County or the Authority or the titles of their officers to their respective offices or seeking to prohibit, restrain or enjoin the sale or delivery of the 2021 Bonds, the execution of the Trust Agreement, the Facilities Lease, the Site Leases or the payment of Base Rental Payments or challenging, directly or indirectly, the location of the Facilities, or the proceedings to lease the Facilities from the Authority.

Various other legal actions are pending against the County. The aggregate amount of the uninsured liabilities of the County which may result from all legal claims currently pending against it will not, in the opinion of the County, materially affect the County's finances or impair its ability to make Base Rental Payments under the Facilities Lease.

TAX MATTERS

Federal Income Taxes

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements that must be met subsequent to the issuance and delivery of the 2021 Bonds for interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause the interest on the 2021 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the 2021 Bonds. Pursuant to the Trust Agreement and the Tax Certificate, by and between the Authority and the County (the "Tax Certificate"), the Authority and the County have covenanted to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the 2021 Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code. In addition, the Authority and the County have made certain representations and certifications in the Trust Agreement and the Tax Certificate. Bond Counsel will not independently verify the accuracy of those representations and certifications.

In the opinion of Nixon Peabody LLP, Bond Counsel, under existing law and assuming compliance with the aforementioned covenant, and the accuracy of certain representations and certifications made by the Authority and the County described above, interest on the 2021 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code. Bond Counsel is also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code.

In rendering these opinions, Bond Counsel has relied upon representations and covenants of the Authority and the County in the Tax Certificate concerning the property financed or refinanced with proceeds of the 2021 Bonds, the investment and use of Bond proceeds and the rebate to the federal government of certain earnings thereon. In addition, Bond Counsel has assumed that all such representations are true and correct and that the Authority and the County will comply with such covenants. Bond Counsel has expressed no opinion with respect to the exclusion of the interest on the 2021 Bonds from gross income under Section 103(a) of the Code in the event that any of such Authority or County representations are untrue or the Authority or the County fails to comply with such covenants, unless such failure to comply is based on the advice or the opinion of Bond Counsel.

State Taxes

Bond Counsel is also of the opinion that interest on the 2021 Bonds is exempt from personal income taxes of the State of California under present State law. Bond Counsel expresses no opinion as to other State or local tax consequences arising with respect to the 2021 Bonds nor as to the taxability of the 2021 Bonds or the income therefrom under the laws of any state other than California.

Original Issue Discount

Bond Counsel is further of the opinion that the excess of the principal amount of a maturity of the 2021 Bonds over its issue price (*i.e.*, the first price at which price a substantial amount of such maturity of the 2021 Bonds was sold to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) (each, a "Discount Bond" and collectively the "Discount Bonds") constitutes original issue discount which is excluded from gross income for federal income tax purposes to the same extent as interest on the 2021 Bonds. Further, such original issue discount accrues actuarially on a constant interest rate basis over the term of each Discount Bond and the basis of each Discount Bond acquired at such issue price by an initial purchaser thereof will be increased by the amount of such accrued original issue discount. The accrual of original issue discount may be taken into account as an increase in the amount of tax-exempt income for purposes of determining various other tax consequences of owning the Discount Bonds, even though there will not be a corresponding cash payment. Owners of the Discount Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Discount Bonds.

Original Issue Premium

Bonds sold at prices in excess of their principal amounts are "Premium Bonds". An initial purchaser with an initial adjusted basis in a Premium Bond in excess of its principal amount will have amortizable bond premium which is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of each Premium Bond based on the purchaser's yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, over the period to the call date, based on the purchaser's yield to the call date and giving effect to any call premium). For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation with an amortizable bond premium is required to decrease such purchaser's adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Bonds. Owners of the Premium Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Premium Bonds.

Ancillary Tax Matters

Ownership of the 2021 Bonds may result in other federal tax consequences to certain taxpayers, including, without limitation, certain S corporations, foreign corporations with branches in the United States, property and casualty insurance companies, individuals receiving Social Security or Railroad Retirement benefits, individuals seeking to claim the earned income credit, and taxpayers (including banks, thrift institutions and other financial institutions) who may be deemed to have incurred or continued indebtedness to purchase or to carry the 2021 Bonds. Prospective investors are advised to consult their own tax advisors regarding these rules.

Interest paid on tax-exempt obligations such as the 2021 Bonds is subject to information reporting to the Internal Revenue Service (the "IRS") in a manner similar to interest paid on taxable obligations. In addition, interest on the 2021 Bonds may be subject to backup withholding if such interest is paid to a registered owner that (a) fails to provide certain identifying information (such as the registered owner's taxpayer identification number) in the manner required by the IRS, or (b) has been identified by the IRS as being subject to backup withholding.

Bond Counsel is not rendering any opinion as to any federal tax matters other than those described in the opinions attached as Appendix F. Prospective investors, particularly those who may be subject to special rules described above, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the 2021 Bonds, as well as any tax consequences arising under the laws of any state or other taxing jurisdiction.

Changes in Law and Post Issuance Events

Legislative or administrative actions and court decisions, at either the federal or state level, could have an adverse impact on the potential benefits of the exclusion from gross income of the interest on the 2021 Bonds for federal or state income tax purposes, and thus on the value or marketability of the 2021 Bonds. This could result from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), repeal of the exclusion of the interest on the 2021 Bonds from gross income for federal or state income tax purposes, or otherwise. It is not possible to predict whether any legislative or administrative actions or court decisions having an adverse impact on the federal or state income tax treatment of holders of the 2021 Bonds may occur. Prospective purchasers of the 2021 Bonds should consult their own tax advisors regarding the impact of any change in law on the 2021 Bonds.

Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance and delivery of the 2021 Bonds may affect the tax status of interest on the 2021 Bonds. Bond Counsel expresses no opinion as to any federal, state or local tax law consequences with respect to the 2021 Bonds, or the interest thereon, if any action is taken with respect to the 2021 Bonds or the proceeds thereof upon the advice or approval of other counsel.

LEGAL MATTERS

Nixon Peabody LLP, San Francisco, California, Bond Counsel, will render an opinion with respect to the validity of the 2021 Bonds. Copies of such approving opinion will be available at the time of delivery of the 2021 Bonds. The form of the legal opinion proposed to be delivered by Bond Counsel is included as APPENDIX F to this Official Statement. Bond Counsel undertakes no responsibility for the accuracy, completeness, or fairness of this Official Statement. Certain legal matters will be passed upon for the County and the Authority by County Counsel, and by Schiff Hardin LLP, San Francisco, California, Disclosure Counsel, and for the Underwriter by Katten Muchin Rosenman, New York, New York. Compensation paid to Bond Counsel, Disclosure Counsel, and Underwriter's Counsel is contingent on the delivery of the 2021 Bonds.

MUNICIPAL ADVISOR

The County has retained Montague DeRose and Associates, LLC, Walnut Creek, California as Municipal Advisor (the "Municipal Advisor") to the County and the Authority in connection with the issuance of the 2021 Bonds. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or negotiable instruments. The Municipal Advisor has not audited, authenticated, or otherwise verified the information set forth in this Official Statement or other information relating to the 2021 Bonds. The Municipal Advisor makes no guaranty, warranty or other representation on any matter related to the information contained in this Official Statement. The compensation of the Municipal Advisor is not contingent upon the successful delivery of the 2021 Bonds.

CONTINUING DISCLOSURE

The County will undertake all responsibilities for any continuing disclosure to Owners of the 2021 Bonds as described below.

The County will enter into a Continuing Disclosure Agreement with Digital Assurance Certification, L.L.C., as Dissemination Agent, to be dated the date of delivery of the 2021 Bonds (the "Continuing Disclosure Agreement"), which provides for certain disclosure obligations on the part of the County. Pursuant to the Continuing Disclosure Agreement, the County will covenant for the benefit of Owners and Beneficial Owners of the 2021 Bonds to provide certain financial information and operating data relating to the County by not later than nine months after the end of its fiscal year (which fiscal year currently ends on June 30), commencing with the report for the fiscal year ending June 30, 2021 (the "Annual Report"), and to provide notices of the occurrence of certain specified events (the "Specified Events"). The Annual Report and notices of Specified Events will be filed by the County or the Dissemination Agent, through the Electronic Municipal Market Access site maintained by the MSRB. These covenants will be made in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the "Rule"). For a form of the Continuing Disclosure Agreement, see APPENDIX G–"PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT."

During the last five years, the County has regularly filed its annual reports and notices of Specified Events in accordance with its prior continuing disclosure undertakings. However, in connection with the County of Contra Costa Public Financing Authority Lease Revenue Bonds (Refunding and Capital Projects), 2015 Series A and 2015 Series B, the County failed to provide the construction status of the 2015 Project as of June 30, 2016, as required by the continuing disclosure certificate. A remedial filing on EMMA to supplement the 2016 Operating Data filing was made on March 2, 2018.

The County has established procedures intended to ensure compliance with its continuing disclosure undertakings, including the appointment of Digital Assurance Certification, L.L.C., as Dissemination Agent for *all* bond transactions for which it has continuing disclosure undertakings; adoption of a Debt Management Policy, including disclosure procedures, which is reviewed annually by the Board of Supervisors; and the designation of the County Administrator, the Director of Conservation and Development, and the County Finance Director, or their written designees as the Disclosure Representative for the County.

UNDERWRITING

Pursuant to the terms of a Bond Purchase Agreement with respect to the 2021 Bonds, dated February 25, 2021 (the "Purchase Agreement"), by and among the Authority, the County and Barclays Capital Inc. (the "Underwriter"), the Underwriter will purchase all of the 2021 Bonds, if any are purchased. The obligation of the Underwriter to make such purchase is subject to the terms and conditions set forth in the Purchase Agreement.

The Underwriter purchased the 2021 Bonds at a price of $119,499,812.98 (which represents the aggregate principal amount of the 2021 Bonds plus an aggregate original issue premium in the amount of $22,256,982.85 and less an aggregate Underwriter's discount in the amount of $177,169.87).

The Underwriter may change the initial public offering prices and yields set forth on the inside cover pages of this Official Statement. The Underwriter may offer and sell the 2021 Bonds to certain dealers and others at prices lower or yields higher than the public offering prices and yields set forth on the inside cover pages hereof.

MISCELLANEOUS INFORMATION

References are made herein to certain documents, reports and laws that are brief summaries thereof which do not purport to be complete or definitive and reference is made to such documents, reports and laws for full and complete statements of the contents thereof. Copies of documents referred to herein are available upon written request from the County: 1025 Escobar Street, 4th Floor, Martinez, California 94553-0663; Attention: Finance Director. The County may impose a charge for copying, mailing and handling.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Authority or the County and the purchasers or Owners of any of the 2021 Bonds.

The execution and delivery of this Official Statement has been duly authorized by the Board of Directors of the Authority and approved by the County Board of Supervisors.

COUNTY OF CONTRA COSTA PUBLIC
FINANCING AUTHORITY

By: /s/ Monica Nino
Executive Director

APPENDIX A

GENERAL COUNTY ECONOMIC AND DEMOGRAPHIC INFORMATION

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APPENDIX A

GENERAL COUNTY ECONOMIC AND DEMOGRAPHIC INFORMATION

This Appendix A contains general information concerning the historic economic and demographic conditions in the County. The information was obtained from the sources indicated and is limited to the time periods indicated. The information is historic in nature and reflects information available as of its dated date; it is not possible to predict whether the trends shown will continue in the future. The County makes no representation as to the accuracy or completeness of data obtained from parties other than the County. In particular, certain of the information provided in under this Appendix predates the COVID-19 pandemic. See "CERTAIN RISK FACTORS–Potential Impacts of Coronavirus and Other Health-Related Risks."

General

The County of Contra Costa, California (the "County") was incorporated in 1850 as one of the original 27 counties of the State of California (the "State"), with the City of Martinez as the County seat. It is one of the nine counties in the San Francisco-Oakland Bay Area. The County covers about 733 square miles and extends from the northeastern shore of the San Francisco Bay easterly about 50 miles to San Joaquin County. The County is bordered on the south and west by Alameda County and on the north by the Suisun and San Pablo Bays. The western and northern shorelines are highly industrialized, while the interior sections are suburban/residential, commercial and light industrial. The County contains 19 incorporated cities, including Richmond in the west, Antioch in the northeast, and Concord in the middle.

A large part of the County is served by the San Francisco Bay Area Rapid Transit District ("BART"), which has enabled the expansion of both residential and commercial development throughout much of the County. In addition, economic development along the Interstate 680 corridor in the County has been substantial and has accounted for significant job creation in the Cities of Concord, Walnut Creek and San Ramon.

County Government

The County has a general law form of government. A five-member Board of Supervisors, each member of which is elected to a four-year term, serves as the County's legislative body. Also elected are the County Assessor, Auditor-Controller (the "County Auditor-Controller"), Clerk-Recorder, District Attorney, Sheriff-Coroner and Treasurer-Tax Collector (the "County Treasurer"). A County Administrator appointed by the Board of Supervisors runs the day-to-day business of the County. The current County Administrator is Monica Nino.

Contra Costa County
Elected Officials

Name	Office	Expiration of Current Term
John M. Gioia	Supervisor, District 1	January 2, 2023
Candace Andersen	Supervisor, District 2	January 4, 2025
Diane Burgis	Supervisor, District 3, *Chair*	January 4, 2025
Karen Mitchoff	Supervisor, District 4	January 2, 2023
Federal D. Glover	Supervisor, District 5, *Vice Chair*	January 4, 2025
Robert R. Campbell	Auditor-Controller	January 2, 2023
Russell V. Watts	Treasurer-Tax Collector	January 2, 2023
Gus S. Kramer	Assessor	January 2, 2023
Deborah Cooper	Clerk Recorder	January 2, 2023
Diana Becton	District Attorney	January 2, 2023
David O. Livingston	Sheriff-Coroner	January 2, 2023

Brief resumes of key County officials are set forth below.

Monica Nino, County Administrator. Ms. Nino was appointed County Administrator by the Board of Supervisors on December 8, 2020 and assumed her duties on January 4, 2021. As County Administrator, Ms. Nino is responsible for the overall administration of County government. Prior to her appointment, she served as the County Administrator for San Joaquin County, California, from 2013 to 2020 where she oversaw 26 county departments, an annual operating budget of $1.9 billion, and over 7,500 county employees serving 765,000 residents. Prior to that, Ms. Nino served as the Chief Executive Officer for Stanislaus County, where she began her career in local government in 1988. Ms. Nino also served on the San Joaquin Health Commission, Sex Offender Management Board (appointed by Governor Brown), the Council of Governments Management & Finance Committee, and iHub San Joaquin. Ms. Nino received her Bachelor of Science degree in Accountancy from California State University, Fresno and a Master in Public Administration degree from California State University, Stanislaus.

Robert R. Campbell, Auditor-Controller. Mr. Campbell was elected Auditor-Controller of the County in June 2010 and is the chief accounting officer for the County. Prior to his election to the Office of Auditor-Controller, Mr. Campbell was the Chief Accountant over the property tax division. Mr. Campbell has worked for the County for more than 30 years. He received a Bachelor of Science degree in business administration from the California State University, Hayward. Mr. Campbell was appointed by the State Controller as the County Auditors' Association representative to the California Uniform Construction Cost Accounting Commission in 2011 and by the State Treasurer as a member of the State Task Force on Bond Accountability in 2015. Mr. Campbell is also an active member of the State Association of County Auditors, a member of the Government Finance Officers Association and the Association of Government Accountants. Mr. Campbell is a former president of the State Association of County Auditors Property Tax and Payroll Managers' committees, and served as a member on various State Association's Property Tax Guideline Committees.

Russell V. Watts, Treasurer-Tax Collector. Mr. Watts was elected Treasurer-Tax Collector in June 2010. In this capacity he also serves as ex officio member on the Board of Trustees of the Contra Costa County Employees' Retirement Association, representing the County at large. Mr. Watts also serves on the County's Debt Advisory Committee and the OPEB Trust Advisory Group, and is the Plan Administrator for the Public Agencies Post-Retirement Health Care Plan Trust. Mr. Watts is a member of the California Association of County Treasurer-Tax Collectors and serves on both the Executive and Legislative Committees. He is also a member of the Government Finance Officers Association. Mr. Watts has sat on the Contra Costa County Treasury Oversight Committee since 2003. Mr. Watts received his Bachelor of Arts from Brigham Young University and earned his Masters in Public Administration at the University of North Carolina-Chapel Hill. He has worked in tax administration and treasury management since 1994.

Population

The County is the ninth most populous county in California, with its population reaching approximately 1,153,561 as of January 1, 2020 as estimated by the State of California, Department of Finance. This represents an increase of approximately 0.22% compared to the County's estimated population as of January 1, 2019. The availability of rapid transit, close proximity to major employment hubs in San Francisco and Oakland, and relatively affordable existing and new housing have combined to attract more residents to the County over the past decade.

Population growth in the County has been strongest in unincorporated areas as well as in the cities of Antioch, Brentwood, Hercules, Oakley, Pittsburg and San Ramon.

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The following is a summary of the County's estimated population as of January 1 of the years 2016 through 2020.

Table A-1
County of Contra Costa
Population[(1)]
(as of January 1)[(2)]

Incorporated Cities	2016	2017	2018	2019	2020[(2)]
Antioch	111,425	112,062	112,094	112,423	112,520
Brentwood	59,559	61,453	62,993	64,365	65,118
Clayton	11,361	11,378	11,364	11,347	11,337
Concord	129,220	129,825	130,269	130,435	130,143
Danville	44806	43,826	43,881	43,923	43,876
El Cerrito	24,559	24,608	24,675	24,852	24,953
Hercules	24,870	25,339	25,339	25,488	25,530
Lafayette	25,380	25,484	26,504	25,644	25,604
Martinez	37,305	37,414	37,439	37,424	37,106
Moraga	16,741	16,799	16,908	16,939	16,946
Oakley	39,725	40,474	41,232	41,979	42,461
Orinda	18,722	18,746	18,822	18,911	19,009
Pinole	19,430	19,498	19,546	19,563	19,505
Pittsburg	69,867	71,530	73,215	73,565	74,321
Pleasant Hill	34,272	34,300	34,292	34,286	34,267
Richmond	109,449	110,103	110,585	110,793	111,217
San Pablo	30,899	31,073	31,341	31,481	31,413
San Ramon	79,483	80,812	81,580	82,100	83,118
Walnut Creek	69,549	70,031	70,031	70,958	70,860
SUBTOTAL INCORPORATED	955,622	964,755	971,468	976,476	979,304
Unincorporated	172,783	174,106	173,673	174,145	174,257
TOTAL	1,128,405	1,138,861	1,145,141	1,150,621	1,153,561
California	39,131,307	39,398,702	39,586,646	39,695,376	39,782,870

(1) Columns may not total due to independent rounding.
(2) Most recent January 1 estimate available.
Source: State of California, Department of Finance, Table 2: E-4 Population Estimates for Cities, Counties and State, 2011-2020 with 2010 Benchmark, Sacramento, California, May 2020.

Industry and Employment

As shown below, the County's civilian labor force was 561,700 in 2019 (the most recent year for which annual data is available). With average 2019 unemployment rates of 3.1% and 4.0% for the County and the State, respectively, the County has achieved a lower unemployment rate than that of the State in each of the prior five calendar years. Preliminary State Development Department data for December 2020 indicates that the unemployment rate (not seasonally adjusted) for the County was 7.9% compared to 8.8% for the State and 6.5% for the United States.

Table A-2
County of Contra Costa
Employment and Unemployment of
Resident Labor Force
Wage and Salary Employment by Industry
Annual Averages
(Not Seasonally Adjusted)

	2015	**2016**	**2017**	**2018**	**2019**
County Civilian Labor Force(1)	545,100	553,600	559,200	560,900	561,700
Employment	517,700	528,900	537,800	542,800	544,500
Unemployment	27,400	24,800	21,400	18,100	17,300
Unemployment Rate:					
County	5.0%	4.5%	3.8%	3.2%	3.1%
State of California	6.2%	5.5%	4.8%	4.2%	4.0%
United States	5.3%	4.9%	4.4%	3.9%	3.7%
	2015	**2016**	**2017**	**2018**	**2019†**
Wage and Salary Employment(2)					
Farm	700	800	800	700	
Natural Resources, Mining and Construction	22,800	25,400	25,500	26,200	
Manufacturing	15,000	14,900	15,600	15,600	
Durable Goods	6,700	6,600	6,500	6,400	
Nondurable Goods	8,300	8,300	9,100	9,200	
Trade, Transportation and Utilities	62,500	64,900	65,200	64,200	
Information	8,300	8,100	8,000	7,800	
Financial Activities	26,300	27,000	27,400	26,900	
Professional and Business Services	50,900	52,100	54,300	55,200	
Educational and Health Services	64,100	67,300	69,300	70,600	
Leisure and Hospitality	38,300	40,500	40,700	41,500	
Other Services	12,700	13,000	13,000	13,400	
Government	49,300	50,400	50,500	50,900	
TOTAL(3)	365,900	379,300	385,900	388,600	

† Most recent annual data available. Wage and Salary employment by industry for 2019 is not yet available.
(1) Based on place of residence.
(2) Based on place of work.
(3) Columns may not total due to independent rounding.
Source: State of California, Employment Development Department, and Labor Market Information Division, March 2019 Benchmark and Census 2010 population controls at the State level, and United States Bureau of Labor Statistics.

Major Employers

Major industries in the County include petroleum refining, healthcare, education, telecommunications, financial and retail services, steel manufacturing, prefabricated metals, chemicals, electronic equipment, paper products and food processing. Most of the County's heavy manufacturing is located along the County's northern boundary fronting on the Suisun Bay and San Pablo Bay leading to San Francisco Bay and the Pacific Ocean.

The following Table A-3 provides a listing of major employers headquartered or with locations in the County who participated in the data collection survey and their estimated firm-wide employment levels.

Table A-3
County Contra Costa
Principal Employers†
2020

Employer	Estimated Employees	% of Total County Employment
Chevron Corporation	10,000+	1.84%
La Raza Market	1,000-4,999	0.64
Martinez Medical Offices	1,000-4,999	0.64
USS POSCO Industries	1,000-4,999	0.64
St. Mary's College	1,000-4,999	0.63
Bio-Rad Laboratories, Inc.	1,000-4,999	0.63
Job Connections	1,000-4,999	0.63
John Muir Medical Center	1,000-4,999	0.63
Kaiser Permanente	1,000-4,999	0.63
All Others	439,500	92.82
TOTAL	473,500(4)	100.00%

† Government employers excluded.
Sources: State of California Employment Development Department, June 2020.

Personal Income

The United States Department of Commerce, Bureau of Economic Analysis (the "BEA") produces economic account statistics that enable government and business decision-makers, researchers, and the public to follow and understand the performance of the national economy.

The BEA defines "personal income" as income received by persons from all sources, including income received from participation in production as well as from government and business transfer payments. Personal income represents the sum of compensation of employees (received), supplements to wages and salaries, proprietors' income with inventory valuation adjustment and capital consumption adjustment (CCAdj), rental income of persons with CCAdj, personal income receipts on assets, and personal current transfer receipts, less contributions for government social insurance. Per capita personal income is calculated as the personal income divided by the resident population based upon the Census Bureau's annual midyear population estimates.

Table A-4 below presents the latest available total income and per capita personal income for the County, the State and the nation for the calendar years 2015 through 2019 (the most recent annual data available). The County has traditionally had per capita income levels significantly higher than those of the State and the nation.

Table A-4
County of Contra Costa
Personal Income
Calendar Years 2015 through 2019†

Year and Area	Personal Income (millions of dollars)	Per Capita Personal Income (dollars)
2019†		
County	$98,423	$85,324
State	2,632,280	66,619
United States	18,542,262	56,490
2018		
County	$93,701	$81,442
State	2,514,503	63,720
United States	17,8839,255	54,606
2017		
County	88,448	77,211
State	2,383,130	60,549
United States	16,8937,582	51,118
2016		
County	82,677	72,698
State	2,273,557	58,048
United States	16,151,881	50,015
2015		
County	77,847	69,234
State	2,172,930	55,833
United States	15,717,140	49,019

† Most recent annual data available.
Source: U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System, Last Updated November 17, 2020, new statistics for 2019, and revised statistics for 2010-2018.

Construction Activity

The value of building permits in the County decreased by 17.8% in calendar year 2019 compared to calendar year 2018 levels.

The following Table A-5 provides a summary of residential building permit valuations and number of new dwelling units authorized in the County from calendar year 2015 through calendar year 2019.

Table A-5
County of Contra Costa
Building Permit Valuations
Calendar Years 2015 Through 2019(1)
($ in thousands)

	Residential							
	Single Family		Multifamily		Alterations and	Total	Nonresidential	
Year	Units	Valuation	Units	Valuation	Additions	Residential	Valuation	Total(2)
2015	1,909	$629,639	629	$123,089	$301,222	$1,053,949	$526,816	$1,580,765
2016	1,853	605,152	1,043	155,052	312,967	1,073,170	668,425	1,741,595
2017	1,732	541,941	272	55,155	354,341	951,436	607,769	1,559,205
2018	1,647	576,116	1,161	169,461	337,089	1,082,667	729,898	1,812,564
2019	1,573	502,568	1,229	213,698	300,066	1,016,332	472,956	1,489,288

(1) Most recent annual data available.
(2) Total represents the sum of residential building permit valuations. Data may not total due to independent rounding.
Source: Construction Industry Research Board.

Urban Limit Line. In 1990, County voters approved a measure limiting urban development to no more than 35% of the land in the County and requiring that at least 65% be preserved for agriculture, opens pace, wetlands, parks, and other non-urban uses, and established an Urban Limit Line (a "ULL"). In 2006 County voters passed Measure L, that: (i) extended the term of the ULL to 2026; (ii) requires 4/5 Board of Supervisors approval and voter approval to expand the ULL by more than 30 acres; (iii) adopted a new ULL Map; (iv) retained the 65/35 land preservation standard and protections for the prime agricultural land in the County and, (v) established new review procedures.

On April 3, 2007, the County received a letter from the Contra Costa Transportation Authority acknowledging that through the passage of Measure L, the County had a voter-approved Urban Limit Line in compliance with the GMP under Measure J. To date, the County, and the cities of Antioch, Brentwood, Pittsburg and San Ramon each have voter-approved ULL in compliance with the Measure C GMP.

Transportation

Availability of a broad transportation network has been one of the major factors in the County's economic and population growth. Interstate 80 connects the western portion of the County to San Francisco and the central portion of the County to Sacramento and points north via Interstate 5, the major north-south highway from Mexico to Canada. Interstate 680 connects the central County communities to the rest of the Bay Area and portions of the Central Valley of the State via State Routes 4 and 24, the County's major east-west arteries.

Ground transportation is available to County residents from several service providers, as described below:

- Central Contra Costa Transit Authority provides local bus service to the central area of the County including Walnut Creek, Pleasant Hill and Concord.
- BART connects the County to Alameda County, including the Oakland International Airport, San Francisco, including the San Francisco International Airport, and Daly City and Colma in San Mateo County with two main lines, one from the San Francisco area to Richmond and one to the Concord/Walnut Creek/Pittsburg/Bay Point area. BART is expanding service into Santa Clara County in two phases. The first phase, with stops in Milpitas, and Berryessa/North San Jose opened for service on June 13, 2020. Construction of the second phase, extending the line six miles into downtown San Jose and terminate in Santa Clara, is currently expected to commence in 2022. BART currently has 50 stations and more than 131 miles of roadway in its system.
- AC Transit provides local bus service and connects Contra Costa communities to San Francisco and Oakland.
- Other bus service is provided by Greyhound.
- Commuter rail service is provided by the Capital Corridor, with daily runs between the Bay Area and Sacramento that stop at the intermodal facility in Martinez, the County seat.
- The Santa Fe and Union Pacific Railroads' main lines serve the County, both in the industrial coastal areas and in the inland areas.

Commercial water transportation and docking facilities are available through a number of port and marina locations in the County. The Port of Richmond on San Francisco Bay and several privately owned industrial docks on both San Pablo and Suisun Bays serve the heavy industry located in the area. The Port of Richmond, owned and operated by the City of Richmond, is comprised of five City owned terminals, five dry docks and 10 privately owned terminals, covers approximately 202 acres and handles more than 20 million metric tons of general, liquid and dry bulk commodities annually. The majority of the shipments are bulk liquids, primarily petroleum, petroleum products, chemicals and petrochemicals, coconut and other vegetable oils, tallow and molasses. Imports of automobiles, agricultural products, vehicles, steel products, scrap metals and other diversified bulk cargo are significant components of Port activities.

Major scheduled airline passenger and freight transportation for County residents is available at either Oakland or San Francisco International Airports, located about 20 and 30 miles, respectively, from the County. In addition, there are two general aviation, airports located within the County, the Byron Airport located in unincorporated Byron and Buchanan Field, located in unincorporated Concord. See also, "PLAN OF FINANCE–2021 Project–*Airport Improvements*."

Environmental Control Services

Water. The East Bay Municipal Utility District ("EBMUD") and the Contra Costa County Water District ("CCWD") supply water to the County. EBMUD supplies water to the western part of the County, including Alamo, Crockett, Danville, Diablo, Hercules, Lafayette, Moraga, Orinda, Pinole, portions of Pleasant Hill, Richmond, Rodeo, San Pablo, San Ramon, Selby and portions of Walnut Creek. Approximately 89% of its supply is from the Mokelumne River watershed stored at the 69.4 billion gallon capacity Pardee Dam in Ione, California. EBMUD is entitled to 325 million gallons per day under a contract with the State Water Resources Control Board, plus an additional 119 million gallons per day in a single dry year under a contract with the U.S. Water and Power Resources Service (formerly the U.S. Bureau of Reclamation).

CCWD obtains its water from the Sacramento-San Joaquin Delta and serves approximately 500,000 customers in the central and eastern part of the County, including Antioch, Bay Point, Clayton, Clyde, Concord, Martinez, Oakley, portions of Pleasant Hill, Pittsburg and portions of Walnut Creek. It is entitled under a contract with the U.S. Water and Power Resources Service to purchase 195,000 acre-feet per year. Water purchased by CCWD has ranged between 80,000 and 110,000 acre-feet annually. In addition, a number of industrial users and several municipalities draw water directly from the San Joaquin River under their own riparian rights, so that actual water usage in the service area averages about 125,000 acre-feet annually. To provide expanded water storage capacity, CCWD constructed the Los Vaqueros Reservoir with a capacity of 100,000 acre-feet south of the City of Antioch. In 2012, construction of the first phase expanding the Los Vaqueros Reservoir to a capacity of up to 160,000 acre-feet was completed. The final environmental documents for the second phase of the expansion project to increase the capacity up to 275,000 acre-feet were noticed in the Federal Register on February 28, 2020. Design and construction of the second phase is expected to commence in 2022 and be completed in 2029.

Sewer. Sewer services in the County are provided by approximately 20 sanitation districts and municipalities. Federal and State environmental requirements, plus grant money available from these two sources, resulted in upgrading, expanding and/or building new facilities by approximately 14 agencies.

Flood Control. The Contra Costa County Flood Control and Water Conservation District (the "Control District") has been in operation since 1951 to plan, build, and operate flood control projects in unincorporated areas of the County except for the Delta area on its eastern border. The Delta is interspersed with inland waterways that fall under the jurisdiction of the U.S. Army Corps of Engineers and the State Department of Water Resources. The Control District is responsible for meeting requirements set forth by the Environmental Protection Agency ("EPA") with respect to addressing potential pollutants in nonspecific groundwater runoff. The County is not presently able to estimate the cost of compliance with EPA requirements, although such costs may be significant.

Education and Health Services

Education. Public school education in the County is available through nine elementary school districts, two high school districts, and seven unified school districts, one independent charter and the County Department of Education. School enrollment for Fiscal Year 2019-20 numbered approximately 178,400 students including approximately 11,930 in nonpublic, non-sectarian district schools.

Higher education is available in the County through a combination of two-year community colleges and four-year colleges, including the Contra Costa County Community College District which has campuses in Richmond, Pleasant Hill and Pittsburg; California State University East Bay which operates a branch campus, called Contra Costa Center, in the City of Concord where late afternoon and evening classes in business, education and liberal arts are offered; and St. Mary's College of California, a four-year private institution, located on a 100-acre campus in Moraga. Also located within the County is the John F. Kennedy University with campuses in Pleasant Hill and Pittsburg, the UC Berkeley Extension Contra Costa Center in San Ramon and the University of Phoenix Campus in Concord.

Health Services. There are seven privately operated hospitals and one public hospital in the County, with a combined total of approximately 1,666 beds. The major public hospital is the Contra Costa Regional Medical Center located in Martinez. See "–Contra Costa Regional Medical Center." Three of the private hospitals are run by Kaiser, the largest health maintenance organization in the United States. The John Muir/Mt. Diablo Health System operates hospitals in Walnut Creek, Concord, and San Ramon. Sutter Health operates Sutter Delta Center in Antioch.

Contra Costa Regional Medical Center. The public hospital in the County is Contra Costa Regional Medical Center ("CCRMC"), a 167-bed facility, including a public health/clinical laboratory, located in Martinez. The County converted former Los Medanos Hospital into the Pittsburg Health Center, completed construction of an ambulatory care clinic on the campus of CCRMC, and expanded clinics in Antioch, Concord, and Brentwood. The Bay Point Family Health Center in Pittsburg was reopened in February 2009, following extensive renovations, including construction of a state-of-the-art children's dental clinic. The County also operates the West County Health Center in Richmond, which includes a behavioral health center and medical clinic expansion that opened on March 9, 2020.

Closure of Doctors Medical Center. An acute care community hospital, Doctors Medical Center, located in the western portion of the County with a population of approximately 250,000 (many of whom are low income), was operated by the West Contra Costa Healthcare District (the "Healthcare District") until Doctors Medical Center was closed on April 21, 2015.

Prior to closure, Doctors Medical Center had been experiencing financial difficulties for many years and in 2006 the Healthcare District filed a voluntary petition for Chapter 9 bankruptcy protection. A bankruptcy reorganization plan was approved in 2008, and the bankruptcy case was concluded in 2010.

Since 2006, the County provided approximately $25.6 million in emergency funding to Doctors Medical Center through various property tax transfer agreements with the Healthcare District. In return, the Healthcare District authorized allocations of its *ad valorem* property taxes to the County pursuant to various property tax transfer agreements that are administered by the Auditor-Controller.

On December 2, 2014, the Board of Supervisors adopted a resolution authorizing a permanent waiver of up to $9 million in *ad valorem* property tax transfers to the County that would only go into effect if, prior to October 30, 2015, the Healthcare District secured additional funding of at least $15 million per year for Fiscal Years 2015-16 through 2017-18 to support a full-service hospital at Doctors Medical Center.

The Health Care District was not able to secure sufficient funding for Doctors Medical Center to satisfy the permanent waiver condition and, as stated previously, the hospital closed. For this reason, the permanent waiver ***did not*** go into effect. The County continues to receive allocations of *ad valorem* property pursuant to the Transfer Agreements until the amounts required to be transferred have been satisfied.

In October 2016, the Healthcare District filed a second Chapter 9 bankruptcy petition. A Second Amended Plan for Adjustment of Debts dated July 1, 2017 (the "Plan") allocating significant revenues of the Health Care District to the repayment of debt through 2027 was confirmed by order of the Bankruptcy Court and entered January 3, 2018. The Effective Date of the Plan occurred on the date the hospital was sold on April 3, 2018. A Motion for Order Closing case is anticipated to be filed in early 2021.

As of June 2020, the aggregate amount of *ad valorem* property taxes transferred to the County under the Transfer Agreements was $26,559,582.65. The *ad valorem* property tax transfers to the County under the Transfer Agreements will be completed in Fiscal Year 2021-22.

APPENDIX B

COUNTY FINANCIAL INFORMATION

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APPENDIX B

COUNTY FINANCIAL INFORMATION

Certain statements contained in this Appendix B are "forward-looking statements." Particularly because of the evolving nature of the current public health crisis, no assurance can be given that any estimates of future impact discussed herein will be achieved, and actual results may differ materially from the potential impact described herein. In this respect, the words "estimate," "forecast," "project," "anticipate," "expect," "intend," "believe," "budget" and similar expressions are intended to identify forward-looking statements. All projections, forecasts, assumptions and other forward-looking statements in this Appendix B are expressly qualified in their entirety by this cautionary statement.

Introduction

California counties administer numerous health and social service programs as the administrative agent of the State and pursuant to State law. Many of these programs have been either wholly or partially funded with State revenues which have been subject each year to the State budget and appropriation process. Currently, the County is required to provide health care to all indigents, administer welfare programs, provide justice facilities (courts and jails) and administer the property tax system and real estate recordings. Due to competing program priorities and the lack of available State funds, some of these programs have had reduced State support without a corresponding reduction in program responsibilities for county governments. The result has been that the County has increased its contribution to maintain mandated services while optional local services have been reduced. The Board of Supervisors has responded to this trend in part by instituting measures to improve management, thereby reducing costs while increasing productivity and maintaining services with diminished funding.

The level of intergovernmental revenues that the County received from the State in Fiscal Year 2019-20 and in subsequent Fiscal Years is likely to be affected by the financial condition of the State.

State Budgets

Approximately 23% of the County's Fiscal Year 2020-21 General Fund Adopted Budget (representing approximately $408.6 million), as finally determined is expected to consist of payments collected by the State and passed-through to the County or collected by the County and allocated to County purposes by State law. For Fiscal Year 2019-20, approximately 23% (representing approximately $384.9 million) of the County's General Fund Budget consisted of payments from the State. The financial condition of the State has an impact on the level of these revenues. See also "–County Budget Process–*Budget Schedule for Fiscal Year 2020-21*."

To the extent the State should be constrained by its Article XIII B appropriations limit, or its obligation to conform to Proposition 98, or other fiscal considerations, the absolute level, or the rate of growth, of State assistance to local governments may be reduced. Any such reductions in State aid could adversely affect local governments, particularly counties.

Information about the State budget and State spending is regularly available at various State-maintained websites. Text of the budget may be found at the website of the Department of Finance, www.dof.ca.gov, under the heading "California Budget." An impartial analysis of the budget is posted by the Office of the Legislative Analyst at www.lao.ca.gov. In addition, various State official statements, many of which contain a summary of the State budgets may be found at the website of the State Treasurer, www.treasurer.ca.gov and at the Electronic Municipal Market Access site maintained by the Municipal Securities Rulemaking Board at www.emma.msrb.org. Information on these websites has not been reviewed or verified by the County, the Underwriter or the Municipal Advisor and is not incorporated by reference in this Official Statement.

County Budget Process

General. The County's Fiscal Year spans from July 1 to June 30; however, the budget development process begins as early as December with the Board of Supervisors setting a Preliminary Budget Schedule for preparation of the upcoming budget.

In a typical year, the County Administrator releases budget instructions in early January and begins working with departments on annual budget submissions, including meeting with department heads and administrative staff to develop final recommendations for consideration by the Board of Supervisors. In late January, the Board of Supervisors holds a public Annual Retreat, which includes a presentation from the County Administrator of key issues and budget projections for the current and future Fiscal Years. The annual retreat assists in the budget planning process and provides transparency to the community regarding issues facing the County. In March, the County Administrator's Office develops a Recommended Budget in addition to the State Controller's Office required Budget Schedules for consideration by the Board of Supervisors in April. Chapter 1, Division 3, Title 3 of the State Government Code, commencing with Section 29000 *et. seq. (*the "County Budget Act") requires that each county adopt a recommended budget no later than June 30 of each year and an adopted (or final) budget no later than October 2 of each year. The adoption of a recommended budget by each June 30 provides counties with spending authority until a final budget is passed. In the County, the State schedules are presented with the recommended budget companion document, which includes detailed information and narrative regarding the County, including its current and projected financial situation; the programs/services and administrative/program goals of individual departments; and the County Administrator's budgetary recommendations for the upcoming budget year. After public hearings and budget deliberations, the Board of Supervisors adopts the Recommended Budget by May 31 (pursuant to Board of Supervisors Policy). After the State budget is passed (legally due by June 15) and County Fiscal Year-end closing activities are completed in August, a Final Budget is prepared for consideration by the Board of Supervisors to allow incorporation of any needed adjustments resulting from the final State budget. If significant changes to programs or revenues are required based upon the final State budget and/or closing activities, public budget hearings regarding the Final Budget may be scheduled.

The practice of the County is to adopt its Final Budget no later than mid-September of each year in advance of the October 2 statutory deadline.

In 2020, the Annual Retreat of the Board of Supervisors was scheduled to be held in March, but was cancelled due to the COVID-19 pandemic. Subsequently, the Board of Supervisors proceeded with adopting a Recommended Budget on April 28, 2020 to provide for spending authority effective July 1. Ultimately, the County held budget hearings on August 4, 2020, adopted the budget recommendations on August 11, 2020 and adopted the Adopted Budget as Finally Determined on September 15, 2020. See "*–Budget Schedule for Fiscal Year 2020-21.*"

The County Administrator monitors actual expenditures and revenue receipts each month, and mid-year adjustments may be made in order to ensure that the budget remains in balance throughout the Fiscal Year. Annually, the County Administrator's staff prepares a report presented to the Board of Supervisors detailing the activity within each budget category and providing summary information on the status of the budget at mid-year. Actions that are necessary to ensure a healthy budget status at the end of the Fiscal Year are recommended in the budget status report; other items which have major fiscal impacts are also reviewed. Supplemental appropriations, which are normally financed by unanticipated revenues during the Fiscal Year, and any amendments or transfers of appropriations between summary accounts or departments, must be approved by the Board of Supervisors. Pursuant to adoption of a resolution by the Board of Supervisors, the County Administrator is authorized to approve transfers of appropriations among summary accounts within a department as deemed necessary and appropriate. Accordingly, the legal level of budgetary control by the Board of Supervisors is at the department level. The County's ability to increase its revenues is limited by State laws that prohibit the imposition of fees to raise general revenue, except to recover the cost of regulation or provision of services. See "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES, REVENUES AND APPROPRIATIONS."

Budget Schedule for Fiscal Year 2020-21. On January 14, 2020, the Board of Supervisors established the budget schedule for Fiscal Year 2020-21. Budget hearings were designated to be held on April 14, 2020 with final adoption of the Recommended County and Special Districts Budgets scheduled for May 12, 2020.

In light of the COVID-19 pandemic and efforts to control its spread, specifically the requirements to maintain social distancing, the Board of Supervisors did not hold its budget hearings for Fiscal Year 2020-21 until August 4, 2020, adopted the budget recommendation on August 11, 2020, and adopted the Adopted Budget as Finally Determined on September 15, 2020.

The County anticipates continued negative economic impacts due to COVID-19, which may result in modifications to the Fiscal Year 2020-21 Recommended County and Special Districts Budgets that may result in program and service level reductions.

In addition, the County Budget Policy requires a review of the current budget at mid-year (*i.e.*, after January 1st). The County will review the Fiscal Year 2020-21 budget position at that time in concert with the annual budget development process for the Fiscal Year 2021-22 budget. See "–County Financial Management Policies–*Budget Policy*.

Recent County General Fund Budgets

The County derives its revenues from a variety of sources including taxes (property and sales), licenses, permits and franchises issued by the County, fines, forfeitures and penalties collected by the County, use of County property and money, aid from other governmental agencies, charges for services provided by the County and other miscellaneous revenues.

Set forth in Table B-1 is a description of the County's comparative Final Budgets for Fiscal Years 2015-16 through 2019-20. Base Rental Payments are included in and allocated to individual department budgets. Complete General Fund budgets, including, but not limited to, key assumptions and certain projections relating to the County's retirement expenses, which are incorporated into this Official Statement by this reference, are available on County's website. For a summary of the audited financial results of the County for Fiscal Year 2015-15 through Fiscal Year 2019-20, see TABLE B-6–"GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FISCAL YEAR 2015-16 THROUGH 2019-20." See also "COMPREHENSIVE FINANCIAL REPORT OF THE COUNTY FOR THE FISCAL YEAR ENDED JUNE 30, 2020" in APPENDIX B.

Fiscal Year 2020-21. The County's Fiscal Year 2020-21 budget, adopted by the Board of Supervisors on September 15, 2020 (the "Fiscal Year 2020-21 Final Budget"), reflected a General Fund budget of $1.85 billion, which was approximately 10% or $175.5 million higher than Fiscal Year 2019-20 actual expenditures and assumed an increase in assessed valuation of 4.5%. Proposition 172 sales tax revenue, a significant source of revenue for public safety departments, is budgeted at $76.9 million, which was approximately 8.7% or $6.7 million lower than the Fiscal Year 2019-20 Final Budget.

A summary of Final General Fund Budgets for Fiscal Years 2015-16 through 2019-20 is presented in Table B-1.

Table B-1
County of Contra Costa
General Fund Budget Summary
for Fiscal Years 2015-16 through 2019-20†
($ in thousands)

	Final Budget 2015-16	Final Budget 2016-17	Final Budget 2017-18	Final Budget 2018-19	Final Budget 2019-20
Requirements					
General Government	$203,850	$223,862	$243,822	$244,331	$286,364
Public Protection	428,979	444,197	469,125	481,222	486,644
Health and Sanitation	307,706	329,021	390,742	394,659	463,053
Public Assistance	459,864	461,313	454,622	484,789	498,910
Public Ways and Facilities	52,061	44,205	44,063	44,471	45,878
Reserves and Debt Service	7,672	10,750	9,030	10,000	10,000
TOTAL REQUIREMENTS	1,460,132	1,513,348	1,611,404	1,659,472	1,790,849
Available Funds					
Property Taxes	320,580	343,791	362,855	382,300	403,000
Fund Balance Available	37,128	43,089	48,891	45,725	85,751
Other Taxes	20,660	20,683	24,080	27,480	26,500
Licenses, Permits and Franchises	11,476	10,829	10,819	10,519	11,838
Fines, Forfeitures and Penalties	26,422	26,213	24,643	13,840	23,883
Use of Money and Property	11,300	3,259	5,283	7,079	21,527
Intergovernmental	549,444	554,131	566,756	593,402	609,931
Charges for Current Services	217,492	229,560	253,397	257,448	259,648
Other Revenue	265,630	281,793	314,680	329,123	348,771
TOTAL AVAILABLE FUNDS	$1,460,132	$1,513,348	$1,611,404	$1,659,472	$1,790,849

† Columns may not total due to independent rounding.
Source: County Auditor-Controller.

County Financial Management Policies

The Board of Supervisors has adopted a comprehensive set of financial management policies to provide for: (i) the annual adoption of a policy for the prudent investment of County funds; (ii) establishing a Treasury Oversight Committee; (iii) establishing and maintaining a General Fund reserve (iv) establishing formal fiscal policies regarding the adoption and maintenance of an annual balanced budget, and (v) establishing parameters for issuing and managing debt. Each of these financial management policies is described below.

Investment Policy. Since June 2014, the County annually adopts an investment policy (the "Investment Policy") governing the County's investment of funds in the County Treasurer's Investment Pool, which as of December 31, 2020 held assets in the par amount of $4.53 billion. The most recent update to the Investment Policy was approved by the Board of Supervisors on June 16, 2020. For a description of the Investment Policy and investments held in the County Treasurer's Investment Pool, see APPENDIX D–"COUNTY INVESTMENT POLICY."

Treasury Oversight Committee. In November 1995, the Board of Supervisors adopted an Order establishing a committee (the "Treasury Oversight Committee"). The Treasury Oversight Committee is composed of seven members: the County Superintendent of Schools or his/her designee; a representative selected by a majority of the presiding officers of the governing bodies of the school districts and community college districts in the County; a representative selected by a majority of the presiding officers of the legislative bodies of the special districts in the County that are required or authorized to deposit funds in the County treasury; a representative appointed by the Board of Supervisors; and three members of the public nominated by the County Treasurer-Tax Collector (the "County Treasurer"). Members of the Treasury Oversight Committee are appointed to four year terms.

The Treasury Oversight Committee is responsible for reviewing and monitoring the County Treasurer's annual investment policy and ensuring an annual audit is conducted to determine the County Treasurer's compliance with Government Code sections 27130-27137.

General Fund Reserve Policy. In January 2006, the Board of Supervisors adopted a General Fund Reserves Policy, as revised in June 2011 to comply with Governmental Accounting Standards Board ("GASB") Statement No. 54–"Fund Balance Reporting and Governmental Fund Type Definitions" (the "Reserves Policy"). The Reserves Policy requires the County to maintain a General Fund balance equal to a minimum of 10% of General Fund revenues and an unreserved balance equal to a minimum of 5% of General Fund revenues. Reserves exceeding the minimum are applied only to one-time uses such as additional reserves or capital projects up to an amount equal to 1% of General Fund revenues. The reserves can be used only in emergency situations and only if accompanied by a Board-approved plan to restore reserves to the target levels. Since Fiscal Year 2005-06, the County's audited financial reports confirm compliance with the Reserves Policy. For Fiscal Year 2019-20, the total General Fund balance (approximately $637.2 million) was approximately 36.7% of actual revenues and the unassigned portion (approximately $353.5 million) is projected to be approximately 20.5%.

Budget Policy. In November 2006, the Board of Supervisors adopted a Budget Policy (the "Budget Policy") to establish best practices for the budget process and require the preparation of multi-year budget projections. Among other things, the Budget Policy requires: (i) the adoption of structurally balanced budgets; (ii) preparation of mid-year departmental updates on budget status, with corrective actions presented to the Board of Supervisors within 30 days for any cost centers over budget; and (iii) adoption of an annual budget early enough (and no later than May 31) to allow all impacts on programs and/or revenues to be in effect on the first day of the Fiscal Year (July 1).

Debt Management Policy. In December 2006, the Board of Supervisors adopted a Debt Management Policy, most recently revised on March 10, 2020, that formalizes the parameters for issuing and managing outstanding debt, guidance regarding the timing and purpose for which various types of debt instruments and other financial obligations may be issued, the types and amounts of which permissible debt, and the methods of sale and structural features may be incorporated in debt transactions. The Debt Management Policy provides that the County prepare a multi-year capital program and sets forth guidelines for the term of debt issues, refunding savings targets and other structural debt features.

The Debt Management Policy established a Debt Affordability Advisory Committee (the "Advisory Committee") that annually reviews and evaluates existing and proposed debt and other findings; assesses the ability of the County to generate and repay debt; and issues an annual report to the County Administrator defining the debt capacity of the County, which report is an important element of the budget process and includes recommendations made by the Advisory Committee regarding how much new debt can be authorized by the County without overburdening itself with debt service payments. The Advisory Committee is composed of the Auditor-Controller, the County Treasurer-Tax-Collector, the Director/Conservation and Development, and the County Director of Finance.

The Advisory Committee examines specific statistical measures to determine debt capacity and relative debt position and compares these ratios to other counties, rating agency standards and County historical ratios to determine debt affordability. From Moody's Investors Service, the Advisory Committee evaluates the County against debt ratios from the most recently available national medians for counties in the "Aa" rating tier with population of at least one million.

From Standard and Poor's, the Advisory Committee evaluates the County against debt ratios from the most recent available national medians for counties in the "AAA" rating tier.

The Advisory Committee also evaluates the County against a group of cohort counties, namely, other large urban counties in the State. The Advisory Committee utilizes each respective cohort county's most recently available comprehensive audited financial report to measure the comparative performance of the County on the various debt measures calculated by Moody's and S&P, and also against the additional ratios below:

1. Direct debt per capital; and
2. Debt payments as a percentage of General Fund revenues.

Workers' Compensation Confidence Level Policy. In September 2007, the Board of Supervisors adopted a Workers' Compensation Internal Services Fund Funding Policy that established a targeted minimum confidence level (the measure of probability that the workers' compensation trust fund will have sufficient money to cover all benefits and claims that have been incurred) of 80%. The actuarial report dated as of June 30, 2020 indicated that the total County self-insurance reserves reflected an approximately 94% confidence level on a discounted basis.

Major General Fund Revenues

The County derives its revenues from a variety of sources including taxes (property and sales), licenses, permits and franchises issued by the County, fines, forfeitures and penalties collected by the County, use of County property and money, aid from other governmental agencies, charges for services provided by the County and other miscellaneous revenues.

The actual audited amounts for Fiscal Years 2017-18 through 2019-20, the adopted budget as finally determined for Fiscal Year 2020-21, and the approximate percentages of the County's total General Fund revenues are presented in Table B-2 below.

Table B-2
County of Contra Costa
General Fund Revenues by Source
Fiscal Years 2017-18 through 2019-20 Audited Actuals, and
Fiscal Year 2020-21 Adopted Budget†
($ in thousands)

	Actual 2017-18		Actual 2018-19		Actual 2019-20		Adopted Budget 2020-21†	
	Amount	**Percent of Total**	**Amount**	**Percent of Total**	**Amount**	**Percent of Total**	**Amount**	**Percent of Total**
Intergovernmental(1)	$552,539	36.08%	$582,822	34.91%	$649,892	37.60%	$709,338	40.07%
Taxes (Property and Sales) (2)	404,317	26.40	431,626	25.85	451,362	26.12	461,313	26.06
Other Revenues(3)	290,926	19.00	352,493	21.11	341,841	19.78	363,088	20.51
Charges for Services(4)	235,014	15.35	252,284	15.11	236,019	13.66	193,947	10.95
Use of Money and Property	11,007	0.72	33,839	2.03	32,277	1.87	5,672(5)	1.38
Licenses, Permits and Franchises	12,470	0.81	12,045	0.72	12,428	0.72	12,734	0.72
Fines, Forfeitures and Penalties	24,959	1.63	4,374	0.26	4,395	0.25	24,371(6)	0.32
TOTAL	$1,531,232	100.00%	$1,669,483	100.00%	$1,728,214	100.00%	$1,770,463	100.00%

† Reflects the Adopted Budget as finally determined. Columns may not total due to independent rounding.
(1) See "*–Intergovernmental.*"
(2) See "*–Ad Valorem Property Taxes*" and "*–Sales and Use Taxes.*"
(3) See "*–Other Revenues*."
(4) See "*–Charges for Services*."
(5) The decrease in the adopted budget as finally determined for Fiscal Year 2020-21 compared to Fiscal Year 2019-20 actuals assumes a reduction in interest income.
(6) The increase in the adopted budget as finally determined for Fiscal Year 2020-21 compared to Fiscal Year 2019-20 actuals assumes a transfer from the Tax Losses Reserve Fund. See "*–Ad Valorem Property Taxes–*Tax Losses Reserve Fund."
Source: County Auditor-Controller, Treasurer-Tax Collector, County Administrator.

Intergovernmental. This major source of revenue represents amounts received by County primarily from the State to fund various programs such as social services and public health. For the last Five Fiscal Years this source of revenue has ranged from approximately 37.9% to approximately 35.8% of General Fund revenues (excluding transfers in). For Fiscal Year 2019-20, the County received approximately $649.9 million (including Coronavirus Relief Fund ("CRF") allocations, see "CERTAIN RISK FACTORS–Potential Impacts of Coronavirus and Other Health-Related Risks–*Federal Responses and Relief Actions*") representing approximately 37.6% of General Fund revenues (excluding transfers in) from this source, and the County estimates that for Fiscal Year 2020-21, it will collect approximately $709.3 million (including CRF allocations), representing approximately 40.1% of General Fund revenues (excluding transfers in).

Ad Valorem Property Taxes

General. The County administers the property tax levy and collection system for the County and all local governments in the County. Taxes are levied for each fiscal year on taxable real and personal property that is situated in the County as of the preceding January 1. For assessment and collection purposes, property is classified either as "secured" or "unsecured," and is listed accordingly on separate parts of the assessment roll. The "secured roll" is that part of the assessment roll containing State assessed property and property secured by a lien on real property which is sufficient, in the opinion of the County Assessor, to secure payment of the taxes. Other property is assessed on the "unsecured roll."

Ad valorem property taxes on the secured roll are due in two installments, on November 1 and February 1 of each fiscal year. All taxes due November 1, if unpaid, are delinquent at 5:00 p.m., or the close of business, whichever is later, on December 10, and thereafter a delinquent penalty of 10% is attached. All taxes due on February 1, if unpaid, become delinquent at 5:00 p.m., or the close of business, whichever is later, on April 10, and thereafter a delinquent penalty of 10% is attached. In addition, property on the secured roll with respect to which taxes are delinquent is declared to be in default after the close of business on June 30 of the fiscal year. Such property may thereafter be redeemed by payment of the delinquent taxes and the delinquency penalty, plus a redemption penalty of one and one half percent per month to the time of redemption. If taxes are unpaid for a period of five years or more, the tax-defaulted property is declared to be subject to the power of sale by the County Treasurer and may be subsequently sold by the County Treasurer.

Legislation established the "supplemental roll" in 1984, which directs the Assessor to re-assess real property, at market value, on the date the property changes ownership or upon completion of construction. *Ad valorem* property taxes on the supplemental roll are eligible for billing 30 days after the reassessment and notification to the new assessee. The resultant charge (or refund) is a one-time levy on the increase (or decrease) in value for the period between the date of the change in ownership or completion of construction and the date of the next regular tax roll upon which the assessment is entered.

Billings are made on a monthly basis and are due on the date mailed. If mailed between the months of July through October, the first installment becomes delinquent at 5:00 p.m. on December 10 of the same year and the second becomes delinquent at 5:00 p.m. on April 10 of the next year. If mailed within the months of November through June, the first installment becomes delinquent at 5:00 p.m. on the last day of the month following the month in which the bill is mailed. The second installment becomes delinquent at 5:00 p.m. on the last day of the fourth calendar month following the date the first installment is delinquent.

Ad valorem property taxes on the unsecured roll are due as of the January 1 lien date and are delinquent at 5:00 p.m., or the close of business, whichever is later, on August 31. A 10% penalty attaches to delinquent taxes on property on the unsecured roll, and an additional penalty of one and one-half percent per month begins to accrue beginning November 1. The taxing authority has four ways of collecting unsecured personal property taxes: (1) by filing a civil action against the taxpayer; (2) by filing a certificate in the office of the County Clerk specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer; (3) by filing a certificate of delinquency for recordation in the County Recorder's office, in order to obtain a lien on certain property of the taxpayer; and (4) by the seizure and sale of personal property, improvements or possessory interest, belonging to the taxpayer.

The County and its political subdivisions operate under the Teeter Plan pursuant to provisions of Sections 4701 through 4717 of the California Revenue and Taxation Code. See "–The Teeter Plan." Pursuant to those sections, the accounts of all political subdivisions that levy *ad valorem* taxes on the County tax rolls are credited with 100% of their respective tax levies regardless of actual payments and delinquencies. The County Treasury's cash position (from taxes) is protected by a special fund (the "Tax Losses Reserve Fund") into which all County-wide delinquent penalties are deposited. The County has used this method since Fiscal Year 1950-51. See the "*–Tax Losses Reserve Fund.*"

At the closing of the Fiscal Year 2019-20 tax roll, the County had received 99.29% of total property taxes due (first and second installments) compared to 99.12% at the same time in Fiscal Year 2018-19. This demonstrates that total property tax collections were relatively stable for Fiscal Year 2019-20.

Fiscal Year 2020-21 secured *ad valorem* property tax revenues are expected to comprise approximately 14.9% of General Fund revenues of the County.

Assessment Appeals. Property values determined by the County Assessor, which are used to determine property taxes, may be subject to an appeal by the property owners or property taxpayer (the "Applicant") by filing a timely assessment appeal. The County Assessment Appeals Board (the "Appeals Board") hears and determines the assessment appeals. The Appeals Board hears appeals within two years of the filing date, except when this period has been extended. The decision of the Appeals Board may result in a reduction to the County Assessor's enrolled property value and a tax refund to the taxpayer.

Historically, Chevron has filed Property tax assessment appeals challenging the assessed value of its refinery located in the City of Richmond.

On September 17, 2013, the County Board of Supervisors approved execution of a Settlement Agreement and Release (the "Settlement Agreement") among Chevron USA, Chevron Corporation, the County, the County Assessor, and the City of Richmond, which became effective upon the approval of a Stipulated Settlement by the Appeals Board. Pursuant to the Settlement Agreement, assessment appeals by Chevron for the years 2004 through 2012 were resolved, and Chevron agreed to dismiss the three pending court cases challenging the assessed value, withdraw or dismiss the pending appeals before the Appeals Board, and forgo an approximately $8 million refund. In addition, Chevron agreed not to file or re-file assessment appeals for any prior fiscal year up to and including Fiscal Year 2013-14 and to annually meet and confer with the County about the value of the refinery facilities. As agreed to by Chevron and the County Assessor, the assessed value of the refinery was determined to be $3.437 billion for Fiscal Year 2020-21, as of October 23, 2020. The County cannot predict whether additional appeals will be filed by Chevron or any other major property taxpayer in the future, or if filed whether or to what extent such appeals will be successful.

Proposition 8 Appeals. In 1978, the voters of the State passed Proposition 8 ("Proposition 8"), a constitutional amendment to Article XIII A that allows a *temporary* reduction in assessed value when real property suffers a decline in value. A decline in value occurs when the *current market* value of real property is less than the *current assessed* (taxable) factored base year value as of the lien date, January 1.

A property owner may apply for a Proposition 8 reduction of the *ad valorem* property tax assessment for such owner's property by filing a written application, in the form prescribed by the State Board of Equalization, with the appropriate county assessment appeals board (a "Proposition 8" appeal). In addition to reductions in assessed value resulting from Proposition 8 appeals, Proposition 8 also allows assessors to reduce assessed value unilaterally to reflect reductions in market value.

Any reduction in the assessment ultimately granted applies only to the year for which application is made and during which written application is filed. The assessed value increases to its pre-reduction level for fiscal years following the year for which the reduction application is filed. However, if the taxpayer establishes through proof of comparable values that the property continues to be overvalued (known as "ongoing hardship"), a county assessor has the power to grant a reduction not only for the year for which application was originally made, but also for the then current year as well. In a similar manner, a county assessor may reassert the pre-appeal level of assessed value depending on the county assessor's determination of current value.

In addition to reductions in assessed value resulting from Proposition 8 appeals, California law also allows assessors to reduce assessed value unilaterally based on a general decline in market value of an area. Although Proposition 8 reductions are temporary only for those property that are not sold to new owners, and are otherwise expected to be eliminated under Proposition 13 if and when market conditions improve, no assurance is given that such reductions will be eliminated.

<u>The Teeter Plan</u>. In 1949, the California Legislature enacted an alternative method for the distribution of secured *ad valorem* property taxes to local agencies. This method, known as the Teeter Plan, is set forth in Sections 4701-4717 of Revenue and Taxation Code of the State of California (the "Law"). Generally, the Teeter Plan provides for a tax distribution procedure by which secured roll taxes are distributed to taxing agencies within the County included in the Teeter Plan on the basis of the tax levy, rather than on the basis of actual tax collections. The County deposits in the Tax Losses Reserve Fund all future delinquent tax payments, penalties and interest, and a complex tax redemption distribution system for all participating taxing agencies is avoided. While the County bears the risk of loss on delinquent taxes that go unpaid, it benefits from the penalties associated with these delinquent taxes when they are paid. In turn, the Teeter Plan provides participating local agencies with stable cash flow and the elimination of collection risk. The constitutionality of the Teeter Plan was upheld in *Corrie v. County of Contra Costa*, 110 Cal. App. 2d 210 (1952). The Teeter Plan was named after Desmond Teeter, the then Auditor-Controller of the County who originated this method of tax distribution. The County was the first Teeter Plan county in the State.

<u>Effect of COVID-19 on Property Tax Collections</u>. In response to COVID-19, on May 6, 2020, the Governor signed Executive Order N-61-20 suspending provisions of the Revenue and Taxation Code requiring for residential real property occupied by the taxpayer, and real property owned and operated by a taxpayer qualifying as a small business under the regulations of the Small Business Administration that impose penalties, costs or interest for failure to pay secured and unsecured property taxes or supplemental taxes by the due date. To be eligible for this relief, the property taxes owed must not have been delinquent prior to March 4, 2020, the taxpayer must timely file a claim for relief, and must demonstrate that it has suffered economic hardship due to COVID-19 that makes them unable to render payment.

The County is unable to predict the extent that this order will have on the willingness of taxpayers to make timely payment of their property tax, however, at the closing of the Fiscal Year 2019-20 tax roll, the County had received 99.03% of total property taxes due compared to 98.22% at the same time in Fiscal Year 2018-19. See "–General." The County does not believe that any such delays or foregone revenue will have a material effect on the finances of the County.

The County Assessor has informed taxpayers that it will proactively review all assessments within the County as of January 1, 2021 to determine if property value has been impacted by COVID-19, with reductions, if any, reflected in the assessed value for Fiscal 2021-22.

Proposition 19. On November 3, 2020, the voters of the State passed Proposition 19–"Changes Certain Property Tax Rules. Legislative Constitutional Amendment" ("Proposition 8"), a constitutional amendment to Article XIII A that, among other things, changes the rules for tax assessment transfers. This Proposition, which is effective for transactions recorded on and after February 16, 2021, permits eligible homeowners (*i.e.*, persons over 55 years old, persons with severe disabilities, and victims of natural disasters and hazardous waste contamination) to transfer their tax assessments to a different home of greater market value anywhere in the State, allowing such homeowners to move to a more expensive homes without paying higher property taxes. Proposition 19 also eliminated the parent-to-child and grandparent-to-grandchild exemption of the first $1 million from reassessment where the child or grandchild does not use the inherited property as their principal residence. The County has not yet completed any projections of the effects of Proposition 19 on revenues, however the County does not believe such effects will have any material negative implications.

Tax Losses Reserve Fund. Pursuant to the Law, the County is required to establish the Tax Losses Reserve Fund to cover losses that may occur in the amount of tax liens as a result of special sales of tax-defaulted property (*i.e.*, if the sale price of the property is less than the amount owed). During each fiscal year, the Tax Losses Reserve Fund is reviewed and when the amount of the fund exceeds certain levels, the excess may be credited to the County General Fund as provided by Sections 4703 and 4703.2 of the California Revenue and Taxation Code. State law allows any county to draw down their tax losses reserve fund to a balance equal to (i) 1% of the total of all taxes and assessments levied on the secured roll for that year, or (ii) not less than 25% of the current year delinquent secured tax levy.

As of June 30, 2020, the balance in the Tax Losses Reserve Fund was approximately $89.7 million.

Delinquencies. As described above, once an installment of property tax becomes delinquent, penalties are assessed commencing on the applicable delinquency date until the delinquent installment(s) and all assessed penalties are paid. In the event of foreclosure and sale of property by a mortgage holder, all past due property taxes, penalties and interest are required to be paid before the property can be transferred to the purchaser/new owner. However, in response to the COVID-19 pandemic, Executive Order N-61-20 suspends the collection of interest, penalties, and costs on certain property specified in the Order through May 6, 2021. See "–Effect of COVID-19 on Property Tax Collections.

In addition, as required under the Teeter Plan (described above), the County maintains a Tax Losses Reserve Fund, to cover potential losses that may result if tax-defaulted property is sold by the County for less than the amount of the taxes owed.

A 10-year history of secured County tax levies, delinquencies and the Tax Losses Reserve Fund cash balances as of June 30 of each year is shown in Table B-3 below.

Table B-3
County of Contra Costa
Summary of Secured Assessed Valuations[(1)] and *Ad Valorem* Property Taxation
Fiscal Years 2011-12 through 2020-21

Fiscal Year (June 30)	Secured Assessed Valuation[(1)]	Secured Property Tax Levies	Current Year Tax: Amount Delinquent	Current Year Tax: % Delinquent	Balance in Delinquent Property Tax (June 30)	Total Tax Losses Reserve Fund	Tax Losses Reserve Fund as % of Total Delinquencies
2011-12	$138,382,133,511	$1,973,645,892	$54,993,259[(2)]	2.79%	$96,699,117	$101,354,611	104.81%
2012-13	139,353,572,756	1,974,837,555	21,622,707	1.09	58,162,000	96,423,523	165.78
2013-14	144,725,591,361	2,092,731,716[(3)]	20,610,514	0.99	51,636,396	90,648,537	175.55
2014-15	158,026,299,690	2,286,997,538	20,281,677	0.89	46,986,870[(4)]	84,019,204	179.00
2015-16	170,368,542,713	2,425,971,799	20,735,057	0.85	43,767,386	77,371,819	177.00
2016-17	180,813,194,404	2,554,065,674	21,342,994	0.84	43,206,946	69,309,831	160.00
2017-18	191,190,578,610	2,707,458,628	20,550,218	0.76	43,455,808	62,091,211	143.00
2018-19	203,089,152,567	2,875,385,332	23,184,063	0.81	46,155,928	76,175,894	165.00
2019-20	213,519,088,284	3,055,014,187	29,239,776	0.96	53,513,612	89,694,521	168.00
2020-21[(5)]	223,758,847,763	3,152,510,994	N/A	N/A	N/A	N/A	N/A

(1) Assessed values are those defined under California Revenue and Taxation Code Sections: 601 and 721 *et. seq.* Article XIII A, added to California Constitution by Proposition 13 in 1978, fixed the base for valuation of property subject to taxes at the full cash value which appeared on the Assessor's 1975-76 assessment roll. Thereafter, full cash value can be increased to reflect: (i) annual inflation up to 2%; (ii) current market value at time of ownership change; and (iii) market value for new construction.
(2) Adjusted on January 3, 2019 from the original amount reported of $54,933,259.
(3) Adjusted on January 5, 2015 from the original amount reported of $2,083,809,768.
(4) Adjusted on January 3, 2019 from the original amount of $46,987,870.
(5) Estimated.
Source: County Auditor-Controller–Property Tax Division.

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The 10 largest property taxpayers by assessed value and the 10 largest property taxpayers in the County and the approximate amounts of their *ad valorem* property tax payments, as shown on the Fiscal Year 2020-21 secured tax roll, are shown below in Table B-4A and Table B-4B, respectively.

Table B-4A
County of Contra Costa
Ten Largest Property Taxpayers
By Taxable Assessed Value (Secured and Unitary)[1]
Fiscal Year 2020-21

Taxpayer	Taxable Assessed Value[2]	Percent of Total
Chevron USA Inc.[1]	$3,423,807,643	1.54%
Equilon Enterprises LLC	1,254,346,954	0.56
Phillips 66 Company	1,034,309,703	0.46
Golden Rain Foundation	977,658,198	0.44
Tesoro Refining & Marketing	909,230,106	0.41
SDC7, LLC	844,193,973	0.38
Mcd-Rcca-El Cerrito LLC	657,757,858	0.30
BRE Properties Inc.	648,012,369	0.29
Sierra Pacific Properties Inc.	597,110,252	0.27
San Francisco BART District	515,596,099	0.23
SUBTOTAL TEN LARGEST TAXPAYERS	$10,862,023,155	4.88%
Other Taxpayers	211,518,050,250	95.12
TOTAL	$222,380,073,405	100.00%

(1) Ranking is based on assessed valuation which may be different from taxes paid due to special purpose levies by some taxpayers and includes the assessed value of the property of all of the taxpayers component entities.
(2) For Fiscal Year 2020-21, the taxable secured value was $218,938,928,965 and the unitary value was $3,441,144,440.
Source: County Treasurer-Tax Collector.

Table B-4B
County of Contra Costa
Ten Largest Property Taxpayers
By Taxes Paid
Fiscal Year 2020-21[(1)]

Taxpayer	Total Taxes Paid[(2)]	Percent of Total County Tax Roll
Chevron USA Inc.	$48,811,613	1.60%
Pacific Gas & Electric	43,707,532	1.43
Equilon Enterprises LLC	18,542,959	0.61
Phillips 66 Company	13,946,518	0.46
Tesoro Refining & Marketing	13,009,547	0.43
Golden Rain Fndn of WC TRE	12,090,512	0.40
BRE Properties Inc.	9,765,260	0.32
SDC7, LLC	9,477,386	0.31
MCD-RCCA-El Cerrito LLC	8,557,544	0.28
Sierra Pacific Properties Inc.	8,413,848	0.28
SUBTOTAL TEN LARGEST TAXPAYERS	$186,322,718	6.11%
Other Taxpayers	2,865,142,657	93.89
TOTAL	$3,051,465,375	100.00%

(1) Estimated as of October 23, 2020.
(2) Column does not total due to rounding.
Source: County Treasurer-Tax Collector.

Taxation of State-Assessed Utility Property. The State Constitution provides that most classes of property owned or used by regulated utilities be assessed by the State Board of Equalization (the "SBE") and taxed locally. Property valued by the SBE as an operating unit in a primary function of the utility taxpayer is known as "unitary property," a concept designed to permit assessment of the utility as a going concern rather than assessment of each individual element of real and personal property owned by the utility taxpayer. State-assessed unitary and "operating nonunitary" property (which excludes nonunitary property of regulated railways) is allocated to the counties based on the situs of the various components of the unitary property. Except for unitary property of regulated railways and certain other excepted property, all unitary and operating nonunitary property is taxed at special county-wide rates and distributed to taxing jurisdictions according to statutory formulae generally based on the distribution of taxes in the prior year. In 1999, the SBE adopted a rule that provides for local assessment of certain investor-owned electric utility facilities. As a result of this rule, the County Assessor currently assesses three power plants located in the County. However, assessment of certain power plants has been transferred to the SBE, so the portion of the County's total net assessed valuation constituting unitary property subject to SBE assessment has increased (see further discussion below).

For Fiscal Year 2019-20, approximately 1.54% of the County's total net assessed valuation constituted property subject to State assessment by the SBE, for which approximately $57.185 million of property taxes was collected in Fiscal Year 2019-20. The portion of Fiscal Year 2019-20 tax collections through the SBE assessment methodology attributable to the County General Fund for Fiscal Year 2019-20 was approximately $8.09 million.

For Fiscal Year 2020-21, approximately 1.49% of the County's total net assessed valuation constituted property subject to State assessment by the SBE, for which approximately $62.392 million of property taxes are expected to be collected in Fiscal Year 2020-21. The portion of Fiscal Year 2020-21 tax collections through the SBE assessment methodology attributable to the County General Fund are expected to be approximately $8.05 million.

Sales and Use Taxes. The sales tax is an excise tax imposed on retailers for the privilege of selling tangible personal property. The use tax is an excise tax imposed on a person for the storage, use or other consumption of tangible personal property purchased from any retailer. The proceeds of sales and use taxes imposed within the boundaries of the unincorporated areas of the County. For the last five Fiscal Years, this source of revenue has represented approximately 1% of General Fund revenues (excluding transfers in).

On November 3, 2020, the voters of the county passed Measure X, authorizing the imposition of a one-half cent transaction and use tax within the incorporated and unincorporated areas of the County for 20 years commencing in 2021 and ending on March 31, 2041. Approval of Measure X required a simple majority vote and passed with 58.45% of the vote. Prior to the election, the County estimated that this transaction and use tax would generate approximately $81 million annually**.** Since the passage of Measure X, the County received an updated revenue estimate for Fiscal Year 2021-22 of $96,107,385; however, this estimate was generated prior to the Governor's action of November 16, 2020 bringing much of the State back into the most restrictive tier of the California Health Equity Metric. See "CERTAIN RISK FACTORS–Potential Impacts of Coronavirus and Other Health-Related Risks–*State Responses and Actions*" The County has not yet determined the amount of Measure X revenues to be budgeted for Fiscal Year 2021-22; however, the County anticipates that amount will be at least $81 million.

Commercial activity comprises an important part of the County's economy, with taxable transactions totaling approximately $18 billion in calendar year 2019, the most recent year for which complete annual data is available. Presented in Table B-5 below is a summary of taxable transactions in the County since 2015.

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Table B-5
County of Contra Costa
Taxable Transactions†
Calendar Years 2015 to 2019
($ in Thousands)

	2015	2016	2017	2018	2019
Motor Vehicle and Parts Dealers	$2,245,947	$2,389,936	$2,466,061	$2,524,584	$2,441,947
Furniture and Home Furnishings Stores	686,740	718,157	710,526	779,695	700,037
Building Materials and Garden Equipment and Supplies	1,002,124	1,069,948	1,159,632	1,237,703	1,229,980
Food and Beverage Stores	816,995	841,672	894,222	911,240	924,880
Gasoline Stations	1,341,604	1,249,397	1,409,204	1,638,072	1,611,849
Clothing and Clothing Accessories Stores	902,810	940,766	956,380	1,006,195	1,027,195
General Merchandise Stores	1,567,416	1,598,156	1,651,647	1,711,123	1,704,564
Food Services and Drinking Places	1,613,644	1,704,675	1,786,381	1,853,159	1,959,850
Other Retail Group	1,359,781	1,413,795	1,467,381	1,532,116	1,718,142
Total Retail and Food Services	11,537,063	11,926,501	12,501,433	13,163,368	13,318,443
All Other Outlets	3,142,689	4,177,784	4,256,199	4,444,000	4,762,302
TOTAL ALL OUTLETS	$15,786,868	$16,104,285	$16,757,632	$17,607,890	$18,080,746
% CHANGE		2.01%	4.06%	5.07%	2.69%

† Columns may not total due to independent rounding.
Sources: California Department of Tax and Fee Administration, formerly the California State Board of Equalization, Taxable Sales in California–Taxable Sales–Counties by Type of Business (Taxable Table 3).

Much of the County's commercial activity is concentrated in central business districts of its cities and unincorporated towns. Regional shopping centers, numerous smaller centers and several "big box" warehouse stores serve County residents. The County is served by all major banks including Bank of America and Wells Fargo Bank. In addition, there are numerous local banks and branches of smaller California and foreign banks.

Dissolution of Redevelopment Agency

No revenues of the Contra Costa County Redevelopment Agency (the "Former Agency") have ever been pledged as a payment source for County indebtedness in the past and such revenues are not pledged to the payment of the Series 2021 Bonds. No General Fund expenses of the County have ever been paid from Former Agency revenues.

Two bills enacted as part of the 2011 State Budget Act (ABx1 26 and ABx1 27 (Chapter 6, Statutes of 2011-12, First Extraordinary Session) (the "Dissolution Act" and "AB 27," respectively) dissolved all redevelopment agencies, and designated "successor agencies" and "oversight boards" to satisfy "enforceable obligations" of the dissolved redevelopment agencies and to administer the wind down and dissolution of the dissolved redevelopment agencies. The California Supreme Court upheld the Dissolution Act, resulting in the formal dissolution of all redevelopment agencies in the State, including the Former Agency, effective February 1, 2012.

All revenues that would have been allocated to redevelopment agencies, including the Former Agency, will be allocated to the applicable redevelopment property tax trust fund created by the county auditor-controller for the "successor agency." Such funds will to be used for payments on indebtedness and other "enforceable obligations" (as defined in the Dissolution Act), and to pay certain administrative costs and any amounts in excess of that amount are to be distributed to taxing agencies.

In addition, under the Dissolution Act tax increment is no longer deemed to flow to the successor agency and the requirement to deposit a portion of the tax increment into a low and moderate income housing fund is also no longer required.

Pursuant to California Health and Safety Code Section 34173(d), the Board of Supervisors declared that the County would act as the “successor agency” to the Former Agency (the “Successor Agency”) under the Dissolution Act. Pursuant to Assembly Bill No. 1484, the Successor Agency is a separate public entity from the County. The Dissolution Act also required that an oversight board for each successor agency be established no later than May 1, 2012. The Successor Agency duly established the Oversight Board of the Successor Agency to the Contra Costa County Redevelopment Agency (the “Oversight Board”) pursuant to California Health and Safety Code Section 34179(a). As of July 1, 2018, the County established a Countywide oversight board (the “Oversight Board”) to oversee the activities of all successor agencies within the County, including the Successor Agency.

The Dissolution Act expressly limits the liabilities of a successor agency in performing duties under the Dissolution Act to the amount of property tax revenues received by such successor agency under the Dissolution Act (generally equal to the amount of former tax increment received by the former redevelopment agency) and the assets of the former redevelopment agency. The Dissolution Act does not provide for any new sources of revenue, including general fund revenues of the County, for any Former Agency bonds (but as discussed below, the costs to the County of performing its obligations under the Dissolution Act and of pursuing the economic development goals of the Former Agency are uncertain and could be significant.

Under the Dissolution Act, the County Auditor-Controller is required to determine the amount of property taxes that the redevelopment agencies would have received had they not been dissolved pursuant to the Dissolution Act, using assessed values on the last equalized roll on August 20, statutory formulas or contractual agreements with taxing entities, and deposit such amount in the Redevelopment Property Tax Trust Fund. The Redevelopment Property Tax Trust Fund is administered by the County Auditor-Controller for the benefit of the holders of enforceable obligations and the taxing entities that receive pass-through payments and property tax distributions.

Although provisions have been made under the Dissolution Act to provide funds (*i.e.*, property tax revenues) to continue certain enforceable obligations, the costs of the Successor Agency in performing its duties under the Dissolution Act, including performing all enforceable obligations of the Former Agency, and pursing community development goals that the Former Agency undertook and that are not covered by enforceable obligations are uncertain, and could impose significant costs on the General Fund not offset by property tax revenues.

The Successor Agency does not issue separate financial statements. Although a separate legal entity from the County, the financial results for the Successor Agency are reported as fiduciary funds in the CAFR of the County.

Accounting Policies, Reports and Audits

The County believes that its accounting policies used in preparation of its audited financial statements conform to generally accepted accounting principles applicable to counties. The County’s governmental funds use the modified accrual basis of accounting. This system recognizes revenues when they become available and measurable. Expenditures are recognized when the fund liability is incurred. Proprietary funds and fiduciary funds (except for Agency funds) use the accrual basis of accounting, whereby revenues are recognized when they are earned and become measurable, while expenses are recognized when the liabilities are incurred.

The County Treasurer also holds certain trust and agency funds not under the control of the Board of Supervisors, such as those of school districts, which are accounted for on a cash basis.

The California Government Code requires every county to prepare an annual financial report. The County Auditor-Controller prepares the Comprehensive Annual Financial Report for the County. This annual report covers financial operations of the County, County districts and service areas, and various trust transactions of the County Treasury. Under California law, independent audits are required of all operating funds under the control of the Board of Supervisors. The County has had independent audits for more than 40 years. See APPENDIX C–"COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE COUNTY FOR THE FISCAL YEAR ENDED JUNE 30, 2020."

In addition to the above-mentioned audits, the County Grand Jury may also conduct management audits of certain offices of the County.

The County, like other State and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into these categories as follows: (i) governmental funds; (ii) proprietary funds; and (iii) fiduciary funds.

Governmental Funds: used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of resources that are available for spending as well as on balances of resources that are available for spending at the end of the Fiscal Year.

The County maintains 26 individual governmental funds (*e.g.* General Fund, special revenue funds, debt service funds, capital projects funds, and permanent fund) for reporting purposes. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the Contra Costa County Fire Protection District Special Revenue Fund.

Proprietary Funds: used to account for information of the same type as the government-wide financial statements, only in more detail. These are of two different types: (i) enterprise funds (used to report the same functions presented as business-type activities in the government-wide financial statements) and (ii) internal service funds (used to accumulate and allocate costs internally among the County's various functions and to account for its administrative costs and payment of claims for its various insurance programs to protect County assets and employees).

Fiduciary Funds: used to account for resources held for the benefit of entities legally separate from the County and individuals, which are not part of the reporting entity. Fiduciary Funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs.

Presented in Table B-6 on the following page is the County's Schedule of Revenues, Expenditures and Changes in Fund Balances for the County General Fund as of June 30 for the five most recent fiscal years for which audited financial statements are available. More detailed information from the County's audited financial report for the fiscal year ending June 30, 2020 appears in APPENDIX C to this Official Statement.

Table B-6
County of Contra Costa
General Fund Statement of Revenues, Expenditures and Changes in Fund Balances
Fiscal Years 2015-16 through 2019-20
($ in thousands)

	2015-16	2016-17	2017-18	2018-19	2019-20
REVENUES					
Taxes	$364,391	$385,577	$404,317	$431,626	$451,362
Licenses, permits & franchises	13,142	12,779	12,470	12,045	12,428
Fines, forfeitures & penalties	27,606	27,807	24,959	4,374	4,395
Use of money & property(1)	7,500	4,475	11,007	33,839	32,277
Intergovernmental revenues(1)	515,374	541,797	552,539	582,822	649,892(2)
Charges for services(1)	219,953	224,147	235,014	252,284	236,019
Other revenue(1)	261,356	275,551	290,926	352,493	341,841
TOTAL REVENUES	1,409,322	1,472,133	1,531,232	1,669,483	1,728,214
EXPENDITURES					
Current:					
General government	167,259	181,643	212,603	245,425	302,175
Public protection	393,841	410,458	425,495	439,066	422,355
Health & sanitation	273,042	287,681	319,231	363,619	365,751
Public assistance	416,021	435,145	429,732	439,283	454,718
Education	–	–	–	–	–
Public ways and facilities	35,341	36,383	35,112	35,829	37,873
Recreation and culture	–	–	–	–	–
Debt service:					
Principal	92	96	–	–	–
Interest	38	34	–	–	–
TOTAL EXPENDITURES	1,285,634	1,351,440	1,422,173	1,523,222	1,582,872
Excess (deficiency) of Revenues over (under) Expenditures	123,688	120,693	109,059	146,261	145,342
OTHER FINANCING SOURCES (USES)					
Transfers in	435	552	3,501	3,905	431
Transfers out	(50,844)	(52,293)	(58,489)	(63,579)	(94,679)
Issuance of debt	–	–	–	–	–
Premium on debt issues	–	–	–	–	–
Capital lease financing	1,542	1,203	863	2,677	1,565
TOTAL OTHER FINANCING SOURCES (USES)	(48,867)	(50,538)	(54,125)	(56,997)	(92,683)
NET CHANGE IN FUND BALANCES	74,821	70,155	54,934	89,264	52,659
FUND BALANCE AT BEGINNING OF YEAR	295,337	370,158	440,313	495,247	584,511
FUND BALANCE AT END OF YEAR	$370,158	$440,313	$495,247	$584,511	$637,170

(1) The terms "Use of money and property," "Intergovernmental revenues," "Charges for services," and "Other revenue" are defined in "*Accounting Standards and Procedures for Counties*." Revision No. 2, Effective May 1, 2014. California State Controller's Office.
(2) Includes Coronavirus Relief Fund allocations. See "CERTAIN RISK FACTORS–Potential Impacts of Coronavirus and Other Health-Related Risks–*Federal Responses and Relief Actions*."
Source: County Auditor-Controller.

County Employees

A summary of the total number of County full-time equivalent (FTE) employees for the last 10 years and budgeted for Fiscal Year 2020-21 is set forth below:

Table B-7
County of Contra Costa
Full-Time Equivalent County Employees[1]

As of June 30	Number of FTE Employees
2011	8,142
2012	8,329
2013	8,391
2014	8,852
2015	9,273
2016	9,778
2017	9,877
2018	9,718
2019	9,823
2020	9,751
2021[2]	9,812

(1) As of June 30, 2020.
(2) Budgeted.
Source: County Administrator's Office.

Contract Negotiations

County employees are represented in 34 bargaining units by 16 labor organizations, the principal ones being Teamsters, Local 856, Local 2700 of the American Federation of State County and Municipal Employees ("AFSCME"), Professional and Technical Engineers, Local 21 (AFL-CIO), Deputy Sheriff's Association, and Local 1021 of the Service Employees International Union ("SEIU") which, combined, represent approximately 69% of all permanent County and Contra Costa County Fire District employees in a variety of classifications.

All employee organizations are currently under contract and Memoranda of Understanding (the "MOUs") with the employee organizations are current and remain in full force and effect. Table B-8 summarizes the labor organizations at the County, contract expiration dates, and status of negotiations.

Table B-8
County of Contra Costa
Labor Organization Unit Contract Expiration Dates
(As of November 1, 2020)

Labor Organization	Contract Expiration Date	Total Number of Employees[1]
AFSCME Local 512, Professional and Technical Employees	06/30/22	234
AFSCME Local 2700, United Clerical, Technical and Specialized Employees	06/30/22	1,474
California Nurses Association	09/30/21	767
Contra Costa County Defenders Association	06/30/22	95
Contra Costa County Deputy District Attorneys Association	06/30/22	87
Deputy Sheriff's Association, Management Unit, Rank and File , and Probation	06/30/23	1,035
District Attorney Investigator's Association	06/30/23	19
Contra Costa County Firefighters Association, IAFF, Local 1230	06/30/23	332
Management Classified, Exempt and Management Project	N/A[2]	418
Physicians and Dentists of Contra Costa	10/31/22	254
Professional and Technical Engineers, Local 21, AFL-CIO	06/30/22	1,129
Public Employees Union, Local One	06/30/22	541
SEIU Local 1021, Rank and File and Service Line Supervisors Units	06/30/22	847
Teamsters, Local 856	06/30/22	1,821
United Chief Officers' Association	06/30/23	12
Western Council of Engineers	06/30/22	25
TOTAL		9,090

(1) Figures represent permanent employee counts.
(2) Not represented.
Source: Contra Costa County Human Resources Department.

Pension Plan

Description. The Contra Costa County Employees' Retirement Association ("CCCERA") is a cost-sharing multiple-employer defined pension benefit plan governed by the Board of Retirement, an independent public entity responsible for general management of CCCERA, under the County Employees' Retirement Law of 1937, as amended (the "1937 Act"), and the Public Employees' Pension Reform Act of 2013 ("PEPRA" and together with the 1937 Act, the "Retirement Law"). The plan covers substantially all of the employees of the County, its special districts, the Housing Authority of the County, First 5 Children and Families Commission, and 12 other member agencies. CCCERA issues a stand-alone financial report, which is available at its office located at 1355 Willow Way, Suite 221, Concord, California 94520 and on their website at http://www.cccera.org/publicationssample.html. The Board of Retirement is comprised of 12 trustees, bound by the 1937 Act, three members are alternates who vote in the absence of specific trustees (one for Safety members, one for retirees, and one appointed by the Board of Supervisors); four (including the Safety Member alternate) are elected by CCCERA's active members; two (including one alternate) are elected by the retired membership; and the County Treasurer-Tax Collector who serves as an *ex-officio* member. Members on the Board of Retirement serve three-year terms, with the exception of the County Treasurer-Tax Collector, who serves during their tenure in office.

For additional information on the County's pension plan, see APPENDIX C–"COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE COUNTY FOR THE FISCAL YEAR ENDED JUNE 30, 2020–Note 14–Employees' Retirement Plan."

Benefits Provided. CCCERA provides service retirement, disability, and death and survivor benefits to eligible employees in accordance with the 1937 Act. All regular full-time employees of the County or participating agencies become members of CCCERA effective on the first day of the first full pay period after employment. Part-time employees in permanent positions must work at least 20 hours a week in order to be a member of CCCERA. There are separate retirement plans for General (all non-Safety members) and Safety (members involved in active law enforcement, fire suppression, and certain other "Safety" classifications) member employees.

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

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

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

Contributions. The County and participating agencies contribute to the retirement plan based upon actuarially determined contribution rates adopted by the Board of Retirement. Employer contribution rates are adopted annually based upon recommendations received from the CCCERA actuary after the completion of the annual actuarial valuation. The average employer contribution rate as of December 31, 2019, for Fiscal Year 2019-20 beginning July 1, 2019, (based on the December 31, 2017, valuation) was 36.07% of compensation. Contributions in relation to the actuarially determined contribution were $265,155,000.

Members are required to make contributions to CCCERA based on the retirement plan or tier in which they are included. The average member contribution rate as of December 31, 2019, for Fiscal Year 2019-20, (based on the December 31, 2017, valuation) was 12.03% of compensation.

A copy of CCCERA's Comprehensive Annual Financial Report for calendar year end December 31, 2019, can be located at www.cccera.org.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pension. At June 30, 2020, the County reported a liability of $677,976,000 for its proportionate share of the Net Pension Liability (the "NPL") which includes Pension Obligation Bond proceeds compared to a NPL of $1,138,158,000 as of June 30, 2019. The NPL was measured as of December 31, 2019. The County's proportion of the NPL was based on a projection of the County's covered payroll for Fiscal Year 2019-20 relative to the covered payroll of all Pension Plan participants. At December 31, 2019, the County's proportion was 78.42%, a decrease from 79.70% at December 31, 2018.

For Fiscal Year 2019-20, the County recognized pension expense of $227,607,000 compared to $255,967,000 for Fiscal Year 2018-19. Pension expense represents the change in the NPL during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/lost, actuarial gain/loss, actuarial assumptions or method, and plan benefits.

For the reported deferred outflows and inflows of resources see APPENDIX C–"COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE COUNTY OF CONTRA COSTA FOR THE FISCAL YEAR ENDED JUNE 30, 2020–Note 14–Employees' Retirement Plan."

Actuarial Assumptions. The Total Pension Liability (the "TPL") as of December 31, 2019, was determined by actuarial valuation as of December 31, 2018 used the following actuarial assumptions which were based on the results of an experience study for the period from January 1, 2015 through December 31, 2017, applied to all periods included in the measurement. They are the same actuarial assumptions as those used for the CCCERA funding actuarial valuations as of December 31, 2019, and December 31, 2018.

Inflation	2.75%
Salary increases	General: 3.75% to 15.25% Safety: 4.25% to 16.25%, varying by service, including inflation
Investment rate of return	7.00%

Source: Comprehensive Annual Financial Report of the County for the Fiscal Year Ended June 30, 2020.

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

For the target allocation (approved by the Board of Retirement) 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 see APPENDIX C–"COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE COUNTY OF CONTRA COSTA FOR THE FISCAL YEAR ENDED JUNE 30, 2020–Note 14–Employees' Retirement Plan–Actuarial Assumptions."

Discount Rate. The discount rate used to measure the TPL was 7.00%. The projection of cash flows used to determine the discount rate assumed employer and employee contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employee and employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL as of December 31, 2019.

Sensitivity of the County's Proportionate Share of the NPL to Changes in the Discount Rate. The following presents the County's proportionate share of the NPL of the CCCERA as of December 31, 2019, which is allocated to all employers, calculated using the discount rate of 7.00%, as well as what the County's NPL would be if it were calculated using a discount rate that is 1- percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate (in thousands):

	1% Decrease 6.00%	Discount Rate 7.00%	1% Increase 8.00%
County's proportionate share of the net pension plan liability	$1,806,608	$677,976	$240,733

Source: Comprehensive Annual Financial Report of the County for the Fiscal Year Ended June 30, 2020.

Other Post Employment Benefit (OPEB)

Plan Description. The County administers a multiple-employer defined benefit healthcare plan. This plan provides post-employment medical and dental insurance benefits to eligible retired employees and their dependents. Health benefit provisions for active employees are established and may be amended through negotiations between the County and the respective bargaining units. The County does not issue a separate audit report for its OPEB.

The Board of Supervisors appointed the Auditor-Controller, County Administrator, Director of Finance, Contra Costa Regional Medical Center Finance Director, and the Treasurer-Tax Collector as the Board of Trustees of the Plan. The Treasurer-Tax Collector has been designated as the Plan Administrator. As of June 30, 2020, Public Agency Retirement Services is the Trust Administrator.

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

Contributions

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

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

For a summary of the current subsidy for each bargaining unit, see APPENDIX C–"COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE COUNTY OF CONTRA COSTA FOR THE FISCAL YEAR ENDED JUNE 30, 2020–Note 15–Other Postemployment Benefit (OPEB)–OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB–Benefits Provided."

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

	Primary Government
Active plan members	9,115
Retirees and beneficiaries receiving benefits	7,039

Source: Comprehensive Annual Financial Report of the County for the Fiscal Year Ended June 30, 2020.

Contributions. The County makes all contributions to the Trustee. All contributions are paid to the Trustee for investment and reinvestment pursuant to the terms of the Public Agencies Post-Retirement Health Care Plan Trust Agreement. The contribution requirements for active employees and the County are established and may be amended through negotiations between the County and the respective bargaining units. For Fiscal Year 2019-20, the funding was based on the "pay-go" basis plus a contribution of $20,967,000 to the Contra Costa County Other Employee Benefit Trust Fund. For Fiscal Year 2018-19, the County paid $47,832,000 as the "pay-go" cost (approximately 61.30% of total contributions).

The contributions for fiscal year ended June 30, 2020, were as follows (in thousands):

	Retirees
Total blended premiums at $6,795 per plan member	$47,832
Implicit rate subsidy	9,229
Employer pre-funding contributions	20,967
Total Employer Contributions	$78,028

Source: Comprehensive Annual Financial Report of the County for the Fiscal Year Ended June 30, 2020.

Certain plan members and survivors of retirees receiving benefits contributed $18,097,000 or approximately 23.19% of the total contributions, through their required contribution.

Investments. The Plan's policy in regard to the allocation of invested assets is established and may be amended by the Plan Administrator. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the Plan. For the adopted asset allocation policy as of June 30, 2020. APPENDIX C–"COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE COUNTY OF CONTRA COSTA FOR THE FISCAL YEAR ENDED JUNE 30, 2020–Note 15–Other Postemployment Benefit (OPEB)–OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB–Investments."

Annual OPEB Expense and Net OPEB Liability. For the purposes of allocating the net OPEB liability within the CAFR, prior retiree eligibility was used. The allocation is determined by a ratio of retirees and the department from which the retiree retired.

At June 30, 2020, the County reported $523,933,000 for the net OPEB liability. The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of January 1, 2020. The County's net OPEB liability was based on a projection of the County's covered payroll of $806,474,000.

Plan Fiduciary Net Position (plan assets) was valued as of the measurement date while the total OPEB liability was determined based upon rolling forward the total OPEB liability from actuarial valuations as of January 1, 2020. As of June 30, 2020, the Plan Fiduciary Net Position was $341,429,000 compared to the Plan Fiduciary Net Position of $308,514,000 as of June 30, 2019.

For the year ended June 30, 2020, the County recognized OPEB expense of $39,666,000 compared to an OPEB expense of $60,261,000 for the year ended June 30, 2019. OPEB expense represents the change in the net OPEB liability during the measurement period, adjusted for service cost, interest on the total OPEB liability, and expected investment return, net of investment expense.

For the components of the OPEB liability as of June 30, 2020 and a summary of the deferred outflows and inflows of resources, see APPENDIX C–"COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE COUNTY OF CONTRA COSTA FOR THE FISCAL YEAR ENDED JUNE 30, 2020–Note 15–Other Postemployment Benefit (OPEB)–OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB."

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

The County began pre-funding benefits at a rate of $20 million per year in Fiscal Year 2008-09. The Board of Supervisors has budgeted $20,000,000 to pre-fund the OPEB liability in Fiscal Year 2020-21. Until January 1, 2015, CCCERA personnel were employees of the County. The OPEB liability of employees of CCCERA who retired as County employees before January 1, 2015, is included with the County's data.

The total OPEB liability was determined by an actuarial valuation as of January 1, 2020, using the actuarial assumptions summarized in APPENDIX C–"COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE COUNTY OF CONTRA COSTA FOR THE FISCAL YEAR ENDED JUNE 30, 2020–Note 15–Other Postemployment Benefit (OPEB)–OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB–Actuarial Methods and Assumptions."

Discount Rate. Under GASB 74 and 75 the discount rate should be the single rate that reflects the long-term rate of return on OPEB plan investments that are expected to be used to finance the payment of benefits. To the extent that OPEB plan assets are insufficient to finance all OPEB benefits, the discount rate should be based on a 20-year tax-exempt or higher Municipal Bonds as of the Measurement Date. County's OPEB Irrevocable Trust assets are invested in the Public Agency Retirement Services' Highmark Diversified Portfolio. Based on the Trust's asset allocation, an expected average annual rate of return of 5.85% is assumed.

GASB 74 and 75 require that a projection regarding future solvency of the OPEB plan be rune ach year. The projections assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions. A solvency projection as prescribed in GASB 74 and 75 based on the County's current funding policy and the Fiduciary Net Position is projected to be sufficient to cover benefit payments and administrative expenses. Therefore, a 5.85% is used as the discount rate.

Sensitivity of the County's Net OPEB Liability to Changes in the Discount Rate. The following presents the County's net OPEB liability as of June 30, 2020, calculated using the discount rate of 5.85%, as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.85%) or 1-percentage-point higher (6.85%) than the current rate (in thousands):

	1% Decrease 4.85%	Discount Rate 5.85%	1% Increase 6.85%
Net OPEB Liability as of June 30, 2020	$615,945	$523,933	$446,237

Source: Comprehensive Annual Financial Report of the County for the Fiscal Year Ended June 30, 2020.

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

	1% Decrease In Healthcare Costs Trend Rate	Current Healthcare Costs Trend Rate	1% Increase In Healthcare Costs Trend Rate
Net OPEB Liability as of June 30, 2020	$475,419	$523,933	$583,504

Source: Comprehensive Annual Financial Report of the County for the Fiscal Year Ended June 30, 2020.

Long-Term Obligations

The County has never defaulted on the payment of principal or interest on any of its indebtedness. Following is a brief summary of the County's general obligation debt, lease obligations and direct and overlapping debt.

No General Obligation Debt. The County has no direct general obligation bonded indebtedness and has no authorized and unissued general obligation debt.

Lease Obligations. The County has made use of various lease arrangements with private and public financing entities, nonprofit corporations, the County of Contra Costa Public Financing Authority and the Contra Costa County Employees' Retirement Association for the use and acquisition of capital assets. These capital lease obligations have terms ranging from five to 30 years. The longest capital lease ends in 2040. Certain of the lease obligations of the County reflect annual payments made for debt service on lease revenue bonds issued to finance capital projects. As of June 30, 2020, the County had approximately $232.4 million in lease revenue obligations outstanding. For a summary of the County's outstanding lease revenue obligations, see APPENDIX C–"COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE COUNTY FOR THE FISCAL YEAR ENDED JUNE 30, 2020–Notes to the Basic Financial Statements."

Pension Obligation Bonds. The County issued pension obligation bonds in 1994, a portion of which were restructured in 2001, and again in 2003 (of which approximately $85.7 million principal amount are outstanding as of June 30, 2020) to refund debentures issued to evidence its statutory obligation to make pension payments with respect to its Unfunded Actuarial Accrued Liability (UAAL) to CCCERA. See also "–Pension Plan."

Fiscal Year debt service for the County's lease revenue obligations and pension obligation bonds outstanding as of June 30, 2020 is shown in Table B-9 below.

Table B-9
County of Contra Costa
Outstanding Lease Revenue Obligations and Pension Obligation Bonds
(As of June 30, 2020)

Fiscal Year Ending (June 30)	Total Lease Debt Service[1]	Total POB Debt Service	Total Debt Service
2021	$37,577,704	$45,452,243	$83,029,947
2022	35,067,292	47,382,398	82,449,689
2023	35,045,074	–	35,045,074
2024	25,031,119	–	25,031,119
2025	22,824,201	–	22,824,201
2026	20,446,724	–	20,446,724
2027	19,244,912	–	19,244,912
2028	12,863,233	–	12,863,233
2029	11,551,472	–	11,551,472
2030	11,553,281	–	11,553,281
2031	11,558,786	–	11,558,786
2032	11,555,508	–	11,555,508
2033	3,519,416	–	3,519,416
2034	3,520,893	–	3,520,893
2035	3,523,444	–	3,523,444
2036	2,470,618	–	2,470,618
2037	2,471,885	–	2,471,885
2038	2,475,073	–	2,475,073
2039	2,474,988	–	2,474,988
2040	2,471,630	–	2,471,630
TOTAL[2]	$277,247,253	$92,834,641	$370,081,894

(1) Includes debt service on the Refunded Bonds and on the privately placed 2017 Series A and 2017 Series B Lease Revenue Bonds. Excludes capital leases, debt service on the 2021 Bonds, and federal subsidy receipts for certain Build America Bonds and Recovery Zone Bonds, payable by the County. See "PLAN OF FINANCE–Refunding of Prior Bonds."
(2) Totals may not add due to independent rounding.
Source: County Administrator's Office.

Direct and Overlapping Debt. The County contains numerous municipalities, school districts and special purpose districts, as well as the overlapping East Bay Municipal Utility District, which has issued general obligation bonded and lease indebtedness. Set forth in Table B-10 below is a direct and overlapping debt report (the "Debt Report") prepared by California Municipal Statistics Inc. that summarizes such indebtedness as of January 1, 2021. The Debt Report is included for general information purposes only and the County does not guaranty the completeness or accuracy of the information contained in the Debt Report.

The Debt Report generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the County. Such long-term obligations generally are not payable from revenues of the County (except as indicated) nor are they necessarily obligations secured by land within the County. In many cases, long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

Table B-10
Contra Costa County
Direct and Overlapping Bond Debt

2020-21 Assessed Valuation: $$229,088,197,574 (includes unitary utility valuation)

OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt 1/1/21	
Bay Area Rapid Transit District	26.419%	$ 494,534,619	
Contra Costa Community College District	100.	601,940,000	
Martinez Unified School District	100.	130,590,000	
Mt. Diablo Unified School District	100.	403,264,615	
Pittsburg Unified School District	100.	292,827,731	
San Ramon Valley Unified School District	100.	416,480,000	
West Contra Costa Unified School District	100.	1,202,068,000	
Acalanes and Liberty Union High School Districts	100.	242,629,470	
Brentwood Union School District	100.	63,119,704	
Lafayette School District	100.	69,535,000	
Oakley Union School District	100.	41,190,000	
Walnut Creek School District	100.	67,686,393	
Other School Districts	Various	223,569,595	
Cities	100.	68,214,293	
Pleasant Hill Recreation and Park District	100.	23,620,000	
East Bay Regional Park District	42.270	56,662,935	
West Contra Costa Healthcare District Parcel Tax Obligations	100.	50,248,000	
Community Facilities Districts	100.	123,469,445	
1915 Act Assessment Bonds (Estimate)	100.	263,363,843	
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT		$4,835,013,643	
DIRECT AND OVERLAPPING GENERAL FUND DEBT:	% Applicable	Debt 1/1/21	
Contra Costa County General Fund Obligations	**100. %**	**$232,484,653**	(1)
Contra Costa County Pension Obligation Bonds	**100.**	**85,690,000**	
Alameda-Contra Costa Transit District Certificates of Participation	9.872	1,150,582	
Antioch Unified School District Certificates of Participation	100.	29,334,373	
Mt. Diablo Unified School District Certificates of Participation	100.	16,865,000	
Pittsburg Unified School District Certificates of Participation	100.	18,580,000	
San Ramon Valley School District General Fund Obligations	100.	22,140,677	
West Contra Costa Unified School District General Fund Obligations	100.	7,105,000	
Other School District General Fund Obligations	100.	8,543,294	
City of Brentwood General Fund Obligations	100.	13,330,000	
City of Pittsburg Pension Obligation Bonds	100.	29,705,122	
City of Richmond General Fund Obligations	100.	105,240,000	
City of Richmond Pension Obligation Bonds	100.	62,482,525	
City of San Pablo General Fund Obligations	100.	29,050,000	
City of San Ramon General Fund and Pension Obligation Bonds	100.	38,465,000	
Other City General Fund Obligations	100.	58,060,628	
Contra Costa County Fire Protection District Pension Obligation Bonds	**100.**	**26,670,000**	
San Ramon Valley Fire Protection District Certificates of Participation	100.	49,950,590	
Moraga-Orinda Fire Protection District General Fund and Pension Obligation Bonds	100.	8,261,000	
Other Special District Certificates of Participation	100.	5,798,000	
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT		$848,906,444	
Less: **Contra Costa County Obligations supported from revenue funds**		**92,428,684**	
City of Richmond obligations supported from port revenues		16,375,000	
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT		$740,102,760	
OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):	100. %	$633,592,448	
GROSS COMBINED TOTAL DEBT		$6,317,512,535	(2)
NET COMBINED TOTAL DEBT		$6,208,708,851	

(1) Excludes issue to be sold.
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2020-21 Assessed Valuation:
Total Overlapping Tax and Assessment Debt 2.11%
Gross Total Direct Debt ($344,844,653)........ 0.15%
Net Total Direct Debt ($252,415,969)........ 0.11%
Gross Combined Total Debt 2.76%
Net Combined Total Debt 2.71%

Ratios to Redevelopment Successor Agencies Incremental Valuation ($26,839,168,721):
Total Overlapping Tax Increment Debt........ 2.36%

Source: California Municipal Statistics, Inc.

Future Major Capital Projects

In 2017, the County submitted an application to the State for, and was subsequently awarded, a grant to fund construction of a high-security adult detention and medical treatment facility pursuant to funding authorized by Senate Bill 844 (Chapter 34, Statutes of 2016) – "Construction of Adult Local Criminal Justice Facilities" ("Senate Bill No. 844"). The grant provides $70 million to partially fund 288 beds on the campus of the West County Detention Facility in Richmond, California, which will replace 288 beds at the Martinez Detention Facility in Martinez, California with a focus on rehabilitation and re-entry programming for inmates. The total project cost is estimated at $95 million ($70 million from State grants and $25 million from the County) and the County estimates that this facility will be completed in spring 2024.

Insurance and Self-Insurance Programs

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

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

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

- Workers' compensation in excess of $750,000 per incident, with excess coverage provided by PRISM (Public Risk Innovation, Solutions, and Management) formerly CSAC-EIA (the California State Association of Counties Excess Insurance Pooling Fund).
- General and auto liability in excess of $1 million per incident, to a limit of $50 million.
- Medical malpractice in excess of $1 million per incident, to a limit of $21.5 million above $1 million.

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

- Airports liability and property damage coverage to a limit of $100 million with no deductible.
- Property insurance - all risk in excess of $50,000 per incident, to a limit of $600 million from loss by fire, lightning, and other perils.
- Property insurance - flood damage in excess of $50,000 per incident, to a limit of $300,000.
- Property insurance – earthquake in excess of 2% per unit, $100,000 minimum deductible per occurrence, to a limit of $740 million shared aggregate.

- Property insurance – terrorism to a limit of $750 million shared aggregate with a $50,000 deductible.

- Crime bond coverage in excess of $100,000 per incident, to a limit of $20 million for fidelity coverage, computer, and funds transfer fraud.

- Watercraft liability to a limit of $1 million with a $1,000 deductible.

- Sheriff's helicopters to a limit of $50 million per incident.

- Boiler and machinery to a limit of $100 million with a $5,000 deductible.

- Pollution liability to a limit of $10 million with a $250,000 deductible.

- Cyber liability to a limit of $2 million, plus costs up to $250,000 notified individuals.

During the past four years, there have been no instances of the amount of claim settlements exceeding insurance coverage and there has not been a significant reduction in coverage in Fiscal Year 2019-20, with the exception of the reduction of the crime coverage limit from $20 million to $15 million due to market availability.

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

The County has accrued a liability of $150,478,000 at June 30, 2020, for all self-insured claims in the internal service funds. The self-insurance reserve is based on actuarially determined amounts for workers' compensation, public and automobile liability, and medical liability and based on management's estimates for all other reserves. The actuarially determined claims liabilities, including incurred but not reported claims are based on the estimated ultimate cost of settling the claims, using past experience adjusted for current trends, and any other factors that modify past experience. It also includes incremental claim adjustment expenses. In addition, estimated recoveries on settled and unsettled claims were evaluated in terms of their estimated realizable value and deducted from the liability for unpaid claims.

Health Plans

The County administers two health plans: HMO Medi-Cal and HMO Commercial Plans (the "Health Plans"); which are reported as enterprise funds. The Health Plans have fee-for-service arrangements in which providers, including the County Hospital, bill for individual services provided to enrollees. These arrangements result in claim submission by providers subsequent to services being rendered. Claims expenses are presented as part of services and supplies expense in the statement of revenues, expenses, and changes in net position. Estimated liabilities are presented as part of accounts payable and accrued liabilities in the statement of net position. The provision for claims is developed in-house using principles and assumptions that consider among other things, contractual requirements, historical utilization trends and payment patterns, benefit changes, medical inflation, product mix, seasonality, membership, and other relevant factors.

Changes to the liability amount for Fiscal Years 2018-19 and 2019-20 are as follows (in thousands):

	Internal Service Funds	HMO Medi-Cal Plan Enterprise Fund
Liability at June 30, 2018	$176,532	$72,815
Fiscal Year 2018-19 claims and changes in estimates	30,693	617,548
Fiscal Year 2018-19 claim payments	(33,473)	(623,494)
Liability at June 30, 2018	173,752	66,869
Fiscal Year 2019-20 claims and changes in estimates	6,263	750,681
Fiscal Year 2019-20 claim payments	(29,537)	(756,474)
Liability at June 30, 2020	$150,478	$61,076

The actuarially determined claims liabilities, including incurred but not reported claims, are based on the estimated ultimate cost of settling the claims, using past experience adjusted for current trends, and any other factors that modify past experience. It also includes incremental claim adjustment expenses. In addition, estimated recoveries on settled and unsettled claims were evaluated in terms of their estimated realizable value and deducted from the liability for unpaid claims.

For additional information on the County's insurance coverage, see APPENDIX C–"COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE COUNTY FOR THE FISCAL YEAR ENDED JUNE 30, 2020–NOTES TO THE BASIC FINANCIAL STATEMENTS."

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APPENDIX C

COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE COUNTY
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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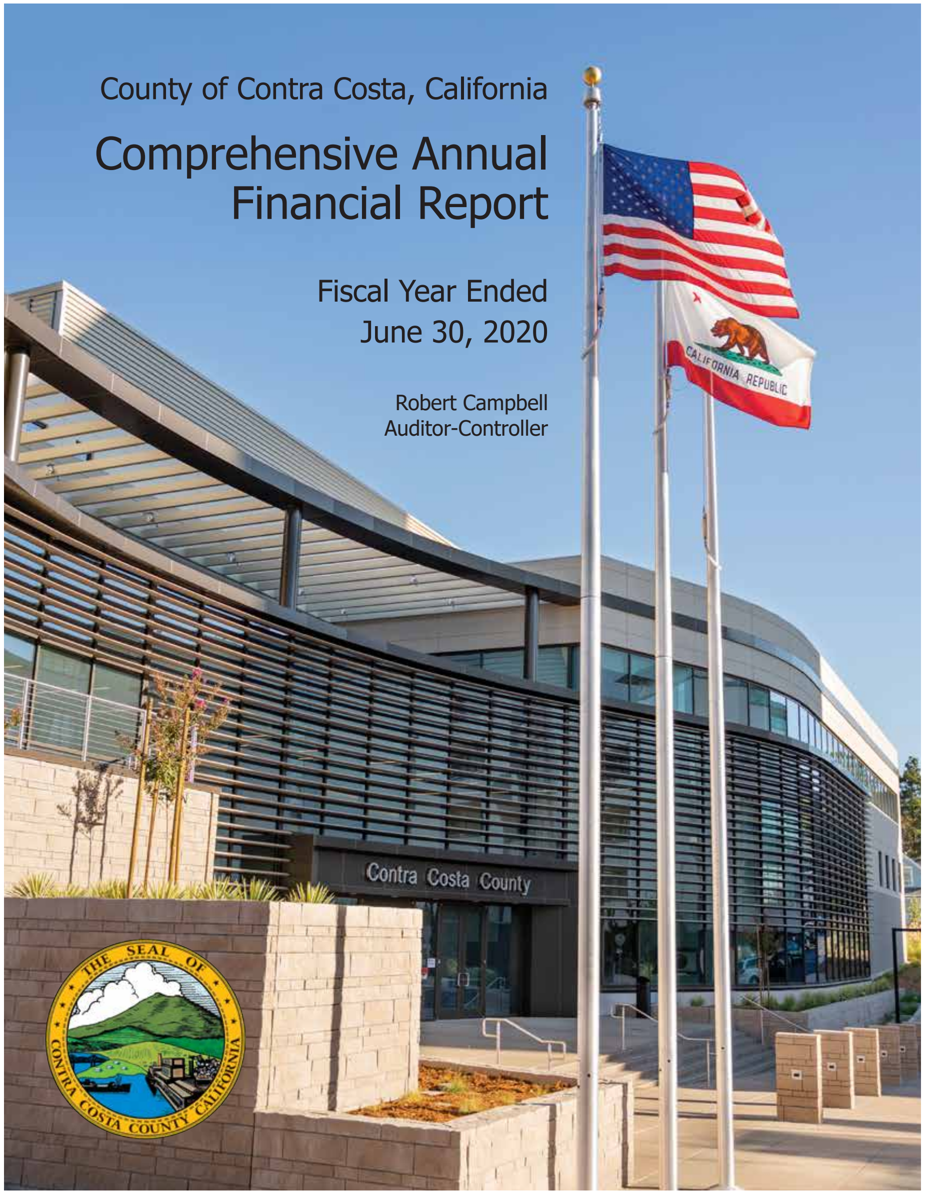

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COUNTY OF CONTRA COSTA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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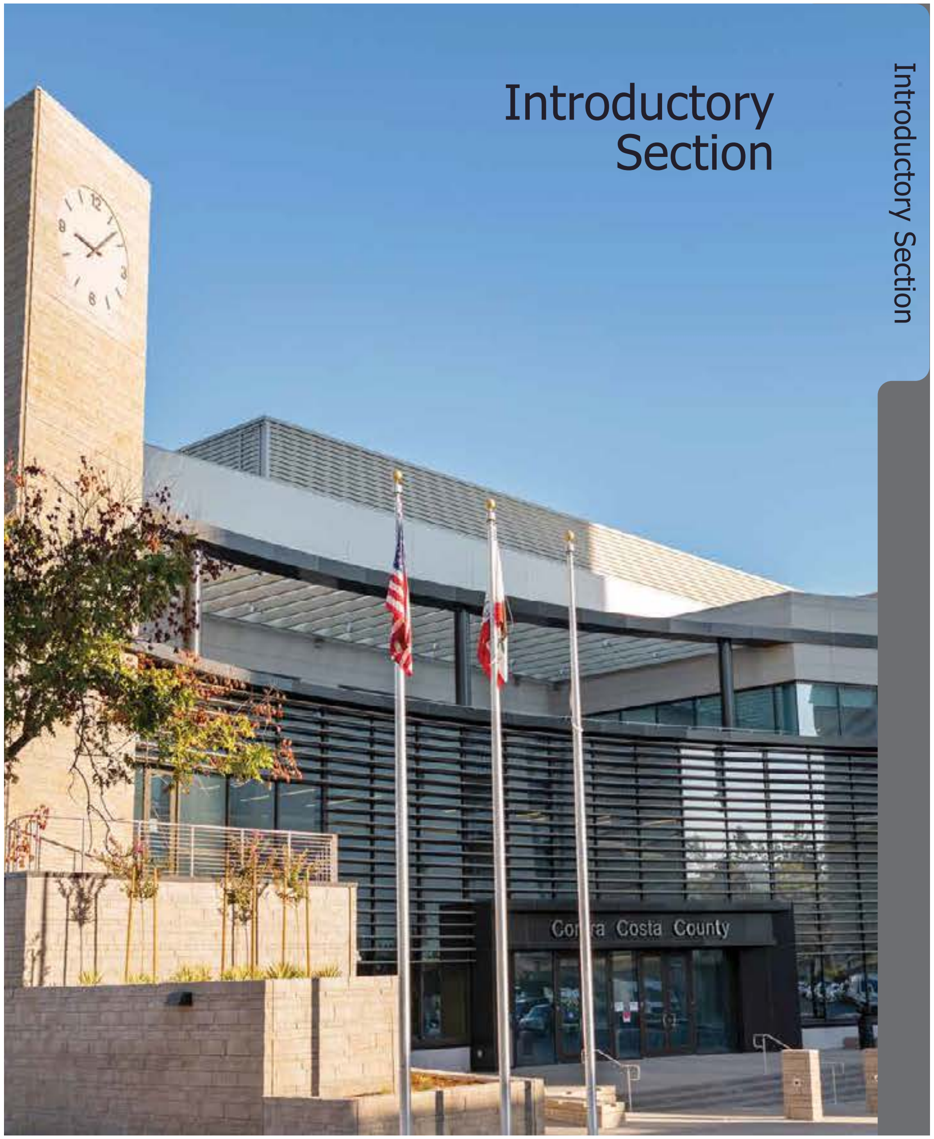

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Office of the Auditor-Controller

Contra Costa County

Robert R. Campbell
Auditor-Controller

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

Harjit S. Nahal
Assistant Auditor-Controller

December 18, 2020

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

The Comprehensive Annual Financial Report (CAFR) of the County of Contra Costa (county) for fiscal year 2019-2020 is presented in compliance with California Government Code Sections 25250 and 25253, as applicable. The Office of the County Auditor-Controller is responsible for both the accuracy of the presented data and the completeness and fairness of its presentation, including all disclosures, prepared in this report. We believe the data, as presented, is accurate in all material respects, presented in a manner designed to fairly set forth the financial position and changes in financial position of the county and its various funds, and includes all disclosures necessary to enable the reader to gain maximum understanding of the county's financial affairs.

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

For over 70 years, the policy of the county has been to require an annual audit of the financial statements of the county by independent, licensed certified public accountants. The Board of Supervisors selected the firm of Macias Gini & O'Connell LLP, Certified Public Accountants, to perform the fiscal year 2019-2020 audit.

The independent auditor concluded that the county's financial statements for the fiscal year ended June 30, 2020, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of the CAFR.

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

The CAFR is organized into three sections:

- *The Introductory Section* is intended to familiarize the reader with the organizational structure of the county, the nature and scope of the services it provides, and the specifics of its legal operating environment.
- *The Financial Section* includes the independent auditor's report on the basic financial statements, MD&A, audited basic financial statements, note disclosures and supporting statements, and schedules necessary to provide readers with a comprehensive understanding of the county's financial activities of the past fiscal year.
- *The Statistical Section* provides the reader with additional historic perspective, context, and detail to assist in using the information in the financial statements. It provides information in five categories: financial trends; revenue capacity; debt capacity; demographic and economic information; and operating indicators.

Profile of the Government

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

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

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

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

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

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

Local Economy

As of January 1, 2020, the county's population was estimated at 1,153,561. This represents an increase of approximately 2.4% compared to the county's population as of January 1, 2016.

California's unemployment rate rose to a record high 15.5 percent in April as the state's employers lost 2,344,700 nonfarm payroll jobs, according to data released by the California Employment Development Department (EDD) from two surveys. The unprecedented job losses are like nothing before seen in California history in a current data series that dates back to 1976, and are a direct result of the impacts of the COVID-19 pandemic and the associated government lockdowns. Contra Costa's unemployment rate increased to 14.5%.

The county's economy is very diverse: major industries include petroleum refining, manufacturing, electronic equipment, and utilities. The county consistently ranks as a leader in both per capita and household income.

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

C-6

Population	
2016	1,126,824
2017	1,139,313
2018	1,147,879
2019	1,150,621
2020	1,153,561

# Median Price of Existing Homes Sold		
2016	June	$ 505,711
2017	June	554,099
2018	June	610,653
2019	June	610,840
2020	June	644,545

# Retail Sales (Thousands)	
2016	$ 15,963,686
2017	16,024,672
2018	15,769,843
2019	13,953,117
2020	12,193,110

# Retail Sales Per Capita	
2016	$ 14,167
2017	14,065
2018	13,738
2019	12,127
2020	10,574

Restated
Sources: California Department of Finance/Employment Development Department/Beacon Economics

The county's goal for fiscal year 2019-2020 was to adopt a General Fund budget that balanced annual expenses and revenues, preserved the fund balance, addressed revenue challenges and pension impacts, and continued the long-term strategy of prudent financial management of the county's finances. The county met those goals in fiscal year 2019-2020 and continues to be optimistic for the long term given the Board and employees' commitment to continued fiscal stability.

At the end of fiscal year 2019-2020, the county was in contract with all of its labor unions. With their assistance, the county has been able to continue the delivery of critical services to our residents within annual available resources.

Economic Challenges

The county has experienced several years of positive economic growth and faced challenges including the COVID-19 pandemic head on. This county is able to manage economic challenges with the continued cooperation of the Board of Supervisors, department heads, and employees by making prudent fiscal choices, living within its means, and continuing to focus on long-term financial planning.

The fiscal year 2019-2020 adopted budget assumed the following:

- growth of 4.5% assessed value/property taxes (actual increase was 4.87% for secured and unsecured taxes);
- planned increases in compensation costs;
- increased benefit costs; and
- no reliance on one-time revenues (only one-time reliance was on CARES Act funding for COVID-19 costs).

At mid-year, the Board formally reviewed the fiscal year 2019-2020 budget pursuant to the county's budget, reserve, and debt management policies. At the time of that review, departmental expenditures and revenues at mid-year were within acceptable parameters given the Board's approved budget. The overall county budget including the General Fund budget was balanced for the ninth year in a row. This was accomplished due to the continued strong economic climate in Contra Costa County, including consistent increases in assessed valuations.

The end of fiscal year 2019-2020 marked the thirteenth year of operations since the county's adoption and implementation of fiscal policies. Although fiscal and economic challenges continue to present themselves, the budget remained balanced due to strong financial management, careful planning, and diligent monitoring.

The county successfully negotiated and settled with all of its bargaining groups resulting in increased wages and benefits, including increases to the county contribution of employee healthcare cost. The increased subsidies began during the calendar year 2019 plan year. Beginning in the 2020 plan year, the county migrated to a percentage-based cost sharing approach for medical care premium subsidies for the majority of non-PERS employees. Beginning in 2021, the county will pay a dollar amount equal to 78.5% of the total medical plan premium for all tiers based on second lowest price non-deductible HMO plan excluding Sheriff, Fire, and Nurses. The county share will increase to a dollar amount equal to 80% of all tiers based on the second lowest price non-deductible HMO plan beginning in the 2022 plan year. Subsequent to the close of fiscal year 2018-19, the county successfully worked with the Joint Labor Management Benefit Committee (JLMBC) to offer more affordable HMO health plans to a majority of employees beginning in the 2020 plan year to further ease the burden of growing healthcare costs on the county's workforce.

Reserve Balance

Prior to the housing market collapse, the county had reversed the trend of declining reserves experienced in the last decade and achieved a balanced General Fund budget for fiscal years 2005-2006 and 2006-2007; however, reserves were spent in fiscal years 2007-2008 and 2008-2009 appropriately to mitigate impacts of the Great

Recession. In fiscal years 2009-2010 and 2010-2011, due to federal stimulus funding and negotiated compensation concessions, the budgets were balanced. Since fiscal year 2012-2013, budgets have not anticipated reserve spending for on-going program expenses and the fiscal year 2019-2020 budget did the same.

In 2005, the Board adopted a General Fund Reserve Policy that established specific goals regarding the county's total and unreserved General Fund balance (5% unreserved fund balance and 10% total fund balance as percentages of General Fund revenue). Governmental Accounting Standards Board (GASB) Statement No. 54 required a slight revision to the county's General Fund Reserve Policy by changing the term "unreserved" to "unassigned". The county continues to exceed the minimum unassigned General Fund goal of 5% of each year's projected revenue and has recently achieved its informal goals of 10% and 20%, which are more prudent goals for a county the size of Contra Costa County. Ten years of data is available under the GASB 54 format and presented in the schedule of Fund Balances of Governmental Funds on page 175 of the Statistical Section. Restricted fund balance for the General Fund grew by $7.2 million, committed fund balance grew by $28,000, non-spendable fund balance grew by $2.2 million, assigned fund balance increased by $25.2 million, and unassigned fund balance increased by $18.1 million. The total fund balance grew by $52.7 million in fiscal year 2019-2020, which increased the total fund balance as a percentage of total revenue from 35.0% to 36.9% (a 1.9% increase).

Relative Debt Burden

There are many measures of an entity's fiscal health in addition to reserve levels. Pursuant to the county's Debt Management Policy, the Debt Affordability Advisory Committee annually calculates certain debt factors and debt burden ratios, compares them to benchmarks maintained by Moody's Investors Service (Moody's) and Standard and Poor's (S&P), and then publishes the results in the Annual Debt Report. In addition, the county benchmarks against a cohort of similarly situated California counties to take into account the unique factors associated with California. The Annual Debt Report is released each year after publication of counties' Comprehensive Annual Financial Reports (CAFR). The most recent Annual Debt Report available for reference is fiscal year 2018-2019 and the information below is sourced from that report.

Measuring the county's reserves and debt performance using ratio analysis provides a convenient way to compare the county's credit performance to other borrowers. Two of the most common reserve ratios applied to counties are the available and total General Fund balance as a percentage of total General Fund revenues. Those ratios are important measures of the financial flexibility (i.e. the ability of the county to absorb the impact of unforeseen events and emergencies such as sudden drops in assessed valuation due to real estate market cycles, earthquakes, wildfires, etc.) of the county. It is important to note that rating agencies evaluate the county relative to a broader universe of counties and, thus, the comparisons to counties nationwide are critically important.

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

1. Available General Fund Balance (including assigned, unassigned, and committed fund balance) as a percentage of total General Fund revenue: The county's performance at 35.0% is above the Moody's median benchmark for Large "Aa" Rated counties nationwide (with populations over 1 million) at 27% and above the Large Urban California counties cohort median at 23%.

2. Total General Fund Balance as a percentage of total General Fund revenue: The county's performance at 35.0% is above the Large Urban California counties cohort median at 32%.

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

1. Direct Debt to Assessed Value: The county's performance at 0.17% is better than both the Moody's median for Large "Aa" counties nationwide, at 0.48%, and the Large Urban California counties cohort median at 0.24%.

2. Overall Debt to Assessed Valuation: The county's performance at 2.46% is better than Large Urban California counties cohort median at 2.80%.

3. Assessed Valuation per Capita: The county's performance at $185,879 was higher than all benchmarks, including the Moody's median for Large "Aa" counties nationwide at $108,888, Standard and Poor's "AAA" GO Median for Counties at $130,952, and the Large Urban California counties cohort median at $160,180.

4. Direct Debt per Capita: The county's performance at $313 per capita was equal to the Large Urban California counties cohort median at $313.

5. Direct Debt as Percentage of Governmental Funds Revenue: The county's performance at 15% was well under the Standard and Poor's AAA GO Median for counties at 66%, and slightly below the Large Urban California counties cohort median at 17%.

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

Long-term Financial Planning

The county is committed to prudent fiscal management and engages in targeted long-term financial planning when possible and appropriate. Per Budget Policy, the fiscal year 2019-2020 budget process again included a strategic planning and financing process for facilities renewal, new construction projects (short and long-term capital budgets), and a comprehensive management program for the county's general government real estate assets relative to acquisition, use, disposition, and maintenance. This process includes funding decisions for maintaining the county's facility assets and allows the Board to consider funding decisions using credible information. Below is a listing of significant projects, listed by project budget, that were completed in fiscal year 2019-2020:

- Secured the 5th floor at Contra Costa Regional Medical Center; 2500 Alhambra Avenue, Martinez. Total project budget was $1,400,000.

- New Fire Station 16 (Contra Costa Fire Protection District); 4007 Los Arabis Road, Lafayette. Total project budget was $5,500,000.

- West County Health Center, 13585 San Pablo Avenue, San Pablo. Total project budget was $17,000,000.
- Remodeled the Public Defender Juvenile Unit. Total project budget was $1,091,000.
- Building Improvements for the El Sobrante Library. Total project budget was $500,000.
- Roof repair at Fire Station 2 (Contra Costa Fire Protection District); 2012 Geary Road, Pleasant Hill. Total project budget was $650,000.
- Completed the Sheriff's Emergency Operations Center; 50 Glacier Drive, Martinez. Total project cost was $55,000,000.

County's long-term liability for Other Postemployment Benefits (OPEB). The Board's actions, to date, have had a significant impact on the county's original 2006 OPEB liability of $2.57 billion and actuarially determined contribution of $216.3 million. The reductions reflect health plan changes, caps on county contributions to healthcare premiums, and labor concessions using data from the most recent GASB 74/75 Actuarial Valuation report as of June 30, 2020, are summarized below (except as otherwise noted):

- Compared to the county's original OPEB valuation from 2006, the county's Net OPEB Liability has declined by 79.6% (from $2.57 billion to $523.9 million).
- The Service Cost of OPEB has further increased by 5% (from $25.8 million to $27.3 million) over the past year.
- The Annual OPEB Expense has further declined by 34.2% (from $60.3 million to $39.7 million) over the past year.
- The Fiduciary Net Position of OPEB Trust Assets further increased to $341,429,000 from $308,514,000. This reflects an increase in the funded rate of the Total OPEB Liability from 32.2% to 39.5% over the past year.

In December 2010, the county authorized adoption of the Public Agencies Retirement Services (PARS) Post-Retirement Health Care Plan Trust Agreement to manage its OPEB irrevocable trust account and in 2011 began transferring assets into that trust. The county continues to deposit $20 million into the trust on an annual basis.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* (GASB 75), was established to improve the decision-usefulness of information in employer and governmental nonemployer contributing entity financial reports and enhance its value for assessing accountability and providing interperiod equity by requiring recognition of the entire OPEB liability in the county's financial statements and a more comprehensive measure of OPEB expense. The county early implemented GASB 75 in fiscal year 2016-2017 and the latest actuarial valuation was performed as of January 1, 2020.

Relevant Financial Policies

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

Investment Policy. The county annually adopts an investment policy (the "Investment Policy") governing the county's investment of funds in the County Treasurer's Investment Pool, which as of June 30, 2020, held assets in the approximate amount of $3.9 billion. The Board approved the most recent update to the Investment Policy on June 16, 2020. The Contra Costa County Investment Pool (Pool) was rated by Standard & Poor's (S&P) on March 31, 2020. The Pool was assigned a fund credit quality rating of "AAAf" and a fund volatility rating of "S1"+. The "AAAf" rating is S&P's highest fund credit quality rating with the "S1+" volatility rating reflecting extremely low sensitivity to changing market conditions. The Pool has maintained its "AAAf" and "S1"+ ratings since first rated in November 2007.

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

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

Reserve Policy. The Reserve Policy requires the county to maintain a General Fund balance equal to a minimum of 10% of General Fund revenues and an unassigned fund balance equal to a minimum of 5% of General Fund revenues. Reserves exceeding the minimum are applied only to one time uses, such as additional reserves or capital projects, up to an amount equal to 1% of General Fund revenues. The reserves can only be used in emergencies and if accompanied by a Board-approved plan to restore reserves to the target levels. The county's audited financial report for fiscal year 2019-2020 confirms compliance with the reserve policy: the total General Fund balance was 36.9% of General Fund revenues and the unassigned portion was 20.5%.

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

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

The Debt Management Policy established a Debt Affordability Advisory Committee (DAAC) which evaluates the viability of any proposed debt-financing, monitors and evaluates the county's performance against various debt ratio benchmarks, and annually prepares a comprehensive debt capacity report for the County Administrator. The DAAC monitors specific statistical measures and compares them to those of other counties, rating agency standards, and the county's historical ratios. The Debt Management Policy is updated annually and was last updated on March 10, 2020.

Workers' Compensation. The Board maintains a Workers' Compensation Internal Service Fund funding policy. The objective of the policy was to establish a targeted minimum confidence level of 80%. The objective again was exceeded and was funded at 94% as of June 30, 2020. The county payments have decreased from a high of $37 million in fiscal year 2006-2007 to approximately $23.2 million annually to the Workers' Compensation Internal Service Fund and continues to meet the Board's funding objective.

C-9

Major Initiatives

Agriculture

The Department performed 340 point-of-sale (Price Verification) inspections in 2020. There were 82 violation notices and 20 administrative actions were issued involving $16,800 in proposed fines.

The pesticide use enforcement program involves inspections of operations by growers, pest control operators, agencies and others that use and store pesticides. The program involved 575 inspections and 25 investigations of alleged misuse or exposure. Education is a basic component of our enforcement program. The Department reached 536 individuals through 17 training sessions, some of which were given in Spanish.

The Weights and Measures Division conducted 42 investigations last year and filed five administrative actions to correct the problems found. These actions serve to protect consumers and businesses in the county.

COVID-19 has caused difficulty conducting inspections and has made some of them impossible. The Department has not been able to conduct normal business due to businesses being closed to the public. The Department also needed to ensure its employees were safe and provided them with the personal protective equipment (PPE) needed to conduct investigations. The last challenge was allowing some employees to work remotely. Most of the work in the Department is field work and not conducive to remote work.

Animal Services

The Department implemented a Call Prioritization Plan matrix to track response times to field service calls. A review of the plan matrix showed a 2% improvement in Priority 1 call compliance rate after a full year of implementation. Between 2018-2019 and 2019-2020 the compliance response rate for Priority 1 calls improved from 86.8% to 88.6% and response times improved from an average of 4 hours to 1 hour and 55 minutes. This matrix has allowed the Department to review priority calls and response times to better assist the communities served.

Assessor

The Office completed the implementation of the iNovah cashiering system. The new automated system replaced a manual hand-written process. It provides for check scanning and receipt printing, further automates the depositing process, and provides improved tracking and reporting of cash received.

Street addresses were reformatted in the County's Land Information System (LIS) database to match the United States Postal Service format. The Office can now use commercial software programs to electronically validate and maintain addresses in the LIS database.

The Office promoted the usage of the Electronic Standard Data Record system to enable taxpayers to file business property statements electronically. As a result of its efforts, approximately 77% of all businesses are now filing property statements electronically.

Child Support Services

The Department has continued to rank above the statewide average in all Performance Initiatives. Through the end of the state's 2020 fiscal year, Contra Costa exceeded statewide averages by 1.3% in paternity establishment with 99.2% of children in Contra Costa's caseload having paternity adjudicated, 2.8% for court orders with 94.7% of cases having court orders, 5.6% in current support collections with 71.8% of current child support due being collected, and 3.4% in collections on arrears with 76.1% of cases owing past due support having a collection.

Clerk-Recorder/Elections

The Clerk-Recorder Division continued its popular quarterly "Destination Wedding" Program by conducting ceremonies at the John Muir House in Martinez in August 2019 and Historic California Theatre in Pittsburg on Valentine's Day 2020.

In January and February 2020, the Department of Motor Vehicles allocated space to the Clerk-Recorder Division at its Concord office on alternating Saturdays. The Clerk-Recorder made vital records available for purchase, including birth, death, and marriage certificates to Contra Costa residents requiring those records to obtain a REAL ID.

The Clerk-Recorder Division staff are designated as essential workers. When the Shelter in Place Order was implemented on March 23, 2020, a team rapidly organized and deployed a plan that successfully maintained all Recorder and most Clerk services through mail and/or electronic submission. The Clerk services required to be in person are marriage licensing and marriage ceremonies. While new marriage services were delayed for a short time, the team continued to provide services for existing reservations and quickly found a solution to perform these essential services, in person, with approved COVID-19 social distancing restrictions.

Immediately after emergency health orders were issued in March, the Elections Division (division) rapidly completed the canvass of the March Presidential Primary election, and sent employees to continue their work at home. Due to elections being a part of the nation's critical infrastructure and election employees are designated as essential workers, the management team immediately developed plans and marshalled resources so the entire election team could work from home and continue validating signatures on statewide petitions, process registrations, and plan and prepare for the November General Election.

Conservation and Development

The Department put into effect a virtual Application and Permit Center ("APC") due to COVID-19, allowing the evaluation of the existing APC processes, and making them electronic for customers. The change has eliminated the need for customers to come into the office for building permit and planning application purposes. The process also includes virtually issuing permits.

Contra Costa County Fire Protection District

The District continued to provide essential EMS, fire, and rescue first responder services during the pandemic, while maintaining the health and safety of first responders, support staff, and the community.

The District staffed strike teams, in response to record numbers of California wildfires, and conducted disaster planning, internal preparation, and public education for large fires and planned power outages events.

Construction work continued on the new Fire Station 70 in the City of San Pablo, and the District initiated the process of securing long-term funding for the new Fire Station 86.

County Counsel

The Office indexed and coordinated the digitizing of two million pages of stored records. This transition from paper to digital will streamline operations, reduce storage costs, and decrease the amount of paper-based records the Office handles. The Tort and Civil Rights Litigation Division resolved 68% of assigned cases without any monetary payment, resolved 73% for under $10,000, and resolved 85% for under $50,000.

Between March and June of 2020, the Office worked 4,626 hours on COVID-19 related matters including preparing six countywide ordinances providing eviction protection and imposing a moratorium on rent increases for tenants financially impacted by COVID-19. The Office provided legal advice to the County Health Officer, Health Services, and other departments on legal issues arising from the county's response to the COVID-19 pandemic. The advice included emergency real estate agreements to secure sites for hospital bed overflow and temporary homeless shelters, assisting the Health Officer with orders related to numerous safety protocols, and procedures aimed at controlling the spread of the disease.

Employment and Human Services (EHSD)

Prior to March 2020 when the COVID-19 pandemic impacted the Department's overall operations, the Telework pilot included 24 Eligibility staff, 3 Eligibility Work Supervisors, and 1 Program Analyst. Service Center supervisors and managers remain in close contact with Teleworkers to maintain their connection to the office and work. Through surveys and supervisory follow-ups Teleworkers indicated they are very satisfied with the equipment and believe they are highly productive working from home. They express a high degree of satisfaction with their work and relief from the stress of commuting. The performance data and service metrics available through the technology used at the Service Center make this ideal for Teleworking. The Department continues to assess this pilot but all indicators are that it is a success and one that can be expanded. In addition, the experience gained through the Telework pilot project positioned the Department well to deploy staff during the pandemic, and potentially the future.

Health Services

In the early months of 2020, the Contra Costa Regional Medical Center (CCRMC) and Health Centers and Detention began planning and implementing changes to operations due to COVID-19. The hospital activated the Incident Command Center on March 11th. It is currently managing all COVID-19 operations and responding to all Department Operations Center (DOC) and Emergency Operations Center (EOC) requests.

On March 16, 2020, the Contra Costa County Health Officer joined six other Bay Area jurisdictions to order residents to shelter at home. All elective procedures were cancelled and were rescheduled after the first phase of re-opening allowed. Telehealth visits were initiated and continue to be utilized. Providers are able to do 50% of their encounters virtually (by phone or video appointments). This has increased the daily average of ambulatory encounters by approximately 200 per day compared to last year.

Tents were set up at the Martinez, Pittsburg, and West County Health Centers (MHC, PHC, and WCHC) to screen patients weekdays 8am-5pm. The WCHC tent is supporting the Behavioral Health Clinic by screening patients as well. All three of these sites have large party tents set up as additional space for triaging and evaluating patients, if needed.

The Department procured 30 days of PPE supplies by exhausting all possible vendors, and substitutions were introduced for needed items that the Department was unable to get from the typical supply chain. All substitutions were approved by Infection Control.

The Department launched the IDEA (Inclusion, Diversity, Equity, and Allyship) Initiative, organizing systemwide virtual town hall meetings that will be facilitated by trained and lived experience experts.

Library

The Department continued to work with cities and department partners to improve and add to the Library's value as a community resource. Bay Point Library increased its open hours from 18 hours per week to 34.5 hours per week. Construction and groundbreaking started for the new Pleasant Hill Library and there were permanent installations of ballot boxes at the El Sobrante, Kensington, and Ygnacio Valley libraries.

The Department contributed in several ways to support the county's efforts in the fight against COVID-19. Pinole and Ygnacio Valley libraries were used as COVID-19 testing sites. Library staff were deployed as disaster service workers in contact tracing, the call center, PPE donation collections, and in the emergency operations center. Library 3D printers were used to print more than 3,000 clips used to redeploy faulty masks from the national stockpile and 150 Montana masks.

Public Works

Facilities Services completed over 29,000 work requests and 310 emergency work requests. The emergency requests included the receiving of State Mutual aid supplies, storing and distributing of PPE, establishing more than 10 county and state operated COVID-19 testing sites, and constructing three Alternative Care Sites in support of the county's overall COVID-19 response.

The Airports Division completed the $5,888,000 pavement resurfacing, reconstruction, and airfield electrical upgrade of Runway 14L/32R at Buchanan Field Airport. This project upgraded the main crosswind runway, which is 4,601 feet long and 150 feet wide. The federal grant award for this project represented the single largest FAA grant for Contra Costa County since the construction of the new Byron Airport, which was more than 25 years ago.

Sheriff

The Office operated the Office of Emergency Operations Center (EOC) to ensure services to the community and mutual aid to surrounding counties in response to the California wildfires, planned power outages, riots, and the COVID-19 pandemic. The Office ensured the EOC was staffed 24/7 from March 17, 2020, through June 30, 2020, during the onset of the pandemic. The Office, working with the Health Services Department, purchased and distributed personal PPE to the community and the Office provided security at PPE storage sites as well as distribution centers throughout the county. During this same time, the Office continued daily operations, maintained detention operations and law enforcement services to the community while establishing COVID-19 safety protocols to ensure the health and safety of the staff and the community.

Treasurer-Tax Collector

In fiscal year 2019-2020, the Treasurer-Tax Collector's Office issued 373,874 secured tax bills for approximately $2.9 billion in revenue. As of June 30, 2020, 99.12% of the property taxes had been collected. In the same year, the Office mailed 43,536 unsecured bills for nearly $72 million in revenue. As of June 30, 2020, 97% of the property taxes had been collected. Taking advantage of the California Franchise Tax Board Personal Income Tax Intercept program, the Office collected $67,508 in delinquent unsecured taxes that otherwise would have remained uncollectible. The Office's efforts toward promoting more electronic services resulted in over 137,131 online transactions for more than $680 million in tax revenue.

In fiscal year 2019-2020, the Office completed $53.6 billion in banking transactions, processed $8.5 billion in deposits, and funded $8.1 billion in warrants. The Treasurer's Investment Pool received a AAAf/S1+, S&P

Global's highest credit quality rating. The fund's AAAf rating indicates the pool's portfolio holdings provided extremely low sensitivity to changing market conditions. The weighted average maturity of the Investment Pool was managed around 240 days to provide pool participants with ample liquidity. As of June 30, 2020, the Pool had earned a net of $62,560,040 in interest revenue.

The Office received certification of the Investment Policy by the California Municipal Treasurer's Association with support of the California Debt and Investment Policy. Technological initiatives were implemented for making online partial payments of delinquent unsecured property taxes possible. Online application and payment of Business Licenses, Cannabis Taxes, and Transient and Occupancy Taxes were implemented in the 2019-2020. Secured Tax collection rate of 99.12% was achieved despite the setback created by the COVID-19 pandemic, and more than 2,100 COVID-19 related penalty requests were processed timely despite the shelter-in-place that limited the number of staff available to meet the demand.

Veterans Service

During the COVID-19 pandemic, the Department continued to innovate ways to maintain the same level of business and care that has been offered. In March, upon the first shutdown, a virtual office was established using Zoom and created an office plan for continuing to file claims and assist Veterans and their families to the same degree as in person. The Department was already prepared to go mobile using Surface Pro Tablets for every office over the past two years and are now used to work remotely.

The Department was able to secure funding to hire two Veteran Service Representatives and one Senior Level Clerk which in turn has significantly increased productivity and workflow. In 2019-2020, 2,813 claims were filed, an increase of 2.73% from the prior year.

Office of the County Administrator

The County Administrator's Office assisted with several major tasks during fiscal year 2019-2020, including:

- Executed contacts with all labor partners, including wage increases and enhanced employee benefits.
- Facilitated the county's second TRUTH Act community forum.
- Created a permanent Office of Reentry and Justice within the Probation department.
- Facilitated the implementation of a felony mental health diversion program through the Department of State Hospitals.
- Launched the Racial Justice Oversight Body to reduce racial disparities in the adult and juvenile justice systems in the county.
- Facilitated a Sequential Intercept Mapping process to assess available resources, determine gaps in services, and plan for community change for individuals with behavioral health needs in the criminal justice system.
- Supported the Census 2020 Complete Count outreach efforts and surpassed the 2010 Self Response rate.

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

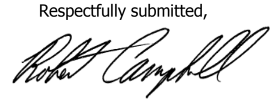
Office of the Auditor-Controller

The Office of the Auditor-Controller received the State Controller's "Award for Achieving Excellence in Financial Reporting." This award serves to recognize that the county submitted an accurate and timely financial report for the fiscal year ended June 30, 2019. The Office of the Auditor-Controller's reporting excellence helps the State Controller's Office publish accurate and useful local government financial data in the Counties Annual Report. Policymakers and other interested parties throughout California rely on the quality of this uniformly reported information.

The Government Finance Officers Association of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to Contra Costa County for its comprehensive annual financial report for the fiscal year ended June 30, 2019. This was the thirty-eighth consecutive year the county has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Respectfully submitted,



Robert R. Campbell
Auditor-Controller

COUNTY OF CONTRA COSTA

PUBLIC OFFICIALS

June 30, 2020

ELECTED OFFICIALS	
Supervisor, District 1	John M. Gioia
Supervisor, District 2	Candace Andersen
Supervisor, District 3	Diane Burgis
Supervisor, District 4	Karen Mitchoff
Supervisor, District 5	Federal D. Glover
Assessor	Gus S. Kramer
Auditor-Controller	Robert R. Campbell
Clerk-Recorder	Deborah Cooper
District Attorney	Diana Becton
Sheriff-Coroner	David O. Livingston
Treasurer-Tax Collector	Russell V. Watts

APPOINTED OFFICIALS	
County Administrator	David Twa
County Counsel	Sharon Anderson
County Librarian	Melinda Cervantes
County Probation Officer	Esa Ehmen-Krause
Director of Animal Services	Beth Ward
Director of Child Support Services	Melinda Self
Director of Conservation and Development	John Kopchik
Director of Cooperative Extension	Rob Bennaton
Director of Employment and Human Services	Kathy Gallagher
Director of Health Services-Public Administrator	Anna Roth, RN, MS, MPH
Director of Human Resources	Dianne Dinsmore
Director of Public Works	Brian M. Balbas
Agricultural Commissioner-Director of Weights and Measures	Matthew Slattengren
Chief Information Officer	Marc Shorr
Public Defender	Robin Lipetzky
County Veterans Service Officer	Nathan D. Johnson
Contra Costa County Fire Protection District	Chief Lewis Broschard
Crockett-Carquinez Fire Protection District	Chief Dean Colombo

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

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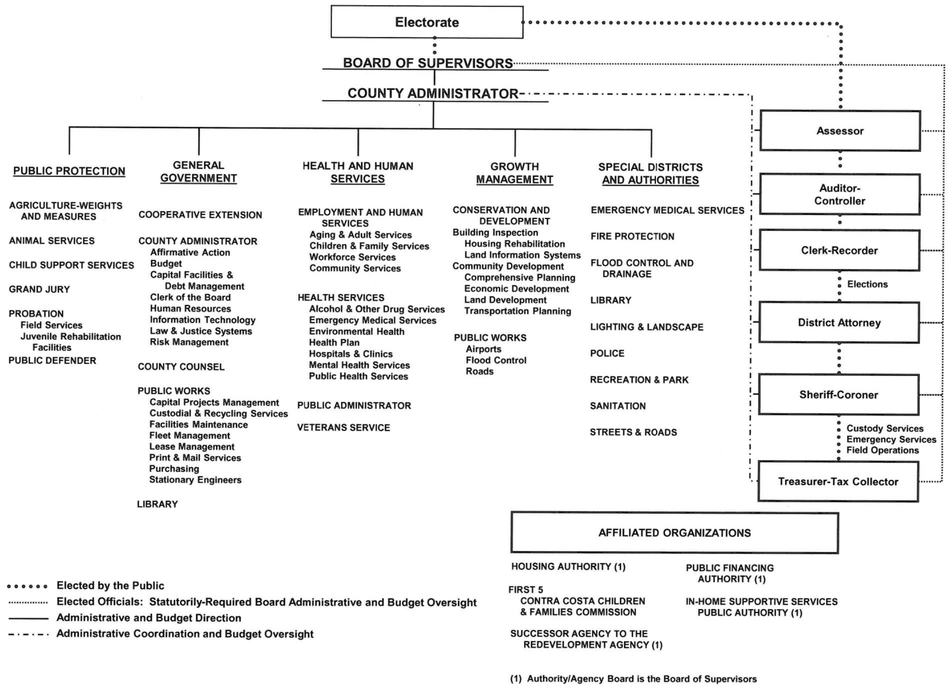
Organizational Chart of Contra Costa County



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Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

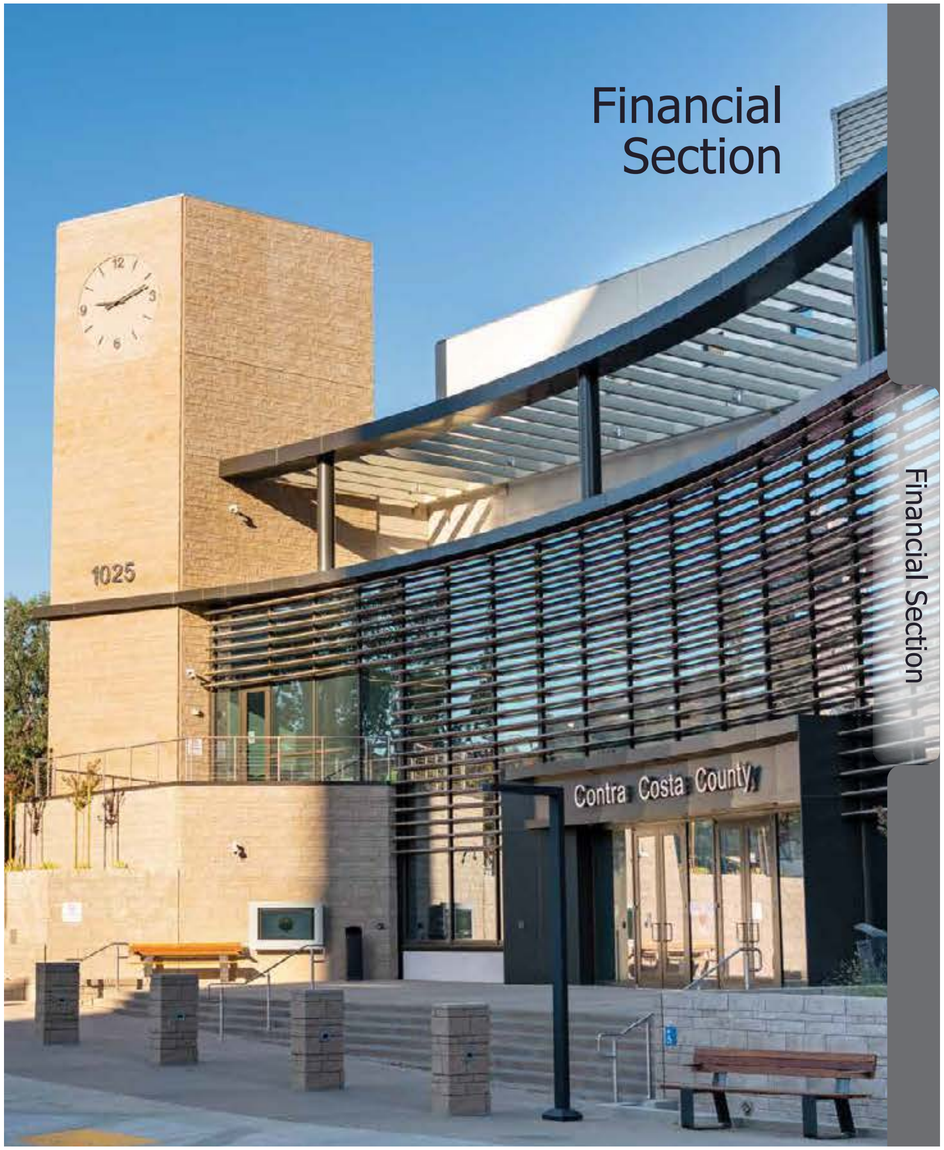
County of Contra Costa
California

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morrill
Executive Director/CEO

Financial Section



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Certified Public Accountants

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Contra Costa, California (County), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the First 5 Contra Costa Children and Families Commission and the Housing Authority of the County of Contra Costa, which together comprises the entire aggregate discretely presented component units' opinion unit. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for those entities, are based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Macias Gini & O'Connell LLP
2121 N. California Boulevard, Suite 750
Walnut Creek, CA 94596

www.mgocpa.com

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of changes in the net OPEB liability and related ratios, the annual money-weighted rate of return on OPEB assets, the schedule of contributions (OPEB), the schedule of proportionate share of the net pension liability, the schedule of pension contributions, and the budgetary comparison schedules of the General Fund and major special revenue fund, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the 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 and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2020 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Macias Gini & O'Connell LLP

Walnut Creek, California
December 18, 2020

This section of the County of Contra Costa's Comprehensive Annual Financial Report presents a discussion and analysis of the financial activities of the county for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we furnished in our Letter to the Board of Supervisors and Citizens of the County.

Financial Highlights

- At the close of fiscal year 2019-2020, the county's government-wide assets and deferred outflows of resources exceeded its liabilities and deferred inflows, which resulted in an increase of the county's total net position from the prior year to $1,085,745,000. The components of the county's total net position include an increase in net investment in capital assets to $988,101,000, a decrease in restricted net position for specific purposes to $648,414,000, and a decrease to the deficit of the unrestricted net position to $550,770,000. Continued application of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions-An Amendment of GASB Statement No. 27* and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* have contributed to the deficit of the county's unrestricted net position.

- As of June 30, 2020, the county's governmental funds reported in the fund financial statements ending fund balance of $1,287,723,000, an increase of 3.8% from the prior year. Of this total amount, $752,691,000 (58.5%), represents unrestricted resources available to meet the county's current and future needs.

- Available (committed, assigned, and unassigned) fund balance in the county's chief operating fund, the General Fund, was $586,571,000 at year end or 37.1% of its total expenditures for the year.

- As of June 30, 2020, the county's enterprise funds reported, in the fund financial statements ending net position of $98,710,000, an increase to net position of 71.4% from the prior year's net position.

- Net position of the internal service funds was $50,047,000, an increase to net position of 78.3% from the prior year's net position.

- The county's total debt decreased by $81,845,000 (15.6%) during fiscal year 2019-2020.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

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

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

Both of the government-wide financial statements distinguish functions of the county that principally are supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all, or a significant portion, of their costs through user fees and charges (business-type activities). The governmental activities of the county include general government, public protection, health and sanitation, public assistance, education, public ways and facilities, and recreation and culture. The business-type activities of the county include the County Hospital, Health Maintenance Organization (HMO) Medi-Cal Plan, HMO Commercial Plan, Airport, Sheriff Law Enforcement Training Center, and Major Risk Medical Insurance.

Fund Financial Statements

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

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of resources that are available for spending as well as on balances of resources that are available for spending at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Since the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the county's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The county maintains twenty six (26) individual governmental funds (e.g. General Fund, special revenue funds, debt service funds, capital projects fund, and permanent fund) for reporting purposes. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and Contra Costa County Fire Protection

District Special Revenue Fund, which are considered to be major funds. Data from the other governmental funds is combined into a single, aggregated presentation. Individual fund data for each of those nonmajor governmental funds is provided in the form of combining statements and schedules elsewhere in this report.

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

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

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

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

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

Notes to the Basic Financial Statements

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

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the county's major governmental funds budget and actual comparisons, schedule of changes in the net OPEB liability and related ratios, annual money-weighted rate of return on OPEB assets, and schedule of proportionate share of the net pension liability and schedule of pension contributions.

Combining Statements and Schedules

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

Component Units

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

COUNTY'S NET POSITION
June 30, 2020 and 2019
(In Thousands)

	Governmental Activities		Business-type Activities		Total		Increase/ (Decrease)
	2020	2019	2020	2019	2020	2019	Percent Change
Assets:							
Current and other assets	$ 1,937,817	1,719,038	591,815	552,975	2,529,632	2,272,013	11.3 %
Capital assets	1,047,852	967,790	187,103	184,028	1,234,955	1,151,818	7.2
Total assets	2,985,669	2,686,828	778,918	737,003	3,764,587	3,423,831	10.0 %
Deferred Outflows of Resources:							
Loss on refunding of debt	7,261	7,855	1,883	2,147	9,144	10,002	(8.6) %
Deferred pension outflows	202,021	413,859	77,337	162,708	279,358	576,567	(51.5)
Deferred OPEB outflows	11,901	11,282	2,118	1,981	14,019	13,263	5.7
Total deferred outflows of resources	221,183	432,996	81,338	166,836	302,521	599,832	(49.6) %
Liabilities:							
Current and other liabilities	345,618	177,803	210,473	189,186	556,091	366,989	51.5 %
Long-term liabilities	1,588,944	2,100,465	466,827	625,233	2,055,771	2,725,698	(24.6)
Total liabilities	1,934,562	2,278,268	677,300	814,419	2,611,862	3,092,687	(15.5) %
Deferred Inflows of Resources:							
Deferred pension inflows	186,990	100,052	61,906	28,148	248,896	128,200	94.1 %
Deferred OPEB inflows	99,732	27,274	20,873	4,796	120,605	32,070	276.1
Total deferred inflows of resources	286,722	127,326	82,779	32,944	369,501	160,270	130.5
Net Position (Deficit):							
Net investments in capital assets	887,520	852,635	100,581	95,638	988,101	948,273	4.2 %
Restricted	648,414	660,640			648,414	660,640	(1.9)
Unrestricted (deficit)	(550,366)	(799,045)	(404)	(39,162)	(550,770)	(838,207)	34.3
Total net position	$ 985,568	714,230	100,177	56,476	1,085,745	770,706	40.9 %

Analysis of Government-wide Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The county's total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources for a net position of $1,085,745,000 at June 30, 2020. The largest portion of the county's total net position, $988,101,000 (91.0%), reflects its net investment in capital assets (e.g., land, infrastructure, buildings, machinery, software, and equipment, less any related debt used to acquire those assets). The county uses capital assets to provide services to citizens; consequently, those assets are not available for future spending. Although the county's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate those liabilities. An additional portion of the county's total net position, $648,414,000 (59.7%), represents resources that are subject to external restrictions on usage. The major restriction on net position, $623,676,000, is for legally segregated taxes, grants, and fees.

The remaining portion of the total net position is a deficit of $550,770,000 (-50.7%) and is unrestricted. The unrestricted net position of governmental activities is a deficit of $550,366,000 and continues to be negative primarily due to the inclusion of the governmental activities share of the net pension liability of $497,967,000 and the net OPEB liability of $523,440,000.

The unrestricted net position of business-type activities is a deficit of $404,000 and continues to be negative primarily due to the inclusion of the business-type activities share of the net pension liability of $180,009,000.

COUNTY'S CHANGE IN NET POSITION
For the Fiscal Years Ended June 30, 2020 and 2019
(In Thousands)

	Governmental Activities		Business-type Activities		Total		Increase/ (Decrease)
	2020	2019	2020	2019	2020	2019	Percent Change
Revenues:							
Program revenues:							
Charges for services	$ 406,894	411,857	1,487,272	1,542,329	1,894,166	1,954,186	(3.1) %
Operating grants and contributions	926,184	866,113	95,240	17,881	1,021,424	883,994	15.5
Capital grants and contributions	35,823	34,219	5,167	9,976	40,990	44,195	(7.3)
General revenues:							
Taxes	664,729	635,249			664,729	635,249	4.6
Grants/contributions not restricted	22,109	19,817			22,109	19,817	11.6
Investment earnings	69,347	76,305	101	273	69,448	76,578	(9.3)
Other	24,445	15,399	1,394	724	25,839	16,123	60.3
Total revenues	2,149,531	2,058,959	1,589,174	1,571,183	3,738,705	3,630,142	3.0
Expenses:							
General government	207,216	144,251			207,216	144,251	43.6
Public protection	688,136	719,185			688,136	719,185	(4.3)
Health and sanitation	337,663	329,820			337,663	329,820	2.4
Public assistance	499,915	505,193			499,915	505,193	(1.0)
Education	30,102	32,611			30,102	32,611	(7.7)
Public ways and facilities	43,246	38,925			43,246	38,925	11.1
Recreation and culture	1,628	1,444			1,628	1,444	12.7
Interest on debt	19,772	16,191			19,772	16,191	22.1
County Hospital			626,749	618,802	626,749	618,802	1.3
Airport			6,193	6,242	6,193	6,242	(0.8)
Sheriff Law Enforcement Training Center			1,931	2,051	1,931	2,051	(5.9)
HMO Medi-Cal Plan			886,036	856,614	886,036	856,614	3.4
HMO Commercial			75,079	77,511	75,079	77,511	(3.1)
Total expenses	1,827,678	1,787,620	1,595,988	1,561,220	3,423,666	3,348,840	2.2
Change in net position before transfers and Special Item	321,853	271,339	(6,814)	9,963	315,039	281,302	12.0
Special Item		(40,685)				(40,685)	100.0
Transfers	(50,515)	(15,810)	50,515	15,810			
Change in net position	271,338	214,844	43,701	25,773	315,039	240,617	30.9
Net Position (Deficit), Beginning of Year	714,230	499,386	56,476	30,703	770,706	530,089	45.4
Net Position, End of Year	$ 985,568	714,230	100,177	56,476	1,085,745	770,706	40.9 %

Analysis of the Changes in Government-wide Net Position

As a result of current year activity, the county's net position increased by $315,039,000 during fiscal year 2019-2020. Governmental activities increased the county's net position by $271,338,000 and business-type activities increased the county's net position by $43,701,000. The changes are explained below in the governmental activities and business-type activities discussions.

Governmental Activities

Current year governmental activities increased the county's net position by $271,338,000, which is more than the $214,844,000 increase in the prior year.

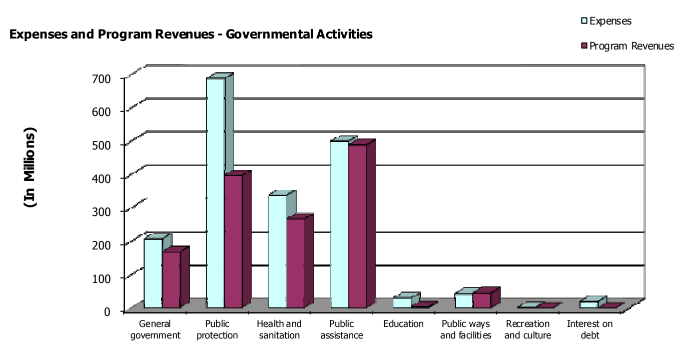
Operating grants and contributions increased by $60,071,000 (6.9%) primarily from Corona Relief revenues and Medi-Cal to aid with the COVID-19 pandemic. Charges for Services decreased 4,963,000 (1.2%) due mainly to a decrease in Mental Health Care service payments.

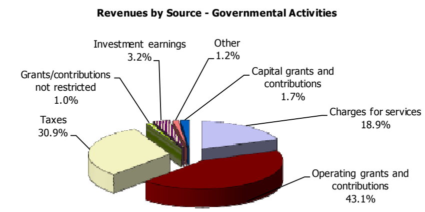
Taxes increased by $29,480,000 (4.6%) due mainly to an increase in property tax from an increase in the net assessed value of taxable property.

Other revenue increased by $9,046,000 (58.7%) due mainly to an increase of EHSD-Children and Family Services aid from other agencies.

Investment earnings decreased by $6,958,000 (9.1%) due mainly to a reduction of rent received by the Public Financing Authority.

Expenses increased by $40,058,000 (2.2%) due mainly to an increase in salaries and benefits expense for the Department of Public Works and Information Technology, the construction of three new fire stations, and debt service payments on the 2017B lease revenue bonds in General Government.

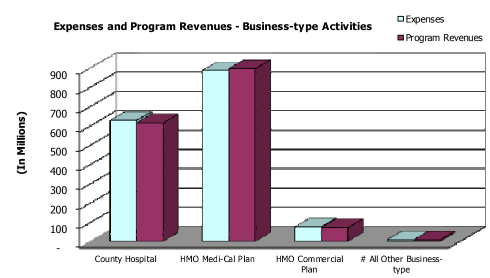




Business-type Activities

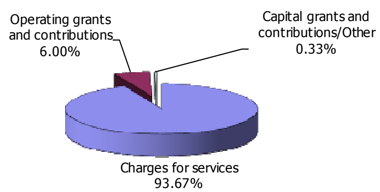
Overall, current year business type activities increased the county's net position by $43,701,000. Program revenues increased by $17,493,000 (1.1%). There were increases in operating grants and contributions of revenues due to Public Health vehicle license fees, Corona Relief funds, COVID-19 Health and Human Services stimulus, and CARES Act Safety Net funding. Charges for Services increased by $85,980,000 (14.4%) primarily due to a decrease in service costs for the maintenance of the Hospital facilities.

Expenses increased $29,422,000 (3.4%) for the HMO Medi-Cal Plan primarily due to an $81 million increase in directed payments related to the State approved Quality Improvement and Enhanced Payment programs. Additionally, out-patient visits with specialist physicians, in-patient facilities charges, and purchased medical services linked to enrollment and category of aid changes account for the remaining $43 million.



#	Other Business-type	Program Revenues	Expenses
	Airport	6,662	6,193
	Sheriff Law Enforcement Training	977	1,931
	Major Risk Medical Insurance	1	

Revenues by Source - Business-type Activities



FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

The county uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The following is an analysis of the activities of the county's funds for fiscal year 2019-2020 as reported in the fund-basis financial statements.

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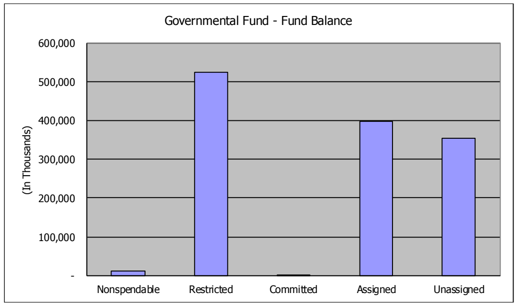
Governmental Funds

The focus of the county's governmental funds is to provide information on near-term inflows, outflows, and balances of resources that are available for spending. Such information is useful to assess the county's financing requirements. In particular, unrestricted (committed, assigned, and unassigned) fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Types of governmental funds reported by the county include the general, special revenue, debt service, capital projects, and permanent funds.

As of June 30, 2020, the county's governmental funds reported combined ending fund balances of $1,287,723,000, an increase of $47,253,000 in comparison with the prior year. Approximately $752,691,000 (58.5%) of those are available to meet the county's current and future needs. The remainder of the fund balances, $535,032,000 (41.5%), is either nonspendable or restricted for specific spending.



General Fund

The General Fund is the primary operating fund of the county. At June 30, 2020, the unrestricted fund balance was $586,571,000, an increase of $43,304,000 (8.0%) in comparison with the prior year, while total General Fund balance was $637,170,000, an increase of $52,659,000 (9.0%) in comparison with the prior year. As a measure of the General Fund's liquidity, both unrestricted fund balance and total fund balance can be compared to total fund expenditures. Unrestricted fund balance represents 37.1% of total General Fund expenditures, while total fund balance represents 40.3%. For the prior year, those figures were 35.7% and 38.4%, respectively.

General Fund revenues increased by $58,731,000 (3.5%), while expenditures increased by $59,650,000 (3.9%) in comparison with the prior year. Revenues exceeded expenditures by $145,342,000 (9.2%), in comparison with $146,261,000 in the prior year.

<u>Revenues</u>

Taxes increased by $19,736,000 (4.6%). This increase mainly was due to an increase in property taxes. There continued to be a rise in the assessed valuations of real property.

Other revenue decreased by $10,652,000 (3.0%). The decrease was mainly due to a decrease in reimbursements for energy efficiency improvements in Plant Acquisition.

Intergovernmental revenue increased by $67,070,000 (11.5%). The increase was mainly due to an increase in Corona Relief fund revenues for the COVID-19 pandemic and state aid realignment vehicle license fees.

Charge for Services decreased by $16,265,000 (6.4%) due mainly to a decrease in Medi-Cal payments for Mental Health services.

<u>Expenditures</u>

General Government expenditures increased by $56,750,000 (23.1%). The increase was mainly due to reimbursements of Corona Relief funds to various departments for COVID-19 pandemic expenditures.

Public Protection expenditures decreased by $16,711,000 (3.8%). The most significant decrease was in intrafund transfers for services to reimburse the Probation department for COVID-19 pandemic expenditures.

Public Assistance expenditures increased by $15,435,000 (3.5%). The most significant increases were in Children and Family services salaries and benefits expense and Workforce Services CalWorks and CalFresh charges.

CCC Fire Protection District Special Revenue Fund

The CCC Fire Protection District Special Revenue Fund provides fire and emergency medical services to nine cities and certain unincorporated areas in the county. Fund balance increased by $17,178,000 (20.1%) during fiscal year 2019-2020.

Revenues increased by $16,197,000 (8.3%), while expenditures increased by $11,940,000 (6.4%). The revenue increase was mainly due to an increase in ad valorem property tax revenue due to a continued rise in the assessed valuation of real property within the District and ambulance services cost recovery. Expenditures increased mainly due to safety employees receiving a 5% wage increase and construction costs for Station 9 (Pacheco), Station 70 (San Pablo), and Station 86 (Bay Point).

Nonmajor Funds

The fund balance for the nonmajor special revenue funds increased by $12,984,000 (2.6%) during fiscal year 2019-2020. Taxes increased by 5.9%, other revenue decreased by 11.1%, and licenses, permits, and franchise fees increased by 13.5%. Expenditures increased by $23,723,000 (5.0%) mainly due to an increase in general government (100.5%) for the remodel of the El Sobrante Library. Health and Sanitation expenditures increased due to Proposition 63-Mental Health Services Act funding. Public Ways expenditures increased due to services and supplies expenses. Nonmajor debt service funds decreased by $35,594,000 (60.0%). Expenditures decreased mainly due to a decrease in the amount of debt service payments for the 2017B lease revenue bonds.

Proprietary Funds

As mentioned earlier, the county's proprietary fund financial statements provide the same type of information found in the government-wide financial statements but in more detail.

Net position at June 30, 2020, was a deficit of $14,202,000 for the County Hospital Enterprise Fund. The net deficit of the County Hospital Enterprise fund decreased by $31,243,000 (68.7%). Operating loss increased by $96,874,000 (870.9%) as compared to prior year. Charges for services decreased by $85,980,000 (14.4%) due to a reduction in Medi-Cal services provided. This decrease was covered with an increase in federal and state grants.

Salaries and employee benefits decreased by $6,099,000 (1.5%) in the County Hospital Enterprise Fund due to the accounting for GASB 68 (pension) for fiscal year 2019-2020. Services and supplies increased by $16,254,000 (8.2%) due to increases in insurance and computer software costs.

Net position at June 30, 2020, was $80,891,000 for the HMO Medi-Cal Plan and $32,021,000 for the nonmajor enterprise funds. Net position of the HMO Medi-Cal Plan increased by $8,193,000. Operating income for the

COUNTY OF CONTRA COSTA
MANAGEMENT'S DISCUSSION & ANALYSIS
(Required Supplementary Information - Unaudited)
June 30, 2020

HMO Medi-Cal Plan increased by $5,222,000 (119.4%). Salaries and Employee Benefits decreased by $2,519,000 (8.9%) due to the accounting for GASB 68 (pension) for fiscal year 2019-2020. Other charges decreased by $92,158,000 (45.7%) mainly due to decreases in payments to other agencies based on payments received. Charges for services revenue increased by 3.7% due to increases in the amount of pass through revenues from the Department of Health Care Services (DHCS) and Corona Relief funds for the COVID-19 pandemic.

Net position of the internal service funds was $50,047,000 at June 30, 2020. Net position for the Workers' Compensation Insurance Fire Protection Internal Service fund increased by $9,629,000 for the year. Net position for the Workers' Compensation County General Internal Service fund increased by $13,504,000 eliminating the deficit net position balance to $6,022,000. The remaining internal service funds had an overall decrease of $1,154,000.

GENERAL FUND BUDGETARY HIGHLIGHTS

The county's final budget differs from the original budget in that it contains carry-forward appropriations for various programs and projects and supplemental appropriations approved during the fiscal year. Total budgeted revenues were increased by $82,421,000 (4.8%) in the final budget. Actual revenues were less than final budgeted revenues by $59,108,000 (3.3%). Total budgeted expenditures increased by $93,429,000 (5.3%) in the final budget. Actual expenditures were less than final budgeted expenditures by $284,759,000 (15.2%). Significant factors impacting those changes were as follows:

Original Budget vs. Final Budget

Revenue Variances

- Intergovernmental budget increased primarily due to Corona Relief fund revenues received to assist with the COVID-19 pandemic.
- Charges for services budget increased due to an adjustment for health inspection fees and estate fees received.
- Other revenue budget increased due to additional revenue received for various capital improvement projects.

Expenditure Variances

- The Final Budget for General Government Insurance and Risk Management included an increase to appropriations for approved Corona Relief fund revenues received to assist with the COVID-19 pandemic expenditures.
- The Final Budget for General Government Plant Acquisition increased to reflect additional various capital improvement project costs. A signicant amount of the increase to the budget was for the West County Detention Facility jail extension.

- The Final Budget for Health and Sanitation–Mental Health Services decreased to reflect current estimates for outside medical services and insurance costs.

- The Final Budget for Health and Sanitation-Environmental Health Services decreased to reflect a reduction in salaries and benefits expenses.

- The Final Budget for Health and Sanitation-Alcohol and Other Drugs Services decreased to reflect current estimates for outside medical services.

Final Budget vs. Actual Amounts

Revenue Variances

- Tax revenues, mainly property taxes, were higher than expected by $19,829,000.

- Fines, forfeitures and penalties were lower than expected due to the cancelation of the scheduled $20,000,000 annual transfer from the Tax Losses Reserve Fund to the General Fund.

- Charges for Services revenue was lower than expected by $27,644,000 primarily due to Public Health Services-Other Federal Aid being less than anticipated.

- Other revenue was lower than expected by $28,168,000 primarily due to Employment and Human Services Department-Children and Family Services and Health Services-Mental Health other revenues being lower than anticipated.

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Expenditure Variances

- General Government-Employee Benefits expenditures for contracted departmental services were less than budgeted.

- General Government-Facility Life Cycle Improvement Program (FLIP) expenditures for capital projects were less than budgeted due to projects being fully budgeted for at the beginning of the year and then taking longer than one year to complete. Planned expenditures have been re-encumbered in the next fiscal year.

- General Government-Plant Acquisition expenditures for capital projects, most notably the West County Detention Facility, were less than budgeted due to the inclusion in the budget of amounts held for future use that roll over from year to year in addition to current projects getting budgeted fully in the initial year of the project and taking longer than one year to complete.

- Public Protection-Sheriff Detention reimbursements were less than budget due to reimbursements being less than expected of the Corona Relief funds expenditures incurred to aid in the treatment of the COVID-19 pandemic.

Capital Assets

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

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

	Governmental activities		Business-type activities		Total		Increase/ (Decrease)
	2020	2019	2020	2019	2020	2019	Percent Change
Infrastructure	$ 461,844	455,199			461,844	455,199	1.5 %
Land	68,246	68,246	16,368	16,368	84,614	84,614	
Structures and improvements	229,374	230,678	134,341	140,161	363,715	370,839	(1.9)
Equipment	57,174	52,199	12,604	14,025	69,778	66,224	5.4
Intangibles	9,814	11,257	2,022	2,696	11,836	13,953	(15.2)
Construction in progress	221,400	150,211	21,768	10,778	243,168	160,989	51.0
Total	$ 1,047,852	967,790	187,103	184,028	1,234,955	1,151,818	7.2 %

The county's investment in capital assets for its governmental and business-type activities as of June 30, 2020, was $1,234,955,000 (net of accumulated depreciation). The investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, software, park facilities, roads, highways, drainage systems, and bridges. The county's total investment in capital assets for fiscal year 2019-2020 increased by 7.2% (an 8.3% increase for governmental activities and a 1.7% increase for business-type activities). The county's capital acquisitions exceeded retirement of capital assets and depreciation expense.

The major activity of capital assets for governmental activities was:

Equipment	$11,570,000
Building and improvements	7,104,000
Construction in progress	106,137,000

Construction projects during the year included projects such as the new Administration building, new Office of Emergency Services facility, Fire Station 70, and Kirker Pass Road Northbound Truck Climbing Lane. At June 30, 2020, the county had outstanding construction commitments of $63,123,000 for construction projects.

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

Long-Term Debt

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

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

	Governmental activities		Business-type activities		Total		Increase/ (Decrease)
	2020	2019	2020	2019	2020	2019	Percent Change
Retirement litigation settlement	$ 8,145	10,097			8,145	10,097	(19.3)
Capital lease obligations	19,107	18,121			19,107	18,121	5.4
Certificates of participation	52,590	53,831			52,590	53,831	(2.3)
Pension obligation bonds	126,605	176,325			126,605	176,325	(28.2)
Notes payable	497	614	583	715	1,080	1,329	(18.7)
Lease revenue bonds	140,902	157,546	91,524	104,279	232,426	261,825	(11.2)
Special assessment debt	3,850	4,120			3,850	4,120	(6.6)
Total	$ 351,696	420,654	92,107	104,994	443,803	525,648	(15.6) %

At June 30, 2020, the county had total long-term debt outstanding of $443,803,000. The county's legal debt limit was $10,961,573,000. During the year, the county's liabilities for long-term debt decreased by $81,845,000 (15.6%). Specific changes in governmental and business-type activities are presented in Note 10 in the "Notes to the Basic Financial Statements."

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

Credit Ratings

In December 2013, Standard and Poor's Ratings Service (S&P) upgraded the county's issuer credit rating (ICR) two notches from "AA" to "AAA", the highest possible credit rating, citing the county's strong financial management practices. In July 2015, S&P reaffirmed the county's "AAA" ICR citing very strong management, budget flexibility, and liquidity. In addition, S&P noted the county's location within the very strong Bay Area economy as a key factor supporting the rating levels. In February 2018, S&P upgraded the county's pension obligation bond rating from "AA+" to "AAA" following application of updated creditworthiness criteria released by S&P in January 2018.

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

The outlook on the county's credit ratings continued to be "stable" by both S&P and Moody's during fiscal year 2019-2020. As of this writing, the county's underlying long-term ratings are as follows:

Type of Issue	S&P	Moody's
Issuer rating/implied general obligation bond rating	AAA	Aa2
Pension obligation bonds	AAA	A1
Lease revenue bonds	AA+	Aa3

The county continues to evaluate and pursue refunding opportunities for its outstanding bond issuances; however, the county and the Successor Agency to the former Redevelopment Agency refunded the vast majority of eligible debt, taking advantage of historically low interest rates, saving taxpayers millions of dollars. The upgrades to the county's long-term issuer credit and underlying lease revenue bond ratings received over the past several years continue to create opportunities for more favorable interest rates and financing terms on both future debt issuances and refunding of current debt issuances. This is a critical component to addressing infrastructure maintenance and replacement objectives throughout the county.

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

- Increase of countywide assessed valuation of 4.87% in fiscal year 2020-2021.
- Continuing to fund OPEB obligation at $20 million per year.
- At the end of fiscal year 2019-2020, the county was in contract with all of its labor unions. With their assistance, the county has been able to continue the delivery of critical services to our residents within annual available resources.
- General Fund budget structurally balanced.
- All of the facts, decisions, and conditions listed above were considered in preparing the county's budget for fiscal year 2020-2021. The county budget assumed a growth in *ad valorem* property tax revenue of 4.50% at the time of preparation and adoption.

REQUESTS FOR INFORMATION

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

COUNTY OF CONTRA COSTA
STATEMENT OF NET POSITION
JUNE 30, 2020
(In Thousands)

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	First 5 Contra Costa Children and Families Commission	Housing Authority of the County of Contra Costa*
Assets:					
Cash and investments	$ 1,555,924	215,571	1,771,495	15,943	6,129
Receivables (net)	240,370	341,774	582,144	2,842	3,274
Inventories	3,827	5,582	9,409		
Internal balances	(15,488)	15,488			
Notes receivable	123,075		123,075	214	3
Prepaid OPEB asset		236	236		
Prepaid items and deposits	6,949	8,141	15,090	136	500
Land held for resale	6,673		6,673		
Other noncurrent assets					183
Restricted assets:					
Restricted cash and investments	16,487	5,023	21,510		3,491
Notes receivable					376
Capital assets:					
Nondepreciable	289,646	38,136	327,782	332	4,483
Depreciable, net	758,206	148,967	907,173	3,785	27,422
Total assets	2,985,669	778,918	3,764,587	23,252	45,861
Deferred Outflows of Resources:					
Loss on refunding of debt	7,261	1,883	9,144		
Deferred pension outflows	202,021	77,337	279,358	854	1,627
Deferred OPEB ouflows	11,901	2,118	14,019	77	366
Total deferred outflows of resources	221,183	81,338	302,521	931	1,993
Liabilities:					
Accounts payable and accrued liabilities	136,124	206,893	343,017	379	2,561
Accrued interest payable	4,115	1,096	5,211		43
Due to other agencies				43	
Welfare program advances	30,606		30,606		
Unearned revenue	174,772	2,484	177,256	493	330
Noncurrent liabilities:					
Due within one year	113,444	18,667	132,111	25	889
Due in more than one year	1,475,500	448,160	1,923,660	1,764	28,239
Total liabilities	1,934,561	677,300	2,611,861	2,704	32,062
Deferred Inflows of Resources:					
Deferred pension inflows	186,990	61,906	248,896	631	2,447
Deferred OPEB inflows	99,732	20,873	120,605	183	200
Total deferred inflows of resources	286,722	82,779	369,501	814	2,647
Net Position:					
Net investment in capital assets	887,520	100,581	988,101	4,117	17,964
Restricted for:					
Legally segregated taxes, grants and fees	623,676		623,676		
Tenant deposits					2,572
Debt service	22,885		22,885		
Permanent fund:					
Expendable portion	143		143		
Nonexpendable portion	1,710		1,710		
Total restricted net position	648,414		648,414		2,572
Unrestricted (deficit)	(550,365)	(404)	(550,769)	16,548	(7,391)
Total net position	$ 985,569	100,177	1,085,746	20,665	13,145

* Housing Authority of the County of Contra Costa reported as of March 31, 2020.
See accompanying notes to the basic financial statements.

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COUNTY OF CONTRA COSTA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(In Thousands)

		Program Revenues			Net (Expenses) Revenues and Changes in Net Position			Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	First 5 Contra Costa Children and Families Commission	Housing Authority of the County of Contra Costa*
Function/Program Activities:									
Primary government:									
Governmental activities:									
General government	$ 207,216	111,748	56,140		(39,328)		(39,328)		
Public protection	688,136	196,821	200,064		(291,251)		(291,251)		
Health and sanitation	337,663	86,647	179,514		(71,502)		(71,502)		
Public assistance	499,915	4,171	485,309		(10,435)		(10,435)		
Education	30,102	129	3,291		(26,682)		(26,682)		
Public ways and facilities	43,246	7,368	1,857	35,823	1,802		1,802		
Recreation and culture	1,628	10	9		(1,609)		(1,609)		
Interest on debt	19,772				(19,772)		(19,772)		
Total governmental activities	1,827,678	406,894	926,184	35,823	(458,777)		(458,777)		
Business-type activities:									
County Hospital	626,749	515,510	93,101	5,167		(12,971)	(12,971)		
HMO Medi-Cal Plan	886,036	894,962				8,926	8,926		
HMO Commercial Plan	75,079	71,299				(3,780)	(3,780)		
Airport	6,193	4,691	1,971			469	469		
Sheriff Law Enforcement Training Center	1,931	809	168			(954)	(954)		
Major Risk Medical Insurance		1				1	1		
Total business-type activities	1,595,988	1,487,272	95,240	5,167		(8,309)	(8,309)		
Total primary government	$ 3,423,666	1,894,166	1,021,424	40,990	(458,777)	(8,309)	(467,086)		
Component units:									
First 5 Contra Costa Children and Families Commission	$ 11,943		10,856					(1,087)	
Housing Authority of the County of Contra Costa	21,322	6,506	278	1,515					(13,023)
GENERAL REVENUES:									
Taxes:									
Property					$ 635,053		635,053		
Sales					16,697		16,697		
Other					12,979		12,979		
Grants/contributions not restricted					22,109		22,109		
Investment earnings					69,347	101	69,448	319	
Other					24,445	1,394	25,839	286	11,700
TRANSFERS					(50,515)	50,515			
Total general revenues and transfers					730,115	52,010	782,125	605	11,700
Change in net position					271,338	43,701	315,039	(482)	(1,323)
NET POSITION, BEGINNING OF YEAR					714,230	56,476	770,706	21,147	14,468
NET POSITION, END OF YEAR					$ 985,568	100,177	1,085,745	20,665	13,145

* Housing Authority of the County of Contra Costa reported for the year ended March 31, 2020.
See accompanying notes to the basic financial statements.

COUNTY OF CONTRA COSTA

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2020

(In Thousands)

		General	CCC Fire Protection District Special Revenue	Nonmajor	Total
Assets:					
Cash and investments	$	630,258	111,997	633,644	1,375,899
Accounts receivable and accrued revenue (net)		191,662	2,191	42,370	236,223
Inventories		2,714	864		3,578
Due from other funds		355,028	2,621	15,862	373,511
Notes receivable		106,094		16,981	123,075
Prepaid items and deposits		3,870	688	1,989	6,547
Land held for resale				6,673	6,673
Restricted cash and investments		1,591		14,896	16,487
Total assets	$	1,291,217	118,361	732,415	2,141,993
Liabilities, Deferred Inflows of Resources, and Fund Balances:					
Liabilities:					
Accounts payable and accrued liabilities	$	93,422	13,665	28,501	135,588
Due to other funds		255,315	1,766	132,810	389,891
Welfare program advances		30,606			30,606
Unearned revenue		168,610		6,162	174,772
Total liabilities		547,953	15,431	167,473	730,857
Deferred Inflows of Resources:					
Unavailable revenue		106,094	172	17,146	123,412
Total deferred inflows of resources		106,094	172	17,146	123,412
Fund Balances:					
Nonspendable		6,584	1,552	3,699	11,835
Restricted		44,015	41,745	437,438	523,198
Committed		1,263		342	1,605
Assigned		231,782	59,461	106,317	397,560
Unassigned		353,526			353,526
Total fund balances		637,170	102,758	547,796	1,287,724
Total liabilities, deferred inflows of resources, and fund balances	$	1,291,217	118,361	732,415	2,141,993

See accompanying notes to the basic financial statements.

COUNTY OF CONTRA COSTA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET

TO THE STATEMENT OF NET POSITION

JUNE 30, 2020

(In Thousands)

Fund balances - total governmental funds (page 24)			$	1,287,724
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. (Net of internal service fund capital assets of $10,801)				1,037,051
Accrued revenue, which is not available soon enough to pay for the current period's expenditures, is deferred in the governmental funds.				337
Notes receivable are not available to pay current-period expenditures and, therefore, are deferred in the governmental funds.				123,075
Internal service funds are used by management to charge the costs of self insurance and fleet services to individual funds. The assets, deferred outflows, liabilities, and deferred inflows of these funds, except for the medical liability insurance fund, are included as governmental activities in the statement of net position.				48,580
Interest on long-term debt is recognized as it accrues, regardless of when it is due.				(4,115)
Insurance costs on bond issuance are not recognized as current expenditures and are amortized over the life of the bonds.				402
Loss on refunding of debt is recognized as a deferred outflow of resources				7,261
Deferred pension outflows represent a consumption of net position applicable to a future reporting period. (net of internal service fund balance of $420)				201,601
Deferred pension inflows represent an acquisition of net position applicable to a future reporting period. (net of internal service fund balance of $336)				(186,654)
Deferred OPEB outflows represent a consumption of net position applicable to a future reporting period. (net of internal service fund balance of $56)				11,845
Deferred OPEB inflows represent an acquisition of net position applicable to to a future reporting period. (net of internal service fund balance of $320)				(99,412)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.				
Certificates of participation	$	(52,590)		
Lease revenue bonds from direct placements		(107,460)		
Lease revenue bonds		(33,442)		
Notes payable-direct borrowings		(497)		
Special assessment bonds		(3,850)		
Pension obligation bonds		(126,605)		
Retirement litigation settlement		(8,145)		
Net pension liability (net of internal service fund balance of $978)		(496,989)		
Capital lease obligations		(19,107)		
Compensated absences (net of internal service fund balance of $121)		(64,104)		
Net OPEB liability (net of internal service fund balance of $318)		(523,122)		
Other noncurrent liabilities		(975)		
Premiums and discounts, net		(5,240)		(1,442,126)
Net position of governmental activities (page 21)			$	985,569

See accompanying notes to the basic financial statements.

COUNTY OF CONTRA COSTA

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(In Thousands)

	General	CCC Fire Protection District Special Revenue	Nonmajor	Total
Revenues:				
Taxes	$ 451,362	132,676	102,816	686,854
Licenses, permits and franchise fees	12,428		21,680	34,108
Fines, forfeitures and penalties	4,395		4,525	8,920
Use of money and property	32,277	2	31,296	63,575
Intergovernmental	649,892	5,707	306,411	962,010
Charges for services	236,019	69,971	63,490	369,480
Other revenue	341,841	3,280	43,968	389,089
Total revenues	1,728,214	211,636	574,186	2,514,036
Expenditures:				
Current:				
General government	302,175		45,414	347,589
Public protection	422,355	197,463	184,606	804,424
Health and sanitation	365,751		62,981	428,732
Public assistance	454,718		158,409	613,127
Education			33,015	33,015
Public ways and facilities	37,873		66,975	104,848
Recreation and culture			1,330	1,330
Debt service:				
Principal			69,827	69,827
Interest			18,129	18,129
Total expenditures	1,582,872	197,463	640,686	2,421,021
Excess (deficiency) of revenues over (under) expenditures	145,342	14,173	(66,500)	93,015
Other Financing Sources (Uses):				
Transfers in	431	5	57,379	57,815
Transfers out	(94,679)		(13,463)	(108,142)
Capital lease financing	1,565	3,001		4,566
Total other financing sources (uses)	(92,683)	3,006	43,916	(45,761)
Net change in fund balances	52,659	17,179	(22,584)	47,254
Fund Balances at Beginning of Year	584,511	85,579	570,380	1,240,470
Fund Balances at End of Year	$ 637,170	102,758	547,796	1,287,724

See accompanying notes to the basic financial statements.

COUNTY OF CONTRA COSTA

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(In Thousands)

Net change in fund balances - total governmental funds (page 26)		$ 47,254
Amounts reported for governmental activities in the statement of activities are different because:		
Revenues that have not met revenue recognition criteria in the fund financial statements are recognized as revenue in the government-wide financial statements.		8,198
Governmental funds report capital asset acquisitions as either capital outlay or other current program expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Expenditures for capital assets	$ 125,611	
Capital assets transferred from Fleet internal service fund	28	
Less loss on disposal/retirement of capital assets	(415)	
Capital assets adjustment		
Less depreciation adjustment		
Less current year depreciation	(46,554)	78,670
Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Principal payments	69,827	
Principal payments-notes payable	117	
Capital lease payments	3,580	
Issuance of capital lease	(4,566)	
Expenditures made on other noncurrent liabilities	421	
Principal adjustments	2	69,381
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Change in long-term compensated absences	(9,048)	
Changes to net pension liability and pension-related deferred outflows and inflows of resources do not require current financial resources and are only reported in the government-wide financial statements	27,402	
Changes to net OPEB liability and OPEB-related deferred outflows and inflows of resources do not require current financial resources and are only reported in the government-wide financial statements	31,314	
Amortization of insurance cost of bond issuance	(135)	
Amortization of premiums - lease revenue bonds	366	
Amortization of premiums - special assessments	1	
Change in accrued interest payable	(880)	
Amortization of deferred loss on refunding	(594)	48,426
Internal service funds are used by management to charge the costs of self insurance and fleet services to individual funds. The net revenue of certain activities of the internal service funds is reported with governmental activities, except for the medical liability insurance fund.		19,410
Change in net position of governmental activities (page 23)		$ 271,339

See accompanying notes to the basic financial statements.

COUNTY OF CONTRA COSTA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020
(In Thousands)

		Enterprise Funds				
		County Hospital	HMO Medi-Cal Plan	Nonmajor	Total	Internal Service
Assets and Deferred Outflows of Resources:						
Assets:						
Current assets:						
Cash and investments	$	37,903	146,759	24,338	209,000	186,596
Accounts receivable and accrued revenue (net)		235,447	97,572	8,755	341,774	4,147
Inventories		5,557		25	5,582	249
Due from other funds		66,718	24,560	3,984	95,262	199,132
Prepaid OPEB asset				236	236	
Prepaid items and deposits		7,464		677	8,141	
Total current assets		353,089	268,891	38,015	659,995	390,124
Noncurrent assets:						
Restricted cash and investments		5,023			5,023	
Capital assets:						
Nondepreciable		27,217		10,919	38,136	708
Depreciable, net		141,343		7,624	148,967	10,093
Total noncurrent assets		173,583		18,543	192,126	10,801
Total assets		526,672	268,891	56,558	852,121	400,925
Deferred Outflows of Resources:						
Loss on refunding of debt		1,883			1,883	
Deferred pension outflows		72,047	4,640	650	77,337	420
Deferred OPEB outflows		2,007	100	11	2,118	56
Total deferred outflows of resources		75,937	4,740	661	81,338	476
Total Assets and Deferred Outflows of Resources	$	602,609	273,631	57,219	933,459	401,401
Liabilities, Deferred Inflows of Resources, and Net Position (Deficit):						
Liabilities:						
Current liabilities:						
Accounts payable and accrued liabilities	$	46,613	145,984	14,294	206,891	538
Accrued interest payable		1,096			1,096	
Due to other funds		43,928	29,173	6,648	79,749	198,265
Unearned revenue		100	618	1,766	2,484	
Current portion of long-term liabilities		16,025	142	20	16,187	29,583
Total current liabilities		107,762	175,917	22,728	306,407	228,386
Noncurrent liabilities:						
Compensated absences		24,056	1,282	175	25,513	109
Net pension liability		167,696	10,800	1,513	180,009	978
Net OPEB liability		659	70		729	318
Claims payable						120,907
Bonds and notes payable, net		80,060			80,060	
Landfill post closure		677			677	
Reserves for supplemental payments		158,575			158,575	
Total noncurrent liabilities		431,723	12,152	1,688	445,563	122,312
Total liabilities		539,485	188,069	24,416	751,970	350,698
Deferred Inflows of Resources:						
Deferred pension inflows		57,671	3,714	521	61,906	336
Deferred OPEB inflows		19,655	957	261	20,873	320
Total deferred inlows of resources		77,326	4,671	782	82,779	656
Net Position (Deficit):						
Net investment in capital assets		82,038		18,543	100,581	10,801
Unrestricted (deficit)		(96,240)	80,891	13,478	(1,871)	39,246
Total net position (deficit)		(14,202)	80,891	32,021	98,710	50,047
Total Liabilities, Deferred Inflows of Resources, and Net Position (Deficit)	$	602,609	273,631	57,219	933,459	401,401

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

Net position of enterprise funds	$	98,710
Adjustment to reflect the consolidation of Medical Liability ISF activities related to enterprise funds.		1,467
Net position of business-type activities (page 21)	$	100,177

See accompanying notes to the basic financial statements.

COUNTY OF CONTRA COSTA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(In Thousands)

		Enterprise Funds				
		County Hospital	HMO Medi-Cal Plan	Nonmajor	Total	Internal Service
Operating Revenues:						
Use of money and property	$		2,250	4,928	7,178	
Charges for services		511,760	892,712	71,872	1,476,344	64,751
Other revenue				585	585	20,159
Total operating revenues		511,760	894,962	77,385	1,484,107	84,910
Operating Expenses:						
Salaries and employee benefits		393,363	25,868	3,947	423,178	2,369
Services and supplies		215,790	750,013	76,558	1,042,361	34,114
Benefit and claim expense						27,886
Other charges		103	109,487	866	110,456	824
Expense transfers				261	261	
Depreciation		10,501		1,214	11,715	2,976
Total operating expenses		619,757	885,368	82,846	1,587,971	68,169
Operating income (loss)		(107,997)	9,594	(5,461)	(103,864)	16,741
Nonoperating Revenues (Expenses):						
State and federal grants		93,101		2,139	95,240	
Investment income				101	101	5,426
Interest expense		(5,002)	(668)	(357)	(6,027)	
Total nonoperating revenues (expenses)		88,099	(668)	1,883	89,314	5,426
Income (loss) before capital contributions and transfers		(19,898)	8,926	(3,578)	(14,550)	22,167
Capital contributions		5,167			5,167	
Transfers in		57,377		5,423	62,800	158
Transfers out		(11,403)	(733)	(149)	(12,285)	(346)
Change in net position		31,243	8,193	1,696	41,132	21,979
Total Net Position (Deficit) at Beginning of Year		(45,445)	72,698	30,325	57,578	28,068
Total Net Position (Deficit) at End of Year	$	(14,202)	80,891	32,021	98,710	50,047

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

Change in net position of enterprise funds.	$	41,132
Adjustment to reflect the Medical Liability ISF activities related to enterprise funds.		2,569
Change in net position of business-type activities (page 23)	$	43,701

See accompanying notes to the basic financial statements.

COUNTY OF CONTRA COSTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(In Thousands)

	Enterprise Funds				
	County Hospital	HMO Medi-Cal Plan	Nonmajor	Total	Internal Service
Cash Flows from Operating Activities:					
Cash received from customers	$ 515,976	847,683	74,499	1,438,158	84,509
Cash received from other funds			380	380	(4)
Cash retirements for supplemental payments	8,711			8,711	
Cash payment to other funds	(12,969)		(568)	(13,537)	5,339
Cash payment to suppliers for goods and services	(218,544)	(835,193)	(80,034)	(1,133,771)	(86,015)
Cash payment to employees for services	(408,144)	(26,809)	(4,168)	(439,121)	(2,839)
Net Cash Provided by (Used for) Operating Activities	(114,970)	(14,319)	(9,891)	(139,180)	990
Cash Flows from Noncapital Financing Activities:					
State and federal grants	93,101		2,139	95,240	
Transfers in	57,377		5,423	62,800	158
Transfers out	(11,403)	(733)	(149)	(12,285)	(346)
Net Cash Provided by (Used for) Noncapital Financing Activities	139,075	(733)	7,413	145,755	(188)
Cash Flows from Capital and Related Financing Activities:					
Capital contributions	5,167			5,167	
Acquisition and construction of capital assets	(12,885)		(1,520)	(14,405)	(4,366)
Interest paid	(4,915)	(668)	(357)	(5,940)	
Decrease in fair value of investments			19	19	
Notes payable payment	(132)			(132)	
Interest income			82	82	
Principal paid on debt	(12,755)			(12,755)	
Net Cash Used for Capital and Related Financing Activities	(25,520)	(668)	(1,776)	(27,964)	(4,366)
Cash Flows from Investing Activities:					
Interest received on investments					5,426
Net Cash provided by Investing Activities					5,426
Net Increase (Decrease) in Cash and Cash Equivalents	(1,415)	(15,720)	(4,254)	(21,389)	1,862
Cash and Cash Equivalents at Beginning of Year	44,341	162,479	28,592	235,412	184,734
Cash and Cash Equivalents at End of Year	$ 42,926	146,759	24,338	214,023	186,596
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Operating income (loss)	$ (107,997)	9,594	(5,461)	(103,864)	16,741
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Depreciation and amortization	10,501		1,214	11,715	2,976
Decrease (increase) in:					
Accounts receivable and accrued revenue, net	4,216	(25,069)	(1,862)	(22,715)	(401)
Inventories	(979)		(14)	(993)	98
Due from other funds	14,308	(22,209)	(1,568)	(9,469)	(190,796)
Prepaid items and deposits	(706)		(123)	(829)	
Prepaid OPEB asset			(339)	(339)	
Deferred OPEB outflows	(129)	(6)	(2)	(137)	(2)
Deferred pension outflows	79,606	5,020	745	85,371	530
Increase (decrease) in:					
Accounts payable and accrued liabilities	377	25,161	(4,962)	20,576	(267)
Claims payable					(23,274)
Due to other funds	(27,277)	(854)	2,730	(25,401)	196,116
Deferred inflows of resources					
Deferred pension inflows	31,436	2,043	238	33,717	190
Deferred OPEB inflows	15,110	729	608	16,447	172
Net pension liability	(124,840)	(7,834)	(1,177)	(133,851)	(855)
Net OPEB liability	(21,528)	(1,039)		(22,567)	(270)
Unearned revenue		(1)	47	46	
Supplemental payments	8,711			8,711	
Compensated absences	4,221	146	35	4,402	32
Net Cash Provided by (Used for) Operating Activities	$ (114,970)	(14,319)	(9,891)	(139,180)	990
Noncash investing, capital, and financing activities:					
Debt amortization	$ 335			335	
Change in landfill post closure liability	122			122	

See accompanying notes to the basic financial statements.

COUNTY OF CONTRA COSTA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2020
(In Thousands)

	Other Employee Benefit Trust	Investment Trust	Private-Purpose Trust Funds	Agency
Assets:				
Cash and investments	$ 12,493	2,055,262	40,351	217,409
Investments in OPEB trust:				
Large cap equities	72,514			
Mid cap equities	16,766			
Small cap equities	25,706			
International equities	34,195			
Global equities	23,609			
Real estate	8,309			
Fixed income	137,791			
Alternative investments	10,046			
Receivables		1,868	119	42,962
Notes receivable, net			25	
Due from other governments				7,414
Taxes receivable				105,637
Prepaid items and deposits			472	
Restricted cash and investments			1,538	
Total assets	341,429	2,057,130	42,505	373,422
Deferred Outflows of Resources:				
Loss on refunding of debt			2,899	
Total deferred outflows of resources			2,899	
Liabilities:				
Warrants outstanding		86,986		49,911
Accounts payable and accrued liabilities		1,402	101	72,943
Due to other governments			263	21,749
Unapportioned taxes				61,826
Tax loss guarantees				89,694
Accrued interest payable			1,205	
Noncurrent liabilities:				
Due within one year			3,595	
Due in more than one year			72,192	
Due to other agencies and districts				77,299
Total liabilities		88,388	77,356	373,422
Net Position:				
Restricted for:				
Other postemployment benefits	341,429			
Participation in individually directed investment accounts		1,968,742		
Held in trust for redevelopment other purposes			38,225	
Unrestricted deficit			(70,177)	
Total net position (deficit)	$ 341,429	1,968,742	(31,952)	

See accompanying notes to the basic financial statements.

COUNTY OF CONTRA COSTA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(In Thousands)

	Other Employee Benefit Trust	Investment Trust	Private-Purpose Trust Funds
Additions:			
Employer contributions	$ 78,028		
Plan member contributions	18,095		
Contributions to investment accounts		5,042,686	
Other revenue			33,494
Net investment income (loss)	12,018	6,566	30
Property tax distribution			7,613
Total additions	108,141	5,049,252	41,137
Deductions:			
Benefits paid	75,226		
Distribution from investment accounts		5,045,000	
Administrative and other expenses			1,190
Interest expense			2,582
Other			24,457
Project expenses			258
Financial assistance payments			1,428
Total deductions	75,226	5,045,000	29,915
Change in net position	32,915	4,252	11,222
Net Position (Deficit) at Beginning of Year	308,514	1,964,490	(43,174)
Net Position (Deficit) at End of Year	$ 341,429	1,968,742	(31,952)

See accompanying notes to the basic financial statements.

COUNTY OF CONTRA COSTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Definition of Reporting Entity

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

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

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

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

Blended Component Units

Successor Agency to the Contra Costa County Redevelopment Agency

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

County of Contra Costa Public Financing Authority

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

In-Home Supportive Services Public Authority

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

Special Districts and Service Areas

The county has 37 agencies referred to as county special districts and service areas. Each is established by the county for the purpose of providing specific services in a defined geographic area. Their board members are the same as the county Board of Supervisors and management of the primary government has operational responsibility for the component units. The 37 agencies and the special revenue fund in which each is included are: Contra Costa County Fire Protection District; Other Fire Protection – Crockett-Carquinez Fire Protection District; Flood Control - Flood Control District, Storm Drainage District, Storm Drain District No. Z-19; Service Areas - Service Areas D-2, EM-1, L-100, LIB-2, LIB-10, LIB-12, LIB-13, M-1, M-16, M-17, M-20, M-23, M-28, M-29, M-30, M-31, R-4, R-7A, R-9, R-10, RD-4, Public Transit-Service Area T1, CFD 2006-1, CFD 2008-1, CFD 2010-1, and Discovery Bay West Parking District; Law Enforcement - Service Special Areas Crockett Cogeneration (formerly P-1), P-2 (zones A and B), P-5 and P-6; Health and Sanitation - West Contra Costa Healthcare District; and Other Special Revenue - Contra Costa County Water Agency. These special revenue funds are reported as nonmajor governmental funds, with the exception of the Contra Costa County Fire Protection District, which is reported as a major governmental fund.

<u>Discretely Presented Component Units</u>

First 5 Contra Costa Children and Families Commission

The First 5 Contra Costa Children and Families Commission (Commission) was established to implement the provisions of Proposition 10, adopted by the voters in 1998. Proposition 10 added Division 108 (commencing with Section 130100) to the California Health and Safety Code. It provides for a state tax on the sale of tobacco products and also provides that this revenue be spent for early childhood development programs by the Commission. The county Board of Supervisors originally appointed all nine members (and nine alternate members) of the Commission. One member of the Board of Supervisors

serves on the Commission. While the Board of Supervisors is able to impose its will, the Commission does not meet the criteria for blending: i) the primary government has no management responsibility; ii) the Commission's services aren't exclusive or almost exclusive to the county; and iii) the Commission's debt outstanding is not expected to be repaid with resources of the county. The Commission hires its own employees, including an Executive Director, and functions independent of the county. The Commission provides most of its services directly to the citizens of the county. The financial activity of the Commission is reported in separate columns on the government-wide financial statements.

Housing Authority of the County of Contra Costa

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

<u>Separately Issued Financial Statements</u>

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

County of Contra Costa Public Financing Authority
1025 Escobar Street, 4th Floor, Martinez, CA 94553

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

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

B. Accounting Pronouncements

<u>Pronouncements Implemented During the Year</u>

The county implemented Governmental Accounting Standards Board (GASB) Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, during the year. The primary objective of this statement was to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective was accomplished by postponing the effective dates of certain pronouncements and Implementation Guides that were scheduled to become effective for periods beginning after June 15, 2018, and later.

Pronouncements to be Implemented in Subsequent Years

The effective dates in the following GASB Statements have been updated to reflect the implementation of GASB Statement No. 95. The county is currently evaluating its accounting practices to determine the potential impact on the financial statements for the following GASB statements:

GASB Statement No. 84, *Fiduciary Activities*, establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. Greater consistency and comparability enhances the value provided by the information reported in financial statements for assessing government accountability and stewardship. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

GASB Statement No. 87, *Leases*, increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, will (1) enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

GASB Statement No. 90, *Majority Equity Interests, an amendment of GASB Statement No. 14 and No. 61*, will improve consistency in the measurement and comparability of the financial statement presentation of majority equity interests in legally separate organizations. This Statement also provides guidance for reporting a component unit if a government acquires a 100 percent equity interest in that component unit. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

GASB Statement No. 91, *Conduit Debt Obligations*, will provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

GASB Statement No. 92, *Omnibus 2020*, covering a variety of topics, will enhance comparability in accounting and financial reporting and improve the consistency of authoritative literature by addressing

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practice issues that have been identified during implementation and application of certain GASB statements including GASB Statement No. 84, Fiduciary Activities, and GASB Statement No. 87, Leases. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*, will address accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR) in hedging derivative instruments and leases. The requirements of this Statement are effective for reporting periods beginning after June 15, 2020, except for paragraphs 13 and 14 which are effective for reporting periods beginning after June 15, 2021.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, will improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). A PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset for a period of time in an exchange or exchange-like transaction. Additionally, the Statement will provide guidance for accounting and financial reporting for availability payment arrangements (APAs). An APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. A SBITA is defined as a contract that conveys control of the right to use another party's information technology software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans-An Amendment of GASB Statements No. 14 and 84, and a Supersession of GASB Statement No. 32*, is meant to (1) increase consistency and comparability related to the reporting of fiduciary component units; (2) mitigate costs associated with the reporting of certain defined contribution pensions, defined contribution other postemployment benefit (OPEB) plans, and other employee benefit plans as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans. Exemptions for defined contribution plans became effective upon issuance of the statement, and the remaining component unit determination provision and IRC Section 457 Plan provisions are effective for reporting periods beginning after June 15, 2021.

C. Basis of Presentation

Government-wide Financial Statements

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

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

The statement of net position reports the county's financial and capital resources, including infrastructure, as well as the county's long-term obligations. The difference between the county's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, is its net position. Net position represents the resources that the county has available for uses in providing services after its debts are settled.

The statement of activities presents a comparison between direct and allocated indirect expenses and program revenues for each function of the governmental activities and each segment of the business-type activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs, including fines and forfeitures, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

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

<u>Fund Financial Statements</u>

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

The county reports the following as major governmental funds:

- The *General Fund* is used to account for and report all financial resources not accounted for and reported in another fund. In addition to general administration, the General Fund includes such

activities as public protection, health and sanitation, public assistance, and public ways and facilities.

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

The county reports the following as major enterprise funds:

- The *County Hospital* accounts for hospital operations involved in providing health services to county residents. Revenues are principally fees for patient services, payments from federal and state programs such as Medicare, Medi-Cal and Short-Doyle, realignment revenues, and subsidies from the General Fund.
- The *HMO Medi-Cal Plan's* revenues and expenses are capitation payments and costs related to Medi-Cal eligibles enrolled in the Medi-Cal Plan.

The county reports the following additional funds:

- *Internal Service Funds* account for the county's fleet services and self-insurance programs – employee dental insurance, long-term disability insurance, workers' compensation insurance, automotive liability insurance, public liability insurance, state unemployment insurance, medical liability insurance, and special district property insurance, on a cost-reimbursement basis.
- *Other Employee Benefit Trust Fund* accounts for assets held in trust to pay post-employment health benefits. The trust, which consists of assets contributed by the county (and other participating employers), is administered by the financial officials typically responsible for safeguarding the county's assets. The Trustee shall separately account for all contributions, distributions, payments, expenses, gains and losses attributable to the county and each other employer that participates in the trust.
- The *Investment Trust Fund* accounts for the assets of legally separate entities who make directed investments through the County Treasurer. These entities include school and community college districts, other special districts governed by local boards, regional boards and authorities and pass-through funds for tax collections for cities. This fund is an external investment pool representing the assets, primarily cash and investments, and the related obligation of the county to disburse these monies on demand.
- The *Private-Purpose Trust Funds* account for assets held in trust for the benefit of individuals, private organizations, and other governments. Included in these funds are assets, liabilities, and activities of the Successor Agency to the Contra Costa County Redevelopment Agency.
- *Agency Funds* account for assets pending transfer or distribution to individuals, private organizations or other governmental entities held by the county in an agency capacity. Included

in these funds are the Unapportioned Taxes Fund and the Tax Losses Reserve Fund, which provide controls necessary for the county to manage property taxes under the Teeter Plan (see section L of this note).

D. Basis of Accounting

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

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

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

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

E. Cash and Cash Equivalents

For purposes of the accompanying statement of cash flows, the enterprise and internal service funds consider all highly liquid investments with a maturity of three months or less when purchased, their equity in the County Treasurer's investment pool, and cash restricted for repayment of debt or as

reserves to be cash equivalents. The County Treasurer's investment pool includes certain investments with longer maturities; however, each fund's equity in the pooled funds are considered readily available for immediate use and therefore included with cash equivalents.

F. Investments

The county records investment transactions on the trade date. Investments are reported at fair value. The county measures its investments at fair value and categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement, using observable market transactions or available market information. The county adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year. Investment income is allocated among funds on the basis of year-end fund balances in these funds. Investment income from cash and investments with trustees is credited directly to the related fund.

Public school, cemetery, pest control, recreation and park, and resource conservation districts within the county are required by legal provisions to maintain their cash and investments with the County Treasurer. The County Treasurer maintains individual directed investment accounts for those districts, and the cash and investments held are included in the Investment Trust Fund.

G. Inventories and Prepaid Items

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

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

H. Notes Receivable

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

I. Restricted Assets

The county's restricted assets represent cash and investments of the General Fund, County Hospital Enterprise Fund, Successor Agency to the Contra Costa County Redevelopment Agency, certain nonmajor governmental funds, and discretely presented component unit – Housing Authority, which are restricted for debt repayments in accordance with restrictions and limitations of the various bond indentures and other legal or grantor restrictions. The Housing Authority also included notes receivable as restricted assets. All of the noted cash and investments are included in Note 4 – Cash and Investments.

J. Capital Assets

Capital assets (including infrastructure and intangibles) are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value. Capital assets include public domain (infrastructure) consisting of certain improvements including roads, bridges, water/sewer, lighting systems, drainage systems, and flood control. The capitalization threshold for infrastructure is $25,000. The capitalization threshold for buildings is $100,000. The capitalization threshold for equipment and vehicles is $5,000. Many different types of assets may be considered intangible assets, including easements, water rights, timber rights, patents, trademarks, right of ways, mineral rights, and computer software. The capitalization threshold for intangible assets acquired after June 30, 2009, excluding internally developed intangibles, is $100,000. The capitalization threshold for internally developed intangible assets acquired after June 30, 2009, and for all retroactively reported intangible assets, is $1,000,000. Capital assets used in operations are depreciated or amortized using the straight-line method over their estimated useful lives or the capital lease period in the activities within the government-wide financial statements and proprietary funds.

The estimated useful lives are as follows:

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

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

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

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

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

L. Property Tax Levy, Collection, and Maximum Rates

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

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

Under the alternate apportionment method, specified amounts of penalties and interest collected on delinquent secured taxes are held in the Tax Losses Reserve Agency Fund (TLRF). This reserve is used to offset the impact of accumulated delinquency remaining at year-end. The county's management believes that any ownership rights to the TLRF the county may have are effective only upon transfer or to the extent of losses related to the sale of tax defaulted property. The county has the authority to transfer any amounts in the fund that exceed a legally defined threshold, which was $7,310,000 at June 30, 2020. The year-end balance in the TLRF was $89,694,000. Amounts in the TLRF are considered to be held in a custodial capacity for the administration of the county's Teeter Plan.

M. Interfund Transactions

Interfund transactions are reflected as either loans, services provided, reimbursements or transfers. Loans are reported as receivables and payables (as appropriate), are subject to elimination upon consolidation, and are referred to as "due to/from other funds" (i.e., the current portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

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

N. Compensated Absences and Sick Leave

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

Compensated absences as of June 30, 2020, were valued at $93,339,000 which includes $55,637,000 attributable to the General Fund, $8,467,000 attributable to the Special Revenue Funds, $28,348,000 recorded in Enterprise Funds, $121,000 recorded in Internal Service Funds, $252,000 recorded in the First 5 Contra Costa Children and Families Commission Component Unit, and $514,000 recorded in the Housing Authority Component Unit (as of March 31, 2020). Amounts attributable to the General Fund, Special Revenue Funds, and Component Units are expected to be claimed in future periods and paid with future resources from those funds. Accordingly, this liability is reflected in the government-wide statement of net position. In the proprietary funds, compensated absences are recorded as an expense and liability as the benefits accrue to employees. The amounts reported for compensated absences include estimated employer liability for taxes and workers' compensation premiums.

O. Estimates

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

2. COVID-19 PANDEMIC

On March 4, 2020, the Governor of the State of California (State) declared a State of Emergency to make additional resources available, formalize emergency actions across multiple State agencies, including the California Department of Public Health, the California Health and Human Services Agency, the Governor's Office of Emergency Services, and other agencies that helped the State prepare for broader spread of COVID-19. On March 13, 2020, a national emergency was declared by the President to combat COVID-19. This declaration provides access to the Federal Emergency Management Agency (FEMA) Public Assistance program, which allows for a 75% federal cost share on certain emergency protective measures taken at the direction or guidance of public health officials in response to the COVID-19 pandemic. The county activated the Emergency Operations Center (EOC) and several Department Operations Centers (DOC) to assist in the response to the pandemic. Those operations centers are the hub for procurement and distribution of services and equipment necessary to respond to the emergency.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act established the Coronavirus Relief Fund (CRF) and appropriated $150 billion to the CRF. The CRF is to be used to make payments for specified uses to states and certain local governments with populations over 500,000; the District of Columbia and U.S. Territories; and Tribal governments.

The county received $231,749,000 in funding from the CARES Act and FEMA to assist with the COVID-19 Pandemic. The county received Federal CARES Act funds in the amount of $201,282,000, $26,546,000 from State pass-through CARES Act funds, and $3,921,000 in FEMA funding. Of the $231,749,000 in CARES Act and FEMA funding, $138,838,000 of the resources received that were not expended by June 30, have been accrued as unearned revenue in the general fund.

3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted for all governmental funds except the Public Financing Authority Debt Service Fund, the Assessment Districts Debt Service Fund, and the Assessment Districts Capital Projects Fund. All annual appropriations lapse at fiscal year-end. GAAP serves as the budgetary basis of accounting. The West Contra Costa Healthcare District became a blended component unit of the County on January, 1, 2019. Prior to becoming a blended component unit, the District's Board of Trustees adopted a budget, however; the budget was not adopted by the County's Board of Supervisors. In fiscal year 2019-2020, the West Contra Costa Healthcare District Debt Service Fund will have an adopted budget approved by the Board of Supervisors.

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

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

B. Deficit Net Position/Fund Balance

The County Hospital Enterprise Fund had a deficit net position of $14,202,000 at June 30, 2020. The deficit is due to the implementation of GASB Statement No. 68 in 2015, recognizing net pension liability. The County Hospital Enterprise Fund continues to show an annual positive change in net position due to the General fund annual subsidy, reducing the deficit net position.

Two internal service funds had deficit net positions at June 30, 2020. The Long-Term Disability Insurance Fund shows a deficit of $1,019,000, a deficit increase of $38,000 from a deficit net position of $981,000 at June 30, 2019. The Automotive Liability Insurance Fund shows a deficit net position of $10,000, a deficit increase from a positive net position of $294,000 at June 30, 2019. The deficit changes in net position were caused by adjustments of insurance reserves for self-insurance funds per actuarial report dated June 30, 2020. The county's policy is to provide in each fiscal year, by charges to affected operating funds, amounts sufficient to cover the estimated expenditures for self-insured claims and the cost of insurance, and to cure deficits over a reasonable amount of time.

The Successor Agency to the RDA had a deficit net position of $68,167,000 at June 30, 2020. Under the former California Redevelopment Law, the former agency issued bonds or incurred long-term debt to finance its redevelopment projects by pledging future tax increment revenues. In general, the Successor Agency to the RDA can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

4. CASH AND INVESTMENTS

Cash and investments at June 30, 2020 (March 31, 2020, for the Housing Authority) are reported as follows (in thousands):

	Primary Government		Component Units		
	Governmental Activities	Business-Type Activities	First 5 Contra Costa Children and Families Commission	Housing Authority	Fiduciary Funds
Cash and Investments	$ 1,555,924	215,571	15,943	6,129	2,654,451
Restricted Cash and Investments	16,487	5,023		3,491	1,538
	$ 1,572,411	220,594	15,943	9,620	2,655,989

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

A. Summary of Cash and Investments

Cash and investments at June 30, 2020 (March 31, 2020, for the Housing Authority) are summarized as follows (in thousands):

		Deposits and Certificates of Deposits	Investments	Total
From the Statement of Net Position				
Primary Government	Cash and investments	$ 86,747	1,684,748	1,771,495
	Restricted cash and investments		21,510	21,510
First 5 Contra Costa Children and Families Commission	Cash and investments	2	15,941	15,943
Housing Authority	Cash and investments	5,813	316	6,129
	Restricted cash and investments	3,491		3,491
From the Statement of Fiduciary Net Position				
Other Employee Benefit Trust Fund	Cash and investments		341,429	341,429
Investment Trust Fund	Cash and investments		2,055,262	2,055,262
Private-Purpose Trust Funds	Cash and investments	4,162	36,189	40,351
	Restricted cash and investments		1,538	1,538
Agency Funds	Cash and investments	94	217,315	217,409
Total		$ 100,309	4,374,248	4,474,557

B. Deposits and Investments

Deposits

Deposits include bank deposits at a carrying amount of $100,309,000. The balance reported by various financial institutions, including certificates of deposit, was $150,620,000. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit. Of the bank balance, $2,849,000 was covered by federal depository insurance and $143,940,000 was collateralized by the pledging financial institutions as required by California Government Code Section 53652.

According to the California Government Code Section 53601, bank obligations such as certificates of deposit are considered investments. However, in accordance with accounting principles generally accepted in the United States of America, the county has classified non-negotiable certificates of deposit in the amount of $3,831,000 as deposits. Of the certificates of deposit balance, $253,000 was insured and $3,578,000 was collateralized by the pledging financial institutions as required by California Government Code Section 53652.

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

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

<u>Authorized Investments</u>

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

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

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

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

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

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

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

Banker's acceptances with a term not to exceed 180 days, limited to 40% of surplus funds; no more than 30% of surplus funds can be invested in Bankers Acceptances of any single commercial bank.

Prime commercial paper not to exceed 270 days and the highest ranking issued by a nationally recognized statistical rating organization (NRSRO), limited to 25% of surplus funds; no more than 10% of surplus funds can be invested in commercial paper of any single commercial bank.

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

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

Medium-term notes of U.S. corporations rated "A" or better by a national rating service limited to not more than 30% of surplus funds.

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

Any mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate or consumer receivable-backed bond of a maximum of five years maturity, securities in this category must be rated AA or better by a nationally recognized rating service and are limited to not more than 20% of surplus funds.

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

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

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

Insured money market accounts (Housing Authority).

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

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

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

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

<u>Risk Disclosures</u>

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

At June 30, 2020, the county (March 31, 2020, for the Housing Authority) had the following investments and maturities (in thousands):

		Investment Maturities				
Investment Type:		Less than 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
U.S. Treasury notes & bonds	$	537,250	21,501	19,246		577,997
U.S. agencies -						
(FHLB, FNMA, FFCB, FHLMC)		1,266,664	320,853	379,454		1,966,971
Corporate notes		2,579	174,786	127,729		305,094
Municipal bonds		3,287	4,288			7,575
Asset backed securities			8,453	7,155		15,608
Commercial paper		250,700				250,700
Negotiable certificates of deposit		90,066	7,451			97,517
Mutual funds		205,410			1,429	206,839
LAIF		275,636				275,636
Supranationals		149,988	158,170	20,724		328,882
Total investment with maturities	$	2,781,580	695,502	554,308	1,429	4,032,819
OPEB investments disclosed separately						341,429
Total investments					$	4,374,248

As of June 30, 2020, the portfolio contained $584,667,000 of callable U.S. Agencies, representing 48.74% of investment cost at June 30, 2020.

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

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

Investment Type:		Total (in thousands)	Quality Rating Range
U.S. Treasury notes, bills	$	577,997	AAA to A-1+
Federal Home Loan Bank (FHLB)		1,052,662	AA+ to A-1+
Federal National Mortgage Association (FNMA)		212,633	AA+
Federal Farm Credit Bank (FFCB)		179,197	AAA to A-1+
Federal Home Loan Mortgage-Corp (FHLMC)		522,378	AAA to A-1+
Farmer Mac		101	AAA
Corporate notes		305,094	AAA to A-
Municipal bonds		7,575	AA+ to AA-
Asset-backed securities		15,608	AAA to NOT RATED
Commercial paper		250,700	A-1+ to A-1
Negotiable certificates of deposit		97,517	AA to A-
Mutual funds		206,839	AAAm
LAIF		275,636	NOT RATED
Supranationals		328,882	AAA
Total Investments subject to Credit Risk		4,032,819	
OPEB Investments not subject to Credit Risk		341,429	
Total Investments	$	4,374,248	

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the county will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. There are no county investments in which the securities are held by the investment's counterparty not in the name of the county.

Concentration of Credit Risk. The Treasurer's investment policies and guidelines permit the county to be invested in any one issuer's investments up to 5% aggregate of the county's total assets of the investments held by the county. Investments issued by or explicitly guaranteed by U.S. Government and investments in mutual funds, external investment pools, and other pooled investments are exempt from this requirement as they are normally diversified themselves. The county invested in FHLB and FHLMC, which represented 24.06% and 11.94% of the county's investments at June 30, 2020.

Other Financial Instruments

In accordance with California statutes, the county may invest in a wide variety of investment instruments, including asset-backed securities, mortgage-backed securities, and collateralized mortgage obligations.

The county's investments with the LAIF, a state of California investment pool, at June 30, 2020, included a portion of the pool funds invested in structured notes and asset-backed securities, as follows:

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

The county is a participant in the LAIF that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the county's investment in the LAIF pool is reported in the accompanying financial statements at amounts based upon the county's pro rata share of the fair value provided by LAIF, for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. The total amount invested by all public agencies in LAIF as of June 30, 2020, is approximately $32,075,373,000. LAIF is part of the Pooled Money Investment Account (PMIA) with a total portfolio of approximately $100,978,752,000 as of June 30, 2020. Of that amount, 96.63% is invested in non-derivative financial products and 3.37% in structured notes and asset-backed securities. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members, as designated by state statute. The value of the pool shares in LAIF, which may be withdrawn, is determined on an amortized cost basis that is different than the fair value of the county's position in the pool. At June 30, 2020, these investments have an average maturity of 191 days. As of June 30, 2020, the county (excluding the Housing Authority) had $275,529,000 invested in LAIF. The Housing Authority (March 31, 2020) had $107,000 invested in LAIF.

As of June 30, 2020, the county had no derivative instruments in mutual funds.

At June 30, 2020, (March 31, 2020, for the Housing Authority) the amount of assets restricted by legal and contractual requirements was as follows (in thousands):

	Governmental Activities		Business-type Activities	Fiduciary fund	Discrete Component Unit
	General Fund	Nonmajor Governmental Funds	County Hospital	RDA Successor Agency	Housing Authority
Pension obligation bond	$	423			
Nonexpendable portion of permanent fund		1,710			
West Healthcare District Fund		3,687			
Certificate of Participation					
Public Financing Authority:					
2010B Lease revenue bonds		1,066			
2015A & 2015B Lease revenue bonds		13			
2017A & 2017B Lease revenue bonds		735			
Pleasant Hill BART bond reserve 1987-1 reserve account		562			
San Ramon bond reserve 1989-1 reserve account		47			
Kensington reserve fund AD 91-1 reserve account		287			
San Pablo bond reserve AD 91-3 reserve account		31			
2013 Special Tax Refunding bonds		208			
Kensington construction/improvement bond AD 91-1		28			
County Hospital Enterprise Fund:					
2010A & 2010B Lease revenue bonds			3,208		
2017A Lease revenue bonds			1,815		
Funds for replacement and operating reserves required by the lender and funds held on behalf of its clients					3,491
East Bay Regional Communication System	1,429				
Restricted program money	162				
Low & Moderate Income Housing Assets		6,099			
RDA Successor Agency				1,538	
Total restricted assets	$ 1,591	14,896	5,023	1,538	3,491

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

Fair Value Measurements

GASB Statement No. 72, *Fair Value Measurement and Application*, sets forth the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The investments in an external investment pool are not subject to reporting within the level hierarchy. The three levels of the fair value hierarchy are described beelow:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the county has the ability to access.

Level 2: Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets in inactive markets; inputs other than quoted prices that are observable for the asset or liability; or inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has

a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The county's internal pool has the following recurring fair value measurements as of June 30, 2020 (in thousands):

		Fair Value Measurement Using	
Investments by fair value level		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
U.S. Treasury notes	$ 577,997	577,997	
Federal Farm Credit Banks (FFCB)	179,197		179,197
Federal Home Loan Banks (FHLB)	1,052,662		1,052,662
Federal Home Loan Mortgage-Corp (FHLMC)	522,378		522,378
Federal National Mortgage Assn. (FNMA)	212,633		212,633
Farmer Mac	101		101
Asset-backed securities	15,608		15,608
Commercial paper	250,700		250,700
Corporate notes	305,094		305,094
Municipal bonds	7,575		7,575
Negotiable certficates of deposit	97,517		97,517
Supranationals	328,882		328,882
Total investments at fair value	3,550,344	577,997	2,972,347
Investments not subject to fair value hierarchy			
LAIF	275,636		
Mutual funds	548,268		
Total investments not subject to fair value hierarchy	823,904		
Total investments	$ 4,374,248		

C. Other Postemployment Benefit Trust Fund

Investment Stewardship

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

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

	Target Mix	Allocation Ranges Minimum	Allocation Ranges Maximum	Maximum % of Plan Portfolio	Maximum % in Single Issuer
Total Domestic Equity:					
Large Cap	19%	13%	32%	no limit	no limit
Mid Cap	6%	2%	10%	no limit	no limit
Small Cap	9%	4%	12%	no limit	no limit
Global Equity	8%	4%	12%	10%	5%
International Equity (Developed)	10%	4%	16%	no limit	no limit
International Equity (Emerging)	0%	0%	4%	no limit	no limit
Fixed Income	43%	30%	50%	no limit	no limit
High Yield	0%	0%	4%	no limit	no limit
Real Estate	4%	0%	8%	no limit	no limit
Cash (Money Market)	1%	0%	5%	no limit	no limit
Alternatives	0%	0%	10%	5%	no limit

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

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At June 30, 2020, the Other Employee Benefit Trust held $341,429,000 in mutual funds in the following segments (in thousands):

	Fair Value at June 30, 2020	Portfolio Allocation
Total Domestic Equity:		
Large Cap	$ 72,514	21%
Mid Cap	16,766	5%
Small Cap	25,706	8%
Global Equity	23,609	7%
International Equity (Developed)	34,195	10%
Fixed Income	137,791	40%
Real Estate	8,309	2%
Cash (Money Market)	12,493	4%
Alternatives	10,046	3%
	$ 341,429	

Investment Risk

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

Interest Rate Risk. The fair value of fixed maturity investments fluctuates in response to changes in market interest rates. Increases in prevailing interest rates generally translate into decreases in fair value

of those investments. The fair value of interest sensitive instruments may also be affected by the creditworthiness of the issuer, prepayment options, relative values of alternative investments, and other general market conditions. Certain fixed maturity investments may have call provisions that could result in shorter maturity periods.

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

At June 30, 2020, the OPEB Trust did hold fixed income investments subject to interest rate risk and the weighted average maturity for the fixed income investments portion was 7.66 years.

Custodial Credit Risk. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the OPEB Trust would not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, not registered in the name of the OPEB Trust, and held by the counterparty. At June 30, 2020, the OPEB Trust's investments were not exposed to custodial credit risk because none of the investments were in the name of the OPEB Trust. The OPEB Trust has no general policy on custodial credit risk for deposits.

Concentration of Credit Risk. The investment policies of the OPEB Trust permit investments in numerous specified asset classes to take advantage of professional investment management advice and a well-diversified portfolio. At June 30, 2020, the investment portfolio contained no concentration of investments in any one entity that represented 5% or more of the portfolio.

Credit Risk. The OPEB Trust's general investment policy is to apply the prudent-person rule. Investments are made as a prudent person would be expected to act, with discretion and for the exclusive purposes of providing benefits, minimizing contributions, and defraying reasonable expenses of administering the Plan. Investments should be diversified so as to minimize the risk of loss and to maximize the rate of return unless, under the circumstances, it is clearly prudent not to do so. At June 30, 2020, the mutual funds held by the OPEB Trust are not rated by a nationally recognized rating organization.

5. RECEIVABLES

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

Governmental Activities		General	CCC Fire Protection District Special Revenue	Nonmajor Governmental Funds	Internal Service	Total Governmental Activities
Taxes receivable	$	3,792	1,470	551		5,813
Accounts receivable		187,759	721	41,819	4,147	234,446
Advances receivable		115				115
Gross receivables		191,666	2,191	42,370	4,147	240,374
Less: Allowance for uncollectibles		(4)				(4)
Total receivables (net)	$	191,662	2,191	42,370	4,147	240,370

Business-type Activities		County Hospital	HMO Medi-Cal Plan	Nonmajor Enterprise Funds	Total Business-type Activities
Accounts receivable	$	350,477	97,572	8,755	456,804
Less: Allowance for uncollectibles		(115,030)			(115,030)
Total receivables (net)	$	235,447	97,572	8,755	341,774

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

At June 30, 2020, the various components of unavailable revenue and unearned revenue reported were as follows (in thousands):

		Unavailable		Unearned
Governmental Activities:				
General:				
Notes receivable (Community Development Block Grant-CDBG loans)	$	106,094		
Advances not yet earned				1,546
Other receivables and advances				28,226
Resources received that do not yet meet the criteria for revenue recognition (CARES Act)				138,838
CCC Fire Protection District Special Revenue:				
Resources to be recognized in future periods that do not yet meet the criteria for revenue recognition		172		
Nonmajor Governmental:				
Notes receivable		16,981		
Advances not yet earned				1,331
Other receivables and advances				4,831
Resources to be recognized in future periods that do not yet meet the criteria for revenue recognition		165		
Total Governmental Activities	$	123,412		174,772
Business-type Activities:				
County Hospital:				
Resources received that do not yet meet the criteria for revenue recognition			$	100
HMO Medi-Cal Plan:				
Resources received that do not yet meet the criteria for revenue recognition				618
Nonmajor Enterprise:				
Resources received that do not yet meet the criteria for revenue recognition				1,766
Total Business-type Activities			$	2,484

6. INTERFUND TRANSACTIONS

A. Interfund Receivables/Payables

The composition of interfund balances as of June 30, 2020, is as follows (in thousands):

Due To/From Other Funds:

Receivable Fund	Payable Fund	Amount
General Fund	CCC Fire Protection District Special Revenue Fund	$ 1,757
	Nonmajor Governmental Funds	120,893
	County Hospital Enterprise Fund	28,110
	HMO Medi-Cal Enterprise Fund	4,896
	Nonmajor Enterprise Funds	1,366
	Internal Service Funds	198,006
		355,028
CCC Fire Protection District Special Revenue Fund	County Hospital Enterprise Fund	2
	HMO Medi-Cal Enterprise Fund	1,895
	Nonmajor Enterprise Funds	639
	Internal Service Funds	85
		2,621
Nonmajor Governmental Funds	General Fund	4,129
	CCC Fire Protection District Special Revenue Fund	2
	Nonmajor Governmental Funds	11,674
	County Hospital Enterprise Fund	51
	HMO Medi-Cal Enterprise Fund	3
	Nonmajor Enterprise Funds	1
	Internal Service Funds	2
		15,862
County Hospital Enterprise Fund	General Fund	41,993
	CCC Fire Protection District Special Revenue Fund	7
	Nonmajor Governmental Funds	72
	HMO Medi-Cal Enterprise Fund	22,291
	Nonmajor Enterprise Funds	2,290
	Internal Service Funds	65
		66,718
HMO Medi-Cal Enterprise Fund	General Fund	7,658
	County Hospital Enterprise Fund	14,543
	Nonmajor Enterprise Funds	2,338
	Internal Service Funds	21
		24,560
Nonmajor Enterprise Funds	General Fund	2,692
	County Hospital Enterprise Fund	1,204
	HMO Medi-Cal Enterprise Fund	88
		3,984
Internal Service Funds	General Fund	198,843
	Nonmajor Governmental Funds	171
	County Hospital Enterprise Fund	18
	Nonmajor Enterprise Funds	14
	Internal Service Funds	86
		199,132
Total		$ 667,905

Balances in the due to/from other funds accounts resulted from: (1) interfund cash transactions recorded after the cash cut-off on June 30, 2020, much of which consisted of distributions of revenues and expenditures among funds; and, (2) cash overdrafts.

B. Interfund Transfers

Fund Financial Statements

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

Interfund transfers to/from other funds for the year ended June 30, 2020, were as follows (in thousands):

Transfer From	Transfer To	Amount	Purpose
General Fund	CCC Fire Protection District Special Revenue Fund	$ 2	Transfer from General Fund to CCC Fire Protection District for operating permit.
	Nonmajor Governmental Funds	29,428	Transfer a portion of Salaries and Benefits Expense to the Pension Obligation Bond Fund.
	Nonmajor Governmental Funds	1,877	Transfer a portion of Salaries and Benefits Expense for the Retirement Litigation Settlement.
	Nonmajor Governmental Funds	750	Transfer from General Fund to Land Development to update County General Plan and Zoning.
	Nonmajor Governmental Funds	306	Transfer of funds to Service Area funds for administrative and project costs.
	Nonmajor Governmental Funds	200	Transfer of funds for non-general fund approved Venture Capital projects.
	Nonmajor Governmental Funds	95	Transfer from Public Works to LL2 Zone 7 for park landscape improvement projects.
	Nonmajor Governmental Funds	92	Transfer of funds to Major Parts Replacement Fund for the Sheriff's Patrol usage of helicopter.
	Nonmajor Governmental Funds	10	Transfer one-time State Subsidy for illegal dumping enforcement activities.
	County Hospital Enterprise Fund	56,228	Provide subsidy to cover portion of the County Hospital's operation.
	County Hospital Enterprise Fund	308	Transfer from General Fund Bond Series 2015 to Hospital Enterprise Fund for Health Services project.
	Nonmajor Enterprise Funds	3,986	Provide subsidy to cover a portion of the HMO's operation.
	Nonmajor Enterprise Funds	1,315	Provide subsidy to cover a portion of Law Enforcement Training Center Operation.
	Nonmajor Enterprise Funds	82	Transfer of funds for non-general fund approved Venture Capital projects.
Total		$ 94,679	

(continued)

Transfer From	Transfer To	Amount	Purpose
Nonmajor Governmental Funds	General Fund	$ 200	Transfer from Livable Communities Trust to Sheriff's Office for Bay Point Resident Deputy Program.
	General Fund	71	Transfer from Flood Control District to General Fund for county drainage maintenance expenses.
	General Fund	50	Transfer from Livable Communities Trust to Public Works for East County Beautification Program.
	General Fund	20	Transfer from Livable Communities Trust to Public Works for San Ramon Valley Street Smarts Program.
	General Fund	5	Transfer to General Fund for services agreement on Creek Core Team.
	General Fund	5	Transfer from Law Enforcement Fund to General Fund for Discovery Bay CAB Donation.
	Nonmajor Governmental Funds	9,791	Transfer SLESA Realignment funds to Supplemental Law Enforcement Services Fund.
	Nonmajor Governmental Funds	2,043	Transfer a portion of the Salaries and Benefits Expense to the Pension Obligation Bond Fund.
	Nonmajor Governmental Funds	189	Transfer from Road Fund to Land Development Fund to correct prior year deposit.
	Nonmajor Governmental Funds	131	Transfer a portion of the Salaries and Benefits Expense for the Retirement Litigation Settlement.
	Nonmajor Governmental Funds	100	Transfer from Livable Communities Trust to Building Inspection for Bay Point Code Enforcement.
	Nonmajor Governmental Funds	17	Transfer from Walden Green Fund to LL2 Zone 7 for park landscape improvement projects.
	County Hospital Enterprise Fund	841	Transfer lease revenue reserve funds from Public Financing Authority to the County Hospital Fund.
Total		$ 13,463	

(continued)

Transfer From	Transfer To	Amount	Purpose
County Hospital Enterprise Fund	Nonmajor Governmental Funds	$ 10,707	Transfer a portion of the Salaries and Benefits Expense to the Pension Obligation Bond Fund.
	Nonmajor Governmental Funds	696	Transfer a portion of the Salaries and Benefits Expense for the Retirement Litigation Settlement.
Total		$ 11,403	
HMO Medi-Cal Enterprise Fund	Nonmajor Governmental Funds	$ 689	Transfer a portion of the Salaries and Benefits Expense to the Pension Obligation Bond Fund.
	Nonmajor Governmental Funds	44	Transfer a portion of the Salaries and Benefits Expense for the Retirement Litigation Settlement.
Total		$ 733	
Nonmajor Enterprise Funds	Nonmajor Governmental Funds	141	Transfer a portion of the Salaries and Benefits Expense to the Pension Obligation Bond Fund.
	Nonmajor Governmental Funds	8	Transfer a portion of the Salaries and Benefits Expense for the Retirement Litigation Settlement.
Total		$ 149	
Internal Service Funds	General Fund	$ 40	Transfer from Risk Management to Probation for fire damage claim repair on 1430 Willow Pass Road.
	General Fund	40	Transfer from Risk Management to Community Services for foundation damage claim repair on George Miller Center.
	CCC Fire Protection District Special Revenue Fund	3	Transfer from Risk Management to Contra Costa County Fire Protection District for repair claim.
	Nonmajor Governmental Funds	61	Transfer a portion of the Salaries and Benefits Expense to the Pension Obligation Bond Fund.
	Nonmajor Governmental Funds	4	Transfer a portion of the Salaries and Benefits Expense for the Retirement Litigation Settlement.
	Nonmajor Enterprise Funds	40	Transfer from Risk Management to Airport for underground water line failure repair claim.
	Internal Service Funds	158	Transfer portion of Public Liability Internal Service Fund allocation for Fire District's FY 19/20 charges to Automotive Liability Internal Service Fund.
Total		$ 346	

(concluded)

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

Year End June 30	Total Subsidy
2018	$ 26,943
2019	28,134
2020	61,529

7. CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2020 was as follows (in thousands):

	Balance July 1, 2019	Additions	Retirements	Transfers & Adjustments	Balance June 30, 2020
Governmental Activities:					
Capital assets, not being depreciated:					
Land	$ 68,246				68,246
Construction in progress	150,211	106,137		(34,948)	221,400
Total capital assets, not being depreciated	218,457	106,137		(34,948)	289,646
Capital assets, being depreciated:					
Infrastructure	677,777	2,957		24,667	705,401
Structures and improvements	748,998	7,104		9,868	765,970
Equipment	183,071	11,570	(8,347)	413	186,707
Intangibles	30,459	2,352	(199)		32,612
Total capital assets, being depreciated	1,640,305	23,983	(8,546)	34,948	1,690,690
Less accumulated depreciation for:					
Infrastructure	(222,578)	(14,650)		(6,329)	(243,557)
Structures and improvements	(518,320)	(18,276)			(536,596)
Equipment	(130,872)	(13,008)	8,018	6,329	(129,533)
Intangibles	(19,202)	(3,596)			(22,798)
Total accumulated depreciation	(890,972)	(49,530)	8,018		(932,484)
Total capital assets, being depreciated, net	749,333	(25,547)	(528)	34,948	758,206
Governmental activities capital assets, net	$ 967,790	80,590	(528)		1,047,852

	Balance July 1, 2019	Additions	Retirements	Transfers & Adjustments	Balance June 30, 2020
Business-type Activities:					
Capital assets, not being depreciated:					
Land	$ 16,368				16,368
Construction in progress	10,778	11,497		(507)	21,768
Total capital assets, not being depreciated	27,146	11,497		(507)	38,136
Capital assets, being depreciated:					
Structures and improvements	306,010	851		889	307,750
Equipment	60,180	2,442	(1,096)	(382)	61,144
Intangibles	6,549				6,549
Total capital assets, being depreciated	372,739	3,293	(1,096)	507	375,443
Less accumulated depreciation for:					
Structures and improvements	(165,849)	(7,560)			(173,409)
Equipment	(46,155)	(3,481)	1,096		(48,540)
Intangibles	(3,853)	(674)			(4,527)
Total accumulated depreciation	(215,857)	(11,715)	1,096		(226,476)
Total capital assets, being depreciated, net	156,882	(8,422)		507	148,967
Business-type activities capital assets, net	$ 184,028	3,075			187,103

	Balance July 1, 2019	Additions	Retirements	Transfers & Adjustments	Balance June 30, 2020
Component Unit:					
First 5 Contra Costa Children and Families Commission					
Capital assets, not being depreciated:					
Land	$ 332				332
Total capital assets, not being depreciated	332				332
Capital assets, being depreciated:					
Structures and improvements	4,146	53			4,199
Equipment	176	19			195
Total capital assets, being depreciated	4,322	72			4,394
Less accumulated depreciation for:					
Structures and improvements	(335)	(129)			(464)
Equipment	(133)	(12)			(145)
Total accumulated depreciation	(468)	(141)			(609)
Total capital assets, being depreciated, net	3,854	(69)			3,785
Component unit capital assets, net	$ 4,186	(69)			4,117

	Balance April 1, 2019	Additions	Retirements	Transfers & Adjustments	Balance March 31, 2020
Component Unit:					
Housing Authority of the County of Contra Costa					
Capital assets, not being depreciated:					
Land	$ 2,984			325	3,309
Construction in progress	1,017	1,477		(1,320)	1,174
Total capital assets, not being depreciated	4,001	1,477		(995)	4,483
Capital assets, being depreciated:					
Structures and improvements	134,487	832		994	136,313
Equipment	3,742	136		(289)	3,589
Total capital assets, being depreciated	138,229	968		705	139,902
Less accumulated depreciation for:					
Structures and improvements	(107,045)	(2,580)			(109,625)
Equipment	(2,809)	(142)		96	(2,855)
Total accumulated depreciation	(109,854)	(2,722)		96	(112,480)
Total capital assets, being depreciated, net	28,375	(1,754)		801	27,422
Component unit capital assets, net	$ 32,376	(277)		(194)	31,905

Depreciation

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

General government	$	20,949
Public protection		11,361
Health and sanitation		673
Public assistance		868
Education		318
Public ways and facilities		12,088
Recreation and culture		297
Capital assets held by the county's internal service funds are charged to the various functions based on their usage of the assets		2,976
Total depreciation expense - governmental functions	$	49,530

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

County Hospital	$	10,501
Nonmajor Enterprise Funds		1,214
Total depreciation expense - business-type functions	$	11,715

8. PAYABLES

Accounts payable and accrued liabilities as of June 30, 2020, were as follows (in thousands):

Governmental Activities	General	CCC Fire Protection District Special Revenue	Nonmajor Governmental Funds	Internal Service	Total Governmental Activities
Accounts payable	$ 55,011	7,683	23,338	341	86,373
Accrued payroll	38,411	5,983	5,163	195	49,752
Total accounts payable and accrued liabilities	$ 93,422	13,666	28,501	536	136,125

Business-type Activities	County Hospital	HMO Medi-Cal Plan	Nonmajor Enterprise Funds	Internal Service	Total Business-type Activities
Accounts payable	$ 17,634	144,274	14,020	2	175,930
Accrued payroll	28,979	1,710	274		30,963
Total accounts payable and accrued liabilities	$ 46,613	145,984	14,294	2	206,893

9. LEASES

A. Operating Leases

Total rental expense for the year ended June 30, 2020, (March 31, 2020 for the Housing Authority), for all operating leases and month-to-month lease arrangements amounted to: $18,480,000 for the General Fund; $542,000 for the CCC Fire Protection District Special Revenue Fund; $423,000 for the nonmajor governmental funds; $7,759,000 for the County Hospital Enterprise Fund; $209,000 for the HMO Medi-Cal Plan Fund; and $98,000 for nonmajor enterprise funds.

At June 30, 2020, the future minimum rental payments required under non-cancelable operating leases for buildings and equipment, other than month-to-month lease arrangements, are as follows (in thousands):

Fiscal Year Ending June 30		Governmental Activities	Business-type Activities
2021	$	7,260	2,474
2022		7,029	2,499
2023		6,848	2,546
2024		6,747	2,323
2025		6,827	2,372
2026-2030		23,659	10,472
2031-2035		3,847	5,751
Thereafter		98	360
	$	62,315	28,797

B. Capital Leases

The county has capital lease purchase agreements for various county buildings, improvements, and equipment. The assets acquired under those lease purchase agreements are included in the county's capital assets. The costs of these assets for both governmental and business-type activities were $1,400,000 for buildings and improvements, and $23,321,000 for equipment. The obligations related to those lease purchase agreements are included in the county's long-term obligations (see Note 10). The net book value of the capital assets for governmental capital lease activities was $952,000 for buildings and improvements, and $13,829,000 for equipment.

The following is a schedule of future minimum lease payments under capital leases together with the present value of future minimum lease payments as of June 30, 2020 (in thousands). There are no future minimum lease payments for business type activities:

Fiscal Year Ending June 30	Governmental Activities
2021	4,022
2022	3,556
2023	3,375
2024	2,817
2025	1,548
2026-2030	4,742
2031-2035	1,569
Total	21,629
Less: Amount representing interest	(2,522)
Present value of future minimum lease payments	$ 19,107

C. Leases of County-Owned Property

The county has non-cancelable operating leases of property to others for various operations including recreational, commercial, airport, and governmental purposes. Rental income for the year ended June 30, 2020, amounted to $1,591,000 for the General Fund, $974,000 for nonmajor governmental funds, $78,000 for the County Hospital Enterprise Fund, and $4,679,000 for nonmajor enterprise funds.

The leased assets included both land and buildings for both governmental and business-type activities. The net book value of the leased buildings was $823,000; including cost of $4,044,000 and accumulated depreciation of $3,221,000. The land leases were primarily associated with business-type activities at the Airport. The cost of the land associated with these leases is indeterminate, as the leased land is a small percentage of the Airport land asset.

The following is a schedule of future minimum rental receipts on non-cancelable lease agreements, not including month-to-month lease agreements, as of June 30, 2020 (in thousands):

Fiscal Year Ending June 30	Business-type Activities
2021	$ 2,871
2022	2,732
2023	2,674
2024	2,642
2025	2,627
2026-2030	13,082
2031-2035	10,708
2036-2040	6,038
2041-2045	2,800
2046-2050	732
2051-2055	255
2056-2060	93
	$ 47,254

10. LONG-TERM OBLIGATIONS

The following is a summary of long-term liabilities transactions for the year ended June 30, 2020 (in thousands):

Governmental activities	Balance June 30, 2019	Additions	Retirements	Principal Adjustments	Balance June 30, 2020	Amounts Due Within One Year
Compensated absences	$ 55,145	52,945	(43,865)		64,225	6,422
Claims payable (Note 17)	166,690	6,263	(27,552)		145,401	27,091
Net OPEB liability (Note 15)	626,675		(103,235)		523,440	
Retirement litigation settlement debt service	10,097		(1,952)		8,145	2,108
Net pension liability (Note 14)	824,298		(326,331)		497,967	
Capital leases	18,121	4,566	(3,580)		19,107	3,488
Certificates of participation-net (3)	53,831		(1,241)		52,590	1,353
Pension bonds payable	176,325		(49,720)		126,605	55,010
Notes payable-direct borrowings	614		(117)		497	122
Lease revenue bonds from direct placements	117,633		(10,173)		107,460	10,426
Lease revenue bonds	39,913		(6,471)		33,442	6,782
Add: unamortized premium	5,587		(366)		5,221	366
Lease revenue bonds, net	163,133		(17,010)		146,123	17,574
Special assessments	4,120		(270)		3,850	275
Add: unamortized premium	18		1		19	1
Special assessments, net	4,138		(269)		3,869	276
Other noncurrent liabilities	1,398		(421)	(2)	975	
Total governmental activities	$ 2,100,465	63,774	(575,293)	(2)	1,588,944	113,444
Business-type activities						
Compensated absences	$ 23,945	26,341	(21,938)		28,348	2,835
Medical liability claims payable (Note 17)	7,062		(1,985)		5,077	2,480
Net OPEB liability (Note 15)	23,399		(22,906)		493	
Net pension liability (Note 14)	313,860		(133,851)		180,009	
Notes payable-direct borrowings	715		(132)		583	137
Reserves for supplemental payments	149,864	8,711			158,575	
Landfill post closure and closure liability (1)	699				699	22
Lease revenue bonds from direct placements	48,341		(9,846)		38,495	10,067
Lease revenue bonds payable	55,938		(2,909)		53,029	3,038
Add: unamortized premium	2,124		(170)		1,954	131
Less: unamortized discounts	(714)		43		(671)	(43)
Lease revenue bonds, net	105,689		(12,882)		92,807	13,193
Total business-type activities	$ 625,233	35,052	(193,694)		466,591	18,667
Component units						
First 5 Children and Families Commission						
Compensated absences	$ 237	188	(173)		252	25
Net OPEB liability (Note 15)	281		(224)		57	
Net pension liability (Note 14)	2,882		(1,402)		1,480	
	3,400	188	(1,799)		1,789	25
Housing Authority of the County of Contra Costa (as of March 31, 2019)						
Compensated absences	433	81			514	341
Notes payable	12,358		(502)		11,856	548
Net pension liability	10,796		(4,471)		6,325	
Other noncurrent liabilities (incl. Net OPEB)	8,782	1,651			10,433	
	32,369	1,732	(4,973)		29,128	889
Total component units - Long-term obligations - net	$ 35,769	1,920	(6,772)		30,917	914

Individual issues of bonds and notes outstanding at June 30, 2020, are as follows (in thousands):

Type of indebtedness (purpose)	Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2020
Governmental activities					
Pension obligation bonds (4),(5):					
2003 Issue	2022	3.98-5.14	$ 0-44,925	$ 322,710	$ 85,690
2005 CCCFPD Issue	2023	4.11-5.06	1,620-10,900	129,900	40,915
					126,605
Lease revenue bonds from direct placements:					
2017A Lease revenue	2027	2.33	2,574-9,450	42,409	24,475
2017B Lease revenue	2032		5,610-7,845	100,285	82,985
					107,460
Lease revenue bonds (2):					
2010B Lease revenue	2025	2.50-5.00	921-1,509	16,808	7,158
2015A Lease revenue	2025	3.00-5.00	396-534	4,571	2,464
2015B Lease revenue	2028	3.00-5.00	1,101-5,894	42,990	23,820
					33,442
Certificates of participation (3):					
2018 Certificates of participation	2029	5.37-5.50	822-1,115	15,015	12,127
2019 Certificates of participation	2042	4.10-5.00	46-1,846	40,509	40,463
					52,590
Special assessment debt with government commitment (6):					
2013 Special Tax Refunding Bonds	2032	4.10-6.10	110-495	7,220	3,850
					3,850
Notes payable-direct borrowings (7):					
State Energy Commission	2024	3.95	68-122	1,332	477
PG and E - 1275 Hall Avenue	2023		2-9	94	20
PG and E - 4800 Imhoff Avenue	2019		3-17	168	
					497
Total governmental activities					$ 324,444

Type of indebtedness (purpose)	Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2020
Business-type activities					
Notes payable-direct borrowings (7):					
State Energy Commission	2024	3.95%	$ 83-149	$ 1,628	$ 583
					583
Lease revenue bonds from direct placements:					
2012 Lease revenue	2027	2.68	784-1,105	13,102	7,156
2017A Lease revenue	2027	2.33	854-9,400	57,401	31,339
					38,495
Lease revenue bonds (2):					
Hospital Enterprise					
2010A Lease revenue	2040	3.00-7.00	475-1,900	40,620	33,830
2010B Lease revenue	2025	2.50-5.00	34-56	627	267
2015A Lease revenue	2035	3.00-5.00	119-1,010	14,484	12,276
2015B Lease revenue	2028	3.00-5.00	69-1,424	9,070	6,656
					53,029
Total business-type activities					$ 92,107

COUNTY OF CONTRA COSTA
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NOTES:

(1) State environmental laws require the monitoring by the county of closed landfills for at least thirty years after closure. The liability is recognition of the estimated cost of performing the required post closure monitoring subject to changes resulting from inflation, technology, or changes in applicable laws or regulations.

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

(3) The West Contra Costa Healthcare District (District) is a public agency formed under the State of California Local Healthcare District Law. The District struggled financially for decades, experiencing increasing costs, declining reimbursements, and growing service demand from uninsured and underinsured populations.

In 2004, the District passed a super-majority parcel tax measure, known as Measure D, to provide the needed capital to take over operation of Doctors Medical Center after its prior operator, Tenet Healthcare Corporation, elected to terminate its lease of Doctors Medical Center with the District. The parcel tax revenues are provided as security for the 2011 certificates of participation and for Refunding Revenue Bonds issued by the District in 2018 that refunded certificates of participation issued by the District in 2004 and the 2019 that refunded the certificates of participation issued by the District in 2011.

(4) In April 2003, the county issued $322,710,000 in taxable pension obligation bonds (2003 Series A). Debt service payments are made from county revenues.

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

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

Annual principal and interest payments on the special assessment debt are expected to require 75% of revenues. The total principal and interest remaining to be paid on the debt is $3,850,000. For the current year, principal and interest paid were $408,000 and revenues were $433,000. The special assessment debt required 94.8% of current year's revenues.

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

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

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

Following is a schedule of debt payment requirements to maturity for governmental activities for long-term obligations, excluding compensated absences, net OPEB liability, net pension liability, claims payable, and other noncurrent liabilities that have indefinite maturities, outstanding at June 30, 2020 (in thousands):

Fiscal Year Ending		Capital Lease Obligations		Pension Obligation Bonds	
June 30		Principal	Interest	Principal	Interest
2021	$	3,487	535	55,010	6,391
2022		3,091	465	60,695	3,406
2023		3,008	367	10,900	276
2024		2,535	282		
2025		1,337	211		
2026-2030		4,180	562		
2031-2035		1,469	100		
Total	$	19,107	2,522	126,605	10,073

Fiscal Year Ending		Lease revenue bonds from direct placements		Lease revenue bonds	
June 30		Principal	Interest	Principal	Interest
2021	$	10,426	2,604	6,782	1,581
2022		9,135	2,349	6,111	1,275
2023		9,345	2,117	6,400	990
2024		11,584	1,867	4,170	683
2025		9,876	1,594	4,312	486
2026-2030		41,584	4,646	5,667	498
2031-2035		15,510	557		
Total	$	107,460	15,734	33,442	5,513

Fiscal Year Ending		Retirement Litigation Settlement		Special Assessment Debt	
June 30		Principal	Interest	Principal	Interest
2021	$	2,108	652	275	132
2022		2,277	483	280	124
2023		2,459	301	290	116
2024		1,301	104	295	107
2025			808	305	97
2026-2030				1,690	309
2031-2035				715	29
Total	$	8,145	2,348	3,850	914

Fiscal Year Ending		Notes Payable-direct borrowings		West Contra Costa Healthcare District-Certificates of Participation	
June 30		Principal	Interest	Principal	Interest
2021	$	122	18	1,353	2,457
2022		126	13	1,470	2,141
2023		123	9	1,587	1,995
2024		126	4	1,645	1,935
2025				1,709	1,873
2026-2030				7,970	8,389
2031-2035				12,542	6,482
2036-2040				15,381	3,642
2041-2045				8,933	560
	$	497	44	52,590	29,474

As of June 30, 2020, annual debt payment requirements of business-type activities to maturity, except for compensated absences, net pension liability, net OPEB liability, reserves for supplemental payments, medical liability claims payable, and landfill post closure liability, that have indefinite maturities, are as follows (in thousands):

Fiscal Year Ending		Notes Payable-direct borrowings		Lease revenue bonds from direct placements		Lease Revenue Bonds	
June 30		Principal	Interest	Principal	Interest	Principal	Interest
2021	$	137	22	10,066	869	3,039	3,152
2022		143	16	10,173	640	3,304	3,000
2023		149	10	10,394	415	3,440	2,840
2024		154	5	2,017	415	2,725	2,440
2025				1,902	148	2,843	2,505
2026-2030				3,943	150	12,738	10,166
2031-2035						13,885	6,342
2036-2040						11,055	2,380
Total	$	583	53	38,495	2,637	53,029	32,825

Defeased Obligations

The county has defeased certain obligations by placing a portion of the proceeds of new debt issuances in irrevocable trusts to provide for all future debt service payments on the refunded obligations. Accordingly, the trust account assets and the liability of the defeased debt are not included on the financial statements of the county. As of June 30, 2020, there are no outstanding obligations considered to be defeased.

Legal Debt Limit

As of June 30, 2020, the county's debt limit (5% of valuation subject to taxation) was $10.962 billion. The total amount of debt applicable to the debt limit was $79 million, net of assets in the debt service funds and other deductions allowed by law. The resulting legal debt margin was $10.883 billion.

Arbitrage

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

The county engages consultants to perform calculations of excess investment earnings on tax-exempt bonds. As of June 30, 2020, the county does not expect to incur a liability.

Events of Default and Acceleration Clauses (2012, 2017A, and 2017B Lease Revenue Bonds)

The county is considered to be in default if the county fails to pay the principal of or interest on any lease revenue bond and such failure shall continue for three (3) business days. During the continuance of an event default by written notice to the trustee, the county, and the PFA, declare the outstanding amount of the obligations under the agreement to be immediately due and payable without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived, and an action therefor shall immediately accrue and will be considered an acceleration of the lease revenue bonds.

The county's outstanding lease revenue bonds from direct placements related to governmental activities of $107,460,000 contain a provision that in an event of default, outstanding amounts become immediately due if the county is unable to make payment.

The county's outstanding lease revenue bonds from direct placements related to business-type activities of $38,495,000 contain a provision that in an event of default, outstanding amounts become immediately due if the county is unable to make payment.

Pledged Revenues

All revenues held by the Trustee in any fund or account established and any other amounts (excluding additional payments) received by the PFA are irrevocably pledged and assigned to the payment of the interest and premium for the 2012 lease revenue bonds.

11. CONDUIT DEBT

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

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

The county had participated in the issuance of 29 series of Multifamily or Single Family Housing Revenue Bonds for $259,398,000.

On May 6, 2020, the West Contra Costa Unified School District (District) adopted a resolution authorizing the sale and issuance of General Obligation Bonds to fund capital improvements throughout the District. The District received a qualified certification and, therefore, could not issue bonds on its own behalf. The county was required to issue bonds on behalf of the District pursuant to Section 15140(a) of the California Education Code.

The bonds do not constitute an indebtedness of the county. They are payable from an ad valorem property tax on all taxable property within the District that were approved on June 8, 2010, and November 6, 2012, ballots. The two series of West Contra Costa Unified School District's General Obligation Bonds issued amounted to $130,000,000.

As of June 30, 2020, the total aggregate principal amount remaining payable for the bonds issued was $389,398,000.

12. NET POSITION/FUND BALANCES

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

- *Net investment in capital assets* – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- *Restricted net position* – This category presents external restrictions imposed by creditors, grantors, contributors, laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. The restricted assets are reduced by liabilities and deferred inflows of resources related to those assets and are used to arrive at restricted net position.

- *Unrestricted net position* – This category represents net position of the county, not restricted for any project or other purpose.

GASB Statement No. 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. As of June 30, 2020, fund balances for governmental funds are made up of the following:

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

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

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

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

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

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

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

Fund balances for all of the major and nonmajor governmental funds as of June 30, 2020, were distributed as follows (in thousands):

	General Fund	CCC Fire Protection District Special Revenue	Nonmajor Governmental Funds	Total
Nonspendable:				
Nonspendable in form:				
Inventories	$ 2,714	864		3,578
Prepaid items and deposits	3,870	688	1,989	6,547
Legally nonspendable:				
Permanent fund			1,710	1,710
Total nonspendable	6,584	1,552	3,699	11,835
Restricted for:				
Board of Supervisors	1			1
Law and Justice	6,935			6,935
County Administrator's Office	3,045			3,045
Board Mitigation Programs	443			443
Management Information System	1,100			1,100
Human Resources	105			105
Employee/Retirement Benefits	19,423			19,423
Crockett-Rodeo revenues	420			420
Vehicle Theft	1,893			1,893
Probation	766			766
Environmental Health Programs	724			724
Keller Canyon Mitigation Fund	1,185			1,185
East Bay Regional Communication	1,429			1,429
Plant Acquisition	126			126
Cash for Keys	162			162
Fire Protection		41,745		41,745
Other Fire Protection			639	639
Road			62,209	62,209
Library Services			6,512	6,512
Low & Moderate Income Housing Assets			13,208	13,208
Health and Sanitation			62,428	62,428
Land Development			29,508	29,508
Service Areas - Public Protection			7,778	7,778
Service Areas - Education			156	156
Service Areas - Recreation and Parks			3,080	3,080
Flood control			95,370	95,370
Law Enforcement			5,999	5,999
Courts and criminal justice			3,679	3,679
Recorder/Clerk Modernization			9,541	9,541
Child Development	361			361
Elections	4,494			4,494
County Local Revenue Fund 2011			59,817	59,817
Other Special Revenue			52,858	52,858
Conservation and Development	1,403			1,403
Permanent Fund			143	143
Capital Projects Assessment District			751	751
Public Financing Authority			3,266	3,266
CCC Fire Protection District Pension Bond			15,278	15,278
County Pension Bond			662	662
Assessment Districts			1,824	1,824
West Contra Costa Healthcare District			2,732	2,732
Total restricted	44,015	41,745	437,438	523,198
Committed to:				
Transient Occupancy Tax Programs				
Retiree Health Benefits	1,263			1,263
Law Enforcement			324	324
Service Areas - Public Protection			18	18
Total committed	1,263		342	1,605

(continued)

	General Fund	CCC Fire Protection District Special Revenue	Nonmajor Governmental Funds	Total
Assigned to:				
Equipment Replacement	$ 5,471			5,471
Litigation and Audit	10,000			10,000
General Fund Capital Reserve	74,998			74,998
Board of Supervisors	564			564
County Administrator	1,621			1,621
Auditor-Controller	350			350
Treasurer-Tax Collector	165			165
Purchasing	251			251
Management Information System	58			58
County Counsel	225			225
Human Resources	299			299
Elections	554			554
Telecommunications	112			112
General County Building Occupancy	106			106
Building Maintenance	628			628
Minor Building Improvements	2,431			2,431
Facilities Life Cycle Improvements	41,959			41,959
Capital Facilities	80,929			80,929
Retiree Health Care	1,386			1,386
Information Technology	2,325			2,325
Print and Mail	240			240
Insurance and Risk Management	476			476
Public Defender	150			150
Sheriff	1,220			1,220
Sheriff Detention	822			822
Probation Programs	161			161
Probation Facilities	132			132
County Drainage Maintenance	219			219
Agriculture-Weights/Measures	49			49
Clerk Recorder	157			157
Emergency Services	80			80
Animal Services	765			765
Public Health	828			828
Environmental Health	100			100
Mental Health	47			47
Employment and Human Services	560			560
Children and Family Services	791			791
Aging and Adult Services	21			21
Veterans Service Office	397			397
Community Services	49			49
Workforce Investment Board	4			4
Public Works	82			82
Fire Protection		59,461		59,461
Other Fire Protection			7	7
Road			18,145	18,145
Library Services			24,796	24,796
Health and Sanitation			1,502	1,502
Low & Moderate Income Housing Assets			1,958	1,958
Land Development			3,777	3,777
Service Areas - Public Protection			837	837
Service Areas - Recreation and Parks			882	882
Service Areas - Public Ways			15,699	15,699
Flood Control			7,550	7,550
Law Enforcement			26,089	26,089
Courts and criminal justice			114	114
Recorder/Clerk Modernization			1	1
Child Development			128	128
Other Special Revenue			4,832	4,832
Total assigned	231,782	59,461	106,317	397,560
Unassigned	353,526			353,526
Total	$ 637,170	102,758	547,796	1,287,724

(concluded)

General Fund Reserve Requirements

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

The General Fund Reserve Policy includes the following:

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

At June 30, 2020, unassigned fund balance in the General Fund was 19.78% of budgeted revenues and total fund balance in the General Fund was 35.6% of budgeted revenues. Both are in compliance with the General Fund Reserve Policy.

Encumbrances

The county uses encumbrances to control expenditure commitments and enhance cash management. Encumbrances reflect the outstanding contractual obligations for which goods and services have not been received. They are set up to reserve portions of applicable appropriations. Encumbrances still open at year end are not accounted for as expenditures or liabilities, but as a constraint imposed on fund balance. As of June 30, 2020, the county's General Fund has a total of $104,234,000 in encumbrances, which were reported as part of assigned fund balance on the governmental fund balance sheet. Additionally, total encumbrances are $1,859,000 in the nonmajor governmental funds, which are reported as part of restricted, committed, and assigned fund balance, as appropriate, on the governmental fund balance sheet. The County Hospital Enterprise Fund reports $1,485,000, the Health Maintenance Organization Medi-Cal Plan Enterprise Fund reports $41,000, the nonmajor enterprise funds report $111,000, and the internal service funds report $732,000 in encumbrances at June 30, 2020, which are reported as part of unrestricted net position on the proprietary fund statement of net position.

13. PERMANENT FUND

The Permanent Fund accounts for the financial activities and balances of donor-restricted endowments for the county's libraries. Interest income may be used for the establishment and furnishing of children's areas within libraries, literacy programs and the acquisition of books that meet the criteria of the endowments. In accordance with the terms of the endowments and the California Government Code Section 25355, only the interest income may be used; any unused income may be used in a subsequent year. The amount available for spending, $143,000 at June 30, 2020, is shown on the Statement of Net Position as Net Position Restricted for Permanent Fund–expendable portion.

14. EMPLOYEES' RETIREMENT PLAN

A. General Information about the Pension Plan

Plan Description

The Contra Costa County Employees' Retirement Association (CCCERA) is a cost-sharing multiple-employer defined benefit pension plan (the plan) and is governed by the Board of Retirement (Board) under the County Employees Retirement Law of 1937 (CERL) and the California Public Employees' Pension Reform Act of 2013 (PEPRA). The plan covers substantially all of the employees of the county, its special districts, the Housing Authority, First 5 Children and Families Commission, and twelve other member agencies. The plan issues stand-alone financial statements which can be directly obtained from its office.

The Board of Retirement is made up of 12 trustees, bound by CERL. Of the 12 members, three are alternates (alternates vote in the absence of specific trustees: one for safety members, one for retirees and one appointed by the Board of Supervisors). Five trustees (including one alternate) are appointed by the County Board of Supervisors; four trustees (including the safety alternate) are elected by CCCERA's active members. Two trustees (including one alternate) are elected by the retired membership. The County Treasurer serves as an ex-officio member. Board members serve three year terms, with the exception of the County Treasurer, who services during his tenure in office.

Pensions

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

Benefits Provided

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

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

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

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

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

General Tier 1 and Tier 3 benefits are calculated pursuant to the provisions of Sections 31676.11 and 31676.16 for Non-Enhanced and Enhanced benefit formulae, respectively. The monthly allowance is equal to 1/60th (Non-Enhanced) and 1/50th (Enhanced) of final compensation times years of accrued retirement service credit times age factor from either section 31676.11 (Non-Enhanced) or 31676.16 (Enhanced). General Tier 2 benefit is calculated pursuant to the provisions of Sections 31752. General member benefits for those with membership dates on or after January 1, 2013, (PEPRA General Tier 4 and 5) are calculated pursuant to the provisions found in California Government Code Section 7522.20(a). The monthly allowance is equal to the final compensation multiplied by years of accrued retirement credit multiplied by the age factor from Section 7522.20(a).

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

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

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

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

Contributions

The County of Contra Costa and participating agencies contribute to the retirement plan based upon actuarially determined contribution rates adopted by the Board of Retirement. Employer contribution rates are adopted annually based upon recommendations received from CCCERA's actuary after the completion of the annual actuarial valuation. The average employer contribution rate as of December 31, 2019, for the fiscal year beginning July 1, 2019, (based on the December 31, 2017, valuation) was 36.07% of compensation. Contributions in relation to the actuarially determined contribution were $265,155,000.

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Members are required to make contributions to CCCERA based on the retirement plan or tier in which they are included. The average member contribution rate as of December 31, 2019, for the fiscal year beginning July 1, 2019, (based on the December 31, 2017, valuation) was 12.03% of compensation.

A copy of CCCERA's Comprehensive Annual Financial Report for calendar year end December 31, 2019, can be located at www.cccera.org.

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

Per the GASB 68 Actuarial Report provided by CCCERA the Net Pension Liability (NPL) allocation to its member employers was based on the following definition of covered payroll, which complies with GASB Statement No. 82:

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

The allocation of the NPL provided by CCCERA for the county did not include Contra Costa County Fire Protection District (CCCFPD) and In Home Supportive Services (IHSS) because the NPL was identified and provided for those entities separately. The county's NPL allocation for reporting purposes was combined with the CCCFPD and IHSS NPLs to produce the overall county NPL.

At June 30, 2020, the county reported a liability of $677,976,000 for its proportionate share of the net pension liability which includes Pension Obligation Bond proceeds. The net pension liability was measured as of December 31, 2019. The county's proportion of the net pension liability was based on a projection of the county's covered payroll for fiscal year 2019-2020 relative to the covered payroll of all Pension Plan participants. At December 31, 2019, the county's proportion was 78.42%, a decrease from 79.70% at December 31, 2018.

As of June 30, 2020, First 5 Contra Costa Children and Families Commission and Housing Authority of the County of Contra Costa reported a Net Pension Liability of $1,480,000 and $6,325,000, respectively.

Plan Fiduciary Net Position (plan assets) was valued as of the measurement date while the TPL was determined based upon rolling forward the TPL from actuarial valuations as of December 31, 2018, and 2017, respectively. As of December 31, 2019, the Plan Fiduciary Net Position was $9,257,013,000.

For the year ended June 30, 2020, the county recognized pension expense of $227,607,000. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/lost, actuarial gain/loss, actuarial assumptions or method, and plan benefits.

At June 30, 2020, the county reported deferred outflows of resources and deferred inflows of resources related to pension for the following sources (in thousands):

Deferred Outflows of Resources

		Governmental activities	Business-type activities	Housing Authority	First 5 Contra Costa Children and Families Commission
Differences between expected and actual expense	$	71,148	25,719		212
Changes in assumption					
Employer contributions				608	
Net difference between projected and actual earnings on retirement plan investments				904	
Changes in proportion and difference between County contributions and proportionate share of contributions		37,600	14,591		
Contributions subsequent to the measurement date		93,273	37,027		342
Changes in proportion				115	300
Total	$	202,021	77,337	1,627	854

Deferred Inflows of Resources

		Governmental activities	Business-type activities	Housing Authority	First 5 Contra Costa Children and Families Commission
Differences between expected and actual expense	$	7,428	2,685	1,467	22
Changes in assumptions		30,209	10,920	384	90
Net difference between projected and actual earnings on retirement plan investments		115,510	41,756	94	343
Changes in proportion		33,843	6,545	502	176
Total	$	186,990	61,906	2,447	631

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

$93,273,000 and $37,027,000 reported as deferred outflows of resources for governmental and business-type activities, respectively, resulting from county contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021, rather than in the current fiscal period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows (in thousands):

Fiscal Year Ended		Governmental activities Amount	Business-type activities Amount
06/30/21	$	(28,694)	(7,504)
06/30/22		(23,337)	(5,666)
06/30/23		35,443	14,274
06/30/24		(61,653)	(22,699)
	$	(78,241)	(21,595)

Actuarial Assumptions

The Total Pension Liability (TPL) as of December 31, 2019 that were measured by actuarial valuations as of December 31, 2018, respectively, used the following actuarial assumptions, which were based on the results of an experience study for the period from January 1, 2015 through December 31, 2017, applied to all periods included in the measurement. They are the same actuarial assumptions as those used for the December 31, 2019 funding actuarial valuation and the December 31, 2018 funding actuarial valuation:

Inflation	2.75%
Salary increases	General: 3.75% to 15.25% and Safety: 4.25% to 16.25%, varying by service, including inflation
Investment rate of return	7.00%

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap U.S. Equity	5.00 %	5.44 %
Developed International Equity	13.00	6.54
Emerging Markets Equity	11.00	8.73
Short-Term Govt/Credit	23.00	0.84
U.S. Treasury	3.00	1.05
Risk Diversifying Strategies	7.00	3.53
Global Infrastructure	3.00	7.90
Private Credit	12.00	5.80
REIT	1.00	6.80
Value Add Real Estate	5.00	8.80
Opportunistic Real Estate	4.00	12.00
Risk Parity	5.00	5.80
Private Equity	8.00	9.27
Total	100.00 %	

Discount Rate

The discount rate used to measure the TPL was 7.00%. The projection of cash flows used to determine the discount rate assumed employer and employee contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employee and employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL as of December 31, 2019.

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

The following presents the County's proportionate share of the Net Pension Liability (NPL) of the CCCERA as of December 31, 2019, which is allocated to all employers, calculated using the discount rate of 7.00%, as well as what the county's NPL would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate (in thousands):

	1% Decrease 6.00%	Discount Rate 7.00%	1% Increase 8.00%
County's proportionate share of the net pension plan liability	$ 1,806,608	$ 677,976	$ 240,733

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C. First 5 Contra Costa Children and Families Commission

First 5 Contra Costa Children and Families Commission is a discretely presented component unit and is an active participant of CCCERA. As of June 30, 2020, the proportionate share of net pension liability was $1,480,000.

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

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

D. Housing Authority of the County of Contra Costa

The Housing Authority is a discretely presented component unit and is an active participant of CCCERA. As of March 31, 2020, the proportionate share of net pension liability was $6,325,000.

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

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

15. OTHER POSTEMPLOYMENT BENEFIT (OPEB)

A. General Information about the OPEB Plan

Plan Description

The County of Contra Costa administers the County of Contra Costa Post-Retirement Health Benefits Plan (the Plan), an agent multiple employer defined benefit health care plan. Currently, the plan provides postemployment medical and dental insurance benefits to eligible retired employees and their dependents. Health benefit provisions for active employees are established and may be amended through negotiations between the county and the respective bargaining units. See Note 18 Commitments and Contingencies-B. Health Insurance. The county does not issue a separate audit report on its Post-Retirement Health Benefits Plan.

The Contra Costa County Board of Supervisors (Board of Supervisors) appointed the Auditor-Controller, Chief Administrative Officer, Director of Finance, Contra Costa Regional Medical Center Finance Director, and the Treasurer-Tax Collector as the Plan's Board of Trustees. The Treasurer-Tax Collector has been designated as the Plan Administrator. As of June 30, 2020, Public Agency Retirement Services is the Trust Administrator.

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

Benefits Provided

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

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

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

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

- Currently, for eligible retirees from the Deputy Sheriffs' Association, the county will contribute toward the cost of monthly medical premiums an amount equal to the actual dollar monthly premium amount paid by the county as of November 30, 2013; at each coverage level, plus 50% of the actual premium increase for 2014 and all future years.

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

- Currently, for eligible retirees from the District Attorney Investigators' Association, the county will pay a subsidy toward the cost of monthly medial premiums equal to the actual dollar monthly premium amount paid by the county in 2015. If there is an increase in the monthly premium charged by a health plan for 2015 that exceeds the above stated amounts, the County and the retiree will each pay fifty percent (50%) of that increase. For 2016, the County premium subsidy varies by plan depending on the actual premium increase that occurred for each plan. For each calendar year thereafter, the County and the retiree will each pay fifty percent (50%) of any premium increase for each health plan.

- Beginning on January 1, 2015, and for each calendar year thereafter, the county will pay a monthly dollar premium subsidy for each health and dental plan as defined for each plan. The amount of the county subsidy that is paid for employees and eligible family members for the plans will thereafter be set dollar amount and will not be a percentage of the premium charged by the plan. Retirees must pay for 100% of any premium increases after 2015.

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

	Primary Government
Active plan members	9,115
Retirees and beneficiaries receiving benefits	7,039

Contributions

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

The contribution requirements for active employees and the county are established and may be amended through negotiations between the county and the respective bargaining units. For the fiscal year ended June 30, 2020, the funding was based on the "pay-go" basis plus a contribution of $20,967,000 to the Contra Costa County Other Employee Benefit Trust Fund. For fiscal year ended June 30, 2020, the county paid $47,832,000 as the "pay-go" cost (approximately 61.30% of total contributions).

The contributions for fiscal year ended June 30, 2020, were as follows (in thousands):

		Retirees
Total blended premiums at $6,795 per plan member	$	47,832
Implicit rate subsidy		9,229
Employer pre-funding contributions		20,967
Total Employer Contributions	$	78,028

Certain plan members and survivors of retirees receiving benefits contributed $18,097,000 or approximately 23.19% of the total contributions, through their required contribution.

Investments

The Plan's policy in regard to the allocation of invested assets is established and may be amended by the Plan Administrator. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the Plan. The following was the adopted asset allocation policy as of June 30, 2020:

	Expected 1-Year Nominal Return	Targeted Asset Allocation
Cash	2.10 %	1.00 %
U.S. Fixed Income	3.43	43.00
Total Domestic Equity:		
Large Cap	7.51	19.00
Mid Cap	8.17	6.00
Small Cap	9.28	9.00
International Equity (Developed)	9.63	10.00
Global Equity	8.66	8.00
Real Estate (U.S. REITs)	8.22	4.00

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

Annual OPEB Expense and Net OPEB Liability

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

At June 30, 2020, the county reported $523,933,000 for the net OPEB liability. The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of January 1, 2020. The county's net OPEB liability was based on a projection of the county's covered payroll of $806,474,000.

Plan Fiduciary Net Position (plan assets) was valued as of the measurement date while the total OPEB liability was determined based upon rolling forward the total OPEB liability from actuarial valuations as of January 1, 2020. As of June 30, 2020, the Plan Fiduciary Net Position was $341,429,000.

For the year ended June 30, 2020, the County recognized OPEB expense of $39,666,000. OPEB expense represents the change in the net OPEB liability during the measurement period, adjusted for service cost, interest on the total OPEB liability, and expected investment return, net of investment expense.

The components of the net OPEB liability as of June 30, 2020, were as follows (in thousands):

		Total OPEB Liability	Increase/(Decrease) Plan Fiduciary Net Position	Net OPEB Liability
Balance as of June 30, 2019	$	958,588	308,514	650,074
Service cost		27,340		27,340
Interest on the total OPEB liability		56,029		56,029
Changes of benefit terms		400		400
Difference between actual and expected experience		(80,647)		(80,647)
Changes of assumptions		(39,217)		(39,217)
(1) Benefit payments		(57,131)	(57,131)	
Contributions from employer			78,028	(78,028)
Net investment income			12,217	(12,217)
Administrative expense			(199)	199
Total Changes		(93,226)	32,915	(126,141)
Balance as of June 30, 2020	$	865,362	341,429	523,933

1 Benefit payments are net of shared costs between employer and retiree/survivior benefits

Deferred Inflows and Outflows of Resources

Deferred Inflows and Outflows of Resources are the portion of changes in net OPEB liability that is not immediately recognized in OPEB Expense. These changes include contributions subsequent to the measurement date and differences between expected and actual experience, changes in assumptions, and differences between expected and actual earnings on plan investments.

At June 30, 2020, the county reported deferred outflows of resources and deferred inflows of resources related to OPEB for the following sources (in thousands):

Deferred Outflows of Resources

		Governmental activities	Business-type activities	First 5 Contra Costa Children and Families Commission	Housing Authority
Differences between expected and actual experience	$				20
Net difference between projected and actual earnings on OPEB plan investments		4,434	789		7
Contributions subsequent to the measurement date				77	328
Changes in assumptions		7,467	1,329		11
Total	$	11,901	2,118	77	366

Deferred Inflows of Resources

		Governmental activities	Business-type activities	First 5 Contra Costa Children and Families Commission	Housing Authority
Changes in assumptions	$			45	
Differences between expected and actual experience		72,884	15,254	136	200
on OPEB plan investments		26,848	5,619	2	
Total	$	99,732	20,873	183	200

$11,901,000 and $2,118,000 reported as deferred outflows of resources and $99,732,000 and $20,873,000 reported as deferred inflows of resources for governmental and business-type activities, respectively will be recognized in OPEB expense in future periods as follows:

Fiscal Year Ended		Governmental activities Amount	Business-type activities Amount
06/30/21	$	(17,567)	(3,751)
06/30/22		(17,566)	(3,751)
06/30/23		(17,566)	(3,751)
06/30/24		(17,566)	(3,751)
06/30/25		(17,566)	(3,751)
Thereafer			
	$	(87,831)	(18,755)

Actuarial Methods and Assumptions

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

The county began pre-funding benefits at a rate of $20 million–per year in fiscal year ended June 30, 2009. The Board has budgeted $20,000,000 to pre-fund the OPEB liability in fiscal year ending June 30, 2021. Until January 1, 2015, CCCERA personnel were employees of the county. The OPEB liability of employees of CCCERA who retired as county employees before January 1, 2015, is included with the county's data.

The total OPEB liability was determined by an actuarial valuation as of January 1, 2020, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation: 2.75 percent

Salary increases:

Years of Service	General		Safety	
Less than 1	15.66	%	16.69	%
1	10.49		11.52	
2	8.69		9.20	
3	7.14		8.17	
4	6.10		6.10	
5	5.59		5.33	
6	5.07		5.07	
7	4.81		4.81	
8	4.71		4.71	
9	4.61		4.61	
10	4.50		4.55	
11	4.40		4.50	
12	4.30		4.45	
13	4.19		4.40	
14	4.09		4.35	
15	4.04		4.30	
16	3.99		4.30	
17	3.93		4.30	
18	3.88		4.30	
19	3.83		4.30	
20+	3.78		4.30	

Investment rate of return: 5.85 percent, net of OPEB plan investment expense

Demographic Assumptions: The assumed rates for mortality, retirement, disability and withdrawal are consistent with assumptions used in the December 31, 2018, CCCERA Actuarial Valuation. These assumptions were adopted by CCCERA in connection with a study of experience during 2010-2012.

Health Cost Trend: The assumed overall health costs of the medical benefits will increase according to the health cost inflation trend derived by using the "Getzen" model developed by the Society of Actuaries. The H.R. 1865 Further Consolidated Appropriations Act 2020 became law on December 20, 2019. This law repeals the Cadillac tax completely and removes the Health Insurer Fee permanently beginning in 2021. The health cost trends with this law change and the latest economic factors. Consideration was given to the potential impact of COVID-19 on plan costs, including whether the pandemic will increase or decrease costs during the term of

our projections. An adjustment was not made to health costs trends for COVID-19.

Discount Rate

Under GASB 74 and 75 the discount rate should be the single rate that reflects the long-term rate of return on OPEB plan investments that are expected to be used to finance the payment of benefits. To the extent that OPEB plan assets are insufficient to finance all OPEB benefits, the discount rate should be based on 20-year tax-exempt AA or higher Municipal Bonds as of the Measurement Date. County's OPEB Irrevocable Trust assets are invested in the Public Agency Retirement Services' Highmark Diversified Portfolio. Based on the Trust's asset allocation, an expected average annual rate of return of 5.85% is assumed.

GASB 74 and 75 require that a projection regarding future solvency of the OPEB plan be run each year. The projections assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions. A solvency projection as prescribed in GASB 74 and 75 based on the County's current funding policy and the Fiduciary Net Position is projected to be sufficient to cover benefit payments and administrative expenses. Therefore, a 5.85% is used as the discount rate.

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

The following presents the county's net OPEB liability as of June 30, 2020, calculated using the discount rate of 5.85%, as well as what the county's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.85%) or 1-pecentage-point higher (6.85%) than the current rate (in thousands):

	1% Decrease 4.85%	Discount Rate 5.85%	1% Increase 6.85%
Net OPEB liability as of June 30, 2020	$ 615,945	$ 523,933	$ 446,237

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

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

	1% Decrease in Healthcare Costs Trend Rate	Current Healthcare Costs Trend Rate	1% Increase in Healthcare Costs Trend Rate
Net OPEB liability as of June 30, 2020	$ 475,419	$ 523,933	$ 583,504

C. First 5 Contra Costa Children and Families Commission

First 5 Contra Costa Children and Families Commission is a discretely presented component unit. Its personnel are covered by a separate OPEB plan administered by First 5 Contra Costa Children and Families Commission. As of June 30, 2020, the net OPEB liability was $57,000.

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

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

D. Housing Authority of the County of Contra Costa

The Housing Authority of the County of Contra Costa (Housing Authority) is a discretely presented component unit. Its personnel are covered by a separate OPEB plan administered by the Housing Authority. As of March 31, 2020, the net OPEB liability was $6,732,000.

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

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

16. PATIENT SERVICE REVENUE AND RECEIVABLES

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

Laws and regulations governing the Medicare and Medi-Cal programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. The County Hospital's Medicare and Medi-Cal cost reports have been audited by fiscal intermediaries through June 30, 2015. As such, the cost reports for the prior year are still under review by fiscal intermediaries and have not been settled due to certain unresolved reimbursement issues. As of June 30, 2020, the county reported $158,575,000 as reserve for supplemental payments, which primarily represents reserves for supplemental payments received and settlement liabilities related to cost reports. The county believes it has adequately provided for any liabilities that may arise from the fiscal intermediaries' audits.

On December 3, 2014, Centers for Medi-Cal and Medicare issued a final rule on Medicaid Department of Health Services payments. The preamble to Centers for Medi-Cal and Medicare's final rule included language explaining the exclusion of uncompensated costs of Federally Qualified Health Center (FQHC)

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

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

Net receivables from patients and third-party payers at June 30, 2020, are summarized as follows (in thousands):

Medi-Cal	$	17,963
Private insurance		4,309
Patient Receivables		22,272
Medicare		185
Total Net Patient Receivables	$	22,457

Net receivables from supplemental payment programs (non-charge based) at June 30, 2020, are summarized as follows (in thousands):

Global Payment Program (GPP)	$	13,037
Public Hospital Redesign and Incentives (PRIME)		33,867
Quality Incentive Program (QIP)/Enhanced Payment Program (EPP)		91,620
Medical Certified Public Expenditure (CPE) Settlement		11,144
Rate Range Affordable Care Act (ACA)		7,182
Mental Health State Plan Amendment (SPA)		7,800
Graduate Medical Education (GME)		8,423
Realignment Redirection Receivable		32,185
Physician State Plan Amendment (SPA)		6,000
Miscellaneous Program Payments		10,125
Total	$	221,383

The Global Payment Program (GPP) is a reimbursement mechanism that provides payment to the Hospital and Health Centers for treating the uninsured. The program provides financial incentives for shifting the focus away from hospital-based inpatient care toward primary care, preventive care, and alternative care. It includes changes in reimbursement structures that are based on health outcomes and not on process or solely on the number of visits. Payment is made three to twelve months after the fiscal year based on filed CCRMC certifications.

The Public Hospital Redesign and Incentives in Medi-Cal (PRIME) program is an integral part of the California Medi-Cal Waiver. With PRIME, the Hospital and Health Centers are compensated on a "pay for performance" basis for showing improvements in ambulatory care, targeting high-risk populations, and using resources more efficiently. PRIME requires meeting goal benchmarks to obtain maximum funding. Payment is made three to twelve months after the fiscal year based on filed CCRMC certifications.

The Quality Incentive Program (QIP) and the Enhanced Payment Program (EPP) are pay-for-performance programs approved by the Centers for Medicare & Medicaid Services (CMS). Those programs are used to supplement the base rates public health care systems receive through Medi-Cal managed care contracts. The QIP and EPP require collaboration between public health care systems and Medi-Cal managed care plans. The QIP is a performance-based program that aligns clinical and quality measures with Medi-Cal managed care plans creating a shared interest in both entities working together to demonstrate improvement. Payment is made three to twelve months after the fiscal year based on filed CCRMC certifications.

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The Medi-Cal Certified Public Expenditure (AB 915) program provides for supplemental reimbursement for CCRMC costs in excess of state reimbursements. Excess cost is paid on an approximate fifty percent basis upon the filing and acceptance of the state certification forms.

Rate Range payments provide supplemental Managed Care revenues to CCRMC for care of the Medi-Cal population. Those state approved payments are structured through an intergovernmental transfer and are subject to federal approval. Payments typically lag twelve to eighteen months in arrears.

The Mental Health State Plan Amendment (SPA) is for services provided in fiscal year 2010-2011. State and Federal approval has been finalized and payment is expected in June 2021.

The Graduate Medical Education (GME) program is a newly approved reimbursement mechanism that pays for direct and indirect education expenses.

The Realignment Redirection Receivable is related to a state formula (AB-85) that measures the profit or loss of the hospital based on the Affordable Care Act implementation; losses result in a return of realignment dollars from the state.

The Physician State Plan Amendment (SPA) reimburses the cost of medical services for inpatient Medi-Cal patients.

Miscellaneous program revenues represent an array of small settlements such as state grant payments and Electronic Medical Record Incentive payments that will be received in the next twelve months.

17. RISK MANAGEMENT

Internal Service Funds:

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

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

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

- Workers' compensation in excess of $750,000 per incident, with excess coverage provided through the Public Risk Innovation, Solutions, and Management (PRISM) formerly CSAC-EIA (California State Association of Counties Excess Insurance Authority).
- General and auto liability in excess of $1 million per incident, to a limit of $50 million.
- Medical malpractice in excess of $1 million per incident, to a limit of $21.5 million above $1 million.

The county uses a combination of self-insurance, participation in insurance pools, for most insurable risk, except for insurance coverage provided by commercial insurance and reinsurance companies that are subject to the following:

- Airports liability and property damage coverage to a limit of $100 million with no deductible.
- Property insurance - all risk in excess of $50,000 per incident, to a limit of $600 million from loss by fire, lightning, and other perils.
- Property insurance - flood damage in excess of $50,000 per incident to a limit of $300 million combined for all members within each tower. Contra Costa County's property is spread between Towers II, III, and IV.
- Property insurance - earthquake in excess of 2% per unit, $100,000 minimum, to a limit of $740 million shared aggregate.
- Property insurance - terrorism to a limit of $750 million shared aggregate with a $50,000 deductible.
- Crime bond coverage in excess of $100,000 per incident, to a limit of $20 million for fidelity coverage, computer, and funds transfer fraud.
- Watercraft liability to a limit of $1 million with a $1,000 deductible.

- Sheriff's helicopters to a limit of $50 million per incident.
- Boiler and machinery to a limit of $100 million with a $5,000 deductible.
- Pollution liability to a limit of $10 million with a $250,000 deductible.
- Cyber liability to a limit of $2 million, plus costs, for up to 250,000 notified individuals.

During the past four years, there have been no instances of the amount of claim settlements exceeding insurance coverage and there has not been a significant reduction in coverage in fiscal year 2019-2020.

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

The county has accrued a liability of $150,478,000 at June 30, 2020, for all self-insured claims in the internal service funds. The self-insurance reserve is based on actuarially determined amounts for workers' compensation, public and automobile liability, and medical liability and based on management's estimates for all other reserves. The actuarially determined claims liabilities, including incurred but not reported claims are based on the estimated ultimate cost of settling the claims, using past experience adjusted for current trends, and any other factors that modify past experience. It also includes incremental claim adjustment expenses. In addition, estimated recoveries on settled and unsettled claims were evaluated in terms of their estimated realizable value and deducted from the liability for unpaid claims.

Health Plans:

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

Changes in claims liabilities:

Changes to the liability amount for fiscal years 2018-2019 and 2019-2020 are as follows (in thousands):

		Internal Service Funds	HMO Medi-Cal Plan Enterprise Fund
Liability at June 30, 2018	$	176,532	72,815
FY 2018-2019 claims and changes in estimates		30,693	617,548
FY 2018-2019 claim payments		(33,473)	(623,494)
Liability at June 30, 2019		173,752	66,869
FY 2019-2020 claims and changes in estimates		6,263	750,681
FY 2019-2020 claim payments		(29,537)	(756,474)
Liability at June 30, 2020	$	150,478	61,076

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

18. COMMITMENTS AND CONTINGENCIES

A. Grants

The county participates in a number of federal and state grant programs which are subject to financial and compliance audits by the grantors or their representatives. Audits of certain grant programs through June 30, 2020, have not yet been conducted. Accordingly, the county's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The county believes that such disallowances, if any, would not have a material effect on the basic financial statements.

B. Health Insurance

Health care benefits for active and retired employees are jointly financed by the beneficiaries and by the county. Most employees have a choice of participation in four medical plans: Kaiser Permanente, a private health maintenance organization (HMO); Health Net (HMO); Health Net, a preferred provider organization (PPO); and the Contra Costa Health Plans (CCHP), operated by the county Health Services Department. Employees represented by Teamsters Local 856 are eligible to participate in a Kaiser Permanente Plan administered by the Teamsters Union, in addition to the four medical plans. Employees represented by either the Deputy Sheriffs' Association (DSA), District Attorney Investigators' Association (DAIA), United Professional Fire Fighters' IAFF Local 1230, or United Chief Officers Association are eligible to participate in medical plans administered by the California Public Employees' Retirement System (CalPERS). Unrepresented Fire Management, Unrepresented Sheriff Sworn Management, and the Sheriff-Coroner are also eligible to participate in CalPERS medical plans.

For non-CalPERS administered medical plans, the county subvents 76.1%-100% of Kaiser Permanente, 50.6%-80.0% of Health Net (HMO), 24.9%-52.6% of Health Net (PPO) and 67.7%-98.0% of CCHP premiums for plan members depending on the employees' representation. The county subvention for the Teamsters administered plan is 90.6%-91.4%. For CalPERS administered plans, the county subvents 52.7%-100% depending on the employees' representation. All permanent employees have a choice of two dental plans: a county self-funded plan administered by Delta Dental and a Delta Care Plan. The county's self-funded plan is an indemnity program and the Delta Care plan is a prepaid program.

The county's contribution to health and dental plans during fiscal year 2019-2020 for active employees was $125,028,000. The county's liability for health care benefits is limited to its annual contribution.

C. Special Assessment Debt

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

D. Construction Commitments

The county entered into commitments for construction of certain projects. At June 30, 2020, there were outstanding commitments of $3,645,000 for Fire Station 70 in Pinole, $16,726,000 for Administration Building and Emergency Operation Center, $16,286,000 for Martinez Detention Facility Module M, $1,787,000 for Pittsburg Health Center, $4,034,000 for repair, maintenance, and remodeling services, $1,619,000 for ABCD Program Clinic Relocation, $2,292,000 for Balboa Children's Center and Crescent Center Park Roof Replacements, $2,076,000 for clean water status monitoring of pollutants of concern, $3,264,000 for 2020 Surface Treatment Project, $2,225,000 for Kirker Pass Road Northbound Truck Climbing Lane, $1,195,000 for Three Creeks Parkway Restoration, $1,216,000 for design and construction services, $2,146,000 for Building Automation maintenance and repair, and $4,612,000 for Segments 2 and 3 of State Route 4 Bypass.

E. Pending Legal Matters

Numerous lawsuits are pending or threatened against the county. The county has recorded actuarially determined reserves in the internal service funds to adequately cover estimated potential material adverse losses at June 30, 2020.

F. COVID-19

The county faces uncertainties for continuing on-going COVID costs, the economy in general (short-term and long-term), the range of impact of the economy on pension and healthcare costs, and the growth in property tax revenue and the assessed value of properties. Additionally, the county faces workforce concerns recognizing the significant challenges of keeping employees and the public safe, while providing important services, continue to be open to remote work and the productivity issues inherent in working while caring for children, and as a community the need to support our local childcare centers.

REQUIRED SUPPLEMENTARY INFORMATION (Other than MD&A)

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

County of Contra Costa

		2020	2019	2018	2017	
Total OPEB liability						
Service Cost	$	27,340	25,829	27,828	26,191	
Interest		56,029	57,203	58,068	56,298	
Changes of benefit terms		400				
Differences between expected and actual experience		(80,647)		(45,206)		
Changes of assumptions		(39,217)		18,605		
Benefit payments		(57,131)	(56,631)	(55,890)	(55,718)	
Net change in total OPEB liability		(93,226)	26,401	3,405	26,771	
Total OPEB liability-beginning		958,588	932,187	928,782	902,011	
Total OPEB liability-ending (a)	$	865,362	958,588	932,187	928,782	
Plan fiduciary net position						
Contributions-employer	$	78,028	77,721	76,990	76,253	
Net investment income		12,217	17,754	13,354	18,705	
Administrative expense		(199)				
Benefit payments		(57,131)	(56,631)	(55,890)	(55,718)	
Net change in plan fiduciary net position		32,915	38,844	34,454	39,240	
Plan fiduciary net position-beginning		308,514	269,670	235,216	195,976	
Plan fiduciary net position-ending (b)	$	341,429	308,514	269,670	235,216	
Net OPEB liability-ending (a)-(b)	$	523,933	650,074	662,517	693,566	
Plan fiduciary net position as a percentage of the total OPEB liability		39.46	32.18	28.93	25.33	%
Covered payroll	$	806,474	758,797	724,667	677,479	
Net OPEB liability (asset) as a percentage of covered payroll		64.97	85.67	91.42	102.37	%

\# Revised

(continued)

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

First 5 Contra Costa Children and Families Commission

		2020	2019	2018
Total OPEB liability				
Service Cost	$	36	35	33
Interest		74	69	64
Changes of benefit terms				
Differences between expected and actual experience		(158)		
Changes of assumptions		(53)		
Benefit payments		(33)	(37)	(27)
Net change in total OPEB liability		(134)	67	70
Total OPEB liability-beginning		1,109	1,042	972
Total OPEB liability-ending (a)	$	975	1,109	1,042
Plan fiduciary net position				
Contributions-employer	$	67	46	52
Net investment income		57	48	50
Benefit payments		(33)	(37)	(27)
Net change in plan fiduciary net position		91	57	75
Plan fiduciary net position-beginning		827	771	696
Plan fiduciary net position-ending (b)	$	918	828	771
Net OPEB liability-ending (a)-(b)	$	57	281	271
Plan fiduciary net position as a percentage of the total OPEB liability		94.17	74.51	74.00
Covered payroll		1,085	1,087	1,856
Net OPEB liability (asset) as a percentage of covered payroll		5.23	26.01	14.60

Note to Schedule:
Fiscal year 2018 was the first year of implementation, therefore only three years are shown.

(continued)

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

Housing Authority

		2020	2019	2018#	
Total OPEB liability					
Service Cost	$	166	192	183	
Interest		437	441	423	
Changes of benefit terms		1,308			
Differences between expected and actual experience		25	(329)	(12)	
Changes of assumptions			18		
Benefit payments		(371)	(341)	(363)	
Net change in total OPEB liability		1,565	(19)	231	
Total OPEB liability-beginning		5,927	5,946	5,715	
Total OPEB liability-ending (a)	$	7,492	5,927	5,946	
Plan fiduciary net position					
Contributions-employer	$	663	537	458	
Net investment income		31	23	16	
Benefit payments		(371)	(341)	(363)	
Administrative expense		(1)	(1)		
Net change in plan fiduciary net position		322	218	111	
Plan fiduciary net position-beginning		438	220	109	
Plan fiduciary net position-ending (b)	$	760	438	220	
Net OPEB liability-ending (a)-(b)	$	6,732	5,489	5,726	
Plan fiduciary net position as a percentage of the total OPEB liability		10.14	7.39	3.70	%
Covered payroll	$	5,501	5,334	N/A	
Net OPEB liability (asset) as a percentage of covered payroll		122.37	102.91	N/A	%

Note to Schedule:
Fiscal year 2018 was the first year of implementation, therefore only three years are shown.
Revised

(concluded)

COUNTY OF CONTRA COSTA
ANNUAL MONEY-WEIGHTED RATE OF RETURN ON OPEB ASSETS
CURRENT YEAR AND THREE YEARS AGO
(In Thousands)

County of Contra Costa

	2020	2019	2018	2017	
Annual money-weighted rate of return, net of investment expense	3.89	6.40	5.49	9.18	%

COUNTY OF CONTRA COSTA
SCHEDULE OF CONTRIBUTIONS
CURRENT YEAR AND THREE YEARS AGO

		2020	2019	2018	2017
Actuarilly determined contribution	$	96,123	93,943	91,701	90,488
Employer contributions		(78,028)	(77,721)	(76,990)	(76,253)
Plan member contributions		(18,095)	(16,222)	(14,711)	(14,235)
Contribution deficiency (excess)	$				

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Changes of benefit terms

Elected Safety Officials hired between January 2, 2007, and September 30, 2011, were previously subject to a 20 year graded vesting schedule that applied to the county subsidy for retiree health coverage. The vesting schedule was eliminated in July 2020. At the county's request, this change is reflected in the valuation. This change increased the Total OPEB Liability (TOL) by $400,000, and is recognized immediately in the OPEB expense for the fiscal year ending June 30, 2020.

Actuarially Determined Contribution

The county's current funding policy is to fund the pay-as-you-go costs for retirees, plus $20 million into the OPEB Trust each year until year 2022. Beginning in 2022, the county will continue to fund the pay-as-you-go costs for retirees, plus $73 million until the OPEB fund's Fiduciary Net Position as a percentage of Total OPEB Liability reaches 60%. Thereafter, the county will contribute an amount each year to maintain the 60% funded status.

COUNTY OF CONRA COSTA

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

CURRENT YEAR AND FIVE YEARS AGO

(In Thousands)

	Reporting Date for Employer under GASB 68 as of June 30	Proportion of the Net Pension Liability	Proportionate Share of Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
County	2020	64.94 %	$ 561,510	758,706	74.01 %	92.37 %
CCCFPD	2020	13.39	115,667	46,780	247.26	89.33
IHSS	2020	0.09	799	988	80.87	89.91
TOTAL 2020		78.42 %	$ 677,976	806,474	84.07 %	
County	2019	68.35 %	$ 976,032	695,801	140.27 %	85.94 %
CCCFPD	2019	11.26	160,817	40,273	399.32	83.99
IHSS	2019	0.09	1,309	895	146.26	82.28
TOTAL 2019		79.70 %	$ 1,138,158	736,969	154.44 %	
County	2018	62.06 %	$ 503,560	680,812	73.96 %	92.40 %
CCCFPD	2018	13.58	110,215	38,009	289.97	88.88
IHSS	2018	0.10	794	864	91.90	88.49
TOTAL 2018		75.74 %	$ 614,569	719,685	85.39 %	
County	2017	67.07 %	$ 939,305	636,086	147.67 %	85.20 %
CCCFPD	2017	11.93	167,124	39,953	418.30	82.69
IHSS	2017	0.09	1,295	821	157.73	80.32
TOTAL 2017		79.09 %	$ 1,107,724	676,860	163.66 %	
County	2016	67.95 %	$ 1,024,105	642,218	159.46 %	83.30 %
CCCFPD	2016	11.57	174,341	44,016	396.09	81.54
IHSS	2016	0.09	1,293	721	179.33	77.84
TOTAL 2016		79.61 %	$ 1,199,739	686,955	174.65 %	
County	2015	67.52 %	$ 807,350	599,275	134.72 %	86.21 %
CCCFPD	2015	9.72	116,263	39,759	292.42	86.85
IHSS	2015	0.09	1,040	607	171.33	79.57
TOTAL 2015		77.33 %	$ 924,653	639,641	144.56 %	
First 5 Contra Costa	2020	0.17 %	$ 1,480	2,512	58.93 %	91.46 %
Children and Families	2019	0.20	2,882	2,525	114.13	85.09
Commission	2018	0.00	1,289	2,405	53.59	91.18
	2017	0.17	2,424	2,140	113.25	84.16
	2016	0.16	2,465	1,963	125.57	82.24
	2015	0.14	1,683	1,735	97.01	85.25
Housing Authority	2020	0.73 %	$ 6,325	5,607	112.81 %	90.49 %
of the County of	2019	0.76	10,796	5,288	204.16	83.10
Contra Costa #	2018	0.77	6,267	5,184	120.91	89.72
	2017	0.73	10,163	5,216	194.84	82.73
	2016	0.72	10,788	4,842	222.81	80.83

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

COUNTY OF CONTRA COSTA

SCHEDULE OF PENSION CONTRIBUTIONS

CURRENT YEAR AND FIVE YEARS AGO

(In Thousands)

	Reporting Date for Employer under GASB 68 as of June 30	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution[1]	Covered Payroll	Contributions as a Percentage of Covered Payroll
County	$ 2020	$ 235,902	235,902	728,878	32.37 %
CCCFPD	2020	28,915	28,915	43,874	65.90
IHSS	2020	338	338	950	35.58
TOTAL 2020	$	265,155	265,155	773,702	
County	$ 2019	$ 234,220	234,220	480,653	48.73 %
CCCFPD	2019	27,764	27,764	42,290	65.65
IHSS	2019	333	333	923	36.08
TOTAL 2019	$	262,317	262,317	523,866	
County	$ 2018	227,516	227,516	680,812	33.42 %
CCCFPD	2018	25,170	25,170	38,009	66.22
IHSS	2018	317	317	864	36.69
TOTAL 2018	$	253,003	253,003	719,685	
County	$ 2017	223,359	223,359	636,086	35.11 %
CCCFPD	2017	24,615	24,615	39,953	61.61
IHSS	2017	306	306	821	37.27
TOTAL 2017	$	248,280	248,280	676,860	
County	$ 2016	237,357	237,357	642,218	36.96 %
CCCFPD	2016	23,266	23,266	44,016	52.86
IHSS	2016	296	296	721	41.05
TOTAL 2016	$	260,919	260,919	686,955	
County	$ 2015	215,795	215,795	599,275	36.01 %
CCCFPD	2015	17,825	17,825	39,759	44.83
IHSS	2015	244	244	607	40.20
TOTAL 2015	$	233,864	233,864	639,641	
First 5 Contra Costa	$ 2020	616	616	2,607	23.61 %
Children and Families	2019	659	659	2,748	24.01
Commission	2018	660	660	2,488	26.54
	2017	589	589	2,204	26.71
	2016	604	604	2,026	29.84
	2015	595	595	1,852	32.11
Housing Authority	$ 2019	2,298	2,298	5,607	40.98 %
of the County of	2018	2,254	2,254	5,288	42.63
Contra Costa	2017	2,150	2,150	5,184	41.48
	2016	2,179	2,179	5,216	41.78
	2015	2,330	2,330	4,841	48.12

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

COUNTY OF CONTRA COSTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(In Thousands)

	Budgeted Amounts		Actual Amounts Budgetary	Variance with Final Budget Positive
	Original	Final	Basis	(Negative)
Revenues:				
Taxes	$ 429,500	431,533	451,362	19,829
Licenses, permits and franchise fees	11,838	11,838	12,428	590
Fines, forfeitures and penalties	23,883	23,848	4,395	(19,453)
Use of money and property	21,527	21,540	32,277	10,737
Intergovernmental	609,931	664,891	649,892	(14,999)
Charges for services	259,648	263,663	236,019	(27,644)
Other revenue	348,574	370,009	341,841	(28,168)
Total revenues	1,704,901	1,787,322	1,728,214	(59,108)
Expenditures:				
Current:				
General government:				
Administrator	24,310	24,310	16,109	8,201
Assessment Litigation Services		415	413	2
Assessor	17,899	17,484	15,991	1,493
Auditor-Controller	10,333	10,333	8,868	1,465
Board Mitigation Programs	1,973	1,973	249	1,724
Board of Supervisors	8,433	8,433	7,143	1,290
Building Maintenance	54,769	57,587	54,923	2,664
Building Occupancy Cost	25,259	25,467	23,712	1,755
Clerk of the Board	1,237	1,237	1,080	157
County Counsel	7,798	7,798	6,399	1,399
Crockett-Rodeo Revenues	920	920	307	613
Economic Development	515	515	352	163
Elections	13,140	13,140	11,993	1,147
Employee Benefits	24,736	24,736	2,761	21,975
Facility Life Cycle Improvement Program	44,235	44,235	2,276	41,959
Fleet Services	540	566		566
General Services Outside Agency Service	782	782	639	143
Human Resources	11,286	11,624	9,172	2,452
Information Technology	5,116	5,895	5,895	
Insurance and Risk Management	10,797	61,565	59,825	1,740
Keller Canyon Mitigation	2,620	2,620	932	1,688
Management Information Systems	2,067	2,067	773	1,294
Personnel Merit Board	60	60	45	15
Plant Acquisition	89,091	136,049	64,149	71,900
Print and Mail Services	912	759	670	89
Purchasing	1,065	1,065	786	279
Telecommunications	4,322	4,567	4,020	547
Treasurer-Tax Collector	5,729	5,859	5,561	298
UAAL Pension Bond Debt Service Transfer	(2,868)	(2,868)	(2,868)	
Total general government	367,076	469,193	302,175	167,018

(continued)

COUNTY OF CONTRA COSTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(In Thousands)

	Budgeted Amounts		Actual Amounts Budgetary	Variance with Final Budget Positive
	Original	Final	Basis	(Negative)
Public protection:				
Agriculture	6,995	7,013	6,535	478
Animal Services	13,505	12,550	11,201	1,349
Civil Grand Jury	156	146	127	19
Conflict Defense Services	6,000	6,000	4,775	1,225
Coroner	3,386	3,519	3,518	1
Criminal Grand Jury	50	60	59	1
District Attorney	46,100	46,375	45,644	731
Emergency Services	7,120	7,767	5,871	1,896
Flood Control	975	975	780	195
Jail	85,184	85,869	63,903	21,966
Jail - Health Services	27,436	23,804	23,764	40
Law and Justice Systems	7,730	7,730	1,065	6,665
Local Agency Information	270	295	295	
Probation - Programs	35,461	35,461	33,975	1,486
Probation - Facilities	31,456	31,456	28,146	3,310
Probation - Care of Court Wards	8,206	8,206	8,167	39
Public Defender	31,399	32,306	32,285	21
Recorder	4,668	4,668	3,746	922
Sheriff	150,217	150,706	147,715	2,991
Trial Court Programs	17,311	17,103	16,874	229
Vehicle Theft Programs	2,602	2,602	802	1,800
UAAL Pension Bond Debt Service Transfer	(16,892)	(16,892)	(16,892)	
Total public protection	469,335	467,719	422,355	45,364
Health and sanitation:				
Children's Services	11,807	11,053	10,979	74
Conservator/Guardianship	4,256	3,993	3,992	1
Environmental Health	24,532	19,265	18,995	270
Health Services Homeless Program	16,071	13,690	13,689	1
Mental Health	238,044	235,804	232,430	3,374
Public Administrator	778	966	966	
Public Health	77,781	80,031	67,473	12,558
Solid Waste Management	363	363	335	28
Alcohol and Other Drugs Services	29,396	21,694	21,681	13
UAAL Pension Bond Debt Service Transfer	(4,789)	(4,789)	(4,789)	
Total health and sanitation	398,239	382,070	365,751	16,319

(continued)

COUNTY OF CONTRA COSTA

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

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(In Thousands)

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
Public assistance:				
Cal Health Benefit Marketplace				
Community Development	12,855	12,855	9,146	3,709
Community Services	46,381	46,381	37,290	9,091
Housing Rehabilitation	2,399	2,399	769	1,630
EHSD - Administration	6,167	6,715	4,205	2,510
EHSD - Aging & Adult	73,589	77,896	77,854	42
EHSD - Ann Adler Child & Family	80	80	65	15
EHSD - Children and Family	142,530	142,530	127,114	15,416
EHSD - Workforce Services	204,444	208,575	194,330	14,245
EHSD - WFRC Investment Board	6,694	6,656	5,937	719
Veterans Services	1,657	1,706	1,352	354
Zero Tolerance Domestic Violence Initiative	2,433	2,433	2,422	11
UAAL Pension Bond Debt Service Transfer	(5,766)	(5,766)	(5,766)	
Total public assistance	493,463	502,460	454,718	47,742
Public ways and facilities:				
Public Works	44,552	44,652	36,972	7,680
Road Construction	2,527	2,527	1,891	636
UAAL Pension Bond Debt Service Transfer	(990)	(990)	(990)	
Total public ways and facilities	46,089	46,189	37,873	8,316
Total expenditures	1,774,202	1,867,631	1,582,872	284,759
Excess (deficiency) of revenues over (under) expenditures	(69,301)	(80,309)	145,342	225,651
Other Financing Sources (Uses):				
Transfers in	414	421	431	10
Transfers out	(95,167)	(95,693)	(94,679)	1,014
Capital lease financing	1,565	1,565	1,565	
Total other financing sources (uses)	(93,188)	(93,707)	(92,683)	1,024
Net change in fund balances	(162,489)	(174,016)	52,659	226,675
Fund Balance at Beginning of Year	584,511	584,511	584,511	
Fund Balance at End of Year	$ 422,022	410,495	637,170	226,675

(concluded)

COUNTY OF CONTRA COSTA

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

CCC FIRE PROTECTION DISTRICT SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(In Thousands)

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	$ 130,204	130,204	132,676	2,472
Use of money and property	5	5	2	(3)
Intergovernmental	5,134	5,882	5,707	(175)
Charges for services	63,056	63,056	69,971	6,915
Other revenue	1,866	1,866	3,280	1,414
Total revenues	200,265	201,013	211,636	10,623
Expenditures:				
Current:				
Public protection				
Salaries and benefits	123,215	123,215	108,527	14,688
Services and supplies	64,335	63,133	51,608	11,525
Other charges	8,695	8,695	8,695	
Capital assets	9,672	11,377	11,377	
Expenditure transfers	18,023	18,023	17,256	767
Total public protection	223,940	224,443	197,463	26,980
Total expenditures	223,940	224,443	197,463	26,980
Excess (deficiency) of revenues over (under) expenditures	(23,675)	(23,430)	14,173	37,603
Other Financing Sources (Uses):				
Transfers in	2,603	12,603	5	(12,598)
Transfers out	(2,603)	(12,603)		12,603
Capital lease financing			3,001	3,001
Total other financing sources (uses)			3,006	3,006
Net change in fund balance	(23,675)	(23,430)	17,179	40,609
Fund Balance at Beginning of the Year	85,579	85,579	85,579	
Fund Balance at End of Year	$ 61,904	62,149	102,758	40,609

See note to required supplementary information

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COUNTY OF CONTRA COSTA

NOTE TO BUDGETARY COMPARISON SCHEDULES

June 30, 2020

BUDGETS AND BUDGETARY ACCOUNTING

In accordance with the provisions of the California Government Code Sections 29000-29144 and other statutory provisions, commonly known as the County Budget Act, the Board of Supervisors legally adopts a budget for each fiscal year. Budgets are adopted on the modified accrual basis. Prior to June 30 the County Administrator develops, recommends and the Board of Supervisors adopts a recommended budget for the next fiscal year. This is based on preliminary data because the county's books have not yet been closed, ending fund balances have not been established, and the state has not yet adopted its budget. Later, after a series of public hearings the Board of Supervisors adopts a formal budget on or before October 2. This budget establishes the maximum authorized expenditures for the fiscal year that cannot be exceeded except by subsequent amendments to the budget by the Board of Supervisors and is reported in the budgetary comparison schedule as the "Original Budget."

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

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

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

COMBINING AND INDIVIDUAL FUND STATEMENTS AND BUDGETARY SCHEDULES

COUNTY OF CONTRA COSTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020
(In Thousands)

		Special Revenue Funds	Debt Service Funds	Capital Projects Fund	Permanent Fund	Total
Assets:						
Cash and investments	$	612,442	20,336	723	143	633,644
Accounts receivable and accrued revenue		38,750	3,620			42,370
Due from other funds		11,008	4,854			15,862
Notes receivable		16,981				16,981
Prepaid items and deposits		1,989				1,989
Land held for resale		6,673				6,673
Restricted cash and investments		6,099	7,059	28	1,710	14,896
Total assets	$	693,942	35,869	751	1,853	732,415
Liabilities, Deferred Inflows of Resources, and Fund Balances						
Liabilities:						
Accounts payable and accrued liabilities	$	25,382	3,119			28,501
Due to other funds		123,822	8,988			132,810
Unearned revenue		6,162				6,162
Total liabilities		155,366	12,107			167,473
Deferred Inflows of Resources:						
Unavailable revenue		17,146				17,146
Total deferred inflows of resources		17,146				17,146
Fund Balances:						
Nonspendable		1,989			1,710	3,699
Restricted		412,782	23,762	751	143	437,438
Committed		342				342
Assigned		106,317				106,317
Total fund balances		521,430	23,762	751	1,853	547,796
Total liabilities, deferred inflows of resources, and fund balances	$	693,942	35,869	751	1,853	732,415

COUNTY OF CONTRA COSTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(In Thousands)

		Special Revenue Funds	Debt Service Funds	Capital Projects Fund	Permanent Fund	Total
Revenues:						
Taxes	$	93,007	9,809			102,816
Licenses, permits and franchise fees		21,680				21,680
Fines, forfeitures and penalties		4,525				4,525
Use of money and property		6,415	24,855	2	24	31,296
Intergovernmental		306,411				306,411
Charges for services		57,908	5,582			63,490
Other revenue		26,267	17,701			43,968
Total revenues		516,213	57,947	2	24	574,186
Expenditures:						
Current:						
General government		4,221	41,193			45,414
Public protection		184,606				184,606
Health and sanitation		62,981				62,981
Public assistance		149,020	9,389			158,409
Education		33,015				33,015
Public ways and facilities		66,975				66,975
Recreation and culture		1,330				1,330
Debt service:						
Principal			69,827			69,827
Interest		9	18,120			18,129
Total expenditures		502,157	138,529			640,686
Excess (deficiency) of revenues over (under) expenditures		14,056	(80,582)	2	24	(66,500)
Other Financing Sources (Uses):						
Transfers in		11,550	45,829			57,379
Transfers out		(12,622)	(841)			(13,463)
Total other financing sources (uses)		(1,072)	44,988			43,916
Net change in fund balances		12,984	(35,594)	2	24	(22,584)
Fund Balances at Beginning of Year		508,446	59,356	749	1,829	570,380
Fund Balances at End of Year	$	521,430	23,762	751	1,853	547,796

Nonmajor Special Revenue Funds

SPECIAL REVENUE FUNDS

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

ROAD FUND

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

LIBRARY FUND

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

LOW & MODERATE INCOME HOUSING ASSETS

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

OTHER FIRE PROTECTION FUND

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

HEALTH AND SANITATION FUND

This fund is used to account for a variety of health and sanitation services. The fund is financed by state grants, the county's share of the tobacco tax, and user fees.

LAND DEVELOPMENT FUND

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

SERVICE AREAS FUND

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

FLOOD CONTROL FUND

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

LAW ENFORCEMENT FUND

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

COURTS AND CRIMINAL JUSTICE FUND

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

RECORDER/CLERK MODERNIZATION FUND

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

CHILD DEVELOPMENT FUND

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

IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY (IHSS) FUND

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

COUNTY LOCAL REVENUE FUND 2011 SPECIAL REVENUE

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

OTHER SPECIAL REVENUE FUND

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

COUNTY OF CONTRA COSTA

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2020

(In Thousands)

		Road	Library	Low & Moderate Income Housing Assets	Other Fire Protection	Health & Sanitation	Land Development	Service Areas
Assets:								
Cash and investments	$	84,690	32,557	2,426	795	109,109	33,600	37,494
Accounts receivable and accrued revenue		5,716	1,071		7	5,005	852	751
Due from other funds		1,282	422		2	5,605	1,275	730
Notes receivable				7,644			2,979	
Prepaid items and deposits		14	386				222	
Land held for resale				6,673				
Restricted cash and investments				6,099				
Total assets	$	91,702	34,436	22,842	804	119,719	38,928	38,975
Liabilities, Deferred Inflows of Resources, and Fund Balances								
Liabilities:								
Accounts payable and accrued liabilities	$	4,224	2,519	16	158	428	1,827	9,409
Due to other funds		2,663	223	16		55,361	450	1,116
Unearned revenue		4,447						
Total liabilities		11,334	2,742	32	158	55,789	2,277	10,525
Deferred Inflows of Resources								
Unavailable revenue				7,644			3,144	
Total deferred inflows of resources				7,644			3,144	
Fund Balances:								
Nonspendable		14	386				222	
Restricted		62,209	6,512	13,208	639	62,428	29,508	11,014
Committed								18
Assigned		18,145	24,796	1,958	7	1,502	3,777	17,418
Total fund balances		80,368	31,694	15,166	646	63,930	33,507	28,450
Total liabilities, deferred inflows of resources, and fund balances	$	91,702	34,436	22,842	804	119,719	38,928	38,975

	Flood Control	Law Enforcement	Courts & Criminal Justice	Recorder/ Clerk Modernization	Child Development	In-Home Supportive Services Public Authority	County Local Revenue Fund 2011	Other Special Revenue	Total
Assets:									
Cash and investments	105,261	47,454	3,809	9,605	1,424		84,765	59,453	612,442
Accounts receivable and accrued revenue	566	273	160		4,664	260	14,296	5,129	38,750
Due from other funds	308	30		50	127	806	266	105	11,008
Notes receivable								6,358	16,981
Prepaid items and deposits	751				616				1,989
Land held for resale									6,673
Restricted cash and investments									6,099
Total assets	106,886	47,757	3,969	9,655	6,831	1,066	99,327	71,045	693,942
Liabilities, Deferred Inflows of Resources, and Fund Balances									
Liabilities:									
Accounts payable and accrued liabilities	1,755	179		82	3,031	111		1,643	25,382
Due to other funds	1,456	15,166	176	31	1,725	955	39,510	4,974	123,822
Unearned revenue	4				1,331			380	6,162
Total liabilities	3,215	15,345	176	113	6,087	1,066	39,510	6,997	155,366
Deferred Inflows of Resources									
Unavailable revenue								6,358	17,146
Total deferred inflows of resources								6,358	17,146
Fund Balances:									
Nonspendable	751				616				1,989
Restricted	95,370	5,999	3,679	9,541			59,817	52,858	412,782
Committed		324							342
Assigned	7,550	26,089	114	1	128			4,832	106,317
Total fund balances	103,671	32,412	3,793	9,542	744		59,817	57,690	521,430
Total liabilities, deferred inflows of resources, and fund balances	106,886	47,757	3,969	9,655	6,831	1,066	99,327	71,045	693,942

COUNTY OF CONTRA COSTA

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(In Thousands)

	Road	Library	Low & Moderate Income Housing Assets	Other Fire Protection	Health & Sanitation	Land Development	Service Areas
Revenues:							
Taxes	$ 21,345	31,182		602	5,950		9,131
Licenses, permits and franchise fees	323					15,349	11
Fines, forfeitures and penalties					1,578	43	
Use of money and property	1,412	80	213		1,561	574	971
Intergovernmental	35,824	3,290		3	42,721	393	54
Charges for services	2,828	129		6		9,551	17,849
Other revenue	5,894	1,014	167	4	1,830	7,757	204
Total revenues	67,626	35,695	380	615	53,640	33,667	28,220
Expenditures:							
Current:							
General government		1,884					
Public protection				562		29,400	24,499
Health and sanitation					62,981		
Public assistance			206			1	
Education		32,707					308
Public ways and facilities	61,753					3,811	1,121
Recreation and culture							1,330
Debt service:							
Interest						3	
Total expenditures	61,753	34,591	206	562	62,981	33,215	27,258
Excess (deficiency) of revenues over (under) expenditures	5,873	1,104	174	53	(9,341)	452	962
Other Financing Sources (Uses):							
Transfers in		25				1,224	401
Transfers out	(189)	(600)			(51)	(674)	
Total other financing sources (uses)	(189)	(575)			(51)	550	401
Net change in fund balances	5,684	529	174	53	(9,392)	1,002	1,363
Fund Balances at Beginning of Year	74,684	31,165	14,992	593	73,322	32,505	27,087
Fund Balances at End of Year	$ 80,368	31,694	15,166	646	63,930	33,507	28,450

	Flood Control	Law Enforcement	Courts & Criminal Justice	Recorder/ Clerk Modernization	Child Development	In-Home Supportive Services Public Authority	County Local Revenue Fund 2011	Other Special Revenue	Total
Revenues:									
Taxes	13,967	10,075						755	93,007
Licenses, permits and franchise fees	5,908							89	21,680
Fines, forfeitures and penalties		1,141	1,692					71	4,525
Use of money and property	883	133	58		9			521	6,415
Intergovernmental	976	2,309			24,588	1,972	168,952	25,329	306,411
Charges for services	19,725	1,453		2,188				4,179	57,908
Other revenue	1,263	548		4	5,170	287		2,125	26,267
Total revenues	42,722	15,659	1,750	2,192	29,767	2,259	168,952	33,069	516,213
Expenditures:									
Current:									
General government			1,045					1,292	4,221
Public protection	32,076	22,421		1,951			46,466	27,231	184,606
Health and sanitation									62,981
Public assistance					29,584	2,359	114,383	2,487	149,020
Education									33,015
Public ways and facilities								290	66,975
Recreation and culture									1,330
Debt service:									
Interest		2						4	9
Total expenditures	32,076	22,423	1,045	1,951	29,584	2,359	160,849	31,304	502,157
Excess (deficiency) of revenues over (under) expenditures	10,646	(6,764)	705	241	183	(100)	8,103	1,765	14,056
Other Financing Sources (Uses):									
Transfers in		9,883						17	11,550
Transfers out	(76)	(122)		(31)	(172)		(9,791)	(916)	(12,622)
Total other financing sources (uses)	(76)	9,761		(31)	(172)		(9,791)	(899)	(1,072)
Net change in fund balances	10,570	2,997	705	210	11	(100)	(1,688)	866	12,984
Fund Balances at Beginning of Year	93,101	29,415	3,088	9,332	733	100	61,505	56,824	508,446
Fund Balances at End of Year	103,671	32,412	3,793	9,542	744		59,817	57,690	521,430

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
ROAD SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(In Thousands)

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	$		21,345	21,345
Licenses, permits, and franchise fees	420	420	323	(97)
Use of money and property	1,256	1,256	1,412	156
Intergovernmental	65,277	65,277	35,824	(29,453)
Charges for services	3,778	3,778	2,828	(950)
Other revenue	13,313	13,313	5,894	(7,419)
Total revenues	84,044	84,044	67,626	(16,418)
Expenditures:				
Current:				
Public ways and facilities				
Services and supplies	50,185	48,785	32,899	15,886
Other charges	3,076	3,877	2,903	974
Capital assets	845	845	51	794
Expenditure transfers	49,682	50,526	25,900	24,626
Total expenditures	103,788	104,033	61,753	42,280
Excess (deficiency) of revenues over (under) expenditures	(19,744)	(19,989)	5,873	25,862
Other Financing Uses:				
Transfers out	(430)	(430)	(189)	241
Total other financing uses	(430)	(430)	(189)	241
Net change in fund balance	(20,174)	(20,419)	5,684	26,103
Fund Balance at Beginning of Year	74,684	74,684	74,684	
Fund Balance at End of Year	$ 54,510	54,265	80,368	26,103

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
LIBRARY SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(In Thousands)

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	$ 30,335	30,335	31,182	847
Use of money and property	85	85	80	(5)
Intergovernmental	3,826	3,826	3,290	(536)
Charges for services	267	267	129	(138)
Other revenue	312	312	1,014	702
Total revenues	34,825	34,825	35,695	870
Expenditures:				
Current:				
General government				
Capital assets	676	2,560	1,884	676
Total general government	676	2,560	1,884	676
Education				
Salaries and benefits	25,444	25,444	22,186	3,258
Services and supplies	13,948	13,833	6,878	6,955
Other charges	5,976	6,111	3,472	2,639
Capital assets	662	662	120	542
Expenditure transfers	47	52	51	1
Total education	46,077	46,102	32,707	13,395
Total expenditures	46,753	48,662	34,591	14,071
Excess (deficiency) of revenues over (under) expenditures	(11,928)	(13,837)	1,104	14,941
Other Financing Sources (Uses):				
Transfers in		25	25	
Transfers out	(600)	(600)	(600)	
Total other financing sources (uses)	(600)	(575)	(575)	
Net change in fund balance	(12,528)	(14,412)	529	14,941
Fund Balance at Beginning of Year	31,165	31,165	31,165	
Fund Balance at End of Year	$ 18,637	16,753	31,694	14,941

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
LOW & MODERATE INCOME HOUSING ASSETS SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(In Thousands)

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:				
Use of money and property	$ 651	651	213	(438)
Other revenue	8,604	8,604	167	(8,437)
Total revenues	9,255	9,255	380	(8,875)
Expenditures:				
Current:				
Public assistance				
Services and supplies	5,155	5,155	30	5,125
Other charges	3,100	3,100	149	2,951
Expenditure transfers	3,000	3,000	27	2,973
Total expenditures	11,255	11,255	206	11,049
Excess (deficiency) of revenues over (under) expenditures	(2,000)	(2,000)	174	2,174
Other Financing Sources:				
Transfers in	2,000	2,000		(2,000)
Total other financing sources	2,000	2,000		(2,000)
Net change in fund balance			174	174
Fund Balance at Beginning of Year	14,992	14,992	14,992	
Fund Balance at End of Year	$ 14,992	14,992	15,166	174

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
OTHER FIRE PROTECTION SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(In Thousands)

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	$ 556	556	602	46
Intergovernmental	3	3	3	
Charges for services	6	6	6	
Other revenue	2	2	4	2
Total revenues	567	567	615	48
Expenditures:				
Current:				
Public protection				
Salaries and benefits	256	256	163	93
Services and supplies	782	687	255	432
Other charges	122	122	100	22
Capital assets	45	140	44	96
Total expenditures	1,205	1,205	562	643
Excess (deficiency) of revenues over (under) expenditures	(638)	(638)	53	691
Other Financing Sources:				
Transfers in	45	45		(45)
Total other financing sources	45	45		(45)
Net change in fund balance	(593)	(593)	53	646
Fund Balance at Beginning of the Year	593	593	593	
Fund Balance at End of Year	$		646	646

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEULE
HEALTH AND SANITATION SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(In Thousands)

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	$ 5,927	5,927	5,950	23
Fines, forfeitures and penalties	1,530	1,530	1,578	48
Use of money and property	1,720	1,720	1,561	(159)
Intergovernmental	56,485	56,485	42,721	(13,764)
Charges for services	5,950	5,950		(5,950)
Other revenue			1,830	1,830
Total revenues	71,612	71,612	53,640	(17,972)
Expenditures:				
Current:				
Health and sanitation				
Salaries and benefits	1,706	1,706	1,578	128
Services and supplies	4,448	4,533	4,533	
Other charges	6,117	5,707	5,707	
Expenditure transfers	51,311	51,886	51,163	723
Total health and sanitation	63,582	63,832	62,981	851
Debt service:				
Interest	4,130	4,130		4,130
Total expenditures	67,712	67,962	62,981	4,981
Excess (deficiency) of revenues over (under) expenditures	3,900	3,650	(9,341)	(12,991)
Other Financing Uses:				
Transfers out	(51)	(51)	(51)	
Total other financing uses	(51)	(51)	(51)	
Net change in fund balance	3,849	3,599	(9,392)	(12,991)
Fund Balance at Beginning of the Year	73,322	73,322	73,322	
Fund Balance at End of Year	$ 77,171	76,921	63,930	(12,991)

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
LAND DEVELOPMENT SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(In Thousands)

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:				
Licenses, permits and franchise fees	$ 18,441	18,441	15,349	(3,092)
Fines, forfeitures and penalties			43	43
Use of money and property	157	157	574	417
Intergovernmental	1,252	1,252	393	(859)
Charges for services	9,892	9,892	9,551	(341)
Other revenue	10,048	10,048	7,757	(2,291)
Total revenues	39,790	39,790	33,667	(6,123)
Expenditures:				
Current:				
Public protection				
Salaries and benefits	24,432	22,474	21,472	1,002
Services and supplies	6,960	7,135	4,685	2,450
Other charges	2,371	2,376	1,991	385
Capital assets	722	793	143	650
Expenditure transfers	356	2,238	1,109	1,129
Total public protection	34,841	35,016	29,400	5,616
Public assistance				
Services and supplies	989	988		988
Other charges	10	10		10
Expenditure transfers	500	501	1	500
Total public assistance	1,499	1,499	1	1,498
Public ways and facilities				
Services and supplies	201	201	101	100
Other charges	61	61	26	35
Expenditure transfers	4,432	4,432	3,684	748
Total public ways and facilities	4,694	4,694	3,811	883
Debt service:				
Interest	3	3	3	
Total expenditures	41,037	41,212	33,215	7,997
Excess (deficiency) of revenues over (under) expenditures	(1,247)	(1,422)	452	1,874
Other Financing Sources (Uses):				
Transfers in	548	733	1,224	491
Transfers out	(674)	(684)	(674)	10
Total other financing sources (uses)	(126)	49	550	501
Net change in fund balance	(1,373)	(1,373)	1,002	2,375
Fund Balance at Beginning of Year	32,505	32,505	32,505	
Fund Balance at End of Year	$ 31,132	31,132	33,507	2,375

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
SERVICE AREAS SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(In Thousands)

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	$ 7,937	7,938	9,131	1,193
Licenses, permits and franchise fees	8	8	11	3
Use of money and property	1,039	1,039	971	(68)
Intergovernmental	52	52	54	2
Charges for services	15,447	15,447	17,849	2,402
Other revenue	174	174	204	30
Total revenues	24,657	24,658	28,220	3,562
Expenditures:				
Current:				
Public protection				
Services and supplies	31,645	31,395	20,339	11,056
Other charges	3,315	3,477	3,477	
Expenditure transfers	595	683	683	
Total public protection	35,555	35,555	24,499	11,056
Education				
Other charges	157	148	2	146
Expenditure transfers	299	308	306	2
Total education	456	456	308	148
Public ways and facilities				
Services and supplies	8,209	8,074	594	7,480
Other charges	169	269	195	74
Capital assets	25	25	9	16
Expenditure transfers	372	407	323	84
Total public ways and facilities	8,775	8,775	1,121	7,654
Recreation and culture				
Services and supplies	743	1,066	794	272
Other charges	422	450	335	115
Capital assets	4,009	3,659	(2)	3,661
Expenditure transfers	255	256	203	53
Total recreation and culture	5,429	5,431	1,330	4,101
Total expenditures	50,215	50,217	27,258	22,959
Excess (deficiency) of revenues over (under) expenditures	(25,558)	(25,559)	962	26,521
Other Financing Sources:				
Transfers in			401	401
Total other financing sources			401	401
Net change in fund balance	(25,558)	(25,559)	1,363	26,922
Fund Balance at Beginning of Year	27,087	27,087	27,087	
Fund Balance at End of Year	$ 1,529	1,528	28,450	26,922

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
FLOOD CONTROL SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(In Thousands)

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	$ 13,440	13,440	13,967	527
Licenses, permits and franchise fees	781	1,112	5,908	4,796
Use of money and property	2,217	2,217	883	(1,334)
Intergovernmental	691	817	976	159
Charges for services	18,959	19,179	19,725	546
Other revenue	2,597	2,597	1,263	(1,334)
Total revenues	38,685	39,362	42,722	3,360
Expenditures:				
Current:				
Public protection				
Services and supplies	112,550	108,334	15,912	92,422
Other charges	3,637	7,687	6,314	1,373
Capital assets	400	400		400
Expenditure transfers	13,511	13,300	9,850	3,450
Total public protection	130,098	129,721	32,076	97,645
Debt service:				
Principal	245	828		828
Total expenditures	130,343	130,549	32,076	98,473
Excess (deficiency) of revenues over (under) expenditures	(91,658)	(91,187)	10,646	101,833
Other Financing Uses:				
Transfers out	205	(1,076)	(76)	1,000
Total other financing uses	205	(1,076)	(76)	1,000
Net change in fund balance	(91,453)	(92,263)	10,570	102,833
Fund Balance at Beginning of Year	93,101	93,101	93,101	
Fund Balance at End of Year	$ 1,648	838	103,671	102,833

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
LAW ENFORCEMENT SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(In Thousands)

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	$ 9,233	9,810	10,075	265
Fines, forfeitures and penalties	1,573	1,573	1,141	(432)
Use of money and property	126	126	133	7
Intergovernmental	2,336	2,336	2,309	(27)
Charges for services	1,625	1,625	1,453	(172)
Other revenue	414	414	548	134
Total revenues	15,307	15,884	15,659	(225)
Expenditures:				
Current:				
General government				
Services and supplies	160	160		160
Other charges	2	2		2
Expenditure transfers	3,453	3,467		3,467
Total general government	3,615	3,629		3,629
Public protection				
Salaries and benefits	1,812	1,917	1,876	41
Services and supplies	19,184	18,408	269	18,139
Other charges	4,524	4,530	4,086	444
Expenditure transfers	25,217	26,369	16,190	10,179
Total public protection	50,737	51,224	22,421	28,803
Debt service:				
Interest	2	2	2	
Total expenditures	54,354	54,855	22,423	32,432
Excess (deficiency) of revenues over (under) expenditures	(39,047)	(38,971)	(6,764)	32,207
Other Financing Sources (Uses):				
Transfers in	9,883	9,883	9,883	
Transfers out	(96)	(275)	(122)	153
Total other financing sources (uses)	9,787	9,608	9,761	153
Net change in fund balance	(29,260)	(29,363)	2,997	32,360
Fund Balance at Beginning of Year	29,415	29,415	29,415	
Fund Balance at End of Year	$ 155	52	32,412	32,360

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
COURTS AND CRIMINAL JUSTICE SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(In Thousands)

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:				
Fines, forfeitures and penalties	$ 1,735	1,735	1,692	(43)
Use of money and property	22	22	58	36
Total revenues	1,757	1,757	1,750	(7)
Expenditures:				
Current:				
General government				
Other charges	3,643	3,643	1,045	2,598
Total expenditures	3,643	3,643	1,045	2,598
Excess (deficiency) of revenues over (under) expenditures	(1,886)	(1,886)	705	2,591
Other Financing Uses:				
Transfers out	(1,202)	(1,202)		1,202
Total other financing uses	(1,202)	(1,202)		1,202
Net change in fund balance	(3,088)	(3,088)	705	3,793
Fund Balance at Beginning of Year	3,088	3,088	3,088	
Fund Balance at End of Year	$		3,793	3,793

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
RECORDER/CLERK MODERNIZATION SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(In Thousands)

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental				
Charges for services	$ 1,530	1,530	2,188	658
Other revenue			4	4
Total revenues	1,530	1,530	2,192	662
Expenditures:				
Current:				
Public protection				
Salaries and benefits	1,299	1,299	1,002	297
Services and supplies	8,774	8,774	643	8,131
Other charges	472	472	306	166
Capital assets	250	250		250
Total expenditures	10,795	10,795	1,951	8,844
Excess (deficiency) of revenues over (under) expenditures	(9,265)	(9,265)	241	9,506
Other Financing Uses:				
Transfers out	(31)	(31)	(31)	
Total other financing uses	(31)	(31)	(31)	
Net change in fund balance	(9,296)	(9,296)	210	9,506
Fund Balance at Beginning of Year	9,332	9,332	9,332	
Fund Balance at End of Year	$ 36	36	9,542	9,506

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COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
CHILD DEVELOPMENT SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(In Thousands)

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:				
Use of money and property	$		9	9
Intergovernmental	24,479	25,946	24,588	(1,358)
Other revenue	7,421	7,421	5,170	(2,251)
Total revenues	31,900	33,367	29,767	(3,600)
Expenditures:				
Current:				
Public assistance				
Salaries and benefits	8,152	8,152	7,596	556
Services and supplies	5,040	5,467	5,029	438
Other charges	8,229	9,268	8,501	767
Capital assets	300	300		300
Expenditure transfers	10,261	10,261	8,458	1,803
Total expenditures	31,982	33,448	29,584	3,864
Excess (deficiency) of revenues over (under) expenditures	(82)	(81)	183	264
Other Financing Uses:				
Transfers out	(172)	(172)	(172)	
Total other financing uses	(172)	(172)	(172)	
Net change in fund balance	(254)	(253)	11	264
Fund Balance at Beginning of Year	733	733	733	
Fund Balance at End of Year	$ 479	480	744	264

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(In Thousands)

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	$ 1,909	1,909	1,972	63
Other revenue	434	434	287	(147)
Total revenues	2,343	2,343	2,259	(84)
Expenditures:				
Current:				
Public assistance				
Salaries and benefits	1,654	1,654	1,624	30
Services and supplies	171	201	200	1
Other charges	519	535	535	
Expenditure transfers	100	54		54
Total expenditures	2,444	2,444	2,359	85
Net change in fund balance	(101)	(101)	(100)	1
Fund Balance at Beginning of Year	100	100	100	
Fund Balance (Deficit) at End of Year	$ (1)	(1)		1

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
COUNTY LOCAL REVENUE FUND 2011 SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(In Thousands)

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:				
Use of money and property	$			
Intergovernmental	183,465	183,465	168,952	(14,513)
Total revenues	183,465	183,465	168,952	(14,513)
Expenditures:				
Current:				
Public protection				
Capital assets		300		300
Expenditure transfers	51,929	51,929	46,466	5,463
Total public protection	51,929	52,229	46,466	5,763
Public assistance				
Expenditure transfers	122,817	122,817	114,383	8,434
Total public assistance	122,817	122,817	114,383	8,434
Total expenditures	174,746	175,046	160,849	14,197
Excess (deficiency) of revenues over (under) expenditures	8,719	8,419	8,103	(316)
Other Financing Uses:				
Transfers out	(9,899)	(9,899)	(9,791)	108
Total other financing uses	(9,899)	(9,899)	(9,791)	108
Net change in fund balance	(1,180)	(1,480)	(1,688)	(208)
Fund Balance at Beginning of Year	61,505	61,505	61,505	
Fund Balance at End of Year	$ 60,325	60,025	59,817	(208)

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
OTHER SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(In Thousands)

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	$ 705	705	755	50
Licenses, permits and franchise fees	121	121	89	(32)
Fines, forfeitures and penalties	174	174	71	(103)
Use of money and property	360	360	521	161
Intergovernmental	25,816	25,600	25,329	(271)
Charges for services	3,511	3,511	4,179	668
Other revenue	1,887	3,102	2,125	(977)
Total revenues	32,574	33,573	33,069	(504)
Expenditures:				
Current:				
General government				
Services and supplies	1,023	770	278	492
Other charges	45	113	112	1
Expenditure transfers	1,754	1,939	902	1,037
Total general government	2,822	2,822	1,292	1,530
Public protection				
Salaries and benefits	19,336	18,457	18,238	219
Services and supplies	9,410	9,363	3,382	5,981
Other charges	(98)	797	648	149
Capital assets		179	178	1
Expenditure transfers	10,318	10,505	4,785	5,720
Total public protection	38,966	39,301	27,231	12,070
Public assistance				
Salaries and benefits	476	476	412	64
Services and supplies	2,181	1,978	926	1,052
Other charges	334	337	71	266
Expenditure transfers	1,225	1,426	1,078	348
Total public assistance	4,216	4,217	2,487	1,730
Public ways and facilities				
Services and supplies	216	501	236	265
Other charges	10	825	39	786
Expenditure transfers	63	63	15	48
Total public ways and facilities	289	1,389	290	1,099
Debt service:				
Interest	4	4	4	
Total expenditures	46,297	47,733	31,304	16,429
Excess (deficiency) of revenues over (under) expenditures	(13,723)	(14,160)	1,765	15,925
Other Financing Sources (Uses):				
Transfers in	7	7	17	10
Transfers out	(4,242)	(4,242)	(916)	3,326
Total other financing sources (uses)	(4,235)	(4,235)	(899)	3,336
Net change in fund balance	(17,958)	(18,395)	866	19,261
Fund Balance at Beginning of Year	56,824	56,824	56,824	
Fund Balance at End of Year	$ 38,866	38,429	57,690	19,261

Nonmajor Debt Service Funds

DEBT SERVICE FUNDS

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

PUBLIC FINANCING AUTHORITY (PFA) FUND

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

FAMILY LAW CENTER FUND

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

RETIREMENT LITIGATION SETTLEMENT FUND

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

CCC FIRE PROTECTION DISTRICT PENSION BOND FUND

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

COUNTY PENSION BOND FUND

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

WEST CONTRA COSTA HEALTH CARE DISTRICT

This fund is used to account for accumulated monies for payment of Parcel Tax Obligations from certificates of participation (COPs) issued by West Contra Costa Health Care District.

ASSESSMENT DISTRICTS FUND

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

COUNTY OF CONTRA COSTA
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
JUNE 30, 2020
(In Thousands)

	Public Financing Authority	Family Law Center	Retirement Litigation Settlement	CCC Fire Protection District Pension Bond	County Pension Bond	West Contra Costa Healthcare District	Assessment Districts	Total
Assets:								
Cash and investments	$ 1,452		2,562	15,280			1,042	20,336
Accounts receivable and accrued revenue					3,619		1	3,620
Due from other funds			198			4,656		4,854
Restricted cash and investments	1,814				423	3,687	1,135	7,059
Total assets	$ 3,266		2,760	15,280	4,042	8,343	2,178	35,869
Liabilities and Fund Balances								
Liabilities:								
Accounts payable and accrued liabilities	$		2,760	2		3	354	3,119
Due to other funds					3,380	5,608		8,988
Total liabilities			2,760	2	3,380	5,611	354	12,107
Fund Balances:								
Restricted	3,266			15,278	662	2,732	1,824	23,762
Total fund balances	3,266			15,278	662	2,732	1,824	23,762
Total liabilities and fund balances	$ 3,266		2,760	15,280	4,042	8,343	2,178	35,869

COUNTY OF CONTRA COSTA

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

NONMAJOR DEBT SERVICE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(In Thousands)

	Public Financing Authority	Family Law Center	Retirement Litigation Settlement	CCC Fire Protection District Pension Bond	County Pension Bond	West Contra Costa Healthcare District	Assessment Districts	Total
Revenues:								
Taxes	$						9,809	9,809
Use of money and property	24,388			1	423	18	25	24,855
Charges for services						5,582		5,582
Other revenue				16,306	1,395			17,701
Total revenues	24,388			16,307	1,818	5,600	9,834	57,947
Expenditures:								
Current:								
General government	39,957					1,236		41,193
Public assistance						5	9,384	9,389
Debt service:								
Principal	16,644		1,952	12,825	36,895	1,241	270	69,827
Interest	6,574		808	2,381	6,705	1,514	138	18,120
Total expenditures	63,175		2,760	15,206	43,600	3,996	9,792	138,529
Excess (deficiency) of revenues over (under) expenditures	(38,787)		(2,760)	1,101	(41,782)	1,604	42	(80,582)
Other Financing Sources (Uses):								
Transfers in			2,760		43,069			45,829
Transfers out	(841)							(841)
Total other financing sources (uses)	(841)		2,760		43,069			44,988
Net change in fund balances	(39,628)			1,101	1,287	1,604	42	(35,594)
Fund Balances (Deficit) at Beginning of Year	42,894			14,177	(625)	1,128	1,782	59,356
Fund Balances at End of Year	$ 3,266			15,278	662	2,732	1,824	23,762

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COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
FAMILY LAW CENTER DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(In Thousands)

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:	$			
Total revenues				
Expenditures:				
Current:				
Public assistance				
Services and supplies	2,129	2,129		2,129
Total expenditures	2,129	2,129		2,129
Excess (deficiency) of revenues over (under) expenditures	(2,129)	(2,129)		2,129
Net change in fund balance	(2,129)	(2,129)		2,129
Fund Balance at Beginning of Year				
Fund Balance (Deficit) at End of Year	$ (2,129)	(2,129)		2,129

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
RETIREMENT LITIGATION SETTLEMENT DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(In Thousands)

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:	$			
Total revenues				
Expenditures:				
Debt service:				
Principal	1,952	1,952	1,952	
Interest	808	808	808	
Total expenditures	2,760	2,760	2,760	
Deficiency of revenues under expenditures	(2,760)	(2,760)	(2,760)	
Other Financing Sources:				
Transfers in	2,760	2,760	2,760	
Total other financing sources	2,760	2,760	2,760	
Net change in fund balance				
Fund Balance at Beginning of Year				
Fund Balance at End of Year	$			

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
CCC FIRE PROTECTION DISTRICT PENSION BOND DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(In Thousands)

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:				
Use of money and property	$		1	1
Other revenue	1,221	1,317	16,306	14,989
Total revenues	1,221	1,317	16,307	14,990
Expenditures:				
Current:				
Public protection				
Other charges		96		96
Total public protection		96		96
Debt service:				
Principal	12,825	12,825	12,825	
Interest	2,476	2,476	2,381	95
Total expenditures	15,301	15,397	15,206	191
Excess (deficiency) of revenues over (under) expenditures	(14,080)	(14,080)	1,101	15,181
Net change in fund balance	(14,080)	(14,080)	1,101	15,181
Fund Balance at Beginning of Year	14,177	14,177	14,177	
Fund Balance at End of Year	$ 97	97	15,278	15,181

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
COUNTY PENSION BOND DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(In Thousands)

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:				
Use of money and property	$ 270	270	423	153
Other revenue	1,395	1,395	1,395	
Total revenues	1,665	1,665	1,818	153
Expenditures:				
Debt service:				
Principal	36,270	36,900	36,895	5
Interest	6,705	6,705	6,705	
Total expenditures	42,975	43,605	43,600	5
Excess (deficiency) of revenues over (under) expenditures	(41,310)	(41,940)	(41,782)	158
Other Financing Sources:				
Transfers in	41,935	42,565	43,069	504
Total other financing sources	41,935	42,565	43,069	504
Net change in fund balance	625	625	1,287	662
Fund Balance (Deficit) at Beginning of Year	(625)	(625)	(625)	
Fund Balance at End of Year	$		662	662

Nonmajor Capital Projects Fund

CAPITAL PROJECTS FUND

Capital projects funds are used to account for financial resources to be used for the acquisition of land or acquisition and construction of major facilities other than those financed in the proprietary funds. The county's Capital Projects Fund is included in the combining financial statements of the nonmajor governmental funds (starting on page 112).

ASSESSMENT DISTRICTS FUND

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

Nonmajor Governmental Fund

PERMANENT FUND

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs. The county's Permanent Fund is included in the combining financial statements of the nonmajor governmental funds (starting on page 112).

LIBRARY GIFT PERMANENT FUND

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

Nonmajor Enterprise Funds

ENTERPRISE FUNDS

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

AIRPORT FUND

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

SHERIFF LAW ENFORCEMENT TRAINING CENTER FUND

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

CHILDCARE ENTERPRISE FUND

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

HMO COMMERCIAL PLAN

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

MAJOR RISK MEDICAL INSURANCE FUND

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

COUNTY OF CONTRA COSTA
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2020
(In Thousands)

	Airport	Sheriff Law Enforcement Training Center	Child Care Enterprise	HMO Commercial Plan	Major Risk Medical Insurance	Total
Assets and Deferred Outflows of Resources:						
Assets:						
Current assets:						
Cash and investments	$ 6,567		16	17,754	1	24,338
Accounts receivable and accrued revenue (net)	1,091	269		7,395		8,755
Inventories	25					25
Due from other funds		1,468		2,516		3,984
Prepaid OPEB asset	236					236
Prepaid items and deposits		677				677
Total current assets	7,919	2,414	16	27,665	1	38,015
Noncurrent assets:						
Capital assets:						
Nondepreciable	10,919					10,919
Depreciable, net	7,570	54				7,624
Total noncurrent assets	18,489	54				18,543
Total assets	26,408	2,468	16	27,665	1	56,558
Deferred Outflows of Resources:						
Deferred pension outflows	411	239				650
Deferred OPEB outflows	11					11
Total deferred outflows of resources	422	239				661
Total Assets and Deferred Outflows of Resources	$ 26,830	2,707	16	27,665	1	57,219
Liabilities, Deferred Inflows of Resources, and Net Position:						
Liabilities:						
Current liabilities:						
Accounts payable and accrued liabilities	$ 1,326	119		12,849		14,294
Due to other funds	63	1,312		5,273		6,648
Unearned revenue	190			1,576		1,766
Current portion of long-term liabilities	18	2				20
Total current liabilities	1,597	1,433		19,698		22,728
Noncurrent portion of long-term liabilities:						
Compensated absences	160	15				175
Net pension liability	956	557				1,513
Total noncurrent portion of long-term liabilities	1,116	572				1,688
Total liabilities	2,713	2,005		19,698		24,416
Deferred Inflows of Resources:						
Deferred pension inflows	329	192				521
Deferred OPEB inflows	261					261
Total deferred inflows of resources	590	192				782
Net Position:						
Net investments in capital assets	18,489	54				18,543
Unrestricted	5,038	456	16	7,967	1	13,478
Total net position	23,527	510	16	7,967	1	32,021
Total liabilities, Deferred Inflows of Resources, and Net Position	$ 26,830	2,707	16	27,665	1	57,219

COUNTY OF CONTRA COSTA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(In Thousands)

	Airport	Sheriff Law Enforcement Training Center	Child Care Enterprise	HMO Commercial Plan	Major Risk Medical Insurance	Total
Operating Revenues:						
Use of money and property	$ 4,681			247		4,928
Charges for services	10	809		71,052	1	71,872
Other revenue	574	11				585
Total operating revenues	5,265	820		71,299	1	77,385
Operating Expenses:						
Salaries and employee benefits	2,358	1,589				3,947
Services and supplies	1,687	149		74,722		76,558
Other charges	735	131				866
Expense transfers	211	50				261
Depreciation	1,202	12				1,214
Total operating expenses	6,193	1,931		74,722		82,846
Operating income (loss)	(928)	(1,111)		(3,423)	1	(5,461)
Nonoperating Revenues (Expenses):						
State and federal grants	1,971	168				2,139
Investment income	101					101
Interest expense				(357)		(357)
Total nonoperating revenues (expenses)	2,072	168		(357)		1,883
Income (Loss) before capital contributions and transfers	1,144	(943)		(3,780)	1	(3,578)
Transfers in	122	1,315		3,986		5,423
Transfers out	(112)	(37)				(149)
Change in net position	1,154	335		206	1	1,696
Total Net Position at Beginning of Year	22,373	175	16	7,761		30,325
Total Net Position at End of Year	$ 23,527	510	16	7,967	1	32,021

COUNTY OF CONTRA COSTA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(In Thousands)

	Airport	Sheriff Law Enforcement Training Center	Child Care Enterprise	HMO Commercial Plan	Major Risk Medical Insurance	Total
Cash Flows from Operating Activities:						
Cash received from customers	$ 4,381	812		69,305	1	74,499
Cash received from other funds	10	370				380
Cash payment to other funds	(61)	(507)				(568)
Cash payment to suppliers for goods and services	(2,080)	(482)		(77,472)		(80,034)
Cash payment to employees for services	(2,529)	(1,639)				(4,168)
Net Cash Provided by (used for) Operating Activities	(279)	(1,446)		(8,167)	1	(9,891)
Cash Flows from Noncapital Financing Activities:						
State and federal grants	1,971	168				2,139
Transfers received	122	1,315		3,986		5,423
Transfers paid	(112)	(37)				(149)
Net Cash Provided by Noncapital Financing Activities	1,981	1,446		3,986		7,413
Cash Flows from Capital and Related Financing Activities:						
Acquisition and construction of capital assets	(1,520)					(1,520)
Decrease in fair value of investments	19					19
Interest paid				(357)		(357)
Interest income	82					82
Net Cash Used for Capital and Related Financing Activities	(1,419)			(357)		(1,776)
Net Increase (decrease) in Cash and Cash Equivalents	283			(4,538)	1	(4,254)
Cash and Cash Equivalents at Beginning of Year	6,284		16	22,292		28,592
Cash and Cash Equivalents at End of Year	$ 6,567		16	17,754	1	24,338
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:						
Operating income (loss)	$ (928)	(1,111)		(3,423)	1	(5,461)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:						
Depreciation	1,202	12				1,214
Changes in operating assets and liabilities:						
Decrease (increase) in:						
Accounts receivable and accrued revenue	(931)	(8)		(923)		(1,862)
Inventories	(14)					(14)
Due from other funds	10	(507)		(1,071)		(1,568)
Prepaid items and deposits		(123)				(123)
Prepaid OPEB Asset	(339)					(339)
Deferred OPEB outflows	(2)					(2)
Deferred pension outflows	474	271				745
Increase (decrease) in:						
Accounts payable and accrued liabilities	567	(29)		(5,500)		(4,962)
Due to other funds	(61)	370		2,421		2,730
Deferred OPEB inflows	238					238
Deferred pension inflows	176	103		329		608
Net pension liability	(750)	(427)				(1,177)
Unearned revenue	47					47
Compensated absences	32	3				35
Net Cash Provided (used for) by Operating Activities	$ (279)	(1,446)		(8,167)	1	(9,891)

INTERNAL SERVICE FUNDS

FLEET SERVICES

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

SELF-INSURANCE FUNDS

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

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

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

COUNTY OF CONTRA COSTA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2020
(In Thousands)

		Fleet Services	Employee Dental Insurance	Long-Term Disability Insurance	Workers' Compensation Insurance County General	Workers' Compensation Insurance Fire Protection	Automotive Liability Insurance	Public Liability Insurance	State Unemployment Insurance	Medical Liability Insurance	Special District Property Insurance	Total
Assets and Deferred Outflows of Resources:												
Assets:												
Current assets:												
Cash and investments	$	4,648	4,405	2,587	112,556	37,991	1,500	9,413	2,281	6,571	4,644	186,596
Accounts receivable and accrued revenue (net)		26	1,959	125	1,546	394	1	20	76			4,147
Inventories		249										249
Due from other funds		1,710			107,736	9,794	5,962	42,587		31,343		199,132
Total current assets		6,633	6,364	2,712	221,838	48,179	7,463	52,020	2,357	37,914	4,644	390,124
Noncurrent assets:												
Capital assets:												
Nondepreciable		708										708
Depreciable, net		10,093										10,093
Total noncurrent assets		10,801										10,801
Total assets		17,434	6,364	2,712	221,838	48,179	7,463	52,020	2,357	37,914	4,644	400,925
Deferred Outflows of Resources:												
Deferred pension outflows		420										420
Deferred OPEB outflows		56										56
Total deferred outflows of resources		476										476
Total assets and deferred outflows of resources	$	17,910	6,364	2,712	221,838	48,179	7,463	52,020	2,357	37,914	4,644	401,401
Liabilities, Deferred Inflows of Resources, and Net Position:												
Liabilities:												
Current liabilites:												
Accounts payable	$	536								2		538
Due to other funds		465	63		108,693	9,952	5,897	41,807	16	31,368	4	198,265
Claims payable			795	3,109	17,103	499	297	3,145	2,143	2,480		29,571
Compensated absences payable		12										12
Total current liabilities		1,013	858	3,109	125,796	10,451	6,194	44,952	2,159	33,850	4	228,386
Noncurrent liabilities:												
Claims payable				622	90,020	20,124	1,279	6,265		2,597		120,907
Compensated absences payable		109										109
Net pension liability		978										978
Net OPEB liability		318										318
Total noncurrent liabilities		1,405		622	90,020	20,124	1,279	6,265		2,597		122,312
Total liabilities		2,418	858	3,731	215,816	30,575	7,473	51,217	2,159	36,447	4	350,698
Deferred Inflows of Resources:												
Deferred pension inflows		336										336
Deferred OPEB inflows		320										320
Total deferred inflows of resources		656										656
Net Position (Deficit):												
Net investment in capital assets		10,801										10,801
Unrestricted net position (deficit)		4,035	5,506	(1,019)	6,022	17,604	(10)	803	198	1,467	4,640	39,246
Total net position (deficit)		14,836	5,506	(1,019)	6,022	17,604	(10)	803	198	1,467	4,640	50,047
Total Liabilities, Deferred Inflows of Resources, and Net Position (deficit)	$	17,910	6,364	2,712	221,838	48,179	7,463	52,020	2,357	37,914	4,644	401,401

COUNTY OF CONTRA COSTA

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

INTERNAL SERVICE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(In Thousands)

	Fleet Services	Employee Dental Insurance	Long-Term Disability Insurance	Workers' Compensation Insurance County General	Workers' Compensation Insurance Fire Protection	Automotive Liability Insurance	Public Liability Insurance	State Unemployment Insurance	Medical Liability Insurance	Special District Property Insurance	Total
Operating Revenues:											
Charges for services	$ 226	11,747	1,506	19,083	4,557	988	20,214	477	3,750	2,203	64,751
Other revenue	14,874				4,476				809		20,159
Total operating revenues	15,100	11,747	1,506	19,083	9,033	988	20,214	477	4,559	2,203	84,910
Operating Expenses:											
Salaries and employee benefits	2,369										2,369
Services and supplies	7,845	756	7	8,310	716	941	7,255	5,755	1,655	874	34,114
Benefit and claim expense		8,587	1,567	1,194	11	519	13,985	1,236	335	452	27,886
Other charges	824										824
Depreciation	2,976										2,976
Total operating expenses	14,014	9,343	1,574	9,504	727	1,460	21,240	6,991	1,990	1,326	68,169
Operating Income (Loss)	1,086	2,404	(68)	9,579	8,306	(472)	(1,026)	(6,514)	2,569	877	16,741
Nonoperating Revenues:											
Investment income		44	30	3,925	1,323	10	5	89			5,426
Total nonoperating revenues		44	30	3,925	1,323	10	5	89			5,426
Income (loss) before capital contributions and transfers	1,086	2,448	(38)	13,504	9,629	(462)	(1,021)	(6,425)	2,569	877	22,167
Transfers in						158					158
Transfers out	(65)						(158)			(123)	(346)
Change in net position	1,021	2,448	(38)	13,504	9,629	(304)	(1,179)	(6,425)	2,569	754	21,979
Total Net Position (Deficit) at Beginning of Year	13,815	3,058	(981)	(7,482)	7,975	294	1,982	6,623	(1,102)	3,886	28,068
Total Net Position (Deficit) at End of Year	$ 14,836	5,506	(1,019)	6,022	17,604	(10)	803	198	1,467	4,640	50,047

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COUNTY OF CONTRA COSTA

COMBINING STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(In Thousands)

	Fleet Services	Employee Dental Insurance	Long-Term Disability Insurance	Workers' Compensation Insurance County General	Workers' Compensation Insurance Fire Protection	Automotive Liability Insurance	Public Liability Insurance	State Unemployment Insurance	Medical Liability Insurance	Special District Property Insurance	Total
Cash Flows from Operating Activities:											
Cash received from customers	$ 15,074	10,759	1,500	19,676	9,089	988	20,203	437	4,559	2,224	84,509
Cash received from other funds	296			391	91		1,245	7	3,309		5,339
Cash payment to other funds						(4)					(4)
Cash payment to suppliers for goods and services	(8,571)	(9,500)	(1,283)	(25,085)	(7,759)	(1,145)	(20,857)	(6,500)	(3,974)	(1,341)	(86,015)
Cash payment to employees for services	(2,839)										(2,839)
Net Cash Provided by (Used for) Operating Activities	3,960	1,259	217	(5,018)	1,421	(161)	591	(6,056)	3,894	883	990
Cash Flows from Noncapital Financing Activities:											
Transfers received						158					158
Transfers paid out	(65)						(158)			(123)	(346)
Net Cash Provided by (used for) Noncapital Financing Activities	(65)					158	(158)			(123)	(188)
Cash Flows from Capital and Related Financing Activities:											
Capital Contributions											
Acquisition and construction of capital assets	(4,366)										(4,366)
Net Cash Used for Capital and Related Financing Activities	(4,366)										(4,366)
Cash Flows from Investing Activities:											
Interest received on investments		44	30	3,925	1,323	10	5	89			5,426
Net Cash Provided by Investing Activities		44	30	3,925	1,323	10	5	89			5,426
Net Increase (Decrease) in Cash and Cash Equivalents	(471)	1,303	247	(1,093)	2,744	7	438	(5,967)	3,894	760	1,862
Cash and Cash Equivalents at Beginning of Year	5,119	3,102	2,340	113,649	35,247	1,493	8,975	8,248	2,677	3,884	184,734
Cash and Cash Equivalents at End of Year	$ 4,648	4,405	2,587	112,556	37,991	1,500	9,413	2,281	6,571	4,644	186,596

	Fleet Services	Employee Dental Insurance	Long-Term Disability Insurance	Workers' Compensation Insurance County General	Workers' Compensation Insurance Fire Protection	Automotive Liability Insurance	Public Liability Insurance	State Unemployment Insurance	Medical Liability Insurance	Special District Property Insurance	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:											
Operating Income (Loss)	$ 1,086	2,404	(68)	9,579	8,306	(472)	(1,026)	(6,514)	2,569	877	16,741
Adjustments to Reconcile Operating Income (Loss)											
to Net Cash Provided by (used for) Operating Activities:											
Depreciation	2,976										2,976
Changes in operating assets and liabilities:											
Decrease (increase) in:											
Accounts receivable and accrued revenue	(26)	(988)	(6)	593	56		(11)	(40)		21	(401)
Inventories	98										98
Due from other funds	349			(107,598)	(9,781)	(5,886)	(39,864)		(28,001)	(15)	(190,796)
Deferred OPEB outflows	(2)										(2)
Deferred pension outflows	530										530
Increase (decrease) in:											
Accounts payable and accrued liabilities	(267)										(267)
Claims payable		(157)	291	(15,581)	(7,032)	315	383	491	(1,984)		(23,274)
Due to other funds	(53)			107,989	9,872	5,882	41,109	7	31,310		196,116
Deferred OPEB intflows	190										190
Deferred pension inflows	172										172
Net pension liability	(855)										(855)
Net OPEB liability	(270)										(270)
Compensated absences	32										32
Net Cash Provided by (Used for) Operating Activities	$ 3,960	1,259	217	(5,018)	1,421	(161)	591	(6,056)	3,894	883	990

FIDUCIARY FUNDS

PRIVATE-PURPOSE TRUST FUNDS

SUCCESSOR AGENCY TO THE CONTRA COSTA COUNTY REDEVELOPMENT AGENCY

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

OTHER PRIVATE-PURPOSE TRUST FUND

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

AGENCY FUNDS

TAX LOSSES RESERVE

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

UNAPPORTIONED TAXES

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

OTHER AGENCIES

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

COUNTY OF CONTRA COSTA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
JUNE 30, 2020
(In Thousands)

	Successor Agency to the Contra Costa County Redevelopment Agency	Other Private-Purpose Trust	Total
Assets:			
Cash and investments	$ 4,162	36,189	40,351
Receivables		119	119
Notes receivable, net	25		25
Prepaid items and deposits	472		472
Restricted cash and investments	1,538		1,538
Total assets	6,197	36,308	42,505
Deferred Outflows of Resources:			
Loss on refunding of debt	2,899		2,899
Total outflows of resources	2,899		2,899
Liabilities:			
Accounts payable and accrued liabilities	8	93	101
Due to other governments	263		263
Accrued interest payable	1,205		1,205
Noncurrent liabitilities:			
Due within one year	3,595		3,595
Due in more than one year	72,192		72,192
Total liabilities	77,263	93	77,356
Net Position (Deficit):			
Held in trust for redevelopment and other purposes	2,010	36,215	38,225
Unrestricted deficit	(70,177)		(70,177)
Total net position (deficit)	$ (68,167)	36,215	(31,952)

COUNTY OF CONTRA COSTA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(In Thousands)

	Successor Agency to the Contra Costa County Redevelopment Agency	Other Private-Purpose Trust	Total
Additions:			
Property tax distribution	$ 7,613		7,613
Other revenue	37	33,457	33,494
Investment income		30	30
Total additions	7,650	33,487	41,137
Deductions:			
Project expenses	258		258
Financial assistance payments	1,428		1,428
Interest and fiscal charges	2,582		2,582
Administrative and other expenses	113	1,077	1,190
Other		24,457	24,457
Total deductions	4,381	25,534	29,915
Change in net position	3,269	7,953	11,222
Net Position (Deficit) at Beginning of Year	(71,436)	28,262	(43,174)
Net Position (Deficit) at End of Year	$ (68,167)	36,215	(31,952)

COUNTY OF CONTRA COSTA
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(In Thousands)

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
Tax Losses Reserve:				
Assets:				
Cash and investments	$ 68,986	13,690	396	82,280
Due from other governments	7,190	7,414	7,190	7,414
Total assets	$ 76,176	21,104	7,586	89,694
Liabilities:				
Tax loss guarantees	$ 76,176	13,915	397	89,694
Total liabilities	$ 76,176	13,915	397	89,694
Unapportioned Taxes:				
Assets:				
Cash and investments	$	1,135,278	1,135,278	
Accounts receivable	24,676	42,148	40,402	26,422
Taxes receivable	172,545	1,262,031	1,328,939	105,637
Total assets	$ 197,221	2,439,457	2,504,619	132,059
Liabilities:				
Accounts payable	$ 51,805	59,867	63,188	48,484
Due to other governments	15,410	21,749	15,410	21,749
Unapportioned taxes	130,006	2,268,685	2,336,865	61,826
Total liabilities	$ 197,221	2,350,301	2,415,463	132,059
Other Agencies:				
Assets:				
Cash and investments	$ 119,671	1,430,491	1,415,033	135,129
Accounts receivable	26,920	44,436	54,816	16,540
Due from other governments		15,608	15,608	
Total assets	$ 146,591	1,490,535	1,485,457	151,669
Liabilities:				
Warrants outstanding	$ 42,547	5,774,377	5,767,013	49,911
Accounts payable	23,771	1,432,059	1,431,371	24,459
Due to other governments		8,683	8,683	
Due to other agencies and districts	80,273	310,724	313,698	77,299
Total liabilities	$ 146,591	7,525,843	7,520,765	151,669

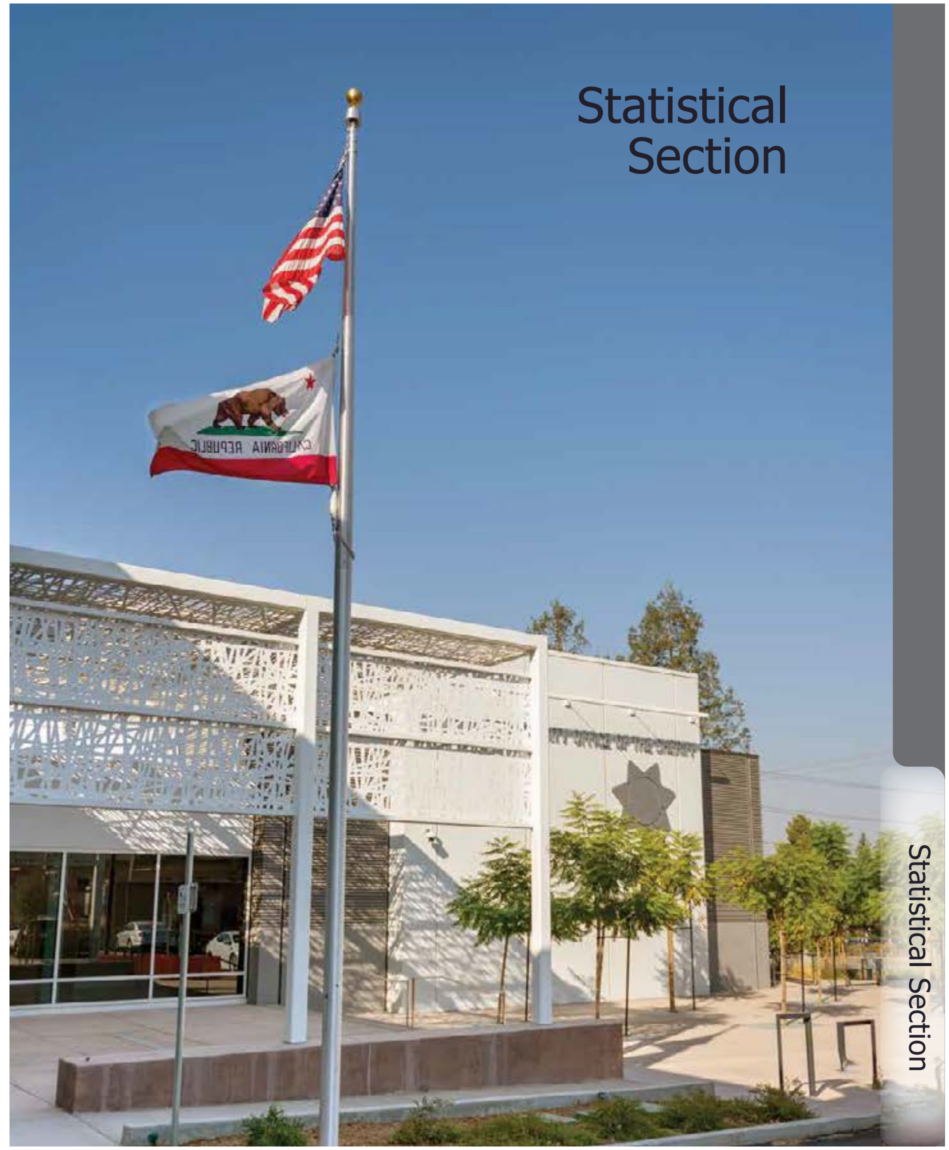
(continued)

COUNTY OF CONTRA COSTA
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(In Thousands)

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
Totals-Agency Funds:				
Assets:				
Cash and investments	$ 188,657	2,579,459	2,550,707	217,409
Accounts receivable	51,596	86,584	95,218	42,962
Due from other governments	7,190	23,022	22,798	7,414
Taxes receivable	172,545	1,262,031	1,328,939	105,637
Total assets	$ 419,988	3,951,096	3,997,662	373,422
Liabilities:				
Warrants outstanding	$ 42,547	5,774,377	5,767,013	49,911
Accounts payable	75,576	1,491,926	1,494,559	72,943
Due to other governments	15,410	30,432	24,093	21,749
Unapportioned taxes	130,006	2,268,685	2,336,865	61,826
Tax loss guarantees	76,176	13,915	397	89,694
Due to other agencies and districts	80,273	310,724	313,698	77,299
Total liabilities	$ 419,988	9,890,059	9,936,625	373,422

(concluded)

Statistical Section



Statistical Section

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COUNTY OF CONTRA COSTA

Statistical Section

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

Financial Trends

These schedules contain trend information to help the reader understand how the county's financial performance and well-being have changed over time.

Revenue Capacity

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

Debt Capacity

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

Economic & Demographic Information

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

Operating Information

These schedules contain service and capital asset data to help the reader understand how the information in the county's financial report relates to the services the county provides and the activities it performs.

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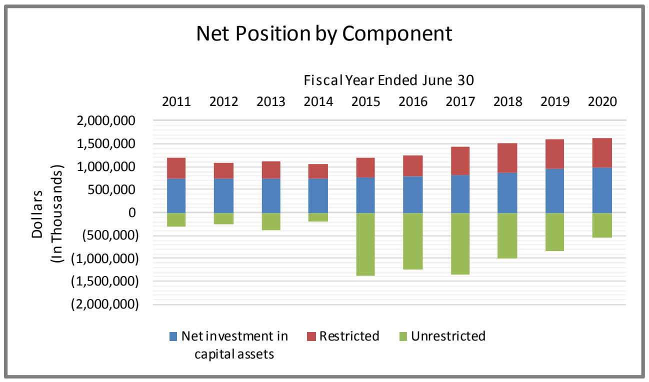
COUNTY OF CONTRA COSTA
NET POSITION BY COMPONENT[1]
LAST TEN FISCAL YEARS
(Accrual basis of accounting)
(In Thousands)
(Unaudited)

		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities											
Net investment in capital assets[2]	$	673,641	672,378	684,743	692,980	712,986	728,388	751,853	793,751	852,635	887,520
Restricted		431,646	358,796	382,997	317,075	424,027	467,605	613,345	644,682	660,640	648,414
Unrestricted		(341,145)	(297,523)	(433,332)	(260,330)	(1,232,683)	(1,120,737)	(1,245,474)	(939,047)	(799,045)	(550,366)
Total governmental activities net position		764,142	733,651	634,408	749,725	(95,670)	75,256	119,724	499,386	714,230	985,568
Business-type activities											
Net investment in capital assets		74,056	57,593	54,497	42,521	48,565	60,495	77,853	81,892	95,638	100,581
Restricted		16,360	10,535								
Unrestricted		41,289	40,900	39,991	60,032	(144,766)	(110,882)	(113,741)	(51,189)	(39,162)	(404)
Total business-type activities net position		131,705	109,028	94,488	102,553	(96,201)	(50,387)	(35,888)	30,703	56,476	100,177
Primary government											
Net investment in capital assets		747,697	729,971	739,240	735,501	761,551	788,883	829,706	875,643	948,273	988,101
Restricted		448,006	369,331	382,997	317,075	424,027	467,605	613,345	644,682	660,640	648,414
Unrestricted		(299,856)	(256,623)	(393,341)	(200,298)	(1,377,449)	(1,231,619)	(1,359,215)	(990,236)	(838,207)	(550,770)
Total primary government net position	$	895,847	842,679	728,896	852,278	(191,871)	24,869	83,836	530,089	770,706	1,085,745



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

[2] Capital assets include land, easements, infrastructure, construction in progress, structures & improvements, intangibles, and equipment.
Source: Comprehensive Annual Financial Report - County of Contra Costa, California

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

		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses											
Governmental activities											
General government	$	169,789	158,709	153,960	177,482	138,979	162,094	129,516	137,681	144,251	207,216
Public protection		493,927	507,852	522,648	536,087	539,353	590,047	658,909	654,440	719,185	688,136
Health and sanitation		234,120	230,517	222,567	231,673	228,861	239,340	246,583	265,007	329,820	337,663
Public assistance		422,722	408,330	429,816	438,255	445,016	467,741	491,230	472,858	505,193	499,915
Education		23,335	23,288	23,508	23,188	22,867	24,829	27,308	26,418	32,611	30,102
Public ways and facilities		43,971	42,252	30,453	37,067	41,426	36,298	35,231	36,587	38,925	43,246
Recreation and culture		1,101	1,139	1,036	1,138	1,843	627	1,936	375	1,444	1,628
Interest on debt		53,477	52,033	42,850	40,797	36,353	27,748	32,663	23,987	16,191	19,772
Total governmental activities expenses		1,442,442	1,424,120	1,426,838	1,485,687	1,454,698	1,548,724	1,623,376	1,617,353	1,787,620	1,827,678
Business-type activities											
County Hospital		395,819	464,449	482,522	486,797	472,557	515,115	543,039	570,463	618,802	626,749
Airport		4,563	4,310	4,746	4,394	4,182	4,349	4,893	4,897	6,242	6,193
Sheriff Law Enforcement Training Center		1,202	1,347	1,382	1,456	1,370	1,427	903	2,379	2,051	1,931
Childcare Enterprise		68	59	35							
HMO Medi-Cal Plan		150,557	184,007	290,289	343,805	576,801	643,517	787,338	831,269	856,614	886,036
HMO Commercial Plan		114,232	136,726	120,423	102,258	86,207	84,056	75,459	73,931	77,511	75,079
Major risk medical insurance		1,047	803	1,208	744	422	1		46		
Total business-type activities expenses		667,488	791,701	900,605	939,454	1,141,539	1,248,465	1,411,632	1,482,985	1,561,220	1,595,988
Total primary government expenses	$	2,109,930	2,215,821	2,327,443	2,425,141	2,596,237	2,797,189	3,035,008	3,100,338	3,348,840	3,423,666
Program revenues											
Governmental activities											
Charges for services											
General government	$	96,052	92,228	102,981	110,444	117,899	117,946	124,993	123,176	105,903	111,748
Public protection		130,956	117,274	121,439	122,238	121,529	138,613	177,423	180,263	182,489	196,821
Health and sanitation		81,333	80,941	76,448	84,029	88,885	89,855	88,314	99,433	112,876	86,647
Public assistance		4,110	3,647	3,431	2,539	2,205	2,123	2,154	2,589	2,013	4,171
Education		854	861	817	794	741	650	659	551	301	129
Public ways and facilities		15,841	4,022	5,517	7,559	13,250	9,413	6,580	9,920	8,265	7,368
Recreation and culture		21	10	14	87	40	13	8	175	10	10
Operating grants and contributions		661,239	639,592	693,133	721,594	750,821	759,278	812,454	823,519	866,113	926,184
Capital grants and contributions		25,372	23,089	14,444	15,738	22,385	12,535	17,845	14,434	34,219	35,823
Total governmental activities program revenues		1,015,778	961,664	1,018,224	1,065,022	1,117,755	1,130,426	1,230,430	1,254,060	1,312,189	1,368,901
Business-type activities											
Charges for services											
County Hospital		400,667	433,253	446,197	473,664	505,641	510,051	531,248	567,064	602,079	515,510
HMO Medi-Cal Plan		151,921	188,148	292,130	350,655	603,042	660,637	792,172	856,040	860,799	894,962
HMO Commercial Plan		63,631	63,508	65,098	78,423	83,200	75,185	73,646	72,243	74,025	71,299
Airport		3,482	3,528	3,730	3,842	4,019	4,162	4,292	4,467	4,486	4,691
Sheriff Law Enforcement Training Center		527	686	921	1,174	1,101	996	1,123	1,050	940	809
Major risk medical insurance		875	795	950	1,003	422	1	45			1
Operating grants and contributions		158,115	80,147	63,210	26,783	14,523	15,803	20,597	18,388	17,881	95,240
Capital grants and contributions		8,847	5,755	5,750	5,749	5,808	4,245	7,180	14,102	9,976	5,167
Total business-type activities program revenues		788,065	775,820	877,986	941,293	1,217,756	1,271,080	1,430,303	1,533,354	1,570,186	1,587,679
Total primary government program revenues	$	1,803,843	1,737,484	1,896,210	2,006,315	2,335,511	2,401,506	2,660,733	2,787,414	2,882,375	2,956,580
Net (Expense)/Revenue [1]											
Governmental activities	$	(426,664)	(462,456)	(408,614)	(420,665)	(336,943)	(418,298)	(392,946)	(363,293)	(475,431)	(458,777)
Business-type activities		120,577	(15,881)	(22,619)	1,839	76,217	22,615	18,671	50,369	8,966	(8,309)
Total primary government net expense	$	(306,087)	(478,337)	(431,233)	(418,826)	(260,726)	(395,683)	(374,275)	(312,924)	(466,465)	(467,086)

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

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

(continued)

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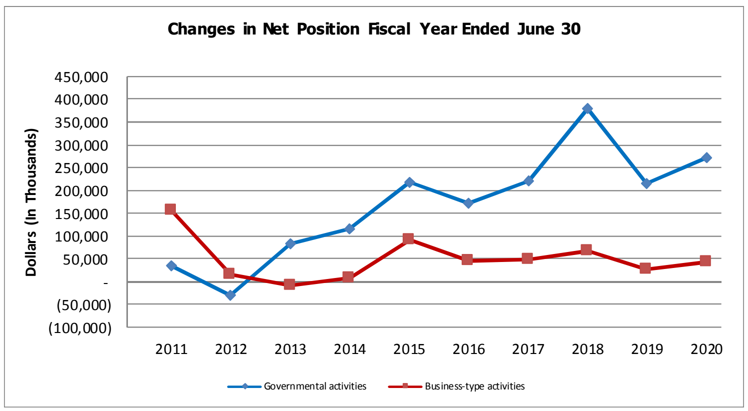
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)
(In Thousands)
(Unaudited)

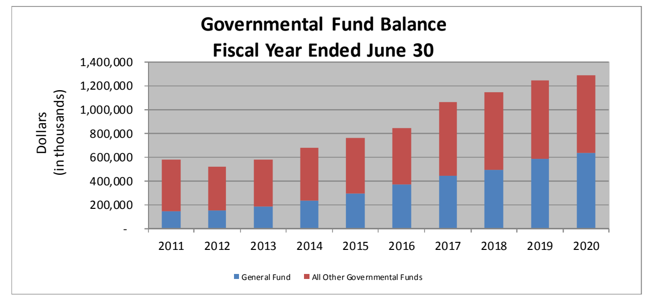
		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Revenues and Other Changes in Net Position											
Governmental activities											
Taxes											
Property	$	400,719	395,191	396,751	423,121	459,850	506,219	536,311	566,460	605,288	635,053
Sales		14,026	13,191	14,766	15,813	14,328	14,178	16,147	14,267	16,647	16,697
Other		20,849	21,369	22,639	23,693	24,870	15,440	15,174	14,604	13,314	12,979
Grants/contributions not restricted		14,974	14,422	14,346	15,524	17,008	14,653	16,963	20,070	19,817	22,109
Investment earnings		30,927	53,419	34,950	34,950	34,741	40,423	38,187	49,136	76,305	69,347
Other		22,034	16,657	23,021	28,823	16,718	21,078	17,504	10,153	15,399	24,445
Special item - proceeds transferred from RDA Successor Agency									83,805		
Special item - Note 2										(40,685)	
Net Extraordinary gain/(loss)			(51,655)								
Transfers		(42,167)	(30,629)	(15,124)	(5,942)	(13,611)	(22,767)	(27,264)	(15,540)	(15,810)	(50,515)
Total governmental activities		461,362	431,965	491,349	535,982	553,904	589,224	613,022	742,955	690,275	730,115
Business-type activities											
Investment earnings		128							102	273	101
Other		2,204	1,164	304	284	413	432	969	580	724	1,394
Transfers		32,799	30,629	15,124	5,942	13,611	22,767	27,264	15,540	15,810	50,515
Total business-type activities		35,131	31,793	15,428	6,226	14,024	23,199	28,233	16,222	16,807	52,010
Total primary government	$	496,493	463,758	506,777	542,208	567,928	612,423	641,255	759,177	707,082	782,125
Change in Net Position											
Governmental activities	$	34,698	(30,491)	82,735	115,317	216,961	170,926	220,076	379,662	214,844	271,338
Business-type activities		155,708	15,912	(7,191)	8,065	90,241	45,814	46,904	66,591	25,773	43,701
Total primary government	$	190,406	(14,579)	75,544	123,382	307,202	216,740	266,980	446,253	240,617	315,039

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



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

		2011	2012	2013 #	2014 #	2015 #	2016 #	2017 #	2018	2019	2020
General Fund											
Nonspendable	$	9,387	16,474	6,103	7,946	10,764	9,807	7,501	8,997	4,414	6,584
Restricted		10,696	6,388	6,798	7,254	9,013	9,869	8,233	30,035	36,830	44,015
Committed		14,277	711	1,335	1,575	1,508	1,440	1,440	1,398	1,235	1,263
Assigned		31,941	47,246	63,752	96,778	125,819	161,387	160,281	199,972	206,628	231,782
Unassigned		76,371	81,541	109,520	123,651	148,233	187,655	262,858	254,845	335,404	353,526
Total general fund		142,672	152,360	187,508	237,204	295,337	370,158	440,313	495,247	584,511	637,170
All Other Governmental Funds											
Nonspendable		9,301	14,453	13,337	4,164	4,948	5,743	4,954	6,131	4,854	5,250
Restricted		397,478	346,926	361,481	391,569	395,849	394,638	509,088	494,877	494,485	479,183
Committed		13,646	353	324	342	342	341	342	342	342	342
Assigned		25,403	18,633	25,056	41,272	65,263	71,751	109,492	150,348	156,903	165,778
Unassigned		(9,291)	(12,391)	(7,851)	(776)			(5,788)	(4,518)	(625)	
Total all other governmental funds		436,537	367,974	392,347	436,571	466,402	472,473	618,088	647,180	655,959	650,553
Total Governmental Funds											
Nonspendable		18,688	30,927	19,440	12,110	15,712	15,550	12,455	15,128	9,268	11,834
Restricted		408,174	353,314	368,279	398,823	404,862	404,507	517,321	524,912	531,315	523,198
Committed		27,923	1,064	1,659	1,917	1,850	1,781	1,782	1,740	1,577	1,605
Assigned		57,344	65,879	88,808	138,050	191,082	233,138	269,773	350,320	363,531	397,560
Unassigned		67,080	69,150	101,669	122,875	148,233	187,655	257,070	250,327	334,779	353,526
Total governmental funds	$	579,209	520,334	579,855	673,775	761,739	842,631	1,058,401	1,142,427	1,240,470	1,287,723



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

COUNTY OF CONTRA COSTA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(Modified accrual basis of accounting)

(In Thousands)

(Unaudited)

		Fiscal Year Ending June 30									
		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues:											
Taxes	$	449,671	443,281	448,502	478,153	516,057	550,489	584,592	615,300	655,051	686,854
Licenses, permits and franchise fees		24,291	21,662	23,314	27,471	29,199	31,990	34,432	35,649	31,141	34,108
Fines, forfeitures and penalties		23,430	21,754	35,757	37,277	34,363	33,598	33,223	30,729	9,708	8,920
Use of money and property		27,857	50,481	33,837	34,047	33,000	37,453	35,941	46,243	70,416	63,575
Intergovernmental		688,868	664,600	709,009	737,940	773,249	771,812	830,301	837,953	900,346	962,010
Charges for services		279,188	253,648	249,994	262,329	280,945	293,024	332,477	349,731	371,005	369,480
Other revenue		125,305	183,233	254,513	288,783	291,671	303,876	331,486	344,217	400,385	389,089
Total revenues		1,618,610	1,638,659	1,754,926	1,866,000	1,958,484	2,022,242	2,182,452	2,259,822	2,438,052	2,514,036
Expenditures:											
Current:											
General government		146,106	135,497	138,361	150,770	164,140	176,093	184,088	225,728	300,796	347,589
Public protection		521,664	553,699	569,496	594,366	656,473	679,811	740,901	771,876	801,916	804,425
Health and sanitation		230,233	224,990	264,214	291,820	304,913	319,373	332,285	366,196	418,315	428,732
Public assistance		448,569	468,310	495,515	513,200	538,796	549,395	581,014	582,655	604,583	613,127
Education		22,737	22,692	22,998	22,941	24,773	25,286	28,321	28,522	32,915	33,015
Public ways and facilities		93,138	79,157	75,422	79,763	97,025	94,197	92,511	101,494	90,167	104,848
Recreation and culture		1,239	1,121	878	1,104	1,736	1,525	4,107	2,038	1,181	1,330
Debt service:											
Principal		71,469	84,028	69,304	73,360	45,123	96,364	92,986	146,627	104,507	69,827
Debt issuance cost		258		238			512	351			
Interest		53,163	49,575	45,169	40,774	36,302	36,108	31,561	23,655	25,947	18,129
Total expenditures		1,588,576	1,619,069	1,681,595	1,768,098	1,869,281	1,978,664	2,088,125	2,248,791	2,380,327	2,421,022
Excess of revenues over expenditures		30,034	19,590	73,331	97,902	89,203	43,578	94,327	11,031	57,725	93,014
Other Financing Sources (Uses):											
Transfers in		90,092	114,858	77,722	89,272	48,132	41,244	43,169	58,456	63,931	57,815
Transfers out		(128,355)	(145,411)	(92,758)	(95,068)	(61,662)	(63,946)	(70,303)	(73,937)	(79,550)	(108,142)
Proceeds from issuance of debt		16,808	262	5,619			47,561	142,694		40,509	
Proceeds on issuance of debt transferred to business-type activities			3,120								
Proceeds on issuance of debt transferred transferred from RDA Successor Agency									83,805		
Premium on debt issued		389		20			6,784				
Payment to refunded bond escrow agent				(5,721)							
Capital lease financing		944	361	1,308	1,814	12,291	5,671	5,883	4,671	2,677	4,566
Total other financing sources (uses)		(20,122)	(26,810)	(13,810)	(3,982)	(1,239)	37,314	121,443	72,995	27,567	(45,761)
Special Item - Note 2										12,751	
Net Extraordinary gain/(loss)			(51,655)								
Net change in fund balances		9,912	(58,875)	59,521	93,920	87,964	80,892	215,770	84,026	98,043	47,253
Fund Balances at Beginning of Year		569,297	579,209	520,334	579,855	673,775	761,739	842,631	1,058,401	1,142,427	1,240,470
Fund Balances at End of Year	$	579,209	520,334	579,855	673,775	761,739	842,631	1,058,401	1,142,427	1,240,470	1,287,723
Debt Service:											
Principal	$	71,469	84,028	69,304	73,360	45,123	96,364	92,986	146,627	104,507	69,827
Interest		53,163	49,575	45,169	40,774	36,302	36,108	31,561	23,655	25,947	18,129
Total Debt Service	$	124,632	133,603	114,473	114,134	81,425	132,472	124,547	170,282	130,454	87,956
NonCapital Expenditures:											
Total Expenditures	$	1,588,576	1,619,069	1,681,595	1,768,098	1,869,281	1,978,664	2,088,125	2,248,791	2,380,327	2,421,022
Capital Outlays included in Function Expenditures		41,488	47,599	38,304	43,909	60,091	56,331	61,751	81,405	108,691	125,611
Total NonCapital Expenditures	$	1,547,088	1,571,470	1,643,291	1,724,189	1,809,190	1,922,333	2,026,374	2,167,386	2,271,636	2,295,411
Debt service as a percentage of noncapital expenditures		8.06%	8.50%	6.97%	6.62%	4.50%	6.89%	6.15%	7.86%	5.74%	3.83%

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

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

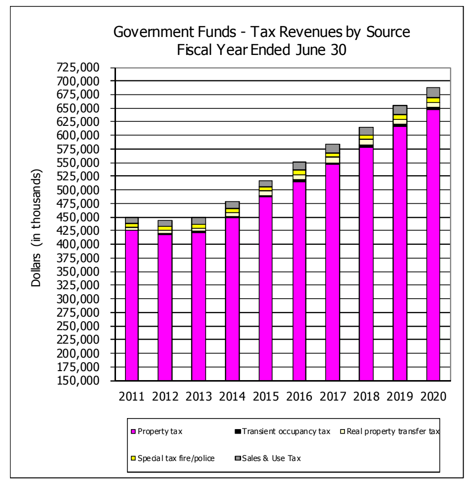
	Fiscal Year Ending June 30									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities - program revenues										
Charges for services										
General government	$ 96,052	92,228	102,981	110,444	117,899	117,946	124,993	123,176	105,903	111,748
Public Protection	130,956	117,274	121,439	122,238	121,529	138,613	177,423	180,263	182,489	196,821
Health and sanitation	81,333	80,941	76,448	84,029	88,885	89,855	88,314	99,433	112,876	86,647
Public assistance	4,110	3,647	3,431	2,539	2,205	2,123	2,154	2,589	2,013	4,171
Education	854	861	817	794	741	650	659	551	301	129
Public ways and facilities	15,841	4,022	5,517	7,559	13,250	9,413	6,580	9,920	8,265	7,368
Recreation and culture	21	10	14	87	40	13	8	175	10	10
Subtotal	329,167	298,983	310,647	327,690	344,549	358,613	400,131	416,107	411,857	406,894
Operating grants and contributions										
General government	11,286	7,434	4,427	6,283	17,575	9,683	13,268	9,714	23,981	56,140
Public protection	130,129	152,808	174,031	182,559	183,588	189,931	201,160	199,826	201,884	200,064
Health and sanitation	126,456	106,428	110,564	101,623	103,795	104,061	120,037	140,499	158,990	179,514
Public assistance	381,964	362,453	398,985	423,051	440,166	450,825	472,580	468,538	475,566	485,309
Education	3,848	2,684	2,674	2,760	2,798	3,266	3,103	3,042	3,794	3,291
Public ways and facilities	7,482	7,774	2,440	5,110	2,807	1,337	1,204	1,309	1,730	1,857
Recreation and culture	74	11	12	208	92	175	1,102	591	168	9
Subtotal	661,239	639,592	693,133	721,594	750,821	759,278	812,454	823,519	866,113	926,184
Capital grants and contributions										
General government			148							
Public ways and facilities	25,372	23,089	14,296	15,738	22,385	12,535	17,845	14,434	34,219	35,823
Subtotal	25,372	23,089	14,444	15,738	22,385	12,535	17,845	14,434	34,219	35,823
Total governmental activities program revenues	1,015,778	961,664	1,018,224	1,065,022	1,117,755	1,130,426	1,230,430	1,254,060	1,312,189	1,368,901
Business-type activities program revenues										
Charges for services										
County Hospital	400,667	433,253	446,197	473,664	505,641	510,051	531,248	567,064	602,079	515,510
HMO Medi-Cal Plan	151,921	188,148	292,130	350,655	603,042	660,637	792,172	856,040	860,799	894,962
HMO Commercial Plan	63,631	63,508	65,098	78,423	83,200	75,185	73,646	72,243	74,025	71,299
Airport	3,482	3,528	3,730	3,842	4,019	4,162	4,292	4,467	4,486	4,691
Sheriff Law Enforcement Training Center	527	686	921	1,174	1,101	996	1,123	1,050	940	809
Major risk medical insurance	875	795	950	1,003	422	1	45			1
Subtotal	621,103	689,918	809,026	908,761	1,197,425	1,251,032	1,402,526	1,500,864	1,542,329	1,487,272
Operating grants and contributions										
County Hospital	9,542	8,947	7,800	5,289	13,963	14,564	18,809	17,682	17,355	93,101
HMO Commercial Plan	46,764	69,866	52,333	21,224	92	2				
Airport	65	1,137	2,850	70	97	856	1,569	429	303	1,971
Sheriff Law Enforcement Training Center	216	197	227	200	371	381	219	277	223	168
Subtotal	56,587	80,147	63,210	26,783	14,523	15,803	20,597	18,388	17,881	95,240
Capital grants and contributions										
County Hospital	5,764	5,755	5,750	5,749	5,808	4,245	7,180	14,096	9,976	5,167
Airport								6		
Subtotal	5,764	5,755	5,750	5,749	5,808	4,245	7,180	14,102	9,976	5,167
Total business-type activities program revenues	683,454	775,820	877,986	941,293	1,217,756	1,271,080	1,430,303	1,533,354	1,570,186	1,587,679
Total primary government program revenues	$ 1,699,232	1,737,484	1,896,210	2,006,315	2,335,511	2,401,506	2,660,733	2,787,414	2,882,375	2,956,580

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

COUNTY OF CONTRA COSTA
GOVERNMENT FUNDS - TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)
(In Thousands)
(Unaudited)

Fiscal Year Ended	Property Tax	Transient Occupancy Tax	Real Property Transfer Tax	Special Tax Fire/Police	Sales & Use Tax	Total
2011	$ 424,799	1,439	5,196	7,101	11,136	449,671
2012	418,472	1,836	5,472	7,219	10,282	443,281
2013	421,176	2,171	6,724	7,393	11,038	448,502
2014	448,923	2,435	7,427	7,434	11,934	478,153
2015	486,697	2,820	8,332	7,490	10,718	516,057
2016	515,708	3,148	9,510	7,574	14,549	550,489
2017	546,863	3,372	10,117	7,673	16,567	584,592
2018	578,426	3,329	10,860	7,917	14,768	615,300
2019	616,163	3,433	10,261	8,086	17,108	655,051
2020	647,607	3,170	10,266	8,350	17,461	686,854

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

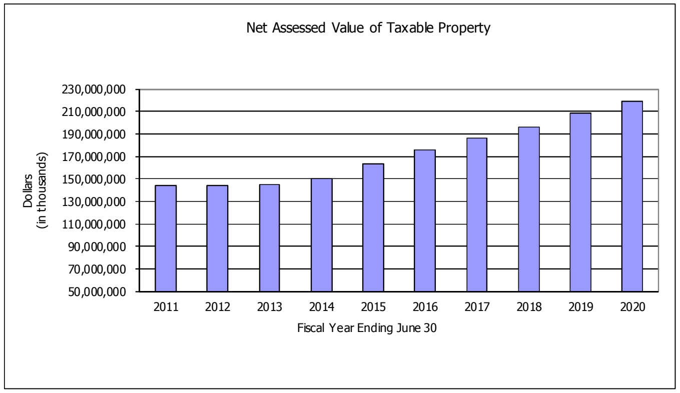


COUNTY OF CONTRA COSTA

ASSESSED VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS
(In Thousands)
(Unaudited)

Fiscal Year Ended June 30	Assessed Value [1] Real Property	Personal Property	Total	Exemptions	Net Assessed Value of Taxable Property	Total Direct Tax Rate	Net Increase (Decrease) Amount	Percentage
2011	$ 145,251,206	3,388,408	148,639,614	4,495,004	144,144,610	1.00	(4,499,605)	(3.03) %
2012	144,914,804	3,464,048	148,378,852	4,756,022	143,622,830	1.00	(521,780)	(0.36)
2013	146,175,023	3,550,351	149,725,374	4,916,847	144,808,527	1.00	1,185,697	0.83
2014	152,094,496	3,117,109	155,211,605	5,081,776	150,129,829	1.00	5,321,302	3.67
2015	165,375,782	3,381,581	168,757,363	5,245,692	163,511,671	1.00	13,381,842	8.91
2016	177,534,793	3,543,798	181,078,591	5,471,705	175,606,886	1.00	12,095,215	7.40
2017	188,157,728	3,548,242	191,705,970	5,747,702	185,958,268	1.00	10,351,382	5.89
2018	198,906,818	3,514,927	202,421,745	6,032,619	196,389,126	1.00	10,430,858	5.61
2019	211,201,650	3,652,530	214,854,180	6,274,639	208,579,541	1.00	12,190,415	6.21
2020	222,199,294	3,809,711	226,009,005	6,777,543	219,231,462	1.00	10,651,921	5.11



[1] Assessed values are those defined under California Revenue and Taxation Code Sections: 601 and 721 et. seq.
Article XIIIA, added to California Constitution by Proposition 13 in 1978, fixed the base for valuation of property subject to taxes at the full cash value which appeared on the Assessor's 1975-76 assessment roll. Thereafter, full cash value can be increased:
a) to reflect annual inflation up to 2 percent;
b) to reflect current market value at time of ownership change; and
c) to reflect market value for new construction.

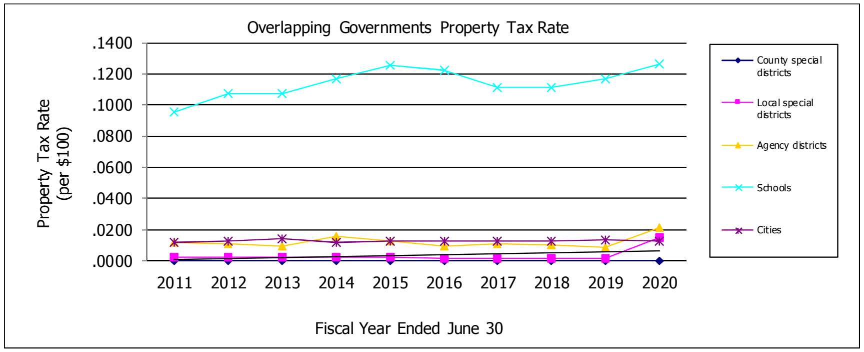
Source: Office of the Auditor-Controller - Property Tax Division - County of Contra Costa, California

COUNTY OF CONTRA COSTA

PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS

LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year Ended June 30	Countywide Rate [1] County	Other	Total	County Special Districts	Local Special Districts	Agency Districts	Schools	Cities	Total
2011	.1331	.8669	1.0000	.0000	.0024	.0117	.0959	.0121	1.1221
2012	.1336	.8664	1.0000	.0000	.0026	.0114	.1070	.0127	1.1337
2013	.1338	.8662	1.0000	.0000	.0024	.0096	.1070	.0144	1.1334
2014	.1336	.8664	1.0000	.0000	.0024	.0155	.1168	.0122	1.1469
2015	.1328	.8672	1.0000	.0000	.0021	.0131	.1254	.0125	1.1531
2016	.1321	.8679	1.0000	.0000	.0020	.0094	.1227	.0128	1.1469
2017	.1321	.8679	1.0000	.0000	.0019	.0113	.1112	.0126	1.1370
2018	.1323	.8677	1.0000	.0000	.0017	.0105	.1116	.0127	1.1365
2019	.1322	.8678	1.0000	.0000	.0016	.0091	.1165	.0132	1.1404
2020	.1320	.8680	1.0000	.0000	.0150	.0214	.1259	.0124	1.1747



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

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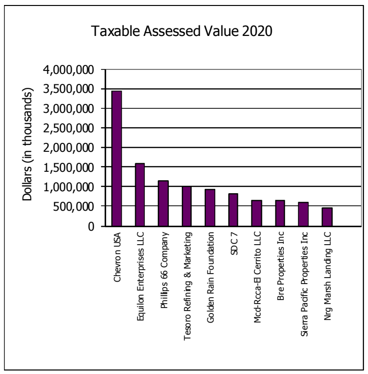
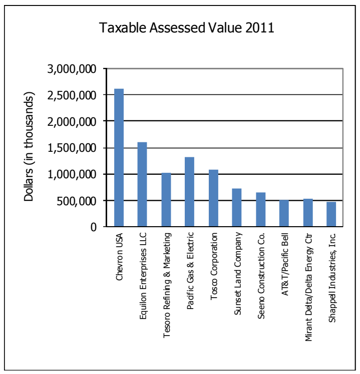
COUNTY OF CONTRA COSTA
PRINCIPAL PROPERTY TAXPAYERS
RANKED BY ASSESSED VALUE [1]
CURRENT YEAR AND NINE YEARS AGO
(In Thousands)
(Unaudited)

	Fiscal Year Ended June 30, 2020			Fiscal Year Ended June 30, 2011		
Taxpayers	Taxable Assessed Value Secured and Unitary	Rank	Percentage of Taxable Assessed Value	Taxable Assessed Value Secured and Unitary	Rank	Percentage of Taxable Assessed Value
Chevron USA	$ 3,436,892	1	1.62	$ 2,606,791	1	1.91 %
Equilon Enterprises LLC	1,573,520	2	0.74	1,597,132	2	1.17
Phillips 66 Company	1,139,678	4	0.54			
Tesoro Refining & Marketing	1,019,739	3	0.48	1,018,440	5	0.74
Golden Rain Foundation	911,609	6	0.43			
SDC 7	817,540	5	0.39			
Mcd-Rcca-El Cerrito LLC	643,315	7	0.30			
Bre Properties Inc	635,235	8	0.30			
Sierra Pacific Properties Inc	583,565	9	0.28			
Nrg Marsh Landing LLC	456,000	10	0.22			
Pacific Gas & Electric				1,317,359	3	0.96
Tosco Corporation				1,092,519	4	0.80
Sunset Land Company				725,259	6	0.53
Seeno Construction Co.				646,178	7	0.47
AT&T/Pacific Bell				497,573	9	0.36
Mirant Delta/Delta Energy Ctr				527,275	8	0.39
Shappell Industries, Inc.				466,898	10	0.34
Total	$ 11,217,093		5.30 %	$ 10,495,424		7.67 %





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

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

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

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy: Amount	Collected within the Fiscal Year of the Levy: Percentage of Levy	Collection in Subsequent Years #	Total Collections to Date: Amount#	Total Collections to Date: Percentage of Levy#
2011	$ 1,932,504	1,896,819	98.15 %	$ 35,340	1,932,159	99.98 %
2012	1,973,646	1,918,653	97.21	54,510	1,973,163	99.98
2013	1,974,838	1,953,215	98.91	21,054	1,974,269	99.97
2014	2,092,732	2,072,121	99.02	19,889	2,092,010	99.97
2015	2,286,998	2,266,716	99.11	19,215	2,285,931	99.95
2016	2,425,972	2,405,237	99.15	18,769	2,424,006	99.92
2017	2,554,066	2,532,723	99.16	18,351	2,551,074	99.88
2018	2,707,459	2,686,909	99.24	15,618	2,702,527	99.82
2019	2,875,385	2,852,201	99.19	14,779	2,866,980	99.71
2020	3,055,014	3,025,774	99.04		3,025,774	99.04

Revised

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

COUNTY OF CONTRA COSTA

OUTSTANDING DEBT BY TYPE

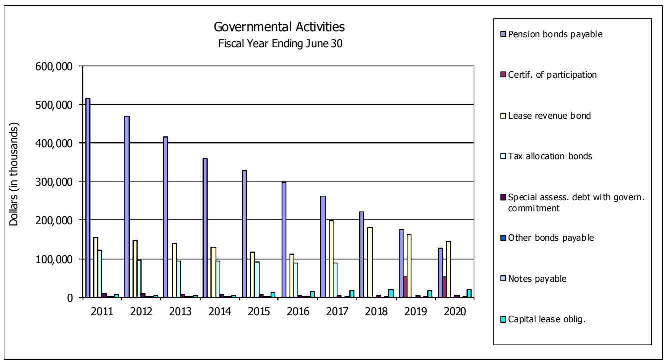
LAST TEN FISCAL YEARS

(In Thousands)

(Unaudited)

Governmental Activities

Fiscal Year Ended June 30[1]		Pension Bonds Payable	Certif. of Partici-pation	Lease Revenue Bonds	Tax Allocation Bonds	Special Assess. Debt with Govern. Commitment	Other Bonds Payable	Notes Payable	Capital Lease Oblig.	Total
2011	$	516,080		155,554	121,535	9,494	2,495	1,312	5,554	812,024
2012		470,090		148,291	96,270	8,623	2,110	1,495	4,087	730,966
2013		416,295		139,249	92,633	7,580	1,705	1,409	3,801	662,672
2014		358,445		128,989	93,930	6,911	1,285	1,276	3,778	594,614
2015		329,725		116,889	91,821	6,087	885	1,146	13,098	559,651
2016		297,460		111,141	89,622	5,392	455	1,013	15,338	520,421
2017		261,370		199,744	87,393	4,651		876	17,594	571,628
2018		221,130		181,020		4,397		735	19,185	426,467
2019		176,325	53,831	163,133		4,138		614	18,121	416,162
2020		126,605	52,590	146,123		3,869		497	19,107	348,791



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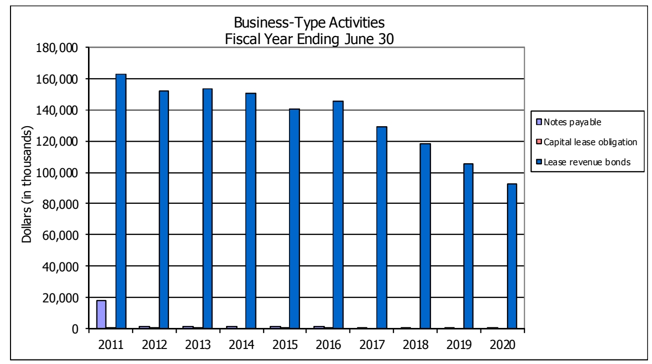
Fiscal Year Ended June 30[1]		Business-Type Activities: Notes Payable	Capital Lease Obligation	Lease Revenue Bonds	Total	Government Total	Ratio Debt to Net Assessed Value	Percentage of Personal Income[2]	Net Debt Per Capita
2011	$	17,565	630	162,552	180,747	992,771	0.69	1.63	940
2012		1,577	304	152,103	153,984	884,950	0.61	1.33	830
2013		1,456	104	153,371	154,931	817,603	0.54	1.18	760
2014		1,327		150,823	152,150	746,764	0.46	1.05	686
2015		1,193	227	140,292	141,712	701,363	0.40	0.90	631
2016		1,080	115	145,540	146,735	667,156	0.38	0.81	594
2017		963		129,382	130,345	701,973	0.38	0.80	616
2018		841		118,173	119,014	545,481	0.28	0.57	475
2019		715		105,689	106,404	522,566	0.25	N/A	455
2020		583		92,807	93,390	442,181	0.20	N/A	383



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

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

N/A Not Available

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

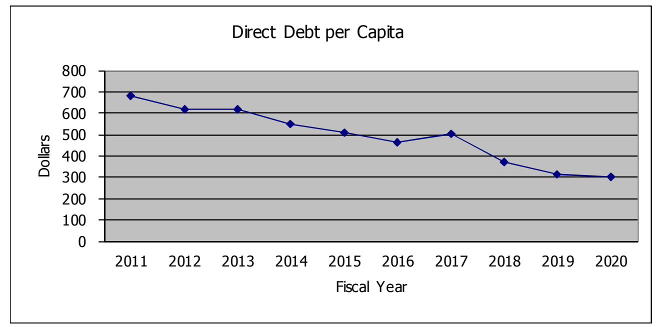
COUNTY OF CONTRA COSTA
DIRECT AND OVERLAPPING BOND DEBT
(In Thousands)
(Unaudited)

	Debt Applicable July 1, 2020 [1]	
	Percentage	Amount
2019-2020 Assessed Value of Taxable Property (includes unitary utility valuation)[2]		$ 219,231,462
Less: Redevelopment Dissolution Increments		25,058,477
Adjusted Assessed Valuation		$ 194,172,985
DIRECT GENERAL FUND OBLIGATION DEBT:		
Contra Costa County Pension Obligations	100	$ 126,605
Lease Revenue Bonds	100	146,123
Certificates of Participation	100	52,590
Special Assessment Debt with Governmental Commitment	100	3,869
Notes Payable	100	497
Capital Lease Obligation	100	19,107
TOTAL DIRECT DEBT		348,791
OVERLAPPING GENERAL FUND OBLIGATIONS DEBT		
City of Richmond General Fund Obligations	100	108,500
City of Richmond Pension Obligations	100	69,195
Contra Costa County Fire Protection District Pension Obligation	100	40,915
Other Cities' General Fund Obligations	100	89,639
City of Brentwood General Fund Obligations	100	14,175
Pittsburg Unified School District Certificates of Participation	100	19,195
City of Pittsburg Pension Obligations	100	30,997
City of San Ramon General Fund and Pension Obligations	100	38,465
City of Concord General Fund Obligations	100	270
Antioch Unified School District Certificates of Participation	100	29,334
West Contra Costa Unified School District General Fund Obligation	100	8,160
San Ramon Valley Fire Protection District Certificates of Participation	100	15,357
Other School Districts' General Fund Obligations	100	27,862
Alameda-Contra Costa Transit District Certificates of Participation	10.28	1,172
Other Special District Certificates of Participation	100	1,443
San Ramon Valley School District General Fund Obligations	100	22,870
Moraga-Orinda Fire Protection District Pension Obligation	100	11,654
Total Overlapping General Fund Obligations Debt		529,203
OVERLAPPING TAX AND ASSESSMENT DEBT:		
West Contra Costa Unified School District	100	1,244,226
1915 Act Assessment Bonds (Estimate)	100	276,688
Community Facilities Districts	100	116,616
San Ramon Valley Unified School District	100	426,630
Contra Costa Community College District	100	513,955
Mt. Diablo Unified School District	100	429,855
Acalanes and Liberty Union High School Districts	100	259,649
Bay Area Rapid Transit District	27.29	344,095
Pittsburg Unified School District	100	302,293
East Bay Regional Park District	43.21	66,652
Other School Districts	Various	223,804
Brentwood Union School District	100	68,575
Walnut Creek School District	100	51,070
Cities and City Special Tax Districts	100	70,621
Oakley Union School District	100	42,930
West Contra Costa Healthcare District Parcel Tax Obligation	100	51,577
Lafayette School District	100	71,605
Martinez Unified School District	100	102,340
Pleasant Hill Recreation and Park District	100	23,470
Total Overlapping Tax and Assessment Debt		4,686,651
TOTAL OVERLAPPING DEBT		5,215,854
TOTAL DIRECT AND OVERLAPPING DEBT		$ 5,564,645

(continued)

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

	Ratio to Adjusted Assessed Valuation Value (%)	Per Capita
Population [3]		1,153,561
Direct Debt	0.18	$ 302
Total Direct and Overlapping Debt	2.87	4,824

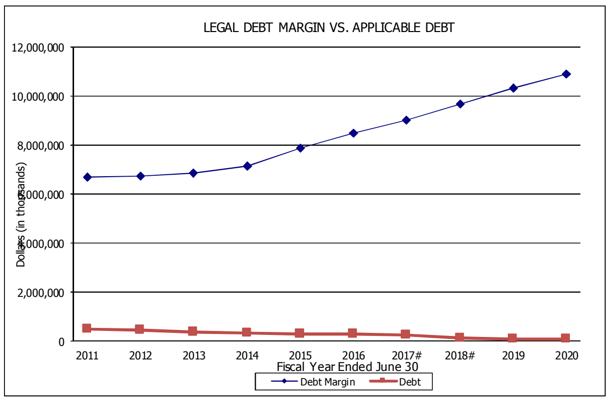


Source: [1] California Municipal Statistics, Inc.
a. Percentage of overlapping agency's assessed valuation located within boundaries of the county.
b. Excludes tax and revenue anticipation notes, revenue, mortgage, revenue and tax allocation bonds and non-bonded capital lease obligations.
[2] Office of the Auditor-Controller - Property Tax Division - County of Contra Costa
[3] Not in thousands

(concluded)

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

		2011	2012	2013	2014	2015	2016	2017#	2018#	2019	2020
Assessed value of taxable property	$	144,144,610	143,622,830	144,808,527	150,129,829	163,511,671	175,606,886	185,958,268	196,389,126	208,579,541	219,231,462
Debt limit - 5% of assessed value [1]	(A) $	7,207,231	7,181,142	7,240,426	7,506,491	8,175,584	8,780,344	9,297,791	9,819,456	10,428,977	10,961,573
Amount of debt applicable to debt limit [2]											
Total bonded debt		521,375	454,765	404,500	350,945	327,320	301,030	271,930	155,880	122,585	85,690
Less: Assets of debt service funds		20,427	11,820	12,290	13,958	15,517	8,863	7,307	8,481	9,180	6,802
Total net general obligation debt	(B)	500,948	442,945	392,210	336,987	311,803	292,167	264,623	147,399	113,405	78,888
Legal debt margin	(A - B) $	6,706,283	6,738,197	6,848,216	7,169,504	7,863,781	8,488,177	9,033,168	9,672,057	10,315,572	10,882,685
Total net general obligation debt applicable to the limit as a percentage of debt limit		6.95%	6.17%	5.42%	4.49%	3.81%	3.33%	2.85%	1.50%	1.09%	0.72%
Total net general obligation debt applicable to the Assessed value of taxable property		0.35%	0.31%	0.27%	0.22%	0.19%	0.17%	0.14%	0.08%	0.05%	0.04%
Population [3]		1,056,064	1,066,602	1,076,429	1,089,219	1,111,143	1,126,824	1,139,313	1,147,879	1,150,621	1,153,561
Total net general obligation debt per capita [4]	$	474.35	415.29	364.36	309.38	280.61	259.28	232.27	128.24	98.56	68.39



[1] California Government Code Section 29909 limits General Obligation Bond indebtedness to five percent of the total assessed valuation of all taxable real and personal property within the county.
[2] Does not include Public Financing Authority, Assessment District debt, CCCFPD Pension Bond and West Contra Costa Healthcare District Debt.
[3] California Department of Finance Estimate for January 1 of each year.
[4] Not in thousands
Source: Comprehensive Annual Financial Report - County of Contra Costa, California

COUNTY OF CONTRA COSTA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS
(Unaudited)

Fiscal Year Ended June 30	Population[1]		Personal[2] Income#	Per Capita[2] Personal Income#	Median[3] Age	Education Level[4]	School[5] Enrollment	Average[6] Unemployment Rate
2011	1,056,064	$	61,481,909 $	57,705	38.3	38.4	283,527	11.0
2012	1,066,602		66,733,882	61,921	38.5	38.6	287,217	9.4
2013	1,076,429		67,315,559	61,545	38.6	39.0	289,437	7.3
2014	1,089,219		71,152,275	64,138	38.7	39.4	292,764	6.0
2015	1,111,143		77,877,241	69,248	38.8	39.6	293,711	4.9
2016	1,126,824		82,426,924	72,483	39.1	40.3	293,429	4.9
2017	1,139,313		88,024,256	76,886	39.2	40.7	295,449	4.1
2018	1,147,879		94,900,003	82,506	39.4	41.7	295,894	3.5
2019	1,150,621	#	N/A	N/A	N/A	N/A	N/A	3.2
2020	1,153,561		N/A	N/A	N/A	N/A	N/A	13.4

N/A Not Available
[1] California Department of Finance Estimate for January 1 of each year
[2] U.S. Department of Commerce - Bureau of Economic Analysis (thousands)
[3] U.S. Census Bureau
[4] Percent of population with Bachelor or Graduate Degree - U.S. Census Bureau
[5] Population three years and over enrolled in school - U.S. Census Bureau
[6] State of California - Employment Development Department - June Data
Revised

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COUNTY OF CONTRA COSTA
PRINCIPAL EMPLOYERS [1]
CURRENT YEAR AND EIGHT YEARS AGO
(Unaudited)

Employer	2020 [2] Estimated Employees	2020 Rank	2020 Percentage of Total County Employment	2012 [3] Estimated Employees	2012 Rank	2012 Percentage of Total County Employment
Chevron Corporation	10,000+	1	2.11 %	1,329	3	0.28 %
St. Mary's College	1,000-4,999	T-2	0.63 %			
Bio-Rad Laboratories, Inc.	1,000-4,999	T-2	0.63 %	900	9	0.19
Job Connections	1,000-4,999	T-2	0.63 %			
John Muir Medical Center	1,000-4,999	T-2	0.63 %	2,200	1	0.46
Kaiser Permanente	1,000-4,999	T-2	0.63 %	2,000	2	0.42
La Raza Market	1,000-4,999	T-2	0.64 %			
Martinez Medical Offices	1,000-4,999	T-2	0.64 %			
USS-POSCO Industries	1,000-4,999	T-2	0.64 %			
Target Corporation				1,262	4	0.26
Walmart Stores, Inc.				1,150	5	0.24
Doctors Medical Center				937	7	0.19
Contra Costa Newspapers, Inc.				1,140	6	0.24
Shell/Martinez Refinery				900	8	0.19
Texaco Inc.				800	10	0.17
All Others	439,500		92.82 %	465,281		97.36
Total	473,500 [4]		100.00 %	477,899		100.00 %

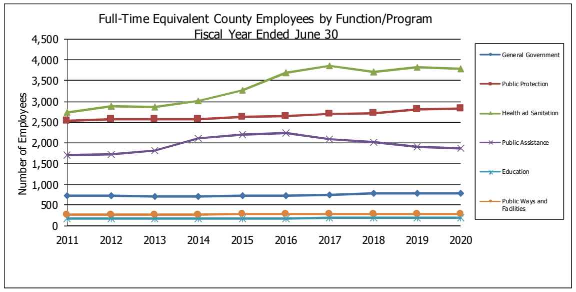
Contra Costa County Employment by Industry [5]
2018* Annual Average

Educational & Health Services	18.93%
Trade, Transportation, & Utilities	17.21%
Professional & Business Services	14.80%
Government	13.65%
Leisure & Hospitality	11.13%
Financial Activities	7.21%
Mining, Logging, & Construction	7.02%
Manufacturing	4.18%
Other Services	3.59%
Information	2.09%
Farm	0.19%

[1] Government Employers Excluded
[2] State of California Employment Development Department, June 2020
[3] Harris Info Source, January 2012 - Contra Costa County
[4] State of California Employment Development Department, June 2020
[5] State of California Employment Development Department, June 2018
* Information not posted for 2019 and 2020

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

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government	735	728	707	712	728	739	751	780	791	787
Public Protection	2,538	2,565	2,565	2,566	2,624	2,637	2,701	2,717	2,802	2,822
Health and Sanitation	2,735	2,876	2,866	3,014	3,259	3,693	3,855	3,715	3,820	3,775
Public Assistance	1,702	1,722	1,815	2,106	2,203	2,245	2,089	2,020	1,915	1,867
Education	169	175	175	175	178	180	194	198	201	204
Public Ways and Facilities	263	263	263	279	281	284	287	288	294	296
Total	8,142	8,329	8,391	8,852	9,273	9,778	9,877	9,718	9,823	9,751



Source: County Administrator's Office, Contra Costa County, California

COUNTY OF CONTRA COSTA

OPERATING INDICATORS BY FUNCTION

LAST TEN FISCAL YEARS

FOR THE FISCAL YEAR ENDED JUNE 30

(Unaudited)

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government										
Assessor										
Number of Assessment Roll Units - Secured	357,315	357,644	357,854	359,327	360,368	361,802	363,890	364,975	366,562	367,675
Number of Assessment Roll Units - Unsecured	46,235	45,592	45,757	45,751	45,178	42,595	43,415	41,888	42,800	43,157
Auditor-Controller										
Tax Rate Areas Administered	1,095	1,094	1,094	1,100	1,101	1,105	1,106	1,110	1,108	1,114
County Counsel										
Tort Claims Filed Against County Transferred to County Counsel	263	263	212	207	237	185	248	282	268	316
Juvenile Law Contests Set for Each Child	1,152	1,411	1,280	1,519	1,318	1,698	1,857	1,634	1,507	1,502
Juvenile Law New Dependency Cases Opened		639	616	494	465	526	415	458	391	388
Standard Forms Services Agreements	1,730	1,651	1,701	1,345	1,444	1,524	1,618	1,614	1,673	1,666
Attorney Overtime Hours		2,019	2,354	2,421	2,458	2,157	2,759	2,454	2,184	2,269
Formal Written County Counsel Opinions	35									
Clerk-Recorder										
New Voter Registration	31,015	23,688	74,870	19,246	28,781	80,753	50,189	93,558	71,194	
Updates to Voter Registration	19,112	18,181	34,371	33,703	38,422	62,259	37,956	152,075	151,068	
Cancelled Voter Registration	24,538	16,721	57,294	15,315	21,977	15,569	29,509	32,940	9,143	
Total Voter Registration	513,129	520,098	527,136	528,429	523,465	604,309	601,715	632,558	663,587	
Recorded Documents	333,945	320,827	401,725	273,673	274,339	328,743	268,107	240,299	268,358	
Human Resources										
Employment Applications Processed	27,467	29,068	39,726	32,076	37,865	28,623	26,368	28,933	31,692	30,813
Examinations Conducted	215	185	131	137	179	169	166	168	241	204
Personnel Transactions Processed	13,412	19,310	23,472	24,313	21,206	29,693	31,319	32,193	30,791	26,959
Appointments	869	1,129	1,254	1,514	1,659	1,654	1,542	1,387	1,762	1,343
Percentage of Applications Received as a result of the Online Application Process	90.71%	91.46%	92.19%	92.06%	100.00%	100.00%		80.50%	100.00%	100.00%
Requisition Processed/Eligible List Referred							1,326	1,473	2,599	2,134
Percentage of Eligible Employees Enrolled in Deferred Compensation							60.00%	64.00%	64.00%	70.00%
Information Technology										
Enterprise Server Transactions Monthly	2,700,000	4,784,008		2,180,137	2,003,706	1,567,815	1,550,160	1,506,866	1,501,857	1,495,330
Enterprise Server Availability	99.00%	99.00%		98.00%	98.50%	98.00%	99.00%	99.00%	99.00%	99.00%
Viruses Stopped	183,547	2,500,000		136,182	84,900	50,856	25,300	49,600	24,815	12,276
Spam Emails Stopped	172,000,000	37,000,000		16,230,600	18,195,400	14,691,516	6,100,000	3,300,000	5,680,000	862,020

(continued)

COUNTY OF CONTRA COSTA

OPERATING INDICATORS BY FUNCTION

LAST TEN FISCAL YEARS

FOR THE FISCAL YEAR ENDED JUNE 30

(Unaudited)

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government (continued)										
Public Works										
Fleet Operations										
Fleet Size	1,442	1,458	1,501	1,533	1,557	1,609	1,562	1,535	1,599	1,549
Customer Satisfaction (Repairs)						90.00%	88.00%	93.00%	91.00%	93.00%
Customer Satisfaction (Preventative Maintenance)						86.00%	94.00%	89.00%	90.00%	91.00%
Alternative Fuel Vehicles						258	252	287	302	288
Real Estate Services										
Leases Renewed or Amended	4	5	9	10	16	21	14	6	16	15
Leased Buildings Managed	153	150	148	136	118	106	107	111	119	119
County Owned Buildings	293	284	282	224	229	197	196	196	197	155
Purchasing/Materials Management										
Requisitions to Delivery of Purcahse Orders (Avg. No. of Days)						7.90	5.60	4.40	2.30	3.24
Purchase Orders Processed	4,250	5,017	4,666	4,645	4,132	4,359	3,914	3,701	3,591	3,386
Tonnage of Recycled Material			862	739	967	701	766	1,140	874	537
Facilities Maintenance										
Work Requests Completed	16,538	18,051	18,876	21,144	29,826	30,938	33,857	35,193	34,896	29,633
Emergency Requests Received	454	402	720	619	260	116	100	115	119	310
Percentage of Green supplies used for Custodial Maintenance	87.00%	87.00%	87.00%	87.00%	87.00%	87.00%	87.00%	87.00%	87.00%	87.00%
Capital Projects										
Number of Projects	29	40	51	68	86	72	80	81	82	94
Special Districts										
Street Lights Number of County Repairs						30	36	60	167	155
Street Lights Number of Average Repair Time (Days)						53	24	6	9	3
Street Lights County Owned						1,000	1,385	1,425	1,425	1,425
Street Lights County Outages						43	43	32	142	79
Tax Collector-Treasurer										
Secured Tax Bills	363,141	364,313		364,949	366,429	369,024	371,195	372,292	373,874	
Unsecured Tax Bills	51,140	49,221		49,726	48,364	44,528	44,590	43,344	43,536	
Supplemental Tax Bills	23,721	19,765		32,185	28,177	33,642	27,995	37,110	27,307	
Business Licenses Issued	5,588	5,737		5,352	5,292	5,302	4,859	5,863	5,452	
Public Protection										
Agriculture										
Number of Shipments Inspected/Profiled	68,286	50,857	51,548	50,964	44,395	32,783	40,463	36,774	45,657	44,749
Pest Control Inspections	563	583	581	505	580	403	418	479	502	496
Number of Taxis Inspected	284	257	448	675	988	833	363	315	258	207
Number of Petroleum Dispensing Devices Inspected	6,077	7,527	4,621	7,035	6,027	5,292	5,703	4,655	5,342	5,012

(continued)

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

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public Protection (continued)										
Animal Services										
Licenses Sold	37,166	41,000	42,388	48,481	50,567	52,779	46,484	51,250	39,042	37,632
Animals Handled	23,830	15,410	14,483	17,220	23,451	17,231	16,877	15,343	12,255	12,126
Animals Adopted	6,317	6,682	6,885	6,509	6,785	6,833	6,511	5,965	4,313	3,703
Animals Returned to Owner	2,175	1,906	1,778	1,686	1,470	1,587	1,576	1,638	1,368	1,041
Child Support Services										
Number of Cases	31,940	30,484	30,972	29,653	28,816	27,897	26,478	26,101	27,020	26,355
Conservation and Development										
Number of Land Use Applications Received	480	505	742	978	926	916	983	1,042	1,024	886
Number of Land Use Entitlements Issued	204	312	148	84	53	747	837	800	790	656
Number of Affordable Housing Units Provided										
Financial Assistance	189	157	268	156	204	212	313	542	288	48
Building Inspection										
Plans Reviewed	7,168	7,211	8,241	8,482	12,395	13,390	13,809	14,664	13,558	12,730
Permits Issued	8,500	8,334	9,213	10,347	11,498	12,130	12,170	12,840	11,746	11,129
Inspections Performed	39,171	37,940	45,161	51,126	55,155	60,981	61,378	64,266	61,309	52,659
Code Enforcement Cases Opened*	1,298	1,083	969	926	719	791	871	914	1,325	2,041
** reflects shift to early intervention model*										
Housing and Community Improvement										
Number of Dwellings Weatherized**	925	1,551	375	258	307	292	352	211	209	44
Number of Households rebated under SEP***	N/A	218	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
*** 2011 and 2012 statistics reflect a one-time ARRA funding*										
****SEP = State Energy Plan, only available in FY 2011-2012*										
Number of Affordable Housing Units Provided Financial Assistance	189	157	268	156	204	212	313	542	288	48
Fire Protection Services										
Contra Costa Fire Protection District										
Emergency Calls	41,676	42,175	42,804	45,036	46,989	47,202	49,103	49,863	46,485	45,552
Fire Calls	1,362	1,578	1,608	1,897	2,603	2,157	2,262	2,556	2,613	2,947
Medical Calls	28,820	29,349	30,110	30,649	32,756	34,186	35,154	35,799	31,702	30,665
Inspections Performed	13,726	14,242	16,396	14,731	14,819	17,832	14,845	15,778	14,174	14,987
Active Fire Companies	29	29	24	23	24	24	26	27	28	28

(continued)

COUNTY OF CONTRA COSTA

OPERATING INDICATORS BY FUNCTION

LAST TEN FISCAL YEARS

FOR THE FISCAL YEAR ENDED JUNE 30

(Unaudited)

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public Protection (continued)										
District Attorney (Calendar Year)										
Felony Cases Filed	3,305	3,688	3,902	4,130	2,978	2,824	2,858	3,638	3,788	
Misdemeanor Cases Filed	8,999	7,708	10,366	7,985	7,139	7,459	6,651	7,231	6,518	
Probation										
Court Reports		8,000	7,400	7,200	6,650	6,400	6,700	5,000	3,803	3,781
Average Supervision Caseload (Including Home Sup.)		5,700	5,300	5,600	5,300	5,300	5,600	6,000	4,445	4,212
Juvenile Hall Detention Care Days		53,996	47,352	52,925	53,048	53,609	26,924	23,745	20,519	17,190
Youth Rehabilitation Care Days		34,569	30,700	31,025	23,877	24,145	27,027	17,493	15,554	19,911
Public Administrator										
Cases Opened	253	273	297	237	286	221	209	204	225	259
Cases Closed	270	191	272	195	191	167	159	208	95	271
Public Defender (Calendar Year)										
Cases Handled										
Felony	2,651	2,803	3,851	4,422	4,042		3,697	3,783	3,576	
Misdemeanor	7,596	4,999	4,693	6,856	7,312		6,670	6,687	7,259	
Juvenile								529	510	
Criminal	1,810	1,510	1,145	935	772		646			
Conservatorship	422	417	628	373	307		290	321		
Superior Court/Probation Violation	1,826	3,042	3,761	4,875	4,906		4,727	4,872	4,999	
Other/Expungements	662	945	1,459	1,795	597					
Clean Slate							1,807	1,579	4,412	
Prop 47 resentencing							2,548	3,442	3,469	
LPS									303	
Franklin									250	
Senate Bill 1437									27	
Miscellaneous					160		177	156	175	
Sheriff										
Calls for Service										
Priority 1 - Respond immediately	95,426	88,699	80,810	81,688	92,072	84,147	83,374	78,586	114,988	56,011
Priority 2 - Respond as soon as possible	47,480	51,394	42,983	33,994	38,391	39,374	40,091	33,538	59,243	34,492
Priority 3 - Respond when available	135,192	134,560	123,427	127,248	122,188	151,115	153,726	144,099	169,118	292,293
Citations Issued	16,469	15,469	16,186	16,672	14,680	15,093	13,061	13,517	9,796	11,867
Crime Reports Processed	21,926	23,543	24,825	25,858	21,963	20,509	27,887	25,982	26,303	29,626
Warrants Served	8,947	5,095	5,136	6,621	6,603	6,592	6,494	5,897	5,961	4,680

(continued)

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

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public Protection (continued)										
Sheriff continued										
Custody Services										
Bookings - Detention Facility	23,621	23,310	23,069	24,644	25,356	26,634	24,961	23,124	22,311	17,797
Bookings - Custody Alternative	3,220	2,982	2,936	2,916	2,355	2,835	2,808	2,701	2,708	1,736
Average Daily Population - All Facilities	1,545	1,502	1,529	1,929**	1,751	1,817	1,944	1,455	1,810	1,556
***Includes custody alternative bookings*										
Health and Sanitation										
Health Services										
Mental Health										
Inpatient Average Daily Census	20	19	19	18	18	18	17	18	17	18
Instiution for Mental Disease (IMD; average per month)	36	49	39	44	32	32	36	42	54	47
Board and Care (average per month)	209	172	167	219	217	219	217	213	227	208
Administrative Days (average per month)	25	29	20	22	23	22	23	24	24	24
Outpatient Visits (toal annual visits)	457,937	430,713	432,793	460,618	469,613	441,828	446,603	441,170	440,047	410,508
Conservatorship Client Months	9,950	10,242	10,466	10,524	10,224	10,646			11,762	11,880
Conservatorship Clients (total unique clients)	1,087	1,120	1,219	1,182	1,113	1,140	1,119	1,141	1,184	1,196
Narcotic Treatment Program (NTP) Services										
Dosing Encounters									335,655	278,873
Outpatient Visits									23,176	15,016
Detention - Average Monthly Inmates	1,699	1,503	1,524	1,568	1,432	1,407	1,487	1,450	1,268	1,040
Alcohol & Other Drugs										
Residential Days (total annual days)	72,836	49,492	59,808	62,104	55,540	49,099	53,614	42,147	48,226	41,558
Outpatient Visits (total annual visits)	39,836	29,994	35,692	31,470	27,701	27,192	31,787	55,446	24,442	26,147
Public Health										
AIDS/HIV Tests (total)	1,600	2,105	1,941	1,736	1,522	1,001	614	541	310	238
Immunizations Given (total)	25,144	18,022	16,067	13,332	9,634	9,612	8,291	6,874	9,562	8,762
Senior Nutrition Meals Served (total)	514,455	540,586	542,283	500,514	541,754	584,942	588,315	585,720	615,707	727,077
Environmental Health										
Hazardous Material Incident Responses (total)	3,780	3,182	2,876	2,835	3,555	4,826	4,722	4,313	4,306	4,631
Environmental Health Inspections (total)	54,281	50,207	54,357	46,540	44,532	34,218	33,597	31,353	18,636	11,709
California Child Serves Cases (annual)	3,694	3,725	3,841	4,092	4,157	4,210	4,233	4,253	4,298	4,111
Homeless Clients in Shelters (total unduplicated account)	877	1,114	1,165	1,252	1,195	1,208	1,399	1,680	1,727	3,279
Public Assistance										
Employment and Human Services										
Average Number of Households Receiving Food Stamps	28,583	32,791	33,232	34,147	35,450	35,370	32,340	31,390	27,667	35,159
Number of Adult Protective Service Reports	1,713	1,791	1,701	1,640	2,607	3,115	3,614	4,214	4,408	4,871
Average Monthly Number of Medi-Cal Beneficiaries	135,988	141,360	159,748	155,102	224,052	266,064	264,251	258,532	252,782	248,317
Number of Children Served by Child Welfare	2,087	2,232	2,362	2,517	2,512	2,482	2,245	2,154	2,101	1,884
Number of Families Receiving Childrens Services	1,246	1,316	1,551	1,873	1,922	1,865	1,708	1,765	1,648	1,532
Average Number of Children in Foster Care	801	798	781	858	867	822	771	808	791	757
Average Number of Families receiving CalWORKS Assistance	11,322	10,948	10,592	10,243	10,160	8,909	7,940	7,601	6,741	6,330
Average Number of Welfare to Work Participants	3,125	2,562	3,109	2,934	2,952	1,954	1,509	1,299	1,339	1,407
Average Participants for In-Home Support Services	7,409	7,065	6,971	7,614	8,081	8,583	9,144	8,740	8,517	9,148
Average Number of Recipients for In-Home Support Services								9,420	10,278	11,319
Number of Children Served (Head Start)	4,667	3,225	3,198	2,717	2,801	2,564	2,369	2,517	2,438	1,604
Number of Dwellings Weatherized	1,113	1,014	195	146	160	138	330	211	216	144

(continued)

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

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public Assistance (continued)										
Veteran Services										
Claims/Appeals Filed for the Benefit of Veterans	2,077	1,890	2,503	2,615	2,522	2,522	2,275	2,895	3,008	
Interviews										
Martinez	6,283	5,873	5,995	5,322	4,817	6,635	6,749	7,375	7,170	
San Pablo			299	262	311	266	323	597	546	
Danville			251	206	236	226	236	268	282	
Brentwood			204	297	356	386	505	632	588	
Incoming Calls Received	14,815	13,228	16,350	17,525	17,600	17,750	18,600	18,750	18,750	
State of California College Fee Waiver Applications	401	384	435	485	419	514	532	570	583	
Number of Veterans receiving monthly benefits	822	597	2,457	2,187	2,135	2,135	1,938	2,341	2,243	
Number of Veterans, Family Members, Dependents or Survivors receiving retroactive or lump sum benefits	729	491	2,457	2,303	2,212	2,212	2,033	2,453	2,354	
Education										
Library										
Library Visits	4,098,136	3,959,334	4,068,772	4,063,830	3,768,045	3,591,552	3,235,783	3,085,509	3,540,150	2,709,288
Items Circulated	7,489,545	7,483,487	7,222,059	6,890,877	6,548,953	6,071,733	5,748,869	5,495,379	5,911,465	4,603,662
Annual Hours Open	50,772	54,113	53,895	56,654	56,524	54,977	54,730	55,614	55,510	42,042
Cooperative Education										
4-H Club Membership	683	667	679	636	913	1,145	823	1,179	3,159	
Youth Federal Nutrition Program	1,709	4,993	4,005	3,618	4,548	5,340	1,674	2,607	3,194	
Public Ways and Facilities										
Public Works										
Pavement Condition Index Rating	72	69	68	71	73	72	71	71	71	70
Flood Control Level of Protection	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	92.00%
Flood Control Community Rating System	6	6	6	6	6	6	6	5	5	5
Roads Level of Service			A	A	A	A	A	A	A	A
Bridge Condition (Congestion Grade Level, General Plan Standard)				8.90%	5.40%	4.30%	8.20%	7.80%	11.00%	8.51%
Collisions on County Roads	308	321	299	327	379	371	425	377	516	470
Land Development Reviews	69	49	29	23	36	41	26	45	47	34
Percentage of Improvement Plans reviewed within 6 weeks						70.00%	68.00%	78.00%	64.00%	60.00%
Encroachment Permits	1,066	1,112	1,014	1,339	1,259	1,299	1,153	1,337	1,450	1,599

(continued)

COUNTY OF CONTRA COSTA

OPERATING INDICATORS BY FUNCTION

LAST TEN FISCAL YEARS

FOR THE FISCAL YEAR ENDED JUNE 30

(Unaudited)

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Enterprise Activities										
Hospital										
Hospital & Clinics										
Inpatient Days (total)	44,722	45,264	44,236	45,077	49,586	48,728	47,433	46,778	48,760	41,192
Outpatient Visits (total)	449,019	455,993	377,152	421,972	453,093	480,367	488,436	496,949	512,536	502,770
Health Maintenance Plans										
CCHP M-Cal Plan Enrollees (June enrollment)	66,244	77,338	92,179	124,217	159,685	181,405	181,131	180,018	175,157	177,924
CCHP Commercial Plan Enrollees (June enrollment)	32,350	31,705	26,024	13,310	11,876	11,011	9,249	8,918	8,401	7,785
CCHP Major Risk Enrollees	51	54	48	10	1					
Sheriff Training Center										
Law Enforcement Training Academy - LETC										
Number of Students - Academy	200	182	218	280	263	177	127	112	158	170
Number of Students - In Service	2,185	3,000	3,834	4,056	3,405	5,391	5,107	6,596	7,283	*4,475
Hours of Instruction - Academy	3,125	3,383	3,240	3,843	3,445	3,037	2,990	2,034	2,010	2,125
Hours of Instruction - In Service	3,096	2,400	2,418	2,997	2,563	2,619	3,016	2,988	2,887	*1,635
Airport (Calendar Year)										
Aircraft Operations (Take off / Landing)										
Buchanan	79,000	75,000	79,098	93,000	109,000	114,000	122,000	125,069	100,587	83,832
Byron (Estimated)	50,000	50,000	50,000	50,000	60,000	60,000	60,000	60,000	60,000	60,000
Tenant Satisfaction (goal of 90% or better)	95.00%	97.00%	96.00%	100.00%	98.00%	95.00%	100.00%	100.00%	100.00%	100.00%
Noise Complaints	108	74	47	60	81	152	170	195	137	132
Safety Deviations	1	0	0	1	1	2	4	6	2	1
Hangar Occupancy Rate	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Source: Contra Costa County Departments

*Fewer Training Classes Due to COVID-19

(concluded)

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

	Fiscal Year Ending June 30									
Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government										
Clerk-Recorder										
DFM Mark-A-Vote System										
Data General Terminal	1									
Card Readers	19									
BCWin Terminal	4									
Election Systems and Software										
M100 Precinct Tally Machines	768	768	768	768	768	768	768			
AutoMark - ADA Assist Ballot Marking Devices	768	768	768	768	768	768	768			
M650 High Volume Ballot Scanners	6	6	6	6	6	6	6			
Dominion Voting Systems										
ICE Precinct Scanners								297	300	300
ICX Ballot Marking Devices								309	400	400
ICC Central Count Scanner								4	4	4
ICC High Speed Central Count Scanner								1	2	2
Public Protection										
Animal Services										
Animal Shelters	2	2	2	2	2	2	2	2	2	2
Animal Services Trucks/Other Vehicles										30
Trailers										4
Fire Protection Services										
Contra Costa Fire Protection District										
Fire Stations	30	30	30	30	30	30	30	30	29	29
Fire Engines/Trucks/Other Apparatus	80	81	82	82	83	98	83	83	85	87
Crockett-Carquinez Fire Protection District										
Fire Stations									2	3
Fire Engines/Trucks/Other Apparatus									13	13
Probation										
Juvenile Hall - Certified Beds		290	290	290	290	290	290	290	290	290
Orin Allen Youth Rehabilitation Facility - Certified Beds		100	100	100	100	100	100	100	100	100
Sheriff										
Square Miles Patrolled	521	521	521	521	521	521	521	521	521	
Patrol Vehicles		145	145	150	150	193	138	133	140	
Waterways Patrolled		250	250	250	250	250	250	250	250	
Patrol Vessels		8	9	9	11	11	11	10	11	
Detention Facilities	3	3	3	3	3	3	3	3	3	
Education										
Library										
Community Libraries	25	26	26	26	26	26	26	26	26	26
Public Ways and Facilities										
Public Works										
Miles of Road Maintained	670	660	670	672	666	666	666	662	662	662
Miles of Creek/Channels Maintained	75	75	79	79	79	79	79	79	79	79
Enterprise Activities										
Hospital										
Hospital	1	1	4	4	2	4	12	10	10	10
Sheriff Training Center										
Law Enforcement Training Academy - LETC	1	1	1	1	1	1	1	1		1
Airport										
Buchanan	1	1	1	1	1	1	1	1		1
Byron	1	1	1	1	1	1	1	1		1

COUNTY OF CONTRA COSTA
MISCELLANEOUS STATISTICS
(Unaudited)

GEOGRAPHICAL LOCATION:	Contra Costa County is located near San Francisco in the Bay Area. It is bordered by San Francisco Bay and San Pablo Bay on the west, by Suisun Bay and the Sacramento and San Joaquin Rivers on the north, by San Joaquin County on the east and by Alameda County on the south.
ALTITUDE:	Sea level to 3,849 feet
AREA OF COUNTY:	732.6 square miles of land and 73.3 square miles of water.
COUNTY SEAT:	Martinez, California
FORM OF GOVERNMENT:	General Law County, governed by a five member Board of Supervisors. Contra Costa County is one of the original 27 counties established when California became a state in 1850.

Source: County Administrator's Office

	March 3, 2020 STATEWIDE PRIMARY ELECTION
REGISTERED VOTERS	657,273
NUMBER VOTING	330,514
PERCENT VOTING	50.29%

Source: County Clerk-Recorder Department, Elections Division

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APPENDIX D

COUNTY INVESTMENT POLICY

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CONTRA COSTA COUNTY

TREASURER'S

ANNUAL INVESTMENT POLICY

D-1

FISCAL YEAR 2020-2021

APPROVED BY THE BOARD OF SUPERVISORS
IN JUNE 2020

The Contra Costa County Treasurer will annually present to both the Board of Supervisors (Board) and the Treasury Oversight Committee (Committee) a statement of investment policy, which the Board shall review and approve at a public meeting. Any changes in the policy shall also be reviewed and approved by the Board at a public meeting (Gov't Code §53646(a)(1)).

OFFICE OF COUNTY TREASURER-TAX COLLECTOR
625 COURTS STREET, ROOM 100
MARTINEZ, CALIFORNIA 94553

California Municipal
Treasurers Association

Investment Policy Certification

CALIFORNIA REPUBLIC

Issued on 4/24/2019

Contra Costa County

The California Municipal Treasurers Association certifies that the investment policy of the Contra Costa County complies with the current State statutes governing the investment practices of local government entities located within the State of California.

CMTA

Over 50 Years of Excellence

April 24, 2019

President Date

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CONTRA COSTA COUNTY

TREASURER'S ANNUAL INVESTMENT POLICY

1.0 PURPOSE

The purpose of this Investment Policy (Policy) is to establish cash management and investment guidelines of surplus funds entrusted to the care of the Contra Costa County Treasurer's Office (Treasurer's Office) in accordance with applicable sections of California Government Code. All portfolio activities will be judged by the standards of the Policy and its ranking of investment objectives.

2.0 SCOPE

This Policy applies to all and only funds over which the Treasurer's Office has been granted fiduciary responsibility and direct control for their management. The funds covered by this Policy are accounted for and incorporated in the Contra Costa County Comprehensive Annual Financial Report (CAFR) and include but not limited to: Government Funds (e.g. general fund, special revenue funds, debt service funds, capital project funds, and permanent fund), Proprietary Funds (e.g. enterprise funds and internal service funds), and various Trust Funds.

3.0 PARTICIPANTS

This Policy restricts deposits to those agencies mandated by California Government Code as treasury deposits. However, subject to the consent of the Treasurer's Office and in accordance with section 53684, exemptions may be granted to non-mandatory depositing agencies, if it is determined that the additional deposit provides a benefit to the investment pool as a whole while not creating unmanageable liquidity risk.

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4.0 IMPLEMENTATION

In order to provide direction to those responsible for management of surplus funds, the County Treasurer has established this Policy and presented it to the Treasury Oversight Committee and the Board of Supervisors, and has made it available to the legislative body of local agencies that participates in the County Treasurer's investment program.

The Policy explains investable funds; authorized instruments; credit quality required; maximum maturities and concentrations; collateral requirements; qualifications of broker-dealers and financial institutions doing business with, or on behalf of, the County; limits on gifts and honoraria; the reporting requirements; the Treasury Oversight Committee; the manner of apportioning interest earnings and appropriating investment costs; and the criteria to request withdrawal of funds.

5.0 OBJECTIVES

Gov't Code §53600.5: When investing, reinvesting, purchasing, acquiring, exchanging, selling or managing public funds, the primary objective of a trustee shall be to safeguard the principal of the funds under its control. The secondary objective shall be to meet the liquidity needs of the depositor. The third objective shall be to achieve a return on the funds under its controls.

5.1 Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and market risk.

5.1.a *Credit Risk*

The Treasurer will minimize credit risk, the risk of loss due to the failure of the security issuer or backer, by:

1. Limiting investments to the safest type of securities
2. Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the Treasurer's Office will do business
3. Diversifying the investment portfolio so that potential losses on individual securities will be minimized.

5.1.b *Market Risk*

The Treasurer's Office will minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates, by:

1. Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity
2. Investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools.

5.2 Liquidity: The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands. Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets. A portion of the portfolio also may be placed in money market mutual funds or local government investment pools which offer same-day liquidity for short-term funds.

5.3 Yield: The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities may be sold prior to maturity when deemed prudent and necessary. Reasons of selling include but are not limited to:

1. **A security with declining credit may be sold early to minimize loss of principal.**
2. **A security swap would improve the quality, yield, or target duration in the portfolio.**
3. **Liquidity needs of the portfolio require that the security be sold.**
4. **Portfolio rebalancing would bring the portfolio back into compliance.**

Investments will be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

5.4 Public Trust: All investments will be in conformance with state law and county ordinances and policies. The investment of public funds is a task that must maintain the public trust.

6.0 GENERAL STRATEGY

6.1 Buy and Hold: The Treasurer will generally use the passive investment strategy known as BUY AND HOLD whereas securities are purchased with the intent of holding them to maturity. Interest income and the reinvestment of interest income usually are the only sources of return in the portfolio.

The investment program will focus on purchasing securities that will limit or reduce the potential default risk and ensure the reliability of cash flows from interest income. Generally, purchases will be laddered throughout the portfolio in order to minimize the number and cost of investment transactions.

6.2 Directed Investment: Local agencies may direct the investment, exchange, liquidation and reinvestment of their assets, but must meet the provisions of the investment objectives of this policy. The withdrawal of funds in the Treasury shall coincide with investment maturities or authorized sales of securities by the local agency's legislative or governing body.

7.0 STANDARD OF CARE

The following policies are designed in accordance with Government Code to provide transparency to the investment program while enhancing portfolio controls:

7.1 Prudent Investor Standard

The standard of prudence to be used by the designated representative shall be subject to the "prudent investor" standard and shall be applied in the context of managing the overall portfolio. **"**Governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds are trustees and therefore fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling or managing public funds, a trustee shall act with care, skill, prudence and diligence under the circumstances then prevailing, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part to an overall strategy, investments may be acquired as authorized by law." (Gov't Code §53600.3.)

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For the investment of county funds in a county treasury, Government Code Section 27000.3 establishes the board of supervisors as a fiduciary that is subject to the prudent investor standard unless it delegates its investment duties to the county treasurer. For local agency funds invested in the county treasury pool, the county treasurer serves as a fiduciary and is subject to the prudent investor standard.

7.2 Ethics and Conflicts of Interest

Investment officials shall refrain from personal business activity that could conflict with proper execution and management of the Policy and investment program, or which could impair their ability to make impartial decisions. Please refer to the Contra Costa County Treasurer-Tax Collector's Conflict of Interest Code for further explanation of the prohibited activities, and their enforcements and exceptions.

7.3 Limits on Honoraria, Gifts, and Gratuities

In accordance with California Government Code Section 27133(d), this Policy establishes limits for the Director of Finance; individuals responsible for management of the portfolios; and members of the Investment Group and Review Group who direct individual investment decisions, select individual investment advisors and broker/dealers, and conduct day-to-day investment trading activity. The limits also apply to members of the Oversight Committee. Any individual who receives an aggregate total of gifts, honoraria and gratuities in excess of $50 in a calendar year from a broker/dealer, bank or service provider to the Pooled Investment Fund must report the gifts, dates and firms to the designated filing official and complete the appropriate State forms.

No individual may receive aggregate gifts, honoraria, and gratuities in a calendar year in excess of the amount specified in Section 18940.2(a) of Title 2, Division 6 of the California Code of

Regulations. This limitation is $500 for the period January 1, 2019, to December 31, 2020. Any violation must be reported to the State Fair Political Practices Commission.

7.4 Delegation of Authority

7.4.a Subject to Section 53607, the board of supervisors may, by ordinance, delegate to the county treasurer the authority to invest or reinvest the funds of the county and the funds of other depositors in the county treasury, pursuant to Chapter 4 (commencing with Section 53600) of Part 1 of Division 2 of Title 5. The county treasurer shall thereafter assume full responsibility for those transactions until the board of supervisors either revokes its delegation of authority, by ordinance, or decides not to renew the annual delegation, as provided in Section 53607 (Gov't Code §27000.1). For local agency funds invested in the county treasury pool, the county treasurer serves as a fiduciary and is subject to the prudent investor standard.

7.4.b Responsibility for the operation of the investment program is hereby delegated to the County Treasurer, who shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with this investment policy. Procedures include references to: safekeeping, delivery vs. payment, investment accounting, repurchase agreements, wire transfer agreements, and collateral/depository agreements. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the County Treasurer.

7.5 Treasury Oversight Committee

In compliance with a Board Order of the Contra Costa County Board of Supervisors, the County Contra Costa County Treasury Oversight Committee was established in November 6 of 1995. The intent of the Committee is to allow local agencies, including school districts, as well as the public, to participate in reviewing the policies that guide the investment of public funds. The mandate for the existence of the Committee was suspended in 2004 by the State of California; however, the Committee serves an important function and the Treasurer's Office has elected to continue the program.

7.5.a The Committee shall annually review and monitor the County's Investment Policy.

7.5.b The Committee shall cause an annual audit to determine the County Treasurer's compliance with the Investment Policy and all investment funds in the county Treasury.

8.0 SAFEKEEPING AND CUSTODY

8.1 Delivery vs. Payment: All trades of marketable securities will be executed (cleared and settled) on a delivery vs. payment (DVP) basis to ensure that securities are deposited in the County Treasurer's safekeeping institution prior to the release of funds.

8.2 Third-party Safekeeping: Securities will be held by an independent third-party safekeeping institution selected by the County Treasurer. All securities will be evidenced by safekeeping receipts in the County's name or in a name designated by the County Treasurer. The safekeeping institution shall annually provide a copy of its most recent report on internal controls - Service Organization Control Reports (formerly 70, or SAS 70) prepared in accordance with the Statement on Standards for Attestation Engagements (SSAE) No. 16 (effective June 15, 2011.)

8.2.a A local agency purchasing or obtaining any securities prescribed in this section, in a negotiable, bearer, registered or non-registered format, shall require delivery of the securities to the local agency, including those purchased for the agency by financial advisors, consultants or managers using the agency's funds, by book entry, physical delivery or by third-party custodial agreement. The transfer of securities to the counterparty bank's customer book-entry account may be used for book-entry delivery. For purposes of this section, "counterparty" means the other party to the transaction. A counterparty bank's trust department or separate safekeeping department may be used for the physical delivery of the security if the security is held in the name of the local agency. Where this section specifies a percentage limitation for a particular category of investment, that percentage is applicable only at the date of purchase. Where this section does not specify a limitation on the term of remaining maturity at the time of the investment, no investment shall be made in any security other than a security underlying a repurchase or reverse repurchase agreement authorized by this section.

8.2.b In compliance with this section, the securities of Contra Costa County and its agencies shall be in safekeeping at The Bank of New York Trust Company, N. A., a counterparty bank's trust department or as defined in the debt indenture and contract.

8.3 Internal Controls: The County Treasurer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Treasurer are protected from loss, theft or misuse. Specifics for the internal controls shall be documented in an investment procedures manual that shall be reviewed and updated periodically by the County Treasurer.

The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgements by management.

As part of the internal controls, the investment portfolio managed by the County Treasurer shall be audited annually by both internal and external auditors.

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9.0 AUTHORIZED BROKERS/DEALERS AND FINANCIAL INSTITUTIONS

9.1 All transactions initiated on behalf of the Pooled Investment Fund and Contra Costa County shall be executed only through one of the following:

1. Government security dealers reporting as primary dealers to the Market Reports Division of the Federal Reserve Bank of New York;
2. Banks and financial institutions that directly issue their own securities which have been placed on the Approved List of Broker/Dealers and Financial Institutions;
3. Brokers/dealers in the State of California approved by the County Treasurer based on the reputation and expertise of the company and individuals employed.

Broker/dealers and financial institutions which have exceeded the political contribution limits as contained in Rule G-37 of the Municipal Securities Rulemaking Board within a four year period to the County Treasurer or a member of the governing board of a local agency or any candidate for those offices, are prohibited from the Approval List of Broker/Dealers and Financial Institutions.

9.2 Qualifications: All financial institutions and broker/dealers who desire to become qualified for investment transactions must complete Contra Costa County Treasurer's Office Broker/Dealer Due Diligence Questionnaire which can be obtained at www.cctax.us. An annual review of the approved broker/dealers will be conducted by the Treasurer's Office. The Treasurer's Office may request additional documents from the broker/dealers during the annual review. A broker/dealer may be deleted from the Approved Brokers list without cause and without prior notification.

9.3 List of Approved Financial Institutions, Security Brokers and Dealers

A list will be maintained of financial institutions authorized to provide investment services. In addition, a list also will be maintained of approved security broker/dealers selected for creditworthiness and qualifications stated in section 9.2. However, the County Treasury will not be limited to the financial institutions and brokers/dealers on the list. Others will be included as long as conditions for authorized financial institutions and brokers/dealers set forth in this Policy are met. Additionally, deletions and additions are based on the maintenance of required credit quality as rated by a nationally recognized statistical-rating organization (NRSRO) or reliable financial sources.

10.0 SUITABLE AND AUTHORIZED INVESTMENTS

10.1 Authorized Investment Types: (Gov't Code §53600 et seq.) The legislative body of a local agency having moneys in a sinking fund or moneys in its treasury not required for the immediate needs of the local agency may invest any portion of the moneys that it deems wise or expedient in the investments set forth below. A local agency purchasing or obtaining any securities prescribed in this section, in a negotiable, bearer, registered, or nonregistered format, shall require delivery of the securities to the local agency, including those purchased for the agency by financial advisers, consultants, or managers using the agency's funds, by book entry, physical delivery, or by third-party custodial agreement. The transfer of securities to the counterparty bank's customer book entry account may be used for book entry delivery.

For purposes of this section, "counterparty" means the other party to the transaction. A counterparty bank's trust department or separate safekeeping department may be used for the physical delivery of the security if the security is held in the name of the local agency. Where this section specifies a percentage and/or rating limitation for a particular category of investment, that percentage and/or rating are applicable only at the date of purchase. Where this section does not specify a limitation on the term or remaining maturity at the time of the investment, no investment shall be made in any security, other than a security underlying a repurchase or reverse repurchase agreement or securities lending agreement authorized by this section, that at the time of the investment has a term remaining to maturity in excess of five years, unless the legislative body has granted express authority to make that investment either specifically or as a part of an investment program approved by the legislative body no less than three months prior to the investment:

10.1.a **Bonds issued by the local agencies**, including bonds payable solely out of the revenues from a revenue-producing property, owned, controlled, or operated by the local agency or by a department, board, agency or authority of the local agency.

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

10.1.c **Registered state warrants or treasury notes or bonds of this state**, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency or authority of the state.

10.1.d **Registered treasury notes or bonds of any of the other 49 states** in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California.

10.1.e **Bonds, notes, warrants or other evidences of indebtedness of any local agency within this state**, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled or operated by the local agency, or by a department, board, agency or authority of the local agency.

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10.1.f **Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments**, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

10.1.g **Banker's acceptances otherwise known as bills of exchange or time drafts** drawn on and accepted by a commercial bank. Purchases of banker's acceptances may not exceed 180 days' maturity or 40 percent of the agency's money that may be invested pursuant to this section. However, no more than 30 percent of the agency's money may be invested in banker's acceptances of any one commercial bank pursuant to this section. This subdivision does not preclude a municipal utility district from investing any money in its treasury in any manner authorized by the Municipal Utility District Act (Division 6, commencing with Section 11501, of the Public Utilities Code).

10.1.h **Commercial paper** of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical-rating organization (NRSRO). The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or paragraph (2):

1. The entity meets the following criteria:

- **A.** Is organized and operating in the United States as a general corporation.
- **B.** Has total assets in excess of five hundred million dollars ($500,000,000).
- **C.** Has debt other than commercial paper, if any, that is rated in a rating category of "A" or its equivalent or higher by a nationally recognized statistical-rating organization (NRSRO).

2. The entity meets the following criteria:

- **A.** Is organized within the United States as a special purpose corporation, trust, or limited liability company.
- **B.** Has program-wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond.
- **C.** Has commercial paper that is rated "A-1" or higher, or the equivalent, by a nationally recognized statistical-rating organization (NRSRO).

Eligible commercial paper shall have a maximum maturity of 270 days or less. Local agencies, other than counties or a city and county, may invest no more than 25 percent of their moneys in eligible commercial paper. Local agencies, other than counties or a city and county, may purchase no more than 10 percent of the outstanding commercial paper of any single issuer. Counties or a city and county may invest in commercial paper pursuant to the concentration limits in subdivision (a) of Section 53635:

- i. Not more than 40 percent of the local agency's money may be invested in eligible commercial paper.
- ii. Not more than 10 percent of the total assets of the investments held by a local agency may be invested in any one issuer's commercial paper.

10.1.i **Negotiable certificates of deposit** issued by a nationally- or state-chartered bank or a savings association or federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposit may not exceed 30 percent of the agency's money that may be invested pursuant to this section. For purposes of this section, negotiable certificates of deposits do not come within Article 2 (commencing with Section 53630), except that the amount so invested shall be subject to the limitations of Section

53638. The legislative body of a local agency and the treasurer or other official of the local agency having legal custody of the money are prohibited from investing local agency funds, or funds in the custody of the local agency, in negotiable certificates of deposit issued by a state or federal credit union if a member of the legislative body of the local agency, or any person with investment decision making authority in the administrative office, manager's office, budget office, auditor-controller's office, or treasurer's office of the local agency also serves on the board of directors, or any committee appointed by the board of directors, or the credit committee or the supervisory committee of the state or federal credit union issuing the negotiable certificates of deposit.

10.1.j **Repurchase and reverse repurchase agreements**

1. Investments in ***repurchase agreements*** or ***reverse repurchase agreements*** of any securities authorized by this section, provided that the agreements are subject to this subdivision, including the delivery requirements specified in this section, and that a signed Master Repurchase Agreement is on file in the Treasurer's Office for all financial institutions that enter into a repurchase agreement with Contra Costa County.

2. Investments in repurchase agreements may be made on any investment authorized in this section when the term of the agreement does not exceed one year. The market value of securities that underlay a repurchase agreement shall be valued at 102 percent or greater of the funds borrowed against those securities and the value shall be adjusted no less than quarterly. Since the market value of the underlying securities is subject to daily market fluctuations, the investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102 percent no later than the next business day.

3. Reverse repurchase agreements or securities lending agreements may be utilized only when all of the following conditions are met:

- **A.** The security to be sold using a reverse repurchase agreement or securities lending agreement has been owned and fully paid for by the local agency for a minimum of 30 days prior to sale.
- **B.** The total of all reverse repurchase agreements and securities lending agreements on investments owned by the local agency does not exceed 20 percent of the base value of the portfolio.
- **C.** The agreement does not exceed a term of 92 days, unless the agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement or securities lending agreement and the final maturity date of the same security.
- **D.** Funds obtained or funds within the pool of an equivalent amount to that obtained from selling a security to a counterparty using a reverse repurchase agreement or securities lending agreement shall not be used to purchase another security with a maturity longer than 92 days from the initial settlement date of the reverse repurchase agreement or securities lending agreement, unless the reverse repurchase agreement or securities lending agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement or securities lending agreement and the final maturity date of the same security.

4. Prior approval of the governing body; only with primary dealers:

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A. Investments in reverse repurchase agreements, securities lending agreements, or similar investments in which the local agency sells securities prior to purchase with a simultaneous agreement to repurchase the security may be made only upon prior approval of the governing body of the local agency and shall be made only with primary dealers of the Federal Reserve Bank of New York or with a nationally or state-chartered bank that has or has had a significant banking relationship with a local agency.

B. For purposes of this policy, "significant banking relationship" means any of the following activities of a bank:

i. Involvement in the creation, sale, purchase, or retirement of a local agency's bonds, warrants, notes, or other evidence of indebtedness.

ii. Financing of a local agency's activities.

iii. Acceptance of a local agency's securities or funds as deposits.

5. Definitions and terms of repos, securities and securities lending:

A. "Repurchase agreement" means a purchase of securities by the local agency pursuant to an agreement by which the counterparty seller will repurchase the securities on or before a specified date and for a specified amount and the counterparty will deliver the underlying securities to the local agency by book entry, physical delivery, or by third-party custodial agreement. The transfer of underlying securities to the counterparty bank's customer book-entry account may be used for book-entry delivery.

B. "Securities," for purposes of repurchase under this subdivision, means securities of the same issuer, description, issue date, and maturity.

C. "Reverse repurchase agreement" means a sale of securities by the local agency pursuant to an agreement by which the local agency will repurchase the securities on or before a specified date and includes other comparable agreements.

D. "Securities lending agreement" means an agreement under which a local agency agrees to transfer securities to a borrower who, in turn, agrees to provide collateral to the local agency. During the term of the agreement, both the securities and the collateral are held by a third party. At the conclusion of the agreement, the securities are transferred back to the local agency in return for the collateral.

E. For purposes of this section, the base value of the local agency's pool portfolio shall be that dollar amount obtained by totaling all cash balances placed in the pool by all pool participants, excluding any amounts obtained through selling securities by way of reverse repurchase agreements, securities lending agreements, or other similar borrowing methods.

F. For purposes of this section, the spread is the difference between the cost of funds obtained using the reverse repurchase agreement and the earnings obtained on the reinvestment of the funds.

10.1.k Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment under this subdivision shall be rated in a rating category of "A" or its equivalent or better by an NRSRO. Purchases of medium-term notes shall not include

other instruments authorized by this section and shall not exceed 30 percent of the agency's moneys that may be invested pursuant to this section.

10.1.l Shares of beneficial interest

1. Shares of beneficial interest issued by diversified management companies that invest in the securities and obligations as authorized by subdivisions (a) to (k), inclusive, and subdivisions (m) to (o), (q), inclusive, and that comply with the investment restrictions of this article and Article 2 (commencing with Section 53630). However, notwithstanding these restrictions, a counterparty to a reverse repurchase agreement or securities lending agreement is not required to be a primary dealer of the Federal Reserve Bank of New York if the company's board of directors finds that the counterparty presents a minimal risk of default, and the value of the securities underlying a repurchase agreement or securities lending agreement may be 100 percent of the sales price if the securities are marked to market daily.

2. Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (l5 U.S.C. Sec. 80a-1 et seq.).

3. If investment is in shares issued pursuant to paragraph (1), the company shall have met either of the following criteria:

A. Attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs.

B. Retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience investing in the securities and obligations authorized by subdivisions (a) to (k), inclusive, and subdivisions (m) to (o), (q), inclusive, and with assets under management in excess of five hundred million dollars ($500,000,000).

4. If investment is in shares issued pursuant to paragraph (2), the company shall have met the following criteria:

A. Attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations.

B. Retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience investing in the securities and obligations authorized by subdivisions (a) to (k), inclusive, and subdivisions (m) to (o), inclusive, and with assets under management in excess of five hundred million dollars ($500,000,000).

5. The purchase price of shares of beneficial interest purchased pursuant to this subdivision shall not include any commission that the companies may charge and shall not exceed 20 percent of the agency's money that may be invested pursuant to this section. However, no more than 10 percent of the agency's funds may be invested in shares of beneficial interest of any one mutual fund pursuant to paragraph (1).

10.1.m Moneys held by a trustee or fiscal agent and pledged to the payment of security of bonds or other indebtedness, or obligations under a lease, installment sale, or other agreement of a local agency, or certificates of participation in those bonds, indebtedness, or lease installment sale, or other agreements, may be invested in accordance with the statutory provisions governing the issuance of those bonds, indebtedness, or lease installment sale, or other agreement, or to the extent not inconsistent therewith or if there are not specific statutory provision, in accordance with the ordinance, resolution, indenture, or agreement of the local agency providing for the issuance.

10.1.n **Notes, bonds, or other obligations that are at all times secured by a valid first-priority security interest** in securities of the types listed by Section 53651 as eligible securities for the purpose of securing local agency deposits having a market value at least equal to that required by Section 53652 for the purpose of securing local agency deposits. The securities serving as collateral shall be placed by delivery or book entry into the custody of a trust company or the trust department of a bank that is not affiliated with the issuer of the secured obligation, and the security interest shall be perfected in accordance with the requirements of the Uniform Commercial Code or federal regulations applicable to the types of securities in which the security interest is granted.

10.1.o **Any mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond**. Securities eligible for investment under this subdivision shall be rated in a rating category of “AA” or its equivalent or better by a NRSRO and have a maximum remaining maturity of 5 years or less. Purchase of securities authorized by this subdivision shall not exceed 20 percent of the agency’s surplus money that may be invested pursuant to this section.

10.1.p **Shares of beneficial interest issued by a joint power authority** organized pursuant to Section 6509.7 that invests in the securities and obligations authorized in subdivisions (a) to (n), (q), inclusive. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible under this section, the joint powers authority issuing shares shall have retained an investment adviser that meets all of the following criteria:

1. The adviser is registered or exempt from registration with the Securities and Exchange Commission.
2. The adviser has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (n), (q), inclusive.
3. The adviser has assets under management in excess of five hundred million dollars ($500,000,000).

10.1.q **United States dollars denominated senior unsecured unsubordinated obligations** issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated in a rating category of “AA” or its equivalent better by an NRSRO and shall not exceed 30 percent of the agency’s moneys that may be invested pursuant to this section.

11.0 RESTRICTIONS AND PROHIBITIONS

11.1 Restrictions set by the Treasurer

11.1.a All investments purchased by the Treasurer’s Office shall be of investment grade. The minimum credit rating of purchased investments shall be as defined by Government Code 53600 et. seq.

11.1.b All legal securities issued by a tobacco-related company are prohibited. A tobacco-related company is defined as 1) an entity that makes smoking products from tobacco used in cigarettes, cigars and/or snuff, or for smoking in pipes or 2) a company that has total revenues of 15 percent or more from the sale of such tobacco products. The tobacco-related issuers restricted from any investment are Alliance One, Altria Group, Inc., Auri Inc., British American Tobacco PLC, Imperial Tobacco Group PLC, Kirin International

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Holding Inc., Lorillard, Philip Morris International, Reynolds American, Inc., Schweitzer-Mauduit International Inc., Smokefree Innotec Inc., Star Scientific Inc., Universal Corp., and Vector Group, Ltd. The Treasury staff will update the list of tobacco-related companies when necessary.

11.1.c Financial futures or financial option contracts will each be approved on a per trade basis by the County Treasurer.

11.1.d Reverse repurchase agreements will be used strictly for the purpose of supplementing income with a limit of 10 percent of the total portfolio with prior approval of the Treasurer.

11.1.e SBA loans require prior approval of the Treasurer in every transaction.

11.1.f Securities purchased through brokers will be held in safekeeping at The Bank of New York Trust Company, N.A. or as designated by the specific contract(s) for government securities and tri-party repurchase agreements.

11.1.g Swaps and Trades will each be approved on a per-trade basis by Treasurer or Assistant Treasurer.

11.2 Prohibitions by Government Code (§53601.6)

11.2.a A local agency shall not invest any funds pursuant to this Article or pursuant to Article 2 (commencing with Section 53630) in inverse floaters, range notes or interest-only strips that are derived from a pool of mortgages.

11.2.b A local agency shall not invest any funds pursuant to this article or pursuant to Article 2 (commencing with Section 53630) in any security that could result in zero interest accrual if held to maturity. However, a local agency may hold prohibited instruments until their maturity dates. The limitation in this subdivision shall not apply to local agency investments in shares of beneficial interest issued by diversified management companies registered under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1, et seq.) that are authorized for investment pursuant to Government Code Section 53600, et. seq.

12.0 INVESTMENT PARAMETERS

12.1 **Diversification:** Investments shall be diversified so as to minimize the risk of loss and to maximize the rate of return by:

1. Limiting investment to avoid overconcentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities),
2. Limiting investment in securities that have higher credit risks,
3. Investing in securities with varying maturities, and
4. Continuously investing a portion of the portfolio in readily available funds such as investment pools, money market funds or overnight repurchase agreements to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

12.2 **Maximum Maturities:** To the extent possible, the County Treasurer shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the Treasurer will not directly invest in securities maturing more than five (5) years from the date of purchase or in accordance with state and local statutes and ordinances. The Treasurer shall adopt weighted average maturity limitations (which often range from 90 days to 3 years), consistent with the investment objectives.

Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds such as LAIF, money market funds, or overnight repurchase agreements to ensure that appropriate liquidity is maintained to meet ongoing obligations.

12.3 Exception to Maximum Maturity: In accordance with Government Code, the County Treasurer retains the right to petition the Board of Supervisors for approval to invest in securities with a final maturity in excess of five years. The Board of Supervisors adoption of any resolution allowing maturities beyond five years shall be considered an allowed modification to this policy and any investments made in accordance with the modification shall be allowable under this policy.

12.4 Investment Criteria[1]: All limitations set forth in this Policy are applicable only at the time of purchase. The County Treasurer has the full discretion to rebalance the portfolio when it is out of compliance owing to various reasons, such as market fluctuation.

INVESTMENT TYPE	MAXIMUM % of PORTFOLIO	MAXIMUM MATURITY	MAXIMUM % of ISSUE	OTHER RESTRICTIONS
Bonds issued by local agencies	100%	5 years	100%	
U.S. Treasury Obligations	100%	5 years	100%	
Registered State Warrants, and CA Treasury Notes and bonds	100%	5 years	100%	
Registered Treasury Notes or Bonds of any of the other 49 state in addition to CA	100%	5 years	100%	
Bonds and Notes issued by other local agencies in California	100%	5 years	100%	
Obligations of U.S. Agencies or government sponsored enterprises U.S. Agencies Callables	100% 100%	5 years 5 years	100% 25%	
Bankers Acceptances) Domestic: ($5B min. assets) Foreign: ($5B min. assets)	40% 40%	180 days 180 days	30% Aggregate 5% Aggregate	
Commercial paper	40%	270 days or less	10% Aggregate	No more than 10 % of the local agency's money may be invested in the outstanding commercial paper of any single issuer.
Negotiable Certificates of Deposit ($5 billion minimum assets)	30%	5 years	10% Aggregate	
Repurchase Agreements secured by U.S. Treasury or agency obligation (102% collateral)	100%	1 year	See limitations for Treasuries and Agencies above	Generally limited to Wells Fargo Bank, Bank of America or other institutions with whom the County treasury has executed tri-party agreements. Collateral will be held by a third party to the transaction that may include the trust department of particular banks. Collateral will be only securities that comply with Government Code
Reverse Repurchase Agreements and Securities Lending Agreements	20%	92 days	See limitations for Treasuries and Agencies above	

[1] The rating requirement for each investment type is referenced in the relevant sections of California Government Code.

INVESTMENT TYPE	MAXIMUM % of PORTFOLIO	MAXIMUM MATURITY	MAXIMUM % of ISSUE	OTHER RESTRICTIONS
Corporate bonds, Medium Term Notes & Covered	30%	5 years	5% Aggregate	
Shares of beneficial interest issued by diversified mgt. companies	20%	N/A	10% Aggregate	
Moneys held by a trustee or fiscal agent	20%	N/A		
Collateralized Notes, Bonds, Time Deposits, or other obligations	15%	5 years	5% Aggregate	Collateralized by the eligible securities at a percentage specified in Government Code
Mrtg Backed Securities/CMO's: Asset Backed Securities	20% 20%	5 Years 5 Years	5% Aggregate	No Inverse Floaters No Range Notes No Interest only strips derived from a pool of mortgages
Joint Powers Authority (JPA)	As limited by JPA	N/A	As limited by JPA	
Supranational obligations	30%	5 Years	100%	Rated "AA" or better by an NRSRO
Local Agency Investment Fund (LAIF)	As Limited by LAIF	N/A	As limited by LAIF	

13.0 EXTERNALLY MANAGED INVESTMENT POOLS, MUTUAL FUNDS AND SEPARATE ACCOUNTS

The County Treasurer may investment a portion of the investment pool assets in investment pools, mutual funds, and separate account investment funds managed by the external investment managers. A thorough due diligence shall be conducted on the external investment managers and the pool/funds prior to investing, and on a continual basis.

14.0 PORTFOLIO MANAGEMENT ACTIVITY

14.1 Passive Portfolio Management:

(See Section 6.0., General Strategy)

14.2 Purchase of Investment Securities:

Investment Securities will be purchased in the most cost effective and efficient manner by using a competitive bidding process. However, the investment securities may or may not carry the highest coupon or yield at the time of purchase after taking into consideration the various limitations of the Investment Policy and risks.

14.3 Reviewing and Monitoring of the Portfolio:

The portfolio is closely monitored on a regular basis for compliance purposes. Both monthly and quarterly reports will review portfolio investments to ensure they are kept track of in a timely manner. The reports will also monitor the County Treasurer's investment practices and the results of such practices.

14.4 Portfolio Adjustments:

Certain actions may be taken if the portfolio becomes out of compliance. For instance, should a concentration limitation be exceeded due to an incident such as a fluctuation in portfolio size, the affected securities may be held to maturity to avoid losses; however, the County Treasurer may choose to rebalance the portfolio earlier to bring it back into compliance if the portfolio will not suffer any losses for selling the investment prior to maturity.

14.5 Performance Standards:

The investment portfolio will be managed in accordance with the parameters specified within this Policy. The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. A series of appropriate benchmarks, such as 6-month US Treasury Bill, Fed Funds Rates Index, may be established against which portfolio performance shall be compared on a regular basis. However, the benchmarks may change as appropriate based on the duration of the investment pool and/or cash flow requirements.

15.0 REPORTING

15.1 Methodology: The County Treasurer shall prepare an investment report at least quarterly, including a management summary that provides an analysis of the status of the current investment portfolio and transactions made over the last quarter. This management summary will be prepared in a manner which will allow the County Treasurer to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report shall be provided to the Chief Administrative Officer, the County Auditor, the Board of Supervisors, Treasury Oversight Committee and any pool participants [Government Code 27133(e), and 53646(b)]. The report will include the following:

1. The type of investment, issuer, date of maturity, par and dollar amount invested on all securities, investments and moneys held by the County Treasurer
2. A description of any of the local agency's funds, investments, or programs that are under the management of contracted parties, including lending programs.
3. A current market value as of the date of the report of all securities held by the local agency, and under management of any outside party that is not also a local agency or the State of California Local Agency Investment Fund, and the source of this same valuation.
4. A statement that the portfolio is in compliance with the investment policy, or the manner in which the portfolio is not in compliance.
5. A statement denoting the ability of the County Treasurer to meet its pool's expenditure requirements for the next six months, or an explanation as to why sufficient money may not be available.
6. Listing of individual securities by type and maturity date held at the end of the reporting period.
   - **A.** PLEDGE REPORT: Any securities that are pledged or loaned for any purpose shall be reported in the Quarterly Investment Report. The transaction detail will be provided, including purpose, beginning and termination dates and all parties to the contract. The security descriptions as to type, name, maturity date, coupon rate, CUSIP and other material information will be included.
   - **B.** REVERSE REPURCHASE AGREEMENTS REPORT: All reverse repurchase agreements entered into, whether active or inactive by the end of each quarter, shall be reported in the Treasurer's Quarterly Investment Report.
7. Realized and unrealized gains or losses resulting from appreciation or depreciation by listing the cost and market value of securities over one-year duration that are not intended to be held until maturity.
8. Average maturity and duration of portfolio on investments as well as the yield to maturity of the portfolio as compared to applicable benchmarks.
9. Percentage of the total portfolio which each type of investment represents.
10. Whatever additional information or data may be required by the legislative body of the local agency.

15.2 Marking to Market: The market value of the portfolio shall be calculated at least quarterly and a statement of the market value of the portfolio shall be issued at least quarterly. This will ensure that review of the investment portfolio, in terms of value and price volatility, has been performed on a regular basis.

16.0 COMPENSATION

In accordance with Government Code §§27013 and 53684, the County Treasurer will charge all pool participants for administrative and overhead costs. Costs include, but are not limited to, employee salaries and benefits, portfolio management, bank and custodial fees, software maintenance fees and other indirect costs incurred from handling and managing funds. In addition, when applicable, the costs associated with the Treasury Oversight provisions of Government Code §§ 27130-27137 shall be included as administrative costs. Costs will be deducted from interest earnings on the pool prior to apportioning and payment of interest. The County Treasurer shall annually prepare a proposed budget providing a detailed itemization of all estimated costs which comprise the administrative fee charged in accordance with Government Code §27013. The administrative fee will be subject to change. Fees will be deducted from interest earnings.

16.1 Deduction of Costs: At the discretion of the County Treasurer, the County Treasurer may deduct actual administrative costs and may make any adjustments from the interest earnings and apportions the remaining earnings to all participants based on the positive average daily balance (Government Code 53684(b)).

16.2 Directed Investments Costs: At the discretion of the County Treasurer, the County Treasurer may deduct from interest earnings the actual administrative costs of such directed investments (Government Code §27013).

17.0 CALCULATING AND APPORTIONING POOL EARNINGS

The Investment Pool Fund is comprised of monies from multiple units of the County, agencies, school districts and special districts. Each entity has unique cash flow demands, which dictate the type of investments the Treasurer's Office may purchase. To ensure parity among the pool members when apportioning interest earnings, the following procedures have been developed:

1. Interest is apportioned on at least a quarterly basis in accordance with Government Code §53684.
2. Interest is apportioned to pool participants based on the participant's average daily fund balance and the total average daily balance of deposits in the investment pool.
3. Interest is calculated on a cash basis for all investments in the County Treasurer's investment pool and reported to the Auditor-Controller for distribution into the funds of the participants.
4. Interest earned on the directed investments is credited to pool participants on a cash basis. Administrative costs are determined annually by the County Treasurer based on actual administrative and overhead costs incurred in the previous year.
5. Negative average daily fund balance will be charged interest at the rate of interest that is being apportioned.

18.0 DEPOSITS AND WITHDRAWALS IN THE TREASURY

18.1 Deposit by Voluntary Participants

Following are the terms and conditions for deposit of funds for investment purposes by voluntary participants, i.e. entities that are not legally required to deposit their funds in the County Treasury.

18.1.a Resolution by the County Board of Supervisors authorizing the acceptance of outside participants by the County Treasury.

18.1.b Resolution by the legislative or governing body of the local agency (voluntary participant) authorizing the investment of funds pursuant to Government Code 53684.

18.1.c Treasury investments will be directed transactions. For each transaction, the local agency (voluntary participant) must indicate the fund source, the amount to be invested and the duration of the investment.

18.2 Withdrawal Request

The Treasurer's Office has established the Withdrawal of Funds Policy for all Treasury Investment Pool participants who seek to withdraw funds from the County Treasury Investment Pool for various purposes. In accordance with California State Government Code Section 27136, all participants having funds on deposit in the Pool and seeking to withdraw their funds, shall first submit a formal written request to the County Treasurer. The County Treasurer shall evaluate the withdrawal proposals of all Pool participants upon receipt of the written requests. The evaluation process may take up to 30 days. The County Treasurer reserves the right to reject any request for withdrawal if it is in the Treasurer's opinion after thorough evaluation, that the withdrawal will violate applicable laws and/or governing documents, compromise Treasurer's fiduciary responsibility, adversely impact the stability of the Pool, or harm the interests of any Pool Participant. Such rejection shall prevent the withdrawal of the funds.

Typically, participants make withdrawals for the following two reasons: a) regular operations and b) investing or depositing funds outside the Pool in accordance with California State Government Code Section 27136 (a). The County Treasurer seeks to honor all written withdrawal requests for regular operating purposes that are approved by the County Auditor-Controller's Office in a timely fashion. However, the County Treasurer recognizes that occasionally the Pool participants may request large amounts in withdrawals to cover unexpected operational needs. To accommodate such withdrawals and allow for adequate time for adjustments to the liquidity position of the Pool, the County Treasurer expects all Pool Participants to submit their written requests within the following timeframes:

i) Withdrawals of Up to $1 million – prior to 8:00 a.m. for same day disbursement

ii) Withdrawals of between $1 million to $10 million – 1 business day in advance of disbursement

iii) Withdrawals of more than $10 million – 3 business day in advance of disbursement

Withdrawals of investment deposits from the County Treasury Investment Pool by any Pool participant shall coincide with investment maturities and/or authorized sale of securities by authorized personnel of the Pool Participant. Except for funds in the California State Local Agency Investment Fund, a five-business-days notification may be required when authorized sale of securities is involved. In the event that the Treasurer must liquidate investments in order to honor the withdrawal request, the Participant who requests the withdrawal shall be subject to all expenses associated with the liquidation, including, but not limited to loss of principal and interest income, withdrawal penalties, and associated fees.

To maintain full fiduciary responsibility for investment and administration of the Pool, the County Treasurer shall NOT permit statutory participants to withdraw funds from and subsequently deposit the funds outside the Pool for the purpose of investments without prior approval of the County Treasurer. As permitted by the Government Code Section 53635, upon request the County Treasurer may enter into an investment agreement with a third party investment manager

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on behalf of statutory participants. However, the funds shall remain in the Pool during the entire agreement period under the care of the custodian bank retained by the County Treasurer.

Voluntary participants may withdraw funds from and subsequently deposit the funds outside the Pool for investment purposes upon the County Treasurer's approval. However, such withdrawals shall be made for the entire amount of the participant's funds deposited in the Pool. Upon completion of such withdrawals, the voluntary participants will no longer be able to participate in the Pool or receive further services from the County Treasurer's Office. NO partial withdrawals from the Pool for investment purposes are permitted.

Please refer to Withdrawal of Funds Policy, which is maintained as a separate document, for detailed guidelines and procedures.

19.0 TEMPORARY BORROWING OF POOL FUNDS

Section 6 of Article XVI of the California Constitution provides in part that "the treasurer of any city, county, or city and county shall have power and the duty to make such temporary transfers from the funds in custody as may be necessary to provide funds for meeting the obligations incurred for maintenance purposes by city, county, city and county, district, or other political subdivision whose funds are in custody and are paid out solely through the treasurer's office."

The County Auditor-Controller and the County Treasurer shall make a temporary transfer of funds to the requesting agency, not to exceed 85% of the amount of money which will accrue to the agency during the fiscal year, provided that the amount of such transfer has been determined by the County Auditor-Controller to be transferable under the constitutional and statutory provisions cited in Article XVI and has been certified by the County Treasurer-Tax Collector to be available. Such temporary transfer of funds shall not be made prior to the first day of the fiscal year nor after the last Monday in April of the current fiscal year.

20.0 INVESTMENT OF BOND PROCEEDS

The County Treasurer shall invest bond proceeds using the standards of this Investment Policy. The bond proceeds will be invested in securities permitted by the bond documents. If the bond documents are silent, the bond proceeds will be invested in securities permitted by this Policy.

21.0 DISASTER RECOVERY PLAN

The Contra Costa County Treasurer's Disaster Recovery Plan includes critical phone numbers and addresses of key personnel as well as active bankers and brokers/dealers. Laptops, tablets, smart phones, and other equivalent electronic devices shall be issued to key personnel for communicating between staff, bank and broker/dealers. Copies of the plan shall be distributed to the investment staff: Assistant County Treasurer, the Treasurer's Investment Officer, and the Investment Operations Analyst. The investment staff shall interact with one another by home phone, cell phone, or e-mail to decide an alternate location from which to conduct daily operations.

In the event investment staff is unable to conduct normal business operations, the custodial bank will automatically sweep all uninvested cash into an interest bearing account at the end of the business day. Until normal business operations have been restored, the limitations on the size of an individual issuer and the percentage restrictions by investment type would be allowed to exceed those approved in this investment policy.

22.0 POLICY CONSIDERATIONS

22.1 Exemption

Any investment currently held that does not meet the guidelines of this policy shall be exempted from the requirements of this policy. At maturity or liquidation, such monies shall be reinvested only as provided by this policy.

22.2 Amendments

This policy shall be reviewed on an annual basis. Any changes must be approved by the County Treasurer and any other appropriate authority.

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AUTHORIZATION FOR LAIF INVESTMENTS

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THE BOARD OF SUPERVISORS OF CONTRA COSTA COUNTY, CALIFORNIA

and for Special Districts, Agencies and Authorities Governed by the Board

Adopted this Resolution on 04/03/2012 by the following vote:

AYES:	4	**John Gioia** **Mary N. Piepho** **Karen Mitchoff** **Federal D. Glover**
NOES:		
ABSENT:	1	**Gayle B. Uilkema**
ABSTAIN:		
RECUSE:		

Resolution No. 2012/129

Resolution of Contra Costa County an in accordance with California Government Code Section 16429.1 Authorizing Investment of Monies in the Local Agency Investment Fund (Account #99-07-000)

WHEREAS, Pursuant to Chapter 730 of the statutes of 1976 Section 16429.1 was added to the California Government Code to create a Local Agency Investment Fund in the State Treasury for the deposit of money of a local agency for purposes of investment by the State Treasurer; and

WHEREAS, the Board of Supervisors does hereby find that the deposit and withdrawal of money in the Local Agency Investment Fund in accordance with the provisions of Section 16429.1 of the Government Code for the purpose of investment as stated therein as in the best interests of the CONTRA COSTA COUNTY.

NOW THEREFORE, BE IT RESOLVED, that the Board of Supervisors does hereby authorize the deposit and withdrawal of CONTRA COSTA COUNTY monies in the Local Agency Investment Fund in the State Treasury in accordance with the provisions of Section 16429.1 of the Government Code for the purpose of investment as stated therein, and verification by the State Treasurer's Office of all banking information provided in that regard.

BE IT FURTHER RESOLVED, that the following CONTRA COSTA COUNTY officers or their successors in office shall be authorized to order the deposit or withdrawal of monies in the Local Agency Investment Fund:

Russell V. Watts, Treasurer-Tax Collector	Brice Bins, Chief Deputy Treasurer-Tax Collector	Belinda Zhu, Assistant Treasurer
(SIGNATURE)	(SIGNATURE)	(SIGNATURE)

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

Contact: Brice Bins, 925-957-2848

ATTESTED: April 3, 2012

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: June McHuen, Deputy

cc:

APPROVED BROKERS

Alamo Capital
Bank of America Merrill Lynch
California Arbitrage Management Program
Citigroup Global Markets
Daiwa Capital Markets America Inc.
Falcon Square Capital
JP Morgan Securities LLC
Mischler Financial Group
Penserra Securities LLC
Public Financial Management, Incorporated
RBC Capital Markets, LLC
Stifel, Nicolaus & Company, Inc.
UBS Financial Services, Inc.
UnionBanc Investment Services
Wells Fargo Securities

Note: The County Treasury will not be limited to the above list. Others will be included as long as all conditions for authorized brokers and/or dealers set forth in this policy are met. Additionally, deletions and additions are based on many factors including the quality of services provided by the broker/dealers. The County Treasury reserves the right to delete an Approved Broker without cause and without prior notice.

APPROVED ISSUERS

American Honda Finance
Apple Inc
Australia & New Zealand Banking Group
Bank of America
Bank of Montreal
Bank of Nova Scotia
Berkshire Hathaway
BNP Paribas
Chevron
Cisco Systems Inc
Citigroup
Coca-Cola Co.
Commonwealth of Bank of Australia
Credit Agricole SA
Credit Suisse
Deere & Company
Deutsche Bank Financial LLC
Exxon Mobil
General Electric Co
General Electric Capital Corp
HSBC Bank USA
Intel Corp
JP Morgan Chase & Co
John Deere Capital Corporation
Johnson & Johnson
McDonald’s Corporation
MicroSoft Corp
MUFG Bank
National Australia Bank
Nestle Capital Corp
Nordea Bank AB
Oracle Corp
Pepsico Inc
PNC Bank NA
Prudential
Procter & Gamble Co
Rabobank Nederland New York
Royal Bank of Canada
Societe Generale NA
Standard Chartered Bank
State Street Bank and Trust Co
Svenska Handelsbanken AB
Toronto-Dominion Bank
Toyota Motor Credit Corp
UBS Financial
US Bankcorp
Walmart
Walt Disney Company
Wells Fargo Bank
Westpac Banking Corp
Westamerica Bank

Note: The County Treasury may or may not invest in the Approved Issuers and will not be limited to the above list in making investments. Other issuers may be considered as the County Treasury performs additional due diligence on each investment decision. The list does not reflect the actual portfolio holdings managed by the County Treasury.

APPROVED PRIMARY DEALERS

Amherst Pierpont Securities LLC
Bank of Nova Scotia, New York Agency
BMO Capital Markets Corp.
BNP Paribas Securities Corp.
Barclays Capital Inc.
BofA Securities, Inc.
Cantor Fitzgerald & Co.
Citigroup Global Markets, Inc.
Credit Suisse AG, New York Branch
Daiwa Capital Markets America Inc.
Deutsche Bank Securities Inc.
Goldman, Sachs & Co. LLC
HSBC Securities (USA) Inc.
Jefferies LLC
J.P. Morgan Securities Inc.
Mizuho Securities USA Inc.
Morgan Stanley & Co. LLC
NatWest Markets International, Inc.
Nomura Securities International, Inc.
RBC Capital Markets, LLC
Societe Generale, New York Branch
TD Securities (USA) LLC
UBS Securities LLC.
Wells Fargo Securities, LLC

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Note: The above list consists of primary dealers that serve as trading counterparties of the Federal Reserve Bank of New York in its implementation of monetary policy. These primary dealers are required to participate in all auctions of U.S. government debt. Treasury Staff will perform additional due diligence on each investment decision, and hence, may or may not use the primary dealers listed above.

CONFLICT OF INTEREST CODE
For the
TREASURER-TAX COLLECTOR'S OFFICE

This Conflict of Interest Code is promulgated under the authority of the Political Reform Act, Government Code §81000, et seq., which requires all state and local government agencies to adopt and promulgate conflict of interest codes. Section 18730 of Title 2, Division 6 of the California Code of Regulations, as adopted by the Fair Political Practices Commission (FPPC) contains the terms of a standard conflict of interest code, which may be incorporated by reference and may be amended by the FPPC after public note and hearings to conform to amendments in the Political Reform Act.

Therefore, the terms of Section 18730 of Title 2, Division 6 of the California Code of Regulations and any amendments to it duly adopted by the FPPC are hereby incorporated by reference and, along with the below stated Disclosure Categories, constitute the Conflict of Interest Code of the Treasurer-Tax Collector's Office of Contra Costa County.

Employees in designated positions below shall file a Statement of Economic Interest (Form 700) with the Executive Secretary, designated as the filing officer, who will make the statements available for public inspection and reproduction. (California Government Code §81008) Upon receipt of the statements for the Treasurer-Tax Collector and positions that manage public investments, the Filing Officer will make and retain copies and forward the originals to the Contra Costa County Clerk-Recorder- Elections Department. (Government Code § 87500)

DESIGNATED POSITIONS

CLASS/JOB CODE TITLE	ASSIGNED CATEGORY
County Treasurer-Tax Collector*	1
Assistant County Treasurer	1
Chief Deputy Treasurer-Tax Collector	1
Treasurer's Investment Officer*	1
Treasurer' Investment Operations Analyst	1
Tax Operations Supervisor	1
Executive Secretary – Exempt	2
Treasurer Oversight Committee members	2
Consultants**	1

* Pursuant to Government Code section 87314, the individuals occupying these designated positions are required to file a Form 700-Statement of Economic Interests as a public official who manages public investments within the meaning of Government Code Section 87200.

** The Treasurer-Tax Collector will determine in writing whether a consultant is hired to perform a range of duties that requires the consultant to comply with the disclosure requirements. The written determination is a public record and the Filing Officer will retain the determination for public inspection.

DISCLOSURE CATEGORIES

General Rule

An investment, interest in real property, or income is reportable if the business entity in which the investment is held, the interest in real property, or the income or source of income may foreseeably be affected materially by any decision made or participated in by the designated employee by virtue of the employee's position.

1. Designated Employees in Category "1" must report:

   a. All investments, interests in real property, and income, and any business entity in which the employee is a director, officer, partner, trustee, employee, or hold any position in management. Financial interests are reportable only if located within Contra Costa County or if the business entity is doing business or planning to do business in the County (and such plans are known by the designated employee) or has done business within the County at any time during the two years prior to the filing of the statement.

   b. Investments in any business entity, and income from any source and status as a director, officer, partner, trustee, employee, or hold of a position of management in any business entity, which has within the last two years contracted or foreseeably may contract with Contra Costa County, or with any special district or other public agency within the County, to provide services, supplies, materials, machinery or equipment to such County, district, or public agency.

2. Designated Employees in Category "2" must report:

   Investments in any business entity, income from any source and status as a director, officer, partner, trustee, employee or holder of a position of management in any business entity, which has within the last two years contracted, or foreseeably may contract, with Contra Costa County to provide services, supplies, materials, machinery or equipment to the Office the Treasurer-Tax Collector.

GLOSSARY OF TERMS

ACCRUED INTEREST The accumulated interest due on a bond as of the last interest payment made by the issuer.

AGENCY A debt security issued by a federal or federally sponsored agency. Federal agencies are backed by the full faith and credit of the U.S. Government. Federally sponsored agencies (FSAs) are backed by each particular agency with a market perception that there is an implicit government guarantee. An example of federal agency is the Government National mortgage Association (GNMA). An example of a FSA is the Federal National Mortgage Association (FNMA).

AMORTIZATION The systematic reduction of the amount owed on a debt issue through periodic payments of principal.

AVERAGE LIFE The average length of time that an issue of serial bonds and/or term bonds with a mandatory sinking fund feature is expected to be outstanding.

BANKERS ACCEPTANCES A time bill of exchange drawn on and accepted by a commercial bank to finance the exchange of goods. When a bank "accepts" such a bill, the time draft becomes, in effect, a predated, certified check payable to the bearer at some future specified date. The commercial bank assumes primary liability once the draft is accepted.

BASIS POINT A unit of measurement used in the valuation of fixed-income securities equal to 1/100 of one percent of yield. For example, if interest rates increase from 8.25% to 8.50%, the difference is referred to as a 25-basis-point increase.

BENCHMARK A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investment.

BID The indicated price at which a buyer is willing to purchase a security or commodity.

BLUE SKY LAWS Common term for state securities law, which vary from state to state. Generally refers to provision related to prohibitions against fraud, dealer and broker regulations and securities registration.

BOND A bond is essentially a loan made by an investor to a division of the government, a government agency or a corporation. The bond is a promissory note to repay the loan in full at the end of a fixed time period. The date on which the principal must be repaid is called the maturity date or maturity. In addition, the issuer of the bond, that is the agency or corporation receiving the loan proceeds and issuing the promissory note, agrees to make regular payments of interest at a rate initially stated on the bond. Bonds are rated according to many factors, including cost, degree of risk and rate of income.

BOOK VALUE Refers to value of a held security as carried in the records of an investor. May differ from current market value of the security.

BROKER/DEALER Any person engaged in the business of effecting transaction in securities in this state for the account of others or for her/his own account. Broker/dealer also includes a person engaged in the regular business of issuing or guaranteeing options with regard to securities not of her/his own issue.

CALLABLE BOND A bond issue in which all or part of its outstanding principal amount may be redeemed before maturity by the issuer under specified conditions.

CALL PRICE The price at which an issuer may redeem a bond prior to maturity. The price is usually at a slight premium to the bond's original issue price to compensate the holder for the loss of income and ownership.

CALL RISK The risk to the bondholder that a bond may be redeemed prior to maturity.

CASH SALE/PURCHASE A transaction which calls for delivery and payment of securities on the same day that the transaction is initiated.

CERTIFICATES OF DEPOSIT (CD) Certificates issued against funds deposited in a commercial bank for a definite period of time and earning a specified rate of return. They are issued in two forms, negotiable and non-negotiable.

CLEAN UP CALL An action of a debt instrument issuer requiring early redemption of the instrument to reduce its own administrative expenses. This normally occurs when the principal outstanding is significantly reduced to a small amount, e.g., less than 10% of the original issue.

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COLLATERALIZATION Process by which a borrower pledges securities, property, or other deposits for the purpose of securing the repayment of a loan and/or security.

COMMERCIAL PAPER Short-term, unsecured promissory notes issued in either registered or bearer form and usually backed by a line of credit with a bank. Maturities do not exceed 270 days and generally average 30-45 days.

CONVEXITY A measure of a bond's price sensitivity to changing interest rates. A high convexity indicates greater sensitivity of a bond's price to interest rate changes.

COUPON RATE The annual rate of interest received by an investor from the issuer of certain types of fixed-income securities. Also known as the "interest rate."

CREDIT QUALITY The measurement of the financial strength of a bond issuer. This measurement helps an investor to understand an issuer's ability to make timely interest payments and repay the loan principal upon maturity. Generally, the higher the credit quality of a bond issuer, the lower the interest rate paid by the issuer because the risk of default is lower. Credit quality ratings are provided by nationally recognized rating agencies.

CREDIT RISK The risk to an investor that an issuer will default in the payment of interest and/or principal on a security.

CURRENT YIELD (CURRENT RETURN) A yield calculation determined by dividing the annual interest received on a security by the current market price of that security.

CUSIP NUMBERS CUSIP is an acronym for Committee on Uniform Security Identification Procedures. CUSIP numbers are identification numbers assigned each maturity of a security issue and usually printed on the face of each individual security in the issue. The CUSIP numbers are intended to facilitate identification and clearance of securities.

DELIVERY VERSUS PAYMENT (DVP) A type of securities transaction in which the purchaser pays for the securities when they are delivered either to the purchaser or his/her custodian.

DERIVATIVE SECURITY Financial instrument created from, or whose value depends upon, one or more underlying assets or indexes of asset values.

DISCOUNT The amount by which the par value of a security exceeds the price paid for the security.

DIVERSIFICATION A process of investing assets among a range of security types by sector, maturity, and quality rating.

DURATION A measure of the timing of the cash flows, such as the interest payments and the principal repayment, to be received from a given fixed-income security. This calculation is based on three variables: term to maturity, coupon rate, and yield to maturity. The duration of a security is a useful indicator of its price volatility for given changes in interest rates.

EARNINGS APPORTIONMENT The quarterly interest distribution of the Pool Participants where the actual investment costs incurred by the Treasurer are deducted from the interest earnings of the Pool

FAIR VALUE The amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

FEDERAL FUNDS (FED FUNDS) Funds placed in Federal Reserve banks by depository institutions in excess of current reserve requirements. These depository institutions may lend fed funds to each other overnight or on a longer basis. They may also transfer funds among each other on a same-day basis through the Federal Reserve banking system. Fed funds are considered to be immediately available funds.

FEDERAL FUNDS RATE Interest rate charged by one institution lending federal funds to the other.

FEDERAL OPEN MARKET COMMITTEE (FOMC) This committee sets Federal Reserve guidelines regarding purchases and sales of government securities in the open market as a means of influencing the volume of bank credit and money.

FIDUCIARY An individual who holds something in trust for another and bears liability for its safekeeping.

FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA) FINRA is an independent, nongovernmental organization that writes and enforces the rules governing registered brokers and broker-dealer firms in the United States. Its stated mission is "to safeguard the investing public against fraud and bad practices." FINRA regulates the trading of equities, corporate bonds, securities futures, and options. Unless a firm is regulated by a different self-regulatory organization, it is required to be a FINRA member firm to do business.

FLOATING RATE NOTE A debt security whose interest rate is reset periodically (monthly, quarterly, annually) and is based on a market index (e.g., Treasury bills, LIBOR, etc.).

FUTURES Commodities and other investments sold to be delivered at a future date.

GOVERNMENT SECURITIES An obligation of the U.S. government, backed by the full faith and credit of the government. These securities are regarded as the highest quality of investment securities available in the U.S. securities market. *See* "Treasury Bills, Notes and Bonds."

INTEREST RATE *See* "Coupon Rate."

INTERNAL CONTROLS An internal control structure is designed to ensure that the assets of the Treasurer's Investment Pool are protected from loss, theft, or misuse, and to provide reasonable assurance that this objective is met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

Internal controls should address the following points:

1. Control of collusion—Collusion is a situation where two or more employees are working in conjunction to defraud their employer.
2. Separation of transaction authority from accounting and record keeping—By separating the person who authorizes or performs the transaction from the people who record or otherwise account for the transaction, a separation of duties is achieved.
3. Custodial safekeeping—Securities purchased from a bank or dealer including appropriate collateral (as defined by state law) shall be placed with an independent third party for custodial safekeeping.
4. Avoidance of physical delivery securities—Book-entry securities are much easier to transfer and account for since actual delivery of a document never takes place. Delivered securities must be properly safeguarded against loss or destruction. The potential for fraud and loss increases with physically delivered securities.
5. Clear delegation of authority to subordinate staff members—Subordinate staff members must have a clear understanding of their authority and responsibilities to avoid improper actions. Clear delegation of authority also preserves the internal control structure that is contingent on the various staff positions and their respective responsibilities.
6. Written confirmation of transactions for investments and wire transfers—Due to the potential for error and improprieties arising from telephone and electronic transactions, all transactions should be supported by written communications and approved by the appropriate person. Written communications may be via fax if on letterhead and if the safekeeping institution has a list of authorized signatures.
7. Development of a wire transfer agreement with the lead bank and third-party custodian—The designated official should ensure that an agreement will be entered into and will address the following points: controls, security provisions, and responsibilities of each party making and receiving wire transfers.

INVERSE FLOATERS An adjustable interest rate note keyed to various indices such as LIBOR, commercial paper, federal funds, treasuries and derivative structures. The defined interest rate formula is the opposite or inverse of these indices. Interest rates and pay dates may reset daily, weekly, monthly, quarterly, semi-annually or annually.

INVERTED YIELD CURVE A chart formation that illustrates long-term securities having lower yields than short-term securities. This configuration usually occurs during periods of high inflation coupled with low levels of confidence in the economy and a restrictive monetary policy.

INVESTMENT COMPANY ACT OF 1940 Federal legislation which sets the standards by which investment companies, such as mutual funds, are regulated in the areas of advertising, promotion, performance reporting requirements, and securities valuations.

INVESTMENT POLICY A concise and clear statement of the objectives and parameters formulated by the investor or investment manager for a portfolio of investment securities.

INVESTMENT-GRADE OBLIGATIONS An investment instrument suitable for purchase by institutional investors under the prudent person rule. Investment-grade is restricted to those obligations rated BBB or higher by a rating agency.

LIQUIDITY Usually refers to the ability to convert assets (such as investments) into cash.

LOCAL AGENCY INVESTMENT FUND (LAIF) The State of California investment pool in which money of local agencies is pooled as a method for managing and investing local funds.

MAKE WHOLE CALL A type of call provision on a bond allowing the borrower to pay off remaining debt early. The borrower has to make a lump sum payment derived from a formula based on the net present value of future coupon payments that will not be paid because of the call.

MARK TO MARKET Valuing the inventory of held securities at its current market value.

MARKET RISK The risk that the value of a security will rise or decline as a result of changes in market conditions.

MARKET VALUE Price at which a security can be traded in the current market.

MASTER REPURCHASE AGREEMENT A written contract covering all future transactions between the parties to repurchase-reverse repurchase agreements that establishes each party's rights in the transaction. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

MATURITY The date upon which the principal of a security becomes due and payable to the holder.

MEDIUM-TERM NOTES (MTNS) Corporate debt obligations continuously offered in a broad range of maturities. MTNs were created to bridge the gap between commercial paper and corporate bonds. The key characteristic of MTNs is that they are issued on a continuous basis.

MONEY MARKET INSTRUMENTS Private and government obligations of one year or less.

MONEY MARKET MUTUAL FUNDS Mutual funds that invest solely in money market instruments (short-term debt instruments, such as Treasury bills, commercial paper, banker's acceptances, repos and federal funds).

MUTUAL FUND An investment company that pools money and can invest in a variety of securities, including fixed-income securities and money market instruments. Mutual funds are regulated by the

Investment Company Act of 1940 and must abide by the following Securities and Exchange Commission (SEC) disclosure guidelines:

1. Report standardized performance calculations.
2. Disseminate timely and accurate information regarding the fund's holdings, performance, management and general investment policy.
3. Have the fund's investment policies and activities supervised by a board of trustees, which are independent of the adviser, administrator or other vendor of the fund.
4. Maintain the daily liquidity of the fund's shares.
5. Value their portfolios on a daily basis.
6. Have all individuals who sell SEC-registered products licensed with a self-regulating organization (SRO) such as the National Association of Securities Dealers (NASD).
7. Have an investment policy governed by a prospectus which is updated and filed by the SEC annually.

MUTUAL FUND STATISTICAL SERVICES Companies that track and rate mutual funds, e.g., IBC/Donoghue, Lipper Analytical Services and Morningstar.

NEGOTIABLE CERTIFICATES OF DEPOSIT May be sold by one holder to another prior to maturity. This is possible because the issuing bank agrees to pay the amount of the deposit plus interest earned to the bearer of the certificate at maturity.

NET ASSET VALUE The market value of one share of an investment company, such as a mutual fund. This figure is calculated by totaling a fund's assets which includes securities, cash, and any accrued earnings, subtracting this from the fund's liabilities and dividing this total by the number of shares outstanding. This is calculated once a day based on the closing price for each security in the fund's portfolio. (See below)

[(Total assets) – (Liabilities]/(Number of shares outstanding)

NO LOAD FUND A mutual fund which does not levy a sales charge on the purchase of its shares.

NOMINAL YIELD The stated rate of interest that a bond pays its current owner, based on par value of the security. It is also known as the "coupon," "coupon rate," or "interest rate."

NON-NEGOTIABLE CERTIFICATES OF DEPOSIT For public funds, these certificates are collateralized and are not money market instruments since they cannot be traded in the secondary market. They are issued on a fixed-maturity basis and often pay higher interest rates than are permissible on other savings or time-deposit accounts.

OFFER The price of a security at which a person is willing to sell.

OPTION A contract that provides the right, but not the obligation, to buy or to sell a specific amount of a specific security within a predetermined time period. A call option provides the right to buy the underlying security. A put option provides the right to sell the underlying security. The seller of the contracts is called the writer.

PAR Face value of principal value of a bond, typically $1,000 per bond.

PAR VALUE The stated or face value of a security expressed as a specific dollar amount marked on the face of the security; the amount of money due at maturity. Par value should not be confused with market value.

POSITIVE YIELD CURVE A chart formation that illustrates short-term securities having lower yields than long-term securities.

PREMIUM The amount by which the price paid for a security exceeds par value, generally representing the difference between the nominal interest rate and the actual or effective return to the investor.

PRIME RATE A preferred interest rate charged by commercial banks to their most creditworthy customers. Many interest rates are keyed to this rate.

PRINCIPAL The face value or par value of a debt instrument. Also may refer to the amount of capital invested in a given security.

PROSPECTUS A legal document that must be provided to any prospective purchaser of a new securities offering registered with the SEC. This can include information on the issuer, the issuer's business, the proposed use of proceeds, the experience of the issuer's management, and certain certified financial statements.

PRUDENT PERSON RULE An investment standard outlining the fiduciary responsibilities of public funds investors relating to investment practices.

RANGE NOTES A security whose rate of return is pegged to an index. The note defines the interest rate minimum or floor and the interest rate maximum or cap. An example of an index may be federal funds. The adjustable rate of interest is determined within the defined range of the funds.

RATE OF RETURN The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond and the current income return.

REINVESTMENT RISK The risk that a fixed-income investor will be unable to reinvest income proceeds from a security holding at the same rate of return currently generated by that holding.

REPURCHASE AGREEMENT OR RP OR REPO An agreement consisting of two simultaneous transactions whereby the investor purchases securities from a bank or dealer and the bank or dealer agrees to repurchase the securities at the same price on a certain future date. The interest rate on a RP is that which the dealer pays the investor for the use of his funds. Reverse repurchase agreements are the mirror image of the RPs when the bank or dealer purchases securities from the investor under an agreement to sell them back to the investor.

REVERSE REPURCHASE AGREEMENT (REVERSE REPO) An agreement of one party to sell securities at a specified price to a second party and a simultaneous agreement of the first party to repurchase the securities at a specified price or at a specified later date.

RULE 2A-7 OF THE INVESTMENT COMPANY ACT Applies to all money market mutual funds and mandates such funds to maintain certain standards, including a 13-month maturity limit and a 90-day average maturity on investments, to help maintain a constant net asset value of one dollar ($1.00).

SAFEKEEPING Holding of assets (e.g., securities) by a financial institution.

SECURITIES LENDING A transaction wherein the Treasurer's Pool transfers its securities to a broker/dealer or other entities for collateral which may be cash or securities and simultaneously agrees to return the collateral for the same securities in the future.

SERIAL BOND A bond issue, usually of a municipality, with various maturity dates scheduled at regular intervals until the entire issue is retired.

SETTLEMENT DATE The date used in price and interest computations, usually the date of delivery.

SINKING FUND Money accumulated on a regular basis in a separate custodial account that is used to redeem debt securities or preferred stock issues.

SLUGS An acronym for State and Local Government Series. SLUGS are special United States Government securities sold by the Secretary of the Treasury to states, municipalities and other local government bodies through individual subscription agreements. The interest rates and maturities of SLUGS are arranged to comply with arbitrage restrictions imposed under Section 103 of the Internal Revenue Code. SLUGS are most commonly used for deposit in escrow in connection with the issuance of refunding bonds.

STRIPS US Treasury acronym for "separate trading of registered interest and principal of securities." Certain registered Treasury securities can be divided into separate interest and principal components, which may then be traded as separate entities.

SUPRANATIONAL Supranational is an international organization, or union, whereby member states transcend national boundaries or interests to share in the decision-making and vote on issues pertaining to the wider grouping. Examples of supranational are International Bank for Reconstruction and Development, International Finance Corporation, European Union, and World Trade Organization.

SWAP Generally refers to an exchange of securities, with essentially the same par value, but may vary in coupon rate, type of instrument, name of issuer and number of days to maturity. The purpose of the SWAP may be to enhance yield, to shorten the maturity or any benefit deemed by the contracting parties.

TERM BONDS Bonds comprising a large part or all of a particular issue which come due in a single maturity. The issuer usually agrees to make periodic payments into a sinking fund for mandatory redemption of term bonds before maturity.

TOTAL RETURN The sum of all investment income plus changes in the capital value of the portfolio. For mutual funds, return on an investment is composed of share price appreciation plus any realized dividends or capital gains. This is calculated by taking the following components during a certain time period: (Price Appreciation) + (Dividends paid) + (Capital gains) = Total Return

TREASURY SECURITIES Debt obligations of the United States Government sold by the Treasury Department in the form of bills, notes and bonds:

1. **Bills** Short-term obligations that mature in one year or less and are sold at a discount in lieu of paying periodic interest.
2. **Notes** Interest-bearing obligations that mature between one year and 10 years.
3. **Bonds** Interest-bearing long-term obligations that generally mature in 10 years or more.

UNIFORM NET CAPITAL RULE SEC Rule 15C3-1 outlining capital requirements for broker/dealers.

U.S. AGENCY OBLIGATIONS Federal agency or United States government-sponsored enterprise obligations, participants, or other instruments. The obligations are issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

U.S. TREASURY OBLIGATIONS Securities issued by the U.S. Treasury and backed by the full faith and credit of the United States. Treasuries are considered to have no credit risk and are the benchmark for interest rates on all other securities in the U.S. and overseas. The Treasury issues both discounted securities and fixed coupon notes and bonds.

VOLATILITY A degree of fluctuation in the price and valuation of securities.

"VOLATILITY RISK" RATING A rating system to clearly indicate the level of volatility and other non-credit risks associated with securities and certain bond funds. The ratings for bond funds range from those that have extremely low sensitivity to changing market conditions and offer the greatest stability of the returns ("S1+" by S&P) to those that are highly sensitive with currently identifiable market volatility risk ("S6" by S&P).

WEIGHTED AVERAGE MATURITY (WAM) The average maturity of all the securities that comprise a portfolio. According to SEC rule 2a-7, the WAM for SEC registered money market mutual funds may not exceed 90 days and no one security may have a maturity that exceeds 397 days.

WHEN ISSUED (WI) A conditional transaction in which an authorized new security has not been issued. All "when issued" transactions are settled when the actual security is issued.

YIELD The current rate of return on an investment security generally expressed as a percentage of the security's current price.

YIELD-TO-CALL (YTC) The rate of return an investor earns from a bond assuming the bond is redeemed (called) prior to its nominal maturity date.

YIELD CURVE A graphic representation that depicts the relationship at a given point in time between yields and maturity for bonds that are identical in every way except maturity. A normal yield curve may be alternatively referred to as a positive yield curve.

YIELD-TO-MATURITY The rate of return yielded by a debt security held to maturity when both interest payments and the investor's potential capital gain or loss are included in the calculation of return.

ZERO-COUPON SECURITY A security that makes no periodic interest payments but instead is sold at a discount from its face value.

APPENDIX E

SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS

The following is a brief summary of the provisions of the Trust Agreement, the Lease Agreement and the Site Lease pertaining to the 2021 Bonds that are not summarized elsewhere in this Official Statement. This summary is not intended to be definitive, and Bondholders should refer to the documents for the complete text thereof. Copies of the documents summarized herein are available from the County.

DEFINITIONS

The following terms have the indicated definitions in the Trust Agreement, the Lease Agreement and the Site Lease relating to the 2021 Bonds, as such definitions are applied in conjunction with this summary, as applicable, as follows:

"**Act**" means the Joint Exercise of Powers Act (being Chapter 5 of Division 7 of Title 1 of the Government Code of the State, as amended) and all laws amendatory thereof or supplemental thereto.

"**Additional Payments**" means all amounts payable to the Authority or the Trustee or any other person from the County as Additional Payments pursuant to the Facilities Lease.

"**Authority**" means the County of Contra Costa Public Financing Authority created pursuant to the Act and its successors and assigns in accordance with the Trust Agreement.

"**Authorized Denominations**" means, with respect to the Bonds, $100,000 and increments of $5,000 above that amount.

"**Base Rental**" and "Base Rental Payments" means all amounts payable to the Authority from the County as Base Rental Payments pursuant to the Facilities Lease.

"**Base Rental Payment Schedule**" means the schedule of Base Rental Payments payable to the Authority from the County pursuant to the Facilities Lease and attached to the Facilities Lease as Exhibit B.

"**Bond Counsel**" means counsel of recognized national standing in the field of law relating to municipal bonds, appointed by the Authority.

"**Bond Year**" means the twelve (12)-month period ending on June 1 of each year to which reference is made.

"**Bondholder**" or "**Owner**" means any person who shall be the registered owner of any Outstanding Bond.

"**Bonds**" means the Authority's Lease Revenue Bonds, 2021 Series A (Capital Projects) and 2021 Series B (Refunding) executed, issued and delivered in accordance with the Trust Agreement.

"**Business Day**" means a day that is not a Saturday, Sunday or legal holiday on which banking institutions in the State of New York or California or in any state in which the office of the Trustee is located are authorized to remain closed or a day on which the Federal Reserve system is closed.

"**Capital Projects**" means the various public capital improvements and projects, including, but not limited to the acquisition, installation, implementation and construction of the Project, as described in the Facilities Lease, as the same may be amended from time to time by a Certificate of the County delivered to the Trustee, to be financed by a portion of the proceeds of the Series 2021 A Bonds.

"**Certificate of the Authority**" means an instrument in writing signed by any of the following officials of the Authority: Chair, Vice-Chair, Executive Director, Assistant Executive Director or Deputy Executive Director or a designee of any such officer, or by any other person (whether or not an officer of the Authority) who is specifically authorized by resolution of the Authority for that purpose.

"**Certificate of the County**" means an instrument in writing signed by any of the following County officials: the Chair of the Board of Supervisors, the County Administrator of the County, the Treasurer-Tax Collector of the County or the County Finance Director or by any such officials' duly appointed designee, or by any other officer of the County duly authorized by the Board of Supervisors of the County for that purpose.

"**Code**" means the Internal Revenue Code of 1986, as amended.

"**Continuing Disclosure Agreement**" means the Continuing Disclosure Agreement dated as of March 1, 2021, among the Authority, the County, and Digital Assurance Certification, L.L.C., as dissemination agent, as originally executed and as it may from time to time be amended, supplemented, modified or restated in accordance with the terms thereof.

"**Costs of Issuance**" means all items of expense directly or indirectly payable by or reimbursable to the County or the Authority and related to the authorization, execution and delivery of the Facilities Lease, the Site Lease, the Trust Agreement and the issuance and sale of the Bonds, including, but not limited to, costs of preparation and reproduction of documents, costs of rating agencies and costs to provide information required by rating agencies, filing and recording fees, fees and charges of the Trustee, legal fees and charges, fees and disbursements of consultants and professionals, fees and charges for preparation, execution and safekeeping of the Bonds, title search and title insurance fees, fees of the Authority and any other authorized cost, charge or fee in connection with the issuance of the Bonds.

"**Costs of Issuance Fund**" means the fund by that name established pursuant to the Trust Agreement.

"**County**" means the County of Contra Costa, a County organized and validly existing under the Constitution and general laws of the State.

"**Depository**" means DTC or another recognized security depository selected by the Authority which maintains a book-entry system for the Bonds.

"**Designated Office**" refers to the office of the Trustee noted in the Trust Agreement and such other offices as the Trustee may designate from time to time.

"**DTC**" means The Depository Trust Company, New York, New York, its successors and their assigns or, if DTC or its successor or assign resigns from its functions as Depository for the Bonds, any other Depository which agrees to follow the procedures required to be followed by a Depository in connection with the Bonds and which is selected by the Authority.

"**Dissemination Agent**" means Digital Assurance Certification, L.L.C. or any successor appointed under the Continuing Disclosure Agreement.

"**Event of Default**" shall have the meaning specified in the Trust Agreement.

"**Facilities**" shall mean the real property and the improvements thereon, as set forth in the Facilities Lease, or any County buildings, other improvements and facilities added thereto or substituted therefor, or any portion thereof, in accordance with the Facilities Lease and the Trust Agreement.

"**Facilities Lease**" means that certain lease, entitled "Facilities Lease," by and between the County and the Authority, dated as of March 1, 2021, as originally executed and recorded or as it may from time to time be supplemented, modified or amended pursuant to the provisions of the Trust Agreement and thereof.

"**Fiscal Year**" means the twelve (12)-month period ending on June 30 of each year, or any other annual accounting period hereafter selected and designated by the Authority as its Fiscal Year in accordance with applicable law.

"**Government Securities**" means (1) cash; (2) U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Series – "SLGS"); (3) direct obligations of the U.S. Treasury which have been stripped by the Treasury itself, such as CATS, TIGRS and similar securities; (4) Resolution Funding Corp. (REFCORP) strips (interest component only) which have been stripped by request to the Federal Reserve Bank of New York in book entry form; (5) pre-refunded municipal bonds rated the same rating as U.S. Treasury securities, or if not rated, then pre-refunded bonds that have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations; and (6) obligations issued by the following agencies which are backed by the full faith and credit of the U.S.: (a) U.S. Export-Import Bank direct obligations or fully guaranteed certificates of beneficial ownership, (b) Farmers Home Administration (FmHA) certificates of beneficial ownership, (c) Federal Financing Bank, (d) General Services Administration participation certificates, (e) U.S. Maritime Administration Guaranteed Title XI financing, (f) U.S. Department of Housing and Urban Development (HUD) Project Notes, Local Authority Bonds, New Communities Debentures – U.S. government guaranteed debentures, and U.S. Public Housing Notes and Bonds – U.S. government guaranteed public housing notes and bonds.

"**Independent Certified Public Accountant**" means any certified public accountant or firm of such accountants duly licensed and entitled to practice and practicing as such under the laws of the State or another state of the United States of America or a comparable successor, appointed and paid by the Authority, and who, or each of whom:

(1) is in fact independent according to the Statement of Auditing Standards No. 1 and not under the domination of the Authority or the County;

(2) does not have a substantial financial interest, direct or indirect, in the operations of the Authority or the County; and

(3) is not connected with the Authority or the County as a member, officer or employee of the Authority or the County, but who may be regularly retained to audit the accounting records of and make reports thereon to the Authority or the County.

"**Insurance Consultant**" means an individual or firm retained by the County as an independent insurance consultant, with experience in the field of risk management.

"**Interest Payment Date**" means, with respect to the Bonds, June 1 and December 1 in each year, commencing June 1, 2021.

"**Interest Payment Period**" means the period from and including each Interest Payment Date (or, for the first Interest Payment Period, from and including the date of the Bonds) to and including the day immediately preceding the next succeeding Interest Payment Date.

"**Moody's**" means Moody's Investors Service a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency selected by the County.

"**Net Proceeds**" means amounts derived from any policy of casualty insurance or title insurance with respect to the Facilities, or the proceeds of any taking of the Facilities or any portion thereof in eminent domain proceedings (including sale under threat of such proceedings), to the extent remaining after payment therefrom of all expenses incurred in the collection and administration thereof.

"**Nominee**" means the nominee of the Securities Depository (currently Cede & Co.), which may be the Securities Depository, or any nominee substituted by the Securities Depository pursuant to the Trust Agreement.

"**Opinion of Counsel**" means a written opinion of Bond Counsel.

"**Outstanding**," when used as of any particular time with reference to Bonds, means (subject to the Trust Agreement) all Bonds except

(1) Bonds theretofore cancelled by the Trustee or surrendered to the Trustee for cancellation;

(2) Bonds paid or deemed to have been paid within the meaning of the provisions of the Trust Agreement relating to Discharge of Bonds;

(3) Bonds deemed tendered but not yet presented for purchase; and

(4) Bonds in lieu of or in substitution for which other Bonds shall have been executed, issued and delivered by the Authority pursuant to the Trust Agreement.

"**Permitted Encumbrances**" means (1) liens for general ad valorem taxes and assessments, if any, not then delinquent, or which the County may, pursuant to the Facilities Lease, permit to remain unpaid; (2) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions which exist of record as of the date of recordation of the Facilities Lease in the office of the County Recorder of the County of Contra Costa and which the County certifies in writing will not materially impair the use of the Facilities; (3) the Site Lease, as it may be amended from time to time, and the Facilities Lease, as it may be amended from time to time; (4) the Trust Agreement, as it may be amended from time to time; (5) any right or claim of any mechanic, laborer, materialman, supplier or vendor not filed or perfected in the manner prescribed by law; (6) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions to which the Authority and the County consent in writing and certify to the Trustee will not materially impair the ownership interests of the Authority or use of the Facilities by the County; and (7) subleases and assignments of the County which, as provided in an Opinion of Counsel, will not adversely affect the exclusion from gross income of interest on the Bonds.

"**Permitted Investments**" means any of the following:

(1) Government Securities;

(2) direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury) or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America;

(3) bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself): (a) Farmers Home Administration (FmHA) certificates of beneficial ownership, (b) Federal Housing Administration (FHA) debentures, (c) General Services Administration participation certificates, (d) Government National Mortgage Association (GNMA or "Ginnie Mae") guaranteed mortgage-backed bonds and guaranteed pass-through obligations (participation certificates), (e) U.S. Maritime Administration guaranteed Title XI financing, and (f) U.S. Department of Housing and Urban Development (HUD) Project Notes and Local Authority Bonds;

(4) bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities are only permitted if they have been stripped by the agency itself): (a) Federal Home Loan Bank System senior debt obligations (consolidated debt obligations), (b) Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac") participation certificates (mortgage-backed securities) and senior debt obligations, (c) Federal National Mortgage Association (FNMA or "Fannie Mae") mortgage-backed securities and senior debt obligations (excluded are stripped mortgage securities which are valued greater than par on the portion of unpaid principal), (d) Resolution Funding Corp. (REFCORP) strips (interest component only) which have been stripped by request to the Federal Reserve Bank of New York in book entry form, and (e) Farm Credit System Consolidated systemwide bonds and notes;

(5) money market funds registered under the Federal Investment Company Act of 1940, the shares of which are registered under the Federal Securities Act of 1933, and which have a rating at the time of purchase by S&P of AAAm-G, AAAm, or AA-m and, if rated by Moody's, rated Aaa, Aa1 or Aa2, and which funds may include funds which the Trustee, its affiliates, or subsidiaries provide investment advisory or other management services;

(6) certificates of deposit secured at all times by collateral described in (2) and/or (3) above (which collateral must be held by a third party and subject to a perfected first security interest held by the Trustee) with a maturity of one year or less and issued by commercial banks, savings and loan associations or mutual savings banks whose short term obligations at the time of purchase are rated "A-1" or better by S&P and "Prime-1" by Moody's;

(7) certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by FDIC, including BIF and SAIF;

(8) investment agreements, including guaranteed investment contracts;

(9) commercial paper rated at the time of purchase "Prime-1" by Moody's and "A-1" or better by S&P;

(10) bonds or notes issued by any state or municipality which is rated by Moody's and S&P in one of the two highest long-term rating categories assigned by such agencies at the time of purchase;

(11) federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of "Prime-1" or "A3" or better by Moody's and "A-1" or better by S&P at the time of purchase;

(12) repurchase agreements that provide for the transfer of securities from a dealer bank or securities firm (seller/borrower) to the Trustee (buyer/lender) and the transfer of cash from the Trustee to the dealer bank or securities firm with an agreement that the dealer bank or securities firm will repay the cash plus a yield to the Trustee in exchange for the securities at a specified date and that satisfy the following criteria:

> (a) repurchase agreements must be between the municipal entity and dealer banks or securities firms that are (i) on the Federal Reserve reporting dealer list which fall under the jurisdiction of the SIPC and which, at the time of purchase, are rated A or better by S&P and Moody's, or (ii) banks rated "A" or above by S&P and Moody's, at the time of purchase, and
>
> (b) repurchase agreements must include the following: (i) securities that are acceptable for transfer, including those describe in clauses (2) and (3) above, (ii) terms of not more than 30 days, (iii) collateral must be delivered to the Trustee (if Trustee is not supplying the collateral) or third party acting as agent for the Trustee (if the Trustee is supplying the collateral) before or simultaneously with payment (perfection by possession of certificated securities), (iv) the Trustee must have a perfected first priority security interest in the collateral, (v) collateral must be free and clear of third-party liens and, in the case of an SIPC broker, must not have been acquired pursuant to a repurchase agreement or reverse repurchase agreement, (vi) failure to maintain the requisite collateral percentage, after a two day restoration period, requires the Trustee to liquidate collateral, (vii) securities must be valued weekly and marked-to-market at current market price plus accrued interest, and (viii) the value of-collateral must be equal to 104% or, if the securities used as collateral are FNMA or FHLMC securities, 105%, of the amount of cash transferred to the dealer bank or security firm under the repurchase agreement plus accrued interest and, if the value of securities held as

collateral slips below such amount, then additional cash and/or acceptable securities must be transferred;

(13) pre-refunded municipal bonds rated the same rating as U.S. Treasury securities or, if there is no rating, then pre-refunded bonds pre-refunded with cash, direct U.S. or U.S. guaranteed obligations;

(14) the County of Contra Costa Investment Pool;

(15) shares of beneficial interest issued by the Investment Trust of California (CalTRUST) pursuant to California Government Code Section 6509.7 and authorized for local agency investment pursuant to California Government Code Section 53601(o); and

(16) the Local Agency Investment Fund of the State of California. The Trustee may conclusively rely on the written instructions of the Authority and the County that such investment is a Permitted Investment.

"**Person**" means a corporation, firm, association, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

"**Principal Payment Date**" means any date on which principal of the Bonds is required to be paid (whether by reason of maturity, redemption or acceleration).

"**Project**" means the (i) construction of certain County Offices; (ii) expansion and improvement of Buchanan Field Airport; and (iii) financing the acquisition and construction of certain fire stations, and payment of any costs associated with financing of said projects, as set forth in the Facilities Lease as the same may be changed from time to time, in accordance with the Facilities Lease, by the County by filing a Certificate of the County with the Trustee.

"**Project Fund**" means the fund by that name established pursuant to the Trust Agreement.

"**Record Date**" means the close of business on the fifteenth (15th) calendar day (whether or not a Business Day) of the month preceding any Interest Payment Date.

"**Redemption Date**" shall mean the date fixed for redemption of any Bonds.

"**Redemption Price**" means, with respect to any Bond (or portion thereof), the principal amount of such Bond (or portion) plus the applicable premium, if any, payable upon redemption thereof pursuant to the provisions of such Bond and the Trust Agreement.

"**Refunded Bonds**" means, collectively, the Authority's previously issued Lease Revenue Bonds, consisting of $13,130,000 2010 Series A-2 (Capital Project I – Taxable Build America Bonds), $20,700,000 2010 Series A-3 (Capital Project I – Taxable Recovery Zone Bonds), and $17,435,000 2010 Series B (Refunding) and its $13,102,304 Lease Revenue Obligations, 2012 Series A.

"**Rental Payment Period**" means the twelve-month period commencing June 1 of each year and ending the following May 31, and the initial period commencing on the effective date of the Facilities Lease and ending the following May 31.

"**Representation Letter**" means the blanket letter of representation of the Authority to DTC or any similar letter to a substitute depository.

"**Responsible Officer**" means any officer of the Trustee assigned to administer its duties under the Trust Agreement.

"**Revenue Fund**" means the fund by that name created pursuant to the Trust Agreement.

"**Revenues**" means (i) all Base Rental Payments and other payments paid by the County and received by the Authority pursuant to the Facilities Lease (but not Additional Payments), and (ii) all interest or other income from any investment, pursuant to the Trust Agreement, of any money in any fund or account (other than the Rebate Fund) established pursuant to the Trust Agreement or the Facilities Lease.

"**S&P**" means S&P Global Ratings, a Standard & Poor's Financial Services LLC business, and its successors and assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term S&P shall be deemed to refer to any other nationally recognized securities rating agency selected by the County.

"**Securities Depository**" means DTC or any successor securities depository appointed pursuant to the Trust Agreement.

"**Securities Depository Participants**" means those financial institutions for which the Securities Depository effects book entry transfers and pledges of securities deposited with the Securities Depository, as such listing of Securities Depository Participants exists at the time of such reference.

"**Series,**" whenever used in the Trust Agreement with respect to Bonds, means all of the Bonds designated as being of the same series, authenticated and delivered in a simultaneous transaction, regardless of variations in maturity, interest rate, redemption and other provisions, and any Bonds thereafter authenticated and delivered upon transfer or exchange of or in lieu of or in substitution for (but not to refund) such Bonds as provided in the Trust Agreement.

"**Site Lease**" means that certain lease, entitled "Site Lease," by and between the County and the Authority, dated as of March 1, 2021, as originally executed and recorded or as it may from time to time be supplemented, modified or amended pursuant to the provisions of the Trust Agreement and thereof.

"**State**" means the State of California.

"**Supplemental Trust Agreement**" means any trust agreement then in full force and effect which has been duly executed and delivered by the Authority and the Trustee amendatory of the Trust Agreement or supplemental to the Trust Agreement; but only if and to the extent that such Supplemental Trust Agreement is executed and delivered pursuant to the provisions of the Trust Agreement.

"**Tax Certificate**" means the Tax Certificate and Agreement delivered by the Authority and the County at the time of the issuance and delivery of the Bonds, as the same may be amended or supplemented in accordance with its terms.

"**Trust Agreement**" means the Trust Agreement, dated as of March 1, 2021, between the Authority and the Trustee, as originally executed and as it may from time to time be amended or supplemented by all Supplemental Trust Agreements executed pursuant to the provisions of the Trust Agreement.

"**Trustee**" means Wells Fargo Bank, National Association, or any other association or corporation which may at any time be substituted in its place as provided in the Trust Agreement.

"**Written Request of the Authority**" means an instrument in writing signed by or on behalf of the Authority by its Chair, Vice-Chair, Executive Director, Assistant Executive Director or Deputy Executive Director or a designee of any such officer or by any other person (whether or not an officer of the Authority) who is specifically authorized by resolution of the Board of Directors of the Authority to sign or execute such a document on its behalf.

"**Written Request of the County**" means an instrument in writing signed by the County Administrator of the County or his designee, or by the County Finance Director of the County, or by any other officer of the County duly authorized by the Board of Supervisors of the County in writing to the Trustee for that purpose.

"2021 Series A Bonds" means the Bonds of such Series issued pursuant to the Trust Agreement.

"**2021 Series B Bonds**" means the Bonds of such Series issued pursuant to the Trust Agreement.

THE TRUST AGREEMENT

ISSUANCE OF BONDS

Project Fund. The Trustee agrees to establish and maintain so long as any Series 2021 A Bonds are Outstanding the Project Fund (the initial payment into which is provided for in the Trust Agreement). The moneys in the Project Fund shall be disbursed by the Trustee upon the Written Request of the County in substantially the form in the Trust Agreement filed with the Trustee, for the payment of Project Costs relating to the Project.

Before any payment is made from the Project Fund, there shall be filed with the Trustee a Written Request of the County showing with respect to each payment to be made:

(i) the item number of the payment;

(ii) the name of the person to whom payment is due;

(iii) the amount to be paid and the payment instructions; and

(iv) the purpose for which the obligation to be paid was incurred.

Each such Written Request shall be sufficient evidence to the Trustee and shall state:

(a) that obligations in the stated amounts have been incurred by the County, and that each item thereof is a proper charge against the Project Fund and has not been the subject of a prior requisition; and

(b) that there has not been filed with or served upon the County notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to any of the persons named in such Written Request, which has not been released or will not be released simultaneously with the payment of such obligation, other than materialmen's or mechanics' liens accruing by mere operation of law.

Upon receipt of each such Written Request, the Trustee will pay the amount set forth in such Written Request as directed by the terms thereof. The Trustee need not make any such payment if it has received notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the moneys to be so paid, which has not been released or will not be released simultaneously with such payment.

All interest earnings on amounts on deposit in the Project Fund shall be deposited therein. Upon the completion of the Project, any amounts remaining in the 2021 Series A Project Account shall be expended on Capital Projects as specified by the County, subject to the receipt by the Authority of an Opinion of Counsel that such expenditures will not cause the interest on the Bonds to be included in gross income for purposes of federal income taxation or shall be transferred to the Revenue Fund to pay interest and principal on the Bonds next coming due until fully used for such purpose.

REVENUES

Pledge of Revenues and Assignment.

(a) All Revenues, any other amounts (including proceeds of the sale of the Bonds) held by the Trustee in any fund or account established under the Trust Agreement (other than amounts on deposit in the Rebate Fund created pursuant to the Trust Agreement) and any other amounts (excluding Additional Payments) received by the Authority in respect of the Facilities are irrevocably pledged and assigned to the payment of the interest and premium, if any, on and principal of the Bonds as provided in the Trust Agreement, and the Revenues and other amounts pledged under the Trust Agreement shall not be used for any other purpose while any of the Bonds remain Outstanding; provided, however, that out of the Revenues and other moneys there may be applied such sums for such purposes as are permitted under the Trust Agreement. This pledge shall constitute a pledge of and charge and first lien upon the Revenues, all other amounts pledged under the Trust Agreement and all other moneys on deposit in the funds and accounts established under the Trust Agreement (excluding amounts on deposit in the Rebate Fund created pursuant to the Trust Agreement) for the payment of the interest on and principal of the Bonds in accordance with the terms of the Trust Agreement and thereof.

(b) At least three (3) Business Days prior to each date on which a Base Rental Payment is due, pursuant to the Facilities Lease, the Trustee shall notify the County of the amount of the installment of Base Rental Payment needed to pay the principal of and interest on the Bonds due on the next following Interest Payment Date. Any failure to send such notice shall not affect the County's obligation to make timely payments of installments of Base Rental Payments.

(c) The Authority transfers in trust, grants a security interest in and assigns to the Trustee, for the benefit of the Bondholders, all of the Revenues and other assets pledged in paragraph (a) of this subheading and all of the right, title and interest of the Authority in the Facilities Lease (except for (i) the right to receive any Additional Payments to the extent payable to the Authority under the Facilities Lease, (ii) any rights of the Authority to indemnification and rights of inspection and consent, and (iii) the obligations of the County to make deposits pursuant to the Tax Certificate). The Trustee shall be entitled to and shall collect and receive all of the Revenues, and any Revenues collected or received by the Authority shall be deemed to be held, and to have been collected or received by the Authority as the agent of the Trustee and shall forthwith be paid by the Authority to the Trustee. Subject to the provisions of the Trust Agreement relating to the Limitation on Bondholders' Right to Sue with respect to the control of remedial proceedings, the Trustee shall also be entitled to and shall take all steps, actions and proceedings reasonably necessary in its judgment to enforce, either jointly with the Authority or separately, all of the rights of the Authority that have been assigned to the Trustee and all of the obligations of the County under the Facilities Lease other than those items excepted in the parenthetical contained in the first sentence of this paragraph. All Revenues deposited with the Trustee shall be held, disbursed, allocated and applied by the Trustee only as provided in the Trust Agreement.

(d) If on the second Business Day prior to the day of any month in which a Base Rental payment is requirement to be made, the Trustee has not received the full amount of such Base Rental Payments, the Trustee shall immediately notify the County of such insufficiency by Electronic Means and confirm such notification as soon as possible thereafter by written notice.

Receipt and Deposit of Revenues in the Revenue Fund. In order to carry out and effectuate the pledge, assignment, charge and lien contained in the Trust Agreement, the Authority agrees and covenants that all Revenues and all other amounts pledged under the Trust Agreement when and as received shall be received by the Authority in trust under the Trust Agreement for the benefit of the Bondholders and shall be transferred when and as received by the Authority to the Trustee for deposit in the Revenue Fund (the "Revenue Fund"), which fund is created and which fund the Trustee agrees and covenants to maintain in trust for Bondholders so long as any Bonds shall be Outstanding under the Trust Agreement. The County has been directed to pay all Base Rental Payments directly to the Trustee. If the Authority receives any Base Rental Payments, it shall hold the same in trust as agent of the Trustee and shall immediately transfer such Base Rental Payments to the Trustee. All Revenues and all other amounts pledged and assigned under the Trust Agreement shall be accounted for through and held in trust in the Revenue Fund, and the Trustee shall have no beneficial right or interest in any of the Revenues except only as provided in the Trust Agreement. All Revenues and all other amounts pledged and assigned under the Trust Agreement, whether received by the Authority in trust or deposited with the Trustee as provided in the Trust Agreement, shall nevertheless be allocated, applied and disbursed solely to the purposes and uses in this subheading set forth, and shall be accounted for separately and apart from all other accounts, funds, money or other resources of the Trustee.

Establishment and Maintenance of Accounts for Use of Money in the Revenue Fund.

(a) Revenue Fund. Subject to the Trust Agreement, all money in the Revenue Fund shall be set aside by the Trustee in the following respective special accounts or funds within the Revenue Fund (each of which is created and each of which the Trustee covenants and agrees to cause to be maintained) in the following order of priority:

(1) Interest Account, and

(2) Principal Account.

All money in each of such accounts shall be held in trust by the Trustee and shall be applied, used and withdrawn only for the purposes authorized in this paragraph.

(b) Interest Account. On or before each Interest Payment Date, the Trustee shall set aside from the Revenue Fund and deposit in the Interest Account that amount of money which is equal to the amount of interest becoming due and payable on all Outstanding Bonds on such Interest Payment Date.

No deposit need be made in the Interest Account if the amount contained therein and available to pay interest on the Bonds is at least equal to the aggregate amount of interest becoming due and payable on all Outstanding Bonds on such Interest Payment Date.

All money in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds as it shall become due and payable (including accrued interest on any Bonds purchased or redeemed prior to maturity).

(c) Principal Account. On or before each June 1, commencing June 1, 2021, the Trustee shall set aside from the Revenue Fund and deposit in the Principal Account an amount of money equal to the amount of the principal amount of all Outstanding Bonds maturing on such June 1. On or before each Redemption Date, the Trustee shall set aside from the Revenue Fund and deposit in the Principal Account an amount of money equal to the Redemption Price required to be paid on such Redemption Date.

No deposit need be made in the Principal Account if the amount contained therein and available to pay principal of the Bonds is at least equal to the aggregate amount of the principal of all Outstanding Series Bonds maturing by their terms on such June 1.

All money in the Principal Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal or Redemption Price of the Bonds as it shall become due and payable, whether at maturity or redemption.

Application of Insurance Proceeds. In the event of any damage to or destruction of any part of the Facilities covered by insurance, the Authority, shall subject to the Facilities Lease, cause the proceeds of such insurance to be utilized for the repair, reconstruction or replacement of the damaged or destroyed portion of the Facilities, and the Trustee shall hold said proceeds in a fund established by the Trustee for such purpose separate and apart from all other funds designated the "Insurance and Condemnation Fund", to the end that such proceeds shall be applied to the repair, reconstruction or replacement of the Facilities to at least the same good order, repair and condition as it was in prior to the damage or destruction, insofar as the same may be accomplished by the use of said proceeds. The Authority shall file a Certificate of the Authority with the Trustee that sufficient funds from insurance proceeds or from any funds legally available to the County, or from any combination thereof, are available in the event it elects to repair, reconstruct or replace the Facilities. The Trustee shall invest said proceeds in Permitted Investments pursuant to the Written Request of the Authority under the Facilities Lease, and withdrawals of said proceeds shall be made from time to time upon the filing with the Trustee of a Written Request of the Authority, stating that the Authority has expended moneys or incurred liabilities in an amount equal to the amount therein stated for the purpose of the repair, reconstruction or replacement of the Facilities, and specifying the items for which such moneys were expended, or such liabilities were incurred, in reasonable detail. Any balance of such proceeds not required for such repair, reconstruction or replacement and the proceeds of use and occupancy insurance shall be paid to the Trustee as Base Rental Payments and applied in the manner provided by the Trust Agreement. Alternatively, the Authority, if the proceeds of such insurance together with any other moneys then available for such purpose are sufficient to prepay all, in case of damage or destruction in whole of the Facilities, or that portion, in the case of partial damage or destruction of the Facilities, of the Base Rental Payments, Additional Payments and all other amounts relating to the damaged or destroyed portion of the Facilities, may elect subject to the Facilities Lease, not to repair, reconstruct or replace the damaged or destroyed portion of the Facilities and thereupon shall cause said proceeds to be used for the redemption of Outstanding Bonds pursuant to the applicable provisions of the Trust Agreement. The Authority shall not apply the proceeds of insurance as set forth in this paragraph to redeem the Bonds in part due to damage or destruction of a portion of the Facilities unless the Base Rental Payments on the undamaged portion of the Facilities will be sufficient to pay the scheduled principal and interest on the Bonds remaining unpaid after such redemption.

Deposit and Investments of Money in Accounts and Funds. Subject to the provisions of the Trust Agreement pertaining to the Rebate Fund, all money held by the Trustee in any of the accounts or funds established pursuant to the Trust Agreement shall be invested in Permitted Investments at the Written

Request of the Authority or, if no instructions are received, in the Wells Fargo Government Money Market Fund. Such investments shall, as nearly as practicable, mature on or before the dates on which such money is anticipated to be needed for disbursement under the Trust Agreement. For purposes of this restriction, Permitted Investments containing a repurchase option or put option by the investor shall be treated as having a maturity of no longer than such option. Unless otherwise instructed by the Authority, all interest or profits received on any money so invested shall be deposited in the Revenue Fund; provided that with respect to the Project Fund, earnings on amounts in such fund shall be credited to such fund until completion of the respective Projects. The Trustee and its affiliates may act as principal, agent, sponsor or advisor with respect to any investments. The Trustee shall not be liable for any losses on investments made in accordance with the Written Request of the Authority or the terms and provisions of the Trust Agreement.

Investments purchased with funds on deposit in the Revenue Fund shall mature not later than the payment date or redemption date, as appropriate, immediately succeeding the investment.

Subject to the provisions of the Trust Agreement pertaining to the Rebate Fund, investments in any and all funds and accounts except for the Rebate Fund may be commingled for purposes of making, holding and disposing of investments, notwithstanding provisions in the Trust Agreement for transfer to or holding in particular funds and accounts amounts received or held by the Trustee under the Trust Agreement, provided that the Trustee shall at all times account for such investments strictly in accordance with the funds and accounts to which they are credited and otherwise as provided in the Trust Agreement.

The Authority acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Authority the right to receive brokerage confirmations of security transactions as they occur, the Authority specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Authority periodic cash transaction statements which include detail for all investment transactions made by the Trustee under the Trust Agreement.

COVENANTS OF THE AUTHORITY

Punctual Payment and Performance. The Authority will punctually pay out of the Revenues the interest on and principal of and redemption premiums, if any, to become due on every Bond issued under the Trust Agreement in strict conformity with the terms of the Trust Agreement and of the Bonds, and will faithfully observe and perform all the agreements and covenants to be observed or performed by the Authority contained in the Trust Agreement and in the Bonds.

Against Encumbrances. The Authority will not make any pledge or assignment of or place any charge or lien upon the Revenues except as provided in the Trust Agreement, and will not issue any bonds, notes or obligations payable from the Revenues or secured by a pledge of or charge or lien upon the Revenues.

Rebate Fund.

(a) In addition to the accounts created pursuant to the Trust Agreement, the Trustee shall establish and maintain a fund separate from any other fund or account established and maintained under the Trust Agreement designated as the Rebate Fund. There shall be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Tax Certificate. All money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, to the extent required to satisfy the Rebate Requirement (as defined in the Tax Certificate), for payment to the United States of America. Notwithstanding the provisions of the Trust Agreement relating to the pledge of Revenues, the allocation of money in the Revenue Fund, the investments of money in any fund or account, the application of funds upon acceleration and the defeasance of Outstanding Bonds, all amounts required to be deposited into or on deposit in the

Rebate Fund shall be governed exclusively by this subheading and by the Tax Certificate (which is incorporated in the Trust Agreement by reference). The Trustee shall be deemed conclusively to have complied with such provisions if it follows the written directions of the Authority, and shall have no liability or responsibility to enforce compliance by the Authority with the terms of the Tax Certificate.

(b) Any funds remaining in the Rebate Fund with respect to the Bonds after redemption and payment of all Bonds and all other amounts due under the Trust Agreement or under the Facilities Lease, or provision made therefor satisfactory to the Trustee, including accrued interest and payment of any applicable fees and expenses of the Trustee and satisfaction of the Rebate Requirement (as defined in the Tax Certificate), shall be withdrawn by the Trustee and remitted to or upon the Written Request of the Authority.

Tax Covenants.

(a) The Authority covenants that it shall not take any action or inaction, or fail to take any action, or permit any action to be taken on behalf of the Authority or cause or permit any circumstances within its control to arise or continue, if such action or inaction would cause any of the Bonds to be treated as an obligation not described in Section 103(a) of the Code. This covenant shall survive the payment in full of the Bonds.

(b) In the event that at any time the Authority is of the opinion that for purposes of this subheading it is necessary to restrict or to limit the yield on the investment of any moneys held by the Trustee under the Trust Agreement, the Authority shall so instruct the Trustee in a Request of the Authority accompanied by a supporting Opinion of Bond Counsel, and the Trustee shall take such action as may be necessary in accordance with such instructions.

(c) Notwithstanding any provisions of this subheading, if the Authority shall provide to the Trustee an Opinion of Counsel that any specified action required under this subheading or the Tax Certificate is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on the Bonds, the Authority and the Trustee may conclusively rely on such opinion in complying with the requirements of this subheading and the Tax Certificate, and, notwithstanding the provisions of the Trust Agreement relating to Amendment of the Trust Agreement, the covenants under the Trust Agreement shall be deemed to be modified to that extent.

Accounting Records and Reports. The Trustee will keep or cause to be kept proper books of record and accounts in which complete and correct entries shall be made of all transactions relating to the receipts, disbursements, allocation and application of the Revenues, and such books shall be available for inspection by the Authority at reasonable hours and under reasonable conditions. The Trustee shall provide to the Authority monthly statements covering the funds and accounts held pursuant to the Trust Agreement. Not more than one hundred eighty (180) days after the close of each Fiscal Year, the Trustee shall furnish or cause to be furnished to the Authority a complete financial statement (which may be in the form of the Trustee's customary account statements) covering receipts, disbursements, allocation and application of Revenues for such Fiscal Year. The Authority shall keep or cause to be kept such information as is required under the Tax Certificate.

Prosecution and Defense of Suits. The Authority will defend against every suit, action or proceeding at any time brought against the Trustee upon any claim to the extent arising out of the receipt, application or disbursement of any of the Revenues or to the extent involving the failure of the Authority to fulfill its obligations under the Trust Agreement; provided, that the Trustee or any affected Bondholder at its election may appear in and defend any such suit, action or proceeding. The Authority will indemnify and hold harmless the Trustee against any and all liability claimed or asserted by any person to the extent arising out of such failure by the Authority, and will indemnify and hold harmless the Trustee against any reasonable attorney's fees or other reasonable expenses which it may incur in connection with any litigation to which it may become a party by reason of its actions under the Trust Agreement, except for any loss, cost, damage or expense resulting from the negligence or willful misconduct by the Trustee. Notwithstanding any contrary provision of the Trust Agreement, this covenant shall remain in full force and effect even though all Bonds secured by the Trust Agreement may have been fully paid and satisfied.

Further Assurances. The Authority will promptly execute and deliver or cause to be executed and delivered all such other and further assurances, documents or instruments, and promptly do or cause to be done all such other and further things as may be necessary or reasonably required in order to further and more fully vest in the Bondholders all rights, interests, powers, benefits, privileges and advantages conferred or intended to be conferred upon them by the Trust Agreement.

Maintenance of Revenues. The Authority will promptly collect all rents and charges due for the occupancy or use of the Facilities as the same become due, and will promptly and vigorously enforce its rights against any tenant or other person who does not pay such rents or charges as they become due. Pursuant to the Trust Agreement and the Facilities Lease, the County is to pay all Base Rental Payments directly to the Trustee. The Authority will at all times maintain and vigorously enforce all of its rights under the Facilities Lease.

Amendments to Facilities Lease and Site Lease.

(a) The Authority shall not supplement, amend, modify or terminate any of the terms of the Facilities Lease, or consent to any such supplement, amendment, modification or termination, without the prior written consent of the Trustee. The Trustee shall give such written consent if such supplement, amendment, modification or termination (a) will not materially adversely affect the interests of the Bondholders or result in any material impairment of the security given by the Trust Agreement for the payment of the Bonds (provided that such supplement, amendment or modification shall not be deemed to have such adverse effect or to cause such material impairment solely by reason of addition, substitution or release of real property pursuant to the Facilities Lease), (b) is to add to the agreements, conditions, covenants and terms required to be observed or performed thereunder by any party thereto, or to surrender any right or power therein reserved to the Authority or the County, (c) is to cure, correct or supplement any ambiguous or defective provision contained therein, (d) is to accommodate any addition, substitution or release of property in accordance with the Facilities Lease or prepayment in accordance with the Facilities Lease, (e) is to modify the legal description of the Facilities to conform to the requirements of title insurance or otherwise to add or delete property descriptions to reflect accurately the description of the parcels intended or preferred to be included therein, or substituted for the Facilities pursuant to the provisions of the Facilities Lease, or deleted due to prepayment pursuant to the provisions of the Facilities Lease, or (f) if the Trustee first obtains the written consent of the Bondholders of a majority in principal amount of the Bonds then Outstanding to such supplement, amendment, modification or termination; provided, that no such supplement, amendment, modification or termination shall reduce the amount of Base Rental Payments to be made to the Authority or the Trustee by the County pursuant to the Facilities Lease to an amount less than the scheduled principal and interest payments on the Outstanding Bonds, or extend the time for making such payments, or permit the creation of any lien prior to or on a parity with the lien created by the Trust Agreement on the Base Rental Payments (except as expressly provided in the Facilities Lease), in each case without the written consent of all of the Bondholders of the Bonds then Outstanding.

(b) The Authority shall not supplement, amend, modify or terminate any of the terms of the Site Lease, or consent to any such supplement, amendment, modification or termination, without the prior written consent of the Trustee. The Trustee shall give such written consent if such supplement, amendment, modification or termination (a) will not materially adversely affect the interests of the Bondholders or result in any material impairment of the security given by the Trust Agreement for the payment of the Bonds, (b) is to add to the agreements, conditions, covenants and terms required to be observed or performed thereunder by any party thereto, or to surrender any right or power therein reserved to the Authority or the County, (c) is to cure, correct or supplement any ambiguous or defective provision contained therein, (d) is to modify the legal description of the Facilities to conform to the requirements of title insurance or otherwise to add or delete property descriptions to reflect accurately the description of the parcels intended or preferred to be included therein, or substituted for the Facilities pursuant to the provisions of the Facilities Lease, or deleted due to prepayment pursuant to the provisions of the Facilities Lease; or (e) if the Trustee first obtains the written consent of the Bondholders of a majority in principal amount of the Bonds then Outstanding to such supplement, amendment, modification or termination.

(c) No supplement, amendment, modification or termination of the Facilities Lease or Site Lease shall be entered into unless an Opinion of Counsel is delivered to the effect that such amendment, modification or termination is (a) authorized and permitted by the Trust Agreement, Facilities Lease or Site Lease, as applicable, (b) is enforceable against the Authority and the County, as applicable, (c) will not materially adversely affect the interests of the Bondholders or result in any material impairment of the security given by the Trust Agreement for the payment of the Bonds, and (d) does not adversely impact the tax-exempt status of the interest on the Bonds.

(d) The Trustee shall not be obligated to consent to any amendment that adversely impacts its rights.

Leasehold Estate. The Authority will be, on the date of the delivery of the Bonds, the owner and lawfully possessed of the leasehold estate described in the Site Lease, and the Facilities Lease will be, on the date of delivery of the Bonds, a valid subsisting demise for the term therein set forth of the property which it purports to demise. At the time of the delivery of the Bonds, the County will be the owner in fee simple of the premises described in the Site Lease, the Site Lease will be lawfully made by the County and the covenants contained in the Site Lease on the part of the County will be valid and binding. At the time of the delivery of the Bonds, the Authority will have good right, full power and lawful authority to lease said leasehold estate, in the manner and form provided in the Facilities Lease, and the Facilities Lease will be duly and regularly executed.

Without allowance for any days of grace which may or might exist or be allowed by law or granted pursuant to any terms or conditions of the Facilities Lease, the Authority will in all respects promptly and faithfully keep, perform and comply with all the terms, provisions, covenants, conditions and agreements of the Facilities Lease to be kept, performed and complied with by it. The Authority will not do or permit anything to be done, or omit or refrain from doing anything, in any case where any such act done or permitted to be done, or any such omission of or refraining from action, would or might be a ground for declaring a forfeiture of the Facilities Lease, or would or might be a ground for cancellation or termination of the Facilities Lease by the lessee thereunder. The Authority will promptly deposit with the Trustee (to be held by the Trustee until the title and rights of the Trustee under the Trust Agreement shall be released or reconvened) any and all documentary evidence received by it showing compliance with the provisions of the Facilities Lease to be performed by the Authority. The Authority, immediately upon its receiving or giving any notice, communication or other document in any way relating to or affecting the Facilities Lease, or the leasehold estate thereby created, which may or can in any manner affect the estate of the lessor or of the Authority in or under the Facilities Lease, will deliver the same, or a copy thereof, to the Trustee.

EVENTS OF DEFAULT AND REMEDIES OF BONDHOLDERS

Events of Default and Acceleration of Maturities. If one or more of the following events (herein called "events of default") shall happen, that is to say:

(a) if default shall be made by the Authority in the due and punctual payment of the interest on any Bond when and as the same shall become due and payable;

(b) if default shall be made by the Authority in the due and punctual payment of the principal or premium, if any, of any Bond when and as the same shall become due and payable, whether at maturity as therein expressed or by proceedings for mandatory redemption;

(c) if default shall be made by the Authority in the performance of any of the other agreements or covenants required in the Trust Agreement to be performed by the Authority, and such default shall have continued for a period of sixty (60) days or (or if the Authority notifies the Trustee that in its reasonable opinion the failure stated in the notice can be corrected, but not within such 60 day period, the failure will not constitute an event of default if the Authority commences to cure the failure within such 60 day period and thereafter diligently and in good faith cures such failure in a reasonable period of time);

(d) if the Authority shall file a petition or answer seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if a court of competent jurisdiction shall approve a petition filed with or without the consent of the Authority seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if under the provisions of any other law for the relief or aid of debtors any court of competent jurisdiction shall assume custody or control of the Authority or of the whole or any substantial part of its property; or

(e) if an Event of Default has occurred under the Facilities Lease.

Actions on Default. In each and every case during the continuance of an Event of Default, the Trustee or the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding (subject to the provisions of the Trust Agreement) shall be entitled, upon notice in writing to the County and the Authority to exercise any of the remedies granted to the Authority under the Facilities Lease, and in addition, to take whatever action at law or in equity may appear necessary or desirable to enforce its rights as assignee pursuant to the Assignment Agreement or to protect and enforce any of the rights vested in the Trustee or the Owners by this Indenture or by the Bonds, either at law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement or for the enforcement of any other legal or equitable right, including any one or more of the remedies set forth in the Trust Agreement.

Institution of Legal Proceedings by Trustee. If one or more of the events of default shall happen and be continuing, the Trustee may, and upon the written request of the Bondholders of a majority in principal amount of the Bonds then Outstanding, and in each case upon being indemnified to its reasonable satisfaction therefor, shall, proceed to protect or enforce its rights or the rights of the Bondholders of Bonds under the Trust Agreement and under the Facilities Lease by a suit in equity or action at law, either for the specific performance of any covenant or agreement contained in the Trust Agreement, or in aid of the execution of any power in the Trust Agreement granted, or by mandamus or other appropriate proceeding for the enforcement of any other legal or equitable remedy as the Trustee shall deem most effectual in support of any of its rights and duties under the Trust Agreement.

Non-Waiver. Nothing in this subheading or in any other provision of the Trust Agreement or in the Bonds shall affect or impair the obligation of the Authority, which is absolute and unconditional, to pay the interest on and principal of and redemption premiums, if any, on the Bonds to the respective Bondholders of the Bonds at the respective dates of maturity or upon prior redemption as provided in the Trust Agreement from the Revenues as provided in the Trust Agreement pledged for such payment, or shall affect or impair the right of such Bondholders, which is also absolute and unconditional, to institute suit to enforce such payment by virtue of the contract embodied in the Trust Agreement and in the Bonds.

A waiver of any default or breach of duty or contract by the Trustee or any Bondholder shall not affect any subsequent default or breach of duty or contract or impair any rights or remedies on any such subsequent default or breach of duty or contract. No delay or omission by the Trustee or any Bondholder to exercise any right or remedy accruing upon any default or breach of duty or contract shall impair any such right or remedy or shall be construed to be a waiver of any such default or breach of duty or contract or an acquiescence therein, and every right or remedy conferred upon the Bondholders by the Act or by this subheading may be enforced and exercised from time to time and as often as shall be deemed expedient by the Trustee or the Bondholders.

If any action, proceeding or suit to enforce any right or exercise any remedy is abandoned, the Authority, the Trustee and any Bondholder shall be restored to their former positions, rights and remedies as if such action, proceeding or suit had not been brought or taken.

Remedies Not Exclusive. No remedy in the Trust Agreement conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy, and each such remedy shall be cumulative and shall be in addition to every other remedy given under the Trust Agreement or now or hereafter existing at law or in equity or by statute or otherwise and may be exercised without exhausting and without regard to any other remedy conferred by the Act or any other law.

Limitation on Bondholders' Right to Sue. No Bondholder of any Bond issued under the Trust Agreement shall have the right to institute any suit, action or proceeding at law or equity, for any remedy under or upon the Trust Agreement, unless (a) such Bondholder shall have previously given to the Trustee written notice of the occurrence of an event of default as defined in the Trust Agreement; (b) the Bondholders of at least a majority in aggregate principal amount of all the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers in the Trust Agreement before granted or to institute such suit, action or proceeding in its own name; (c) said Bondholders shall have tendered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are declared, in every case, to be conditions precedent to the exercise by any Bondholder of Bonds of any remedy under the Trust Agreement; it being understood and intended that no one or more Bondholders of Bonds shall have any right in any manner whatever by his or their action to enforce any right under the Trust Agreement, except in the manner provided in the Trust Agreement, and that all proceedings at law or in equity to enforce any provision of the Trust Agreement shall be instituted, had and maintained in the manner provided in the Trust Agreement and for the equal benefit of all Bondholders of the Outstanding Bonds.

THE TRUSTEE

The Trustee. Wells Fargo Bank, National Association shall serve as the initial Trustee for the Bonds for the purpose of receiving all money which the Authority is required to deposit with the Trustee under the Trust Agreement and for the purpose of allocating, applying and using such money as provided in the Trust Agreement and for the purpose of paying the interest on and principal of and redemption premiums, if any, on the Bonds presented for payment, with the rights and obligations provided in the Trust Agreement. Any such corporation or association into which the Trustee may be merged or converted, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or in part, or any corporation or association resulting from any such merger, conversion, sale, transfer or consolidation to which it shall be a party, shall be and become successor Trustee without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties.

The Authority, unless there exists any Event of Default as defined in the Trust Agreement, may at any time remove the Trustee initially appointed and any successor thereto and may appoint a successor or successors thereto by an instrument in writing; provided, that any such successor shall be a bank, banking institution, or trust company, having (or whose parent holding company has) a combined capital (exclusive of borrowed capital) and surplus of at least five hundred million dollars ($500,000,000) and subject to supervision or examination by federal or state authority. If such bank, banking institution, or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this subheading the combined capital and surplus of such bank, banking institution, or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. The Trustee may at any time resign by giving a (30) day written notice of such resignation to the Authority, and by mailing by first class mail to the Bondholders notice of such resignation. Upon receiving such notice of resignation, the Authority shall promptly appoint a successor Trustee by an instrument in writing. Any removal or resignation of a Trustee and appointment of a successor Trustee shall become effective only upon the acceptance of appointment by the successor Trustee. The successor Trustee shall send notice of its acceptance by first class mail to the Bondholders. If, within thirty (30) days after notice of the removal or resignation of the Trustee no successor Trustee shall have been appointed and shall have accepted such appointment, the removed or resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee, which court may thereupon, after such notice, if any, as it may deem proper and prescribe and as may be required by law, appoint a successor Trustee having the qualifications required by the Trust Agreement.

The Trustee is authorized by the Trust Agreement to pay or redeem the Bonds when duly presented for payment at maturity or on redemption prior to maturity. The Trustee shall cancel all Bonds upon payment thereof or upon the surrender thereof by the Authority and shall dispose of such Bonds in a manner deemed appropriate by it. The Trustee shall keep accurate records of all Bonds paid and discharged and cancelled by it.

The Trustee shall, prior to an event of default, and after the curing or waiver of all Events of Default that may have occurred, perform such duties and only such duties as are specifically set forth in the Trust Agreement and no implied duties or obligations shall be read into the Trust Agreement. The Trustee shall, during the existence of any Event of Default (that has not been cured or waived), exercise such of the rights and powers vested in it by the Trust Agreement, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

Liability of Trustee. The recitals of facts, agreements and covenants in the Trust Agreement and in the Bonds shall be taken as recitals of facts, agreements and covenants of the Authority, and the Trustee assumes no responsibility for the correctness of the same or makes any representation as to the sufficiency or validity of the Trust Agreement or of the Bonds, or shall incur any responsibility in respect thereof other than in connection with the rights or obligations assigned to or imposed upon it in the Trust Agreement, in the Bonds or in law or equity. The Trustee shall not be liable in connection with the performance of its duties under the Trust Agreement except for its own negligence or willful misconduct as finally determined by a court of competent jurisdiction.

The Trustee shall not be bound to recognize any person as the Bondholder of a Bond unless and until such Bond is submitted for inspection, if required, and such Bondholder's title thereto satisfactorily established, if disputed.

The Trustee shall not be liable for any error of judgment made in good faith, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.

The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Bondholders of not less than a majority (or any lesser amount that may direct the Trustee in accordance with this Agreement) in aggregate principal amount of the Bonds at the time Outstanding, relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under the Trust Agreement. The Trustee may refuse to follow any direction that conflicts with law or the Trust Agreement, is unduly prejudicial to the rights of other Bondholders, or would involve the Trustee in personal liability.

The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by the Trust Agreement at the request, order or direction of any of the Bondholders pursuant to the provisions of the Trust Agreement unless such Bondholders shall have offered to the Trustee reasonable security or indemnity against the reasonable costs, expenses and liabilities that may be incurred therein or thereby. The Trustee has no obligation or liability to the Bondholders for the payment of the interest on, principal of or redemption premium, if any, with respect to the Bonds from its own funds; but rather the Trustee's obligations shall be limited to the performance of its duties under the Trust Agreement.

Any action taken, or omitted to be taken, by the Trustee in good faith pursuant to the Trust Agreement upon the request or authority or consent of any person who, at the time of making such request or giving such authority or consent, is the Bondholder of any Bond shall be conclusive and binding upon all future Bondholders and upon Bonds executed and delivered in exchange therefore or in place thereof.

The Trustee shall not be deemed to have knowledge of any event of default (except payment defaults) unless and until a Responsible Officer shall have actual knowledge thereof or a Responsible Officer of the Trustee shall have received written notice thereof at its Designated Office. The Trustee shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements in the Trust Agreement or of any of the documents executed in connection with the Bonds, or as to the existence of a default or event of default thereunder. The Trustee shall not be responsible for the validity or effectiveness of any collateral given to or held by it.

The Trustee may execute any of the trusts or powers under the Trust Agreement or perform any duties under the Trust Agreement either directly or by or through attorneys-in-fact, agents or receivers and shall not be answerable for the negligence or misconduct of any such attorney-in-fact, agent or receiver selected by it with due care. The Trustee shall be entitled to advice of counsel and other professionals concerning all matters of trust and its duty under the Trust Agreement, but the Trustee shall not be answerable for the professional malpractice of any attorney-in-law or certified public accountant in connection with the rendering of his professional advice in accordance with the terms of the Trust Agreement, if such attorney-in-law or certified public accountant was selected by the Trustee with due care.

The Trustee shall not be concerned with or accountable to anyone for the subsequent use or application of any moneys which shall be released or withdrawn in accordance with the provisions of the Trust Agreement.

Whether or not therein expressly so provided, every provision of the Trust Agreement, the Facilities Lease, the Site Lease or related documents relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this subheading.

The Trustee makes no representation or warranty, express or implied, as to the title, value, design, compliance with specifications or legal requirements, quality, durability, operation, condition, merchantability or fitness for any particular purpose for the use contemplated by the Authority or County of the Facilities or the Project. In no event shall the Trustee be liable for incidental, indirect, special or consequential damages in connection with or arising from the Facilities Lease, the Site Lease or the Trust Agreement for the existence, furnishing or use of the Facilities or the Project.

The Trustee shall be protected in acting upon any notice, resolution, requisition, request (including any Written Request of the Authority or the County), consent, order, certificate, report, opinion, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. Before the Trustee acts or refrains from acting, the Trustee may consult with counsel, who may be counsel of or to the Authority, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under the Trust Agreement in good faith and in accordance therewith.

Before taking any action or refraining from taking any action, the Trustee may require that indemnity satisfactory to it be furnished for the reimbursement of all expenses to which it may be put and to protect it against all liability, including costs incurred in defending itself against any and all charges claims, complaints, allegations, assertions or demands of any nature whatsoever, except liability which is adjudicated to be a direct result of the Trustee's negligence or willful misconduct in connection with any such action.

Whenever in the administration of its rights and obligations under the Trust Agreement the Trustee shall deem it necessary or desirable that a matter be established or proved prior to taking or suffering any action under the Trust Agreement, such matter (unless other evidence in respect thereof be in the Trust Agreement specifically prescribed) may, in the absence of bad faith on the part of the Trustee, be deemed to be conclusively proved and established by a Certificate of the Authority or a Certificate of the County, which certificate shall be full warrant to the Trustee for any action taken or suffered under the provisions of the Trust Agreement upon the faith thereof, but in its discretion the Trustee may in lieu thereof accept other evidence of such matter or may require such additional evidence as it may deem reasonable.

No provision of the Trust Agreement shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties under the Trust Agreement, or in the exercise of its rights or powers. Under no circumstances shall the Trustee be liable in its individual capacity for the obligations evidenced by the Bonds.

The Trustee is not responsible for the content of the official statement or any disclosure material prepared in connection with the Bonds.

The Trustee shall not be considered in breach of or in default in its obligations under the Trust Agreement or progress in respect thereto in the event of enforced delay ("unavoidable delay") in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence.

The Trustee shall not be liable for failure to perform any act or fulfill any duty, obligation or responsibility as a result of any occurrence beyond its control including, but not limited to, the following: (i) any act or provision of any present or future law or regulation or governmental authority, (ii) any act of

God, (iii) natural disaster, (iv) war, (v) terrorism, (vi) civil unrest, (vii) accidents, (viii) labor dispute, (ix) disease, (x) epidemic or pandemic, (xi) quarantine, (xii) national emergency, (xiii) loss or malfunction of utility or computer software or hardware, (xiv) communications system failure, (xv) malware or ransomware or (xvi) unavailability of the Federal Reserve Bank wire or telex system or other wire or other funds transfer systems, or (xvii) unavailability of any securities clearing system.

AMENDMENT OF THE TRUST AGREEMENT

Amendment of the Trust Agreement.

(a) The Trust Agreement and the rights and obligations of the Authority and of the Bondholders may be amended at any time by a Supplemental Trust Agreement which shall become binding when the written consent of the Bondholders of a majority in aggregate principal amount of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in the Trust Agreement, are filed with the Trustee; provided that if such modification or amendment will, by its terms, not take effect so long as any Bonds remain Outstanding, the consent of the Owners of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Bonds Outstanding under this subheading. No such amendment shall (1) extend the maturity of or reduce the interest rate on or amount of interest on or principal of or redemption premium, if any, on any Bond without the express written consent of the Bondholder of such Bond, or (2) permit the creation by the Authority of any pledge of or charge or lien upon the Revenues as provided in the Trust Agreement superior to or on a parity with the pledge, charge and lien created by the Trust Agreement for the benefit of the Bonds, or (3) reduce the percentage of Bonds required for the written consent to any such amendment, or (4) modify any rights or obligations of the Trustee, the Authority, or the County without their prior written assent thereto, respectively. It shall not be necessary for the consent of the Bondholders to approve the particular form of any Supplemental Trust Agreement, but it shall be sufficient if such consent shall approve the substance thereof. Promptly after the execution by the Authority and the Trustee of any Supplemental Trust Agreement pursuant to this paragraph (a), the Trustee shall mail a notice on behalf of the Authority, setting forth in general terms the substance of such Supplemental Trust Agreement to the Bondholders at the addresses shown on the registration books maintained by the Trustee. Any failure to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Trust Agreement.

(b) The Trust Agreement and the rights and obligations of the Authority and of the Bondholders may also be amended at any time by a Supplemental Trust Agreement which shall become binding upon adoption but without the consent of any Bondholders, for any purpose that will not materially adversely affect the interests of the Bondholders, including (without limitation) for any one or more of the following purposes:

(i) to add to the agreements and covenants required in the Trust Agreement to be performed by the Authority other agreements and covenants thereafter to be performed by the Authority, or to surrender any right or power reserved in the Trust Agreement to or conferred in the Trust Agreement on the Authority;

(ii) to make such provisions for the purpose of curing any ambiguity or of correcting, curing or supplementing any defective provision contained in the Trust Agreement or in regard to questions arising under the Trust Agreement which the Authority may deem desirable or necessary; and

(iii) to add to the agreements and covenants required in the Trust Agreement, such agreements and covenants as may be necessary to qualify the Trust Agreement under the Trust Indenture Act of 1939.

(c) The Trustee shall not be obligated to enter into any Amendment that adversely impacts its rights.

(d) No amendment shall be entered into unless an Opinion of Counsel is delivered to the effect that such amendment (a) is authorized and permitted by the Trust Agreement, (b) is enforceable against the Authority and the County, (c) will not materially adversely affect the interests of the Bondholders or result in any material impairment of the security given by the Trust Agreement for the payment of the Bonds, and (d) does not adversely impact the tax-exempt status of the interest on the Bonds.

Notice to and Consent of Bondholders. If consent of the Bondholders is required under the terms of the Trust Agreement for the amendment of the Trust Agreement or for any other similar purpose, the Authority shall cause notice of the proposed amendment to be given by first-class mail to the Owners of the Outstanding Bonds then shown on the registration books for the Bonds. Such notice shall briefly set forth the nature of the proposed amendment or other action and shall state that copies of any such amendment are on file at the office of the Authority and the Designated Office of the Trustee for inspection by all Bondholders. If, within sixty (60) days or such longer period as shall be prescribed by the Authority following the mailing of such notice, the Owners of the requisite principal amount of the Bonds Outstanding by instruments filed with the Authority shall have consented to the amendment or other proposed action, then the Authority may adopt or execute, as appropriate, such amendment or take such proposed action and the consent of the Bondholders shall thereby be conclusively presumed. Such instruments filed with the Authority may include documents, including Certificates of the Authority, stating that Owners of Bonds have consented to an amendment by purchasing such Bonds if the official statement or disclosure document related to such purchase disclosed that the purchase of the Bonds was deemed to mean that the Owners consented to the amendment.

DEFEASANCE

Discharge of Bonds.

(a) If the Authority shall pay or cause to be paid or there shall otherwise be paid to the Bondholders of all or any portion of the Outstanding Bonds the interest thereon and principal thereof and redemption premiums, if any, thereon at the times and in the manner stipulated in the Trust Agreement and therein, and the Authority shall pay in full all other amounts due under the Trust Agreement and under the Facilities Lease, then the Bondholders of such Bonds shall cease to be entitled to the pledge of and charge and lien upon the Revenues as provided in the Trust Agreement, and all agreements, covenants and other obligations of the Authority to the Bondholders of such Bonds under the Trust Agreement shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the Authority all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, the Trustee shall pay over or deliver to the Authority all money or securities held by it pursuant to the Trust Agreement which are not required for the payment of the interest on and principal of and redemption premiums, if any, on such Bonds and for the payment of all other amounts due under the Trust Agreement and under the Facilities Lease.

(b) Any Outstanding Bonds shall prior to the maturity date or redemption date thereof be deemed to have been paid within the meaning of and with the effect expressed in paragraph (a) of this subheading if (1) in case any of such Bonds are to be redeemed on any date prior to their maturity date, the Authority shall have given to the Trustee in form satisfactory to it irrevocable instructions to provide notice in accordance with the Trust Agreement, (2) there shall have been deposited with the Trustee (A) cash in an amount which shall be sufficient and/or (B) noncallable Government Securities, the interest on and principal of which when paid will provide cash which, together with the cash, if any, deposited with the Trustee at the same time, shall be sufficient, in the opinion of an Independent Certified Public Accountant, to pay when due the interest to become due on such Bonds on and prior to the maturity date or redemption date thereof, as the case may be, and the principal of and redemption premiums, if any, on such Bonds, and (3) in the event such Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the Authority shall have given the Trustee in form satisfactory to it irrevocable instructions to mail as soon as practicable, a notice to the Bondholders of such Bonds that the deposit required by clause (2) above has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with this subheading and stating the maturity date or redemption date upon which money is to be available for the payment of the principal of and redemption premiums, if any, on such Bonds.

(c) In the event of an advance refunding (i) the Authority shall cause to be delivered, on the deposit date and upon any reinvestment of the defeasance amount, a report of an Independent Certified Public Accountant verifying the sufficiency of the escrow established to pay the Bonds in full on the maturity date or redemption date ("Verification") (which Verification shall verify the mathematical accuracy of the computations relating to the adequacy of cash plus Government Securities to be held in escrow to pay debt service requirements (principal, interest and redemption price, including premium, to the applicable redemption or maturity dates) when due on the Bonds to be refunded), (ii) the escrow agreement shall provide that no (A) substitution of a Government Security shall be permitted except with another Government Security and upon delivery of a new Verification and (B) reinvestment of a Government Security shall be permitted except as contemplated by the original Verification or upon delivery of a new Verification and (iii) there shall be delivered an Opinion of Bond Counsel to the effect that the Bonds are no longer "Outstanding" under the Trust Agreement; each Verification and opinion shall be addressed to the Authority and the Trustee.

Unclaimed Money. Anything contained in the Trust Agreement to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of any of the Bonds or interest thereon which remains unclaimed for two (2) years after the date when such Bonds or interest thereon have become due and payable, either at their stated maturity dates or by call for redemption prior to maturity, if such money was held by the Trustee at such date, or for two (2) years after the date of deposit of such money if deposited with the Trustee after the date when such Bonds have become due and payable, shall be repaid by the Trustee to the Authority as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Bondholders shall not look to the Trustee for the payment of such Bonds.

THE FACILITIES LEASE

LEASE OF FACILITIES; TERM

Lease of Facilities. The Authority leases to the County and the County leases from the Authority the Facilities, subject, however, to all easements, encumbrances, and restrictions that exist at the time of the commencement of the term of the Facilities Lease, as defined in the Facilities Lease. The County agrees and covenants during the term of the Facilities Lease that, except as provided in the Facilities Lease, it will use the Facilities for public and County purposes so as to afford the public the benefits contemplated by the Facilities Lease.

Term; Occupancy; and Release of Existing Facilities. The term of the Facilities Lease shall commence on the date of recordation of the Facilities Lease in the office of the County Recorder of Contra Costa County, State of California, on March 18, 2021, and shall end for the respective Facilities on the dates specified in the Facilities Lease, unless such term is extended or sooner terminated as provided in the Facilities Lease. If on such dates, the Base Rental Payments and Additional Payments attributable to the related Facility and all other amounts then due under the Facilities Lease with respect to such Facility, shall not be fully paid, or if the rental payable under the Facilities Lease with respect to such Facility shall have been abated at any time and for any reason, then the term of the Facilities Lease with respect to such Facility shall be extended until the Base Rental Payments and Additional Payments attributable to such Facility and all other amounts then due under the Facilities Lease with respect to such Facility shall be fully paid, except that the term of the Facilities Lease as to the respective Facility shall in no event be extended beyond ten (10) years after the date identified with respect thereto. If prior to such date, all Base Rental Payments and all Additional Payments attributable to the related Facility and all other amounts then due under the Facilities Lease with respect to such Facility, and all amounts due and owing with respect to the Bonds, shall be fully paid, or provision therefor made, the term of the Facilities Lease with respect to such Facility shall end ten (10) days thereafter or upon written notice by the County to the Authority, whichever is earlier; provided that with respect to any provision for payment being made whether by defeasance or otherwise, the Facilities Lease shall remain outstanding for federal tax purposes until the actual payment in full of all principal and interest on the Bonds.

Upon the expiration of the term of the Facilities Lease with respect to a particular Facility pursuant to the preceding paragraph, the respective Facility shall be released from the Facilities Lease without compliance with the release requirements set forth in "Substitution; Release; Addition of Property" below; provided that no Facility shall be released from the Facilities Lease (i) if, after giving effect to the release of such Facility, a Default or Event of Default would occur under the Facilities Lease, under the Trust Agreement, (ii) unless the County has delivered a certificate to the Trustee demonstrating that the fair rental value of the remaining Facilities for each Base Rental Period is at least equal to the maximum Lease Payments to be made under the Facilities Lease in each such Rental Payment Period, (iii) if any material litigation or environmental issues exist with respect to the remaining Facilities and (iv) if any event giving rise to an abatement of Base Rental Payments shall have occurred and be continuing.

Substitution; Release; Addition of Property. The County and the Authority may add, substitute or release real property as part of the Facilities, but only after the County shall have filed with the Authority and the Trustee all of the following:

(a) Executed copies of the Facilities Lease or amendments thereto containing the amended description of the Facilities.

(b) A Certificate of the County with copies of the Facilities Lease or the Site Lease, if needed, or amendments thereto containing the amended description of the Facilities stating that such documents have been duly recorded in the official records of the County Recorder of the County.

(c) A Certificate of the County, supported by expert knowledge (which may be that of the Real Estate Manager of the County) or construction cost information evidencing that the fair market value or the insured value of the Facilities that will constitute the Facilities after such addition, substitution or release will be at least equal to the aggregate outstanding principal amount of the Base Rental Payments and the amount of any Additional Payments then determinable after such addition, substitution or release, the annual fair rental value of the Facilities after such addition, substitution or release will be at least equal to the maximum annual Base Rental Payments coming due and payable under the Facilities Lease after such addition, substitution or release, and the useful life of such Facilities will at least extend to the final Base Rental Payment date.

(d) In connection with any addition or substitution of property, a leasehold owner's title insurance policy or policies or a commitment for such policy or policies or an amendment or endorsement to an existing title insurance policy or policies subject only to Permitted Encumbrances resulting in title insurance with respect to the Facilities after such addition or substitution in an amount at least equal to the aggregate principal amount of Bonds Outstanding at the time of substitution or addition of Facilities.

(e) A Certificate of the County stating that (i) such addition, substitution or release does not adversely affect the County's use and occupancy of the Facilities (as such term will be defined following the addition, substitution or release) and (ii) no Event of Default has occurred and is continuing under the Facilities Lease or under the Trust Agreement.

(f) In connection with any substitution or release of property, (i) a Certificate of the County stating that the substitution or release will not cause the County to violate its covenants, representations and warranties under the Facilities Lease or under the Trust Agreement, (ii) a Certificate of the County that establishes that the fair market value of the property which remains subject to the Facilities Lease and the Site Lease following such substitution or release is at least equal to the aggregate outstanding principal amount of the Base Rental Payments and Additional Payments which are determinable, and the fair rental value of the Facilities which remain subject to the Facilities Lease and the Site Lease following such removal is at least equal to the Base Rental Payments and the amount of any Additional Payments then determinable thereafter coming due and payable under the Facilities Lease, (iii) no Event of Default shall have occurred and be continuing under the Facilities Lease or under the Trust Agreement and (iv) no event giving rise to an abatement of Base Rental Payments shall have occurred or be continuing with respect to the Facilities Lease or any Facilities.

(g) In connection with any substitution of property, a Certificate of the County stating that the Facility to be added is of approximately the same or greater degree of essentiality to the County as the Facilities being replaced.

(h) In connection with the addition of property, a Certificate of the County stating that the Facility to be added is an essential facility of the County.

(i) An Opinion of Counsel stating that such amendment or modification of the Site Lease and the Facilities Lease and the substitution, release or addition of property (i) complies with the terms of the Constitution and laws of the State and of the Trust Agreement and the Facilities Lease; (ii) will, upon the execution and delivery thereof, be valid and binding upon the Authority and the County; and (iii) will not cause the interest on the Bonds to be included in gross income for federal income tax purposes.

RENTAL PAYMENTS; USE OF PROCEEDS

Base Rental Payments. The County agrees to pay to the Authority, as Base Rental Payments for the use and occupancy of the Facilities (subject to the provisions of the Facilities Lease) annual rental payments with principal and interest components, the interest components being payable semi-annually, in accordance with the Base Rental Payment Schedule attached to the Facilities Lease as Exhibit B and made a part of the Facilities Lease. The County is directed to pay all such Base Rental Payments directly to the Trustee for application as provided in the Trust Agreement. Base Rental Payments shall be calculated on an annual basis, for each Rental Payment Period, and each annual Base Rental Payment shall be divided into two interest components, due on December 1 and June 1, and one principal component, due on June 1, except that the first Rental Payment Period commences on the date of recordation of the Facilities Lease and ends on May 31, 2021. Each Base Rental Payment installment shall be payable on the third Business Day immediately preceding its due date. The interest components of the Base Rental Payments shall be paid by the County as and constitute interest paid on the principal components of the Base Rental Payments to be paid by the County under the Facilities Lease, computed on the basis of a 360-day year composed of twelve 30-day months. Each annual payment of Base Rental (to be payable in installments as aforesaid) shall be for the use of the Facilities.

If the term of the Facilities Lease shall have been extended pursuant to the Facilities Lease, Base Rental Payment installments shall continue to be due on December 1 and June 1 in each year, and payable prior thereto as described above, continuing to and including the date of termination of the Facilities Lease. Upon such extension of the Facilities Lease, the County shall deliver to the Trustee a Certificate setting forth the extended rental payment schedule, which schedule shall establish the principal and interest components of the Base Rental Payments so that the principal components will in the aggregate be sufficient to pay all unpaid principal components with interest components sufficient to pay all unpaid interest components plus interest thereon.

If at any time the Base Rental shall not have been paid by the County when due, for any reason whatsoever, and no other source of funds shall have been available to make the payments of principal and interest on the Bonds, the principal and interest components of the Base Rental shall be recalculated by the County to reflect interest on the unpaid Base Rental Payments as provided in the Facilities Lease. Upon request by the Authority or the Trustee, a revised Exhibit B to the Facilities Lease shall be prepared by the County and supplied to the Authority and the Trustee reflecting such recalculation.

Additional Payments. The County shall also pay such amounts, as Additional Payments under the Facilities Lease, as shall be required by the Authority for the payment of all costs and expenses incurred by the Authority in connection with the execution, performance or enforcement by the Authority or the County, as applicable, of the Facilities Lease, or any pledge of Base Rental payable under the Facilities Lease, the Trust Agreement, its interest in the Facilities and the lease of the Facilities to the County, including but not limited to payment of all fees, costs and expenses and all administrative costs of the Authority related to the Facilities, including, without limiting the generality of the foregoing, salaries and wages of employees, all expenses, compensation and indemnification of the Trustee payable by the Authority under the Trust Agreement, fees of auditors, accountants, attorneys or architects, and all other necessary administrative costs of the Authority or charges required to be paid by it in order to maintain its existence or to comply with the terms of the Bonds or of the Trust Agreement; but not including Additional Payments amounts required to pay the principal of or interest Bonds.

Such Additional Payments shall be billed to the County by the Authority or the Trustee from time to time, together, if applicable, with a statement certifying that the amount billed has been paid by the Authority or by the Trustee on behalf of the Authority, for one or more of the items above described, or that such amount is then payable by the Authority or the Trustee for such items. Amounts so billed shall be paid by the County to the billing party within 30 days after receipt of the bill by the County. The County reserves the right to audit billings for Additional Payments although exercise of such right shall in no way affect the duty of the County to make full and timely payment for all Additional Payments.

The Authority has issued and may in the future issue bonds and has entered into and may in the future enter into leases to finance capital improvements other than the Capital Project. The administrative costs of the Authority shall be allocated among the facilities subject to such other lease agreements and the Facilities, as provided in this paragraph. The fees of the Trustee under the Trust Agreement, and any other expenses directly attributable to the Facilities shall be included in the Additional Payments payable under the Facilities Lease. The fees of any trustee or paying agent under any indenture securing bonds of the Authority or any trust agreement other than the Trust Agreement, and any other expenses directly attributable to any facilities other than the Facilities, shall not be included in the administrative costs of the Facilities and shall not be paid from the Additional Payments payable under the Facilities Lease. Any expenses of the Authority not directly attributable to any particular lease of the Authority shall be equitably allocated among all such leases, including the Facilities Lease, in accordance with sound accounting practice. In the event of any question or dispute as to such allocation, the written opinion of an independent firm of certified public accountants, employed by the Authority to consider the question and render an opinion thereon, shall be a final and conclusive determination as to such allocation. The Trustee may conclusively rely upon the Written Request of the Authority, with the approval of the County Administrator or the County Finance Director, or a duly authorized representative of the County, endorsed thereon, in making any determination that costs are payable as Additional Payments under the Facilities Lease, and shall not be required to make any investigation as to whether or not the items so requested to be paid are expenses related to the lease of the Facilities.

Fair Rental Value. The payments of Base Rental Payments and Additional Payments for each Rental Payment Period during the term of the Facilities Lease shall constitute the total rental for said Rental Payment Period and shall be paid by the County in each Rental Payment Period for and in consideration of the right of use and occupancy of, and continued quiet use and enjoyment of, the Facilities during each such Rental Payment Period for which said rental is to be paid. The parties to the Facilities Lease have agreed and determined that such total rental payable for each Rental Payment Period does not exceed the fair rental value of the Facilities for each such period.

In making such determination, consideration has been given to the value of the Facilities, costs of acquisition, design, construction and financing of the Facilities, other obligations of the parties under the Facilities Lease, the uses and purposes which may be served by the Facilities and the benefits therefrom which will accrue to the County and the general public.

Payment Provisions. Each installment of rental payable under the Facilities Lease shall be paid in lawful money of the United States of America in immediately available funds to the Trustee. Any such installment of rent accruing under the Facilities Lease which shall not be paid when due and payable under the terms of the Facilities Lease shall bear interest at a rate of 12% per annum or such lesser rate of interest as may be permitted by law, from the date when the same is due under the Facilities Lease until the same shall be paid. Notwithstanding any dispute between the Authority and the County, the County shall make all rental payments when due without deduction or offset of any kind and shall not withhold any rent payments pending the final resolution of such dispute. In the event of a determination that the County was not liable for said Base Rental Payments and Additional Payments or any portion thereof, said payments or excess of payments, as the case may be, shall be credited against subsequent rental payments due under the Facilities Lease or refunded at the time of such determination. Amounts required to be deposited by the County with the Trustee pursuant to this subheading on any date shall be reduced to the extent that amounts on deposit in the Revenue Fund, the Interest Account or the Principal Account are available therefor.

All payments received shall be applied first to the interest components of the Base Rental Payments due under the Facilities Lease, then to the principal components of the Base Rental Payments due under the Facilities Lease and thereafter to all Additional Payments due under the Facilities Lease, but no such application of any payments which are less than the total rental due and owing shall be deemed a waiver of any default under the Facilities Lease.

Rental is subject to abatement as provided in the provisions of the Facilities Lease relating to Rental Abatement.

Nothing contained in the Facilities Lease shall prevent the County from making from time to time contributions or advances to the Authority for any purpose now or hereafter authorized by law, including the making of repairs to, or the restoration of, the Facilities in the event of damage to or the destruction of the Facilities.

Appropriations Covenant. The County covenants to take such action as may be necessary to include all such Base Rental Payments and Additional Payments due under the Facilities Lease in its annual budgets, to make necessary annual appropriations for all such Base Rental Payments and Additional Payments as shall be required to provide funds in such year for such Base Rental Payments and Additional Payments. The County will deliver to the Authority and the Trustee within thirty (30) days of adoption of the final County budget a Certificate of the County (in the form set forth in Exhibit E attached to the Facilities Lease) stating that the budget as adopted appropriates all moneys necessary for the payment of Base Rental Payments and Additional Payments under the Facilities Lease. The covenants on the part of the County in the Facilities Lease contained shall be deemed to be and shall be construed to be duties imposed by law and it shall be the duty of each and every public official of the County to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the County to carry out and perform the covenants and agreements in the Facilities Lease agreed to be carried out and performed by the County.

The County covenants that in the event that any rent paid by the County under the Facilities Lease are insufficient to pay when due any Base Lease Rentals or Additional Rentals payable under the Facilities Lease, the County shall take all actions as are necessary to budget and appropriate all such Base Rental Payments and Additional Payments in a supplemental or amendatory budget, in order to make all necessary additional appropriations to pay all such amounts when due. The covenants on the part of the County contained in the Facilities Lease shall be deemed to be and shall be construed to be duties imposed by law and it shall be the duty of each and every public official of the County to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the County to carry out and perform the covenants and agreements in the Facilities Lease agreed to be carried out and performed by the County.

The Authority and the County understand and intend that the obligation of the County to pay Base Rental Payments and Additional Payments under the Facilities Lease shall constitute a current expense of the County and shall not in any way be construed to be a debt of the County in contravention of any applicable constitutional or statutory limitation or requirement concerning the creation of indebtedness by the County, nor shall anything contained in the Facilities Lease constitute a pledge of the general tax revenues, funds or moneys of the County. Base Rental Payments and Additional Payments due under the Facilities Lease shall be payable only from current funds which are budgeted and appropriated or otherwise legally available for the purpose of paying Base Rental Payments and Additional Payments or other payments due under the Facilities Lease as consideration for use of the Facilities. The Facilities Lease shall not create an immediate indebtedness for any aggregate payments which may become due under the Facilities Lease in the event that the term of the Facilities Lease is continued. The County has not pledged the full faith and credit of the County, the State of California or any agency or department thereof to the payment of the Base Rental Payments and Additional Payments or any other payments due under the Facilities Lease.

Rental Abatement. The Base Rental Payments and Additional Payments shall be abated during any period in which by reason of any damage or destruction (other than by condemnation which is provided for in the Facilities Lease) there is substantial interference with the use and occupancy of the Facilities by the County, to the extent the Base Rental Payments and Additional Payments exceed the fair rental value for the use and occupancy of that portion of the Facilities that has not been rendered unusable as reasonably determined by the County. Such abatement shall continue for the period commencing with such damage or destruction and ending with the substantial restoration of use or completion of the work of repair or reconstruction. In the event of any such damage or destruction, the Facilities Lease shall continue in full force and effect and the County waives any right to terminate the Facilities Lease by virtue of any such damage or destruction. Notwithstanding the foregoing, the Base Rental Payments are not subject to abatement to the extent that rental interruption insurance proceeds are available to pay Base Rental

Payments which would otherwise be abated under this paragraph, it being declared that such amounts constitute special funds for the payment of the Base Rental Payments.

Use of Proceeds. The parties to the Facilities Lease agree that the proceeds of the Bonds will be used to finance the Capital Projects, to refund the Refunded Bonds and to pay the costs of issuing the Bonds and incidental and related expenses.

The County agrees to construct the Capital Projects from the proceeds of the Bonds provided for such purpose to the County by the Authority in consideration for the leasehold interest in the real property comprising the Facilities. The Authority and the County agree that the Capital Projects will be constructed in accordance with the plans and specifications prepared by the designers of the Capital Projects and approved by the County.

The County may alter the Project or issue change orders altering the construction contract plans and specifications during the course of construction, and the Authority agrees to cooperate fully with the County to cause such alterations or change orders to be implemented. Failure of the County to complete the Project shall not cause an abatement of Base Rental or Additional Payments under the Facilities Lease.

Net Proceeds. If any of the Facilities are taken in eminent domain proceedings at any time during the term of the Facilities Lease, or if any of the Facilities are damaged due to an insured casualty which is covered by insurance, the County shall as soon as practicable after such event, apply the Net Proceeds resulting therefrom to one of the following:

(a) repair and restore such Facilities to full use in accordance with the provisions of the Trust Agreement;

(b) replace such Facilities, at the County's sole cost and expense, with property of equal or greater fair rental value to such Facilities immediately prior to the time of such destruction or damage, such replacement Facilities to be subject to the Facilities Lease, whereupon such replacement shall be substituted in the Facilities Lease;

(c) substitute additional property as provided in the Facilities Lease; or

(d) prepay the Base Rental Payments and any Additional Rental.

The County will notify the Authority of which course of action it has elected to take within a reasonable time not to exceed 60 days after the occurrence of such eminent domain proceedings or such destruction or damage. Such repair, replacement, substitution or prepayment shall commence not later than 60 days after the occurrence of such taking, destruction or damage and be pursued diligently to completion. The Authority may (but is not required to) in its own name or in the County's name execute and deliver proofs of claim, receive all such moneys, endorse checks and other instruments representing payment of such moneys, and adjust, litigate, compromise or release any claim against the issuer of any such policy, and the County grants to the Authority a power of attorney coupled with an interest to accomplish all or any of the foregoing.

MAINTENANCE; ALTERATIONS AND ADDITIONS

Maintenance and Utilities. During such time as the County is in possession of the Facilities, all maintenance and repair, both ordinary and extraordinary, of the Facilities shall be the responsibility of the County, which shall at all times maintain or otherwise arrange for the maintenance of the Facilities in first class condition, and the County shall pay for or otherwise arrange for the payment of all utility services supplied to the Facilities, which may include, without limitation, janitor service, security, power, gas, telephone, light, heating, ventilation, air conditioning, water and all other utility services, and shall pay for or otherwise arrange for payment of the cost of the repair and replacement of the Facilities resulting from ordinary wear and tear or want of care on the part of the County or any assignee or sublessee thereof or any other cause and shall pay for or otherwise arrange for the payment of all insurance policies required to be maintained with respect to the Facilities. In exchange for the rental provided in the Facilities Lease, the Authority agrees to provide only the Facilities.

Changes to the Facilities. Subject to the Facilities Lease, the County shall, at its own expense, have the right to remodel the Facilities or to make additions, modifications and improvements to the Facilities. All such additions, modifications and improvements shall thereafter comprise part of the Facilities and be subject to the provisions of the Facilities Lease. Such additions, modifications and improvements shall not in any way damage the Facilities or cause them to be used for purposes other than those authorized under the provisions of state and federal law; and the Facilities, upon completion of any additions, modifications and improvements made pursuant to this paragraph, shall be of a value which is at least equal to the value of the Facilities immediately prior to the making of such additions, modifications and improvements and the fair rental value of the Facilities in the then current and all succeeding Rental Payment Periods will not be less than Base Rental Payments and Additional Payments due in any such Rental Payment Period.

Installation of County's Equipment. The County and any sublessee may at any time and from time to time, in its sole discretion and at its own expense, install or permit to be installed other items of equipment or other personal property in or upon the Facilities. All such items shall remain the sole property of such party, in which neither the Authority nor the Trustee shall have any interest, and may be modified or removed by such party at any time provided that such party shall repair and restore any and all damage to the Facilities resulting from the installation, modification or removal of any such items. Nothing in the Facilities Lease shall prevent the County from purchasing items to be installed pursuant to this paragraph under a conditional sale or lease purchase contract, or subject to a vendor's lien or security agreement as security for the unpaid portion of the purchase price thereof, provided that no such lien or security interest shall attach to any part of the Facilities.

INSURANCE

Fire and Extended Coverage Insurance. The County shall procure or cause to be procured and maintain or cause to be maintained, throughout the term of the Facilities Lease, insurance against loss or damage to any structures constituting any part of the Facilities by fire and lightning, with extended coverage insurance, vandalism and malicious mischief insurance and sprinkler system leakage insurance and earthquake insurance, if available on the open market from reputable insurance companies at a reasonable cost. Said extended coverage insurance shall, as nearly as practicable, cover loss or damage by explosion, windstorm, flood, riot and riot attending a strike, aircraft, vehicle damage, hail, smoke and such other hazards as are normally covered by such insurance including earthquake coverage if such coverage is available at commercially reasonable cost from a reputable insurer in the reasonable determination of the County. Such insurance shall be in an amount equal to the replacement cost (without deduction for depreciation) of all structures constituting any part of the Facilities, excluding the cost of excavations, of grading and filling, and of the land (except that such insurance may be subject to deductible clauses for any one loss of not to exceed $250,000 or comparable amount adjusted for inflation or more in the case of earthquake insurance), or, in the alternative, shall be in an amount and in a form sufficient (together with moneys held under the Trust Agreement), in the event of total or partial loss, to enable the County to prepay all or any part of the Base Rental Payments then unpaid, pursuant to the Facilities Lease and to redeem all of the outstanding Bonds.

If at any time and for so long as any part of the Facilities is located in a 100 year flood area as shown on a Flood Insurance Rate Map published by the Federal Emergency Management Agency, the policy or policies of casualty insurance provided under this subheading shall include insurance against loss or damage to the Facilities due to flooding. If the County obtains an exception or waiver from Federal Emergency Management Agency to the designation of the Facilities as being within a 100 year flood area, the County shall not be required to provide such flood insurance.

The Authority and the County shall promptly apply for Federal disaster aid or State of California disaster aid in the event that the Facilities are damaged or destroyed as a result of an earthquake occurring at any time.

As an alternative to providing the insurance required by the first paragraph of this subheading, or any portion thereof, the County, may provide a self-insurance method or plan of protection if and to the extent such self-insurance method or plan of protection shall afford reasonable coverage for the risks required to be insured against, in light of all circumstances, giving consideration to cost, availability and similar plans or methods of protection adopted by public entities in the State of California other than the County. So long as such method or plan is being provided to satisfy the requirements of the Facilities Lease, the County shall provide the Authority and the Trustee with a Certificate of the County setting forth the details of such self-insurance method or plan maintained by the County and such self-insurance method or plan shall comply with the following terms:

(i) the self-insurance program shall be approved by an Insurance Consultant or other qualified person (which may be the Risk Manager of the County);

(ii) the self-insurance program shall include an actuarially sound claims reserve fund out of which each self-insured claim and any deductible amount required under any insurance policy provided pursuant to this subheading shall be paid;

(iii) there shall be filed annually with the Trustee and the Authority a statement of an actuary, Insurance Consultant or other qualified person (which may be the Risk Manager of the County), stating that, in the opinion of the signer, the substitute method or plan of protection is in accordance with the requirements of this subheading and, when effective, the reserving methods and practices employed in establishing and maintaining the substitute method or plan are appropriate, and the substitute method or plan affords reasonable coverage for the risks required to be insured against. There shall also be filed a Certificate of the County setting forth the details of such, the reserving methods and practices employed in establishing and maintaining the substitute method or plan and that the substitute method or plan affords reasonable coverage for the risks required to be insured against;

(iv) the claims reserve fund shall be held in a separate fund by the County;

(v) in the event of loss covered by any such self-insurance method, the liability of the County under the Facilities Lease shall be limited to the amounts in the self-insurance reserve fund or funds created under such method; and

(vi) in the event the self-insurance program shall be discontinued, then the County may not maintain deductibles in excess of the amounts described above.

Liability Insurance. Except as provided in the Facilities Lease, the County shall procure or cause to be procured and maintain or cause to be maintained, throughout the term of the Facilities Lease, a standard comprehensive general liability insurance policy or policies in protection of the Authority and its members, directors, officers, agents and employees and the Trustee, indemnifying said parties against all direct or contingent loss or liability for damages for personal injury, death or property damage occasioned by reason of the operation of the Facilities, with minimum liability limits of $1,000,000 for personal injury or death of each person and $3,000,000 for personal injury or deaths of two or more persons in each accident or event, and in a minimum amount of $200,000 for damage to property resulting from each accident or event. Such public liability and property damage insurance may, however, be in the form of a single limit policy in the amount of $3,000,000 covering all such risks. Such liability insurance may be maintained as part of or in conjunction with any other liability insurance carried by the County.

As an alternative to providing the insurance required by the first paragraph of this subheading, or any portion thereof, the County may provide a self-insurance method or plan of protection if and to the extent such self-insurance method or plan of protection shall afford reasonable protection to the Authority, its members, directors, officers, agents and employees and the Trustee, in light of all circumstances, giving consideration to cost, availability and similar plans or methods of protection adopted by public entities in the State of California other than the County. So long as such method or plan is being provided to satisfy the requirements of the Facilities Lease, the County shall provide the Authority and the Trustee with a Certificate of the County setting forth the details of such self-insurance method or plan maintained by the County and such self-insurance method or plan shall comply with the following terms:

(i) the self-insurance program shall be approved by an Insurance Consultant or other qualified person (which may be the Risk Manager of the County);

(ii) the self-insurance program shall include an actuarially sound claims reserve fund out of which each self-insured claim and any deductible amount required under any insurance policy provided pursuant to this subheading shall be paid;

(iii) there shall be filed annually with the Trustee and the Authority a statement of an actuary, the Insurance Consultant or other qualified person (which may be the Risk Manager of the County), stating that, in the opinion of the signer, the substitute method or plan of protection is in accordance with the requirements of this subheading and, when effective, would afford reasonable protection to the Authority, its members, directors, officers, agents and employees and the Trustee against loss and damage from the hazards and risks covered thereby. There shall also be filed a Certificate of the County setting forth the details of such, the reserving methods and practices employed in establishing and maintaining the substitute method or plan and that the substitute method or plan affords reasonable coverage for the risks required to be insured against;

(iv) the claims reserve fund shall be held in a separate fund by the County; and

(v) in the event the self-insurance program shall be discontinued, then the County may not maintain deductibles in excess of the amounts described above.

Rental Interruption or Use and Occupancy Insurance. The County shall procure or cause to be procured and maintain or cause to be maintained, rental interruption or use and occupancy insurance to cover loss, total or partial, of the rental income from or the use of the Facilities as the result of any of the hazards covered by the insurance required by the Facilities Lease (provided with respect to earthquake insurance, only if available on the open market from reputable insurance companies at a reasonable cost, as determined by the County), in an amount at least equal to the maximum Base Rental Payments coming due and payable during any future 24 month period (determined by the County), except that such insurance may be subject to a deductible clause of not to exceed two hundred and fifty thousand dollars ($250,000) or a comparable amount adjusted for inflation (or more in the case of earthquake coverage), and with the additional exception that with respect to coverage for terrorism related loss, the period may be only one year, provided that the County use its best efforts to obtain such coverage for a period of at least two years assuming it is available on the open market from reputable insurance companies at a reasonable cost, as determined by the County. Any proceeds of such insurance shall be used by the Trustee to reimburse to the County any rental theretofore paid by the County under the Facilities Lease attributable to such structure for a period of time during which the payment of Base Rental under the Facilities Lease is abated, and any proceeds of such insurance not so used shall be applied as provided in the provisions of the Facilities Lease relating to Base Rental Payments (to the extent required for the payment of Base Rental) and in the provisions of the Facilities Lease relating to Additional Payments (to the extent required for the payment of Additional Payments) and any remainder shall be treated as Revenue under the Trust Agreement. The County shall not be entitled to self-insure for rental interruption insurance.

Worker's Compensation. The County shall also maintain worker's compensation insurance issued by a responsible carrier authorized under the laws of the State of California to insure its employees against liability for compensation under the Worker's Compensation Insurance and Safety Act now in force in California, or any act hereafter enacted as an amendment or supplement thereto. As an alternative, such insurance may be maintained as part of or in conjunction with any other insurance carried by the County. Such insurance may be maintained by the County in the form of self-insurance.

Title Insurance. The County shall obtain, for the benefit of the Authority and Trustee, upon the execution and delivery of the Facilities Lease, title insurance on the Facilities insuring (a) the fee interest of the County in Facilities, (b) the Authority's leasehold estate in the Facilities under the Site Lease and (c) the County's sub-leasehold estate under the Facilities Lease in the Facilities, naming the Trustee as the insured, in an amount equal to the aggregate principal amount of the Bonds, issued by a company of recognized standing duly authorized to issue the same, subject only to Permitted Encumbrances.

Insurance Proceeds; Form of Policies. All policies of insurance required by the Facilities Lease shall name the County, the Authority and the Trustee each as insured and shall contain a lender's loss payable endorsement in favor of the Trustee substantially in accordance with the form approved by the Insurance Services Office and the California Bankers Association. The Trustee shall, to the extent practicable, collect, adjust and receive all moneys which may become due and payable under any such policies, may compromise any and all claims thereunder and shall apply the proceeds of such insurance as provided in the provisions of the Facilities Lease relating to Fire and Extended Coverage Insurance and Liability Insurance. All policies of insurance required by the Facilities Lease shall provide that the Trustee shall be given thirty (30) days' notice of each expiration thereof or any intended cancellation thereof or reduction of the coverage provided thereby. The Trustee shall not be responsible for the sufficiency of any insurance required in the Facilities Lease and shall be fully protected in accepting payment on account of such insurance or any adjustment, compromise or settlement of any loss agreed to by the County. The County shall pay when due the premiums for all insurance policies required by the Facilities Lease.

Annual Certificates. The County will deliver to the Authority and the Trustee on or before September 15 in each year a written Certificate of the County (in the form set forth in Exhibit E attached to the Facilities Lease) stating whether such policies satisfy the requirements of the Facilities Lease, setting forth the insurance policies then in force pursuant to this subheading, the names of the insurers which have issued the policies, the amounts thereof and the property and risks covered thereby, and, if any self-insurance program is being provided, the annual report of an actuary, Insurance Consultant or other qualified person (which may be the Risk Manager of the County) containing the information required for such self-insurance program and described in the provisions of the Facilities Lease relating to Fire and Extended Coverage Insurance, Liability Insurance and Worker's Compensation. Delivery to the Trustee of the certificate under the provisions of this subheading shall not confer responsibility upon the Trustee as to the sufficiency of coverage or amounts of such policies. If so requested in writing by the Trustee, the County shall also deliver to the Trustee certificates or duplicate originals or certified copies of each insurance policy described in such schedule.

Any policies of insurance provided by a commercial insurer to satisfy the requirements of the Facilities Lease shall be provided by a commercial insurer rated in one of the two highest rating categories by S&P and by Moody's.

DEFAULTS AND REMEDIES

Defaults and Remedies. (a) If the County shall fail (i) to pay any Base Rental Payment or Additional Payment payable under the Facilities Lease when the same becomes due, time being expressly declared to be of the essence of the Facilities Lease or fail to maintain any insurance specified in the provisions of the Facilities Lease relating to Insurance or (ii) to keep, observe or perform any other term, covenant or condition contained in the Facilities Lease to be kept or performed by the County for a period of sixty (60) days after notice of the same has been given to the County by the Authority or the Trustee or for such additional time as is reasonably required, in the sole discretion of the Authority, to correct the same, or (iii) upon the happening of any of the events specified in subsection (b) of this subheading (any such case above being an "Event of Default"), the County shall be deemed to be in default under the Facilities Lease and it shall be lawful for the Authority to exercise any and all remedies available pursuant to law or granted pursuant to the Facilities Lease. Upon any such default, the Authority, in addition to all other rights and remedies it may have at law, shall have the option to do any of the following:

(1) To terminate the Facilities Lease in the manner provided in the Facilities Lease on account of default by the County, notwithstanding any re-entry or re-letting of the Facilities as provided for in subparagraph (2) below, and to re-enter the Facilities and remove all persons in possession thereof and all personal property whatsoever situated upon the Facilities and place such personal property in storage in any warehouse or other suitable place located within the County of Contra Costa, California, at the expense of the County. In the event of such termination, the County agrees to surrender immediately possession of the Facilities, without let or hindrance, and to pay the Authority all damages recoverable at law that the Authority may incur by reason of default by the County, including, without limitation, any costs, loss or damage whatsoever arising out of, in connection with, or incident to any such re-entry upon the Facilities and removal and storage of such property by the Authority or its duly authorized agents in accordance with the provisions contained in the Facilities Lease. Neither notice to pay rent or to deliver up possession of the Facilities given pursuant to law nor any entry or re-entry by the Authority nor any proceeding in unlawful detainer, or otherwise, brought by the Authority for the purpose of effecting such re-entry or obtaining possession of the Facilities nor the appointment of a receiver upon initiative of the Authority to protect the Authority's interest under the Facilities Lease shall of itself operate to terminate the Facilities Lease, and no termination of the Facilities Lease on account of default by the County shall be or become effective by operation of law or acts of the parties to the Facilities Lease, or otherwise, unless and until the Authority shall have given written notice to the County of the election on the part of the Authority to terminate the Facilities Lease. The County covenants and agrees that no surrender of the Facilities or of the remainder of the term of the Facilities Lease or any termination of the Facilities Lease shall be valid in any manner or for any purpose whatsoever unless stated or accepted by the Authority by such written notice.

(2) Without terminating the Facilities Lease, (i) to collect each installment of rent as it becomes due and enforce any other terms or provision of the Facilities Lease to be kept or performed by the County, regardless of whether or not the County has abandoned the Facilities,

or (ii) to exercise any and all rights of entry and re-entry upon the Facilities. In the event the Authority does not elect to terminate the Facilities Lease in the manner provided for in subparagraph (1) above, the County shall remain liable and agrees to keep or perform all covenants and conditions contained in the Facilities Lease to be kept or performed by the County and, if the Facilities are not re-let, to pay the full amount of the rent to the end of the term of the Facilities Lease or, in the event that the Facilities are re-let, to pay any deficiency in rent that results therefrom; and further agrees to pay said rent and/or rent deficiency punctually at the same time and in the same manner as provided above for the payment of rent under the Facilities Lease (without acceleration), notwithstanding the fact that the Authority may have received in previous years or may receive thereafter in subsequent years rental in excess of the rental specified in the Facilities Lease, and notwithstanding any entry or re-entry by the Authority or suit in unlawful detainer, or otherwise, brought by the Authority for the purpose of effecting such entry or re-entry or obtaining possession of the Facilities. Should the Authority elect to enter or re-enter as provided in the Facilities Lease, the County irrevocably appoints the Authority as the agent and attorney-in-fact of the County to re-let the Facilities, or any part thereof, from time to time, either in the Authority's name or otherwise, upon such terms and conditions and for such use and period as the Authority may deem advisable, and to remove all persons in possession thereof and all personal property whatsoever situated upon the Facilities and to place such personal property in storage in any warehouse or other suitable place located in the County of Contra Costa, California, for, to the extent permitted by law, the account of and at the expense of the County, and the County, to the extent permitted by law, exempts and agrees to save harmless the Authority from any costs, loss or damage whatsoever arising out of, in connection with, or incident to any such re-entry upon and re-letting of the Facilities and removal and storage of such property by the Authority or its duly authorized agents in accordance with the provisions contained in the Facilities Lease. The County agrees that the terms of the Facilities Lease constitute full and sufficient notice of the right of the Authority to re-let the Facilities and to do all other acts to maintain or preserve the Facilities as the Authority deems necessary or desirable in the event of such re-entry without effecting a surrender of the Facilities Lease, and further agrees that no acts of the Authority in effecting such re-letting shall constitute a surrender or termination of the Facilities Lease irrespective of the use or the term for which such re-letting is made or the terms and conditions of such re-letting, or otherwise, but that, on the contrary, in the event of such default by the County the right to terminate the Facilities Lease shall vest in the Authority to be effected in the sole and exclusive manner provided for in sub-paragraph (1) above. The County further waives the right to any rental obtained by the Authority in excess of the rental specified in the Facilities Lease and conveys and releases such excess to the Authority as compensation to the Authority for its services in re-letting the Facilities or any part thereof. The County further agrees, to the extent permitted by law, to pay the Authority the reasonable cost of any alterations or additions to the Facilities necessary to place the Facilities in condition for re-letting immediately upon notice to the County of the completion and installation of such additions or alterations.

The County waives any and all claims for damages caused or which may be caused by the Authority in re-entering and taking possession of the Facilities as provided in the Facilities Lease and all claims for damages that may result from the destruction of or injury to the Facilities and all claims for damages to or loss of any property belonging to the County, or any other person, that may be in or upon the Facilities.

(b) If (1) the County's interest in the Facilities Lease or any part thereof be assigned or transferred, either voluntarily or by operation of law or otherwise, without the written consent of the Authority, as provided for in the Facilities Lease, (2) the County or any assignee shall file any petition or institute any proceeding under any act or acts, state or federal, dealing with or relating to the subject or subjects of bankruptcy or insolvency, or under any amendment of such act or acts, either as a bankrupt or as an insolvent, or as a debtor, or in any similar capacity, wherein or whereby the County asks or seeks or prays to be adjudicated a bankrupt, or is to be discharged from any or all of the County's debts or obligations, or offers to the County's creditors to effect a composition or extension of time to pay the County's debts or asks, seeks or prays for reorganization or to effect a plan of reorganization, or for a readjustment of the County's debts, or for any other similar relief, or if any such petition or any such proceedings of the same or similar kind or character be filed or be instituted or taken against the County, or if a receiver of the business or of the property or assets of the County shall be appointed by any court, except a receiver appointed at the instance or request of the Authority, or if the County shall make a general or any assignment for the benefit of the County's creditors, (3) the County shall abandon or vacate the Facilities, or (4) any representation or warranty made by the County in the Facilities Lease proves to have been false, incorrect, misleading or breached in any material respect on the date when made, then the County shall be deemed to be in default under the Facilities Lease.

(c) The Authority shall in no event be in default in the performance of any of its obligations under the Facilities Lease or imposed by any statute or rule of law unless and until the Authority shall have failed to perform such obligations within sixty (60) days or such additional time as is reasonably required to correct any such default after notice by the County to the Authority properly specifying wherein the Authority has failed to perform any such obligation. In the event of default by the Authority, the County shall be entitled to pursue any remedy provided by law.

(d) In addition to the other remedies set forth in this subheading, upon the occurrence of an Event of Default, the Authority shall be entitled to proceed to protect and enforce the rights vested in the Authority by the Facilities Lease or by law. The provisions of the Facilities Lease and the duties of the County and of its trustees, officers or employees shall be enforceable by the Authority by mandamus or other appropriate suit, action or proceeding in any court of competent jurisdiction. Without limiting the generality of the foregoing, the Authority shall have the right to bring the following actions:

(1) Accounting. By action or suit in equity to require the County and its trustees, officers and employees and its assigns to account as the trustee of an express trust.

(2) Injunction. By action or suit in equity to enjoin any acts or things which may be unlawful or in violation of the rights of the Authority.

(3) Mandamus. By mandamus or other suit, action or proceeding at law or in equity to enforce the Authority's rights against the County (and its board, officers and employees) and to compel the County to perform and carry out its duties and obligations under the law and its covenants and agreements with the County as provided in the Facilities Lease.

The exercise of any rights or remedies under the Facilities Lease shall not permit acceleration of Base Rental Payments.

Each and all of the remedies given to the Authority under the Facilities Lease or by any law now or hereafter enacted are cumulative and the single or partial exercise of any right, power or privilege under the Facilities Lease shall not impair the right of the Authority to other or further exercise thereof or the exercise of any or all other rights, powers or privileges. The term "re-let" or "re-letting" as used in this subheading shall include, but not be limited to, re-letting by means of the operation by the Authority of the Facilities. If any statute or rule of law validly shall limit the remedies given to the Authority under the Facilities Lease, the Authority nevertheless shall be entitled to whatever remedies are allowable under any statute or rule of law.

In the event the Authority shall prevail in any action brought to enforce any of the terms and provisions of the Facilities Lease, the County agrees to pay a reasonable amount as and for attorney's fees incurred by the Authority in attempting to enforce any of the remedies available to the Authority under the Facilities Lease, whether or not a lawsuit has been filed and whether or not any lawsuit culminates in a judgment. Notwithstanding anything in the Facilities Lease to the contrary, the termination of the Facilities Lease by the Authority on account of a default by the County under this subheading shall not effect or result in a termination of the lease of the Facilities by the County to the Authority pursuant to the Site Lease.

Waiver. Failure of the Authority to take advantage of any default on the part of the County shall not be, or be construed as, a waiver thereof, nor shall any custom or practice which may grow up between the parties in the course of administering this instrument be construed to waive or to lessen the right of the Authority to insist upon performance by the County of any term, covenant or condition of the Facilities Lease, or to exercise any rights given the Authority on account of such default. A waiver of a particular default shall not be deemed to be a waiver of the same or any subsequent default. The acceptance of rent under the Facilities Lease shall not be, or be construed to be, a waiver of any term, covenant or condition of the Facilities Lease.

EMINENT DOMAIN; PREPAYMENT

Eminent Domain. If the whole of the Facilities or so much thereof as to render the remainder unusable for the purposes for which it was used by the County shall be taken under the power of eminent domain, the term of the Facilities Lease shall cease as of the day that possession shall be so taken. If less than the whole of the Facilities shall be taken under the power of eminent domain and the remainder is usable for the purposes for which it was used by the County at the time of such taking, then the Facilities Lease shall continue in full force and effect as to such remainder, and the parties waive the benefits of any law to the contrary, and in such event there shall be a partial abatement of the rental due under the Facilities Lease in an amount equivalent to the amount by which the annual payments of principal and interest on the Outstanding Bonds will be reduced by the application of the award in eminent domain to the redemption of outstanding Bonds. So long as any of the Bonds shall be outstanding, any award made in eminent domain proceedings for taking the Facilities or any portion thereof shall be paid to the Trustee and applied in accordance with the Facilities Lease. Any such award made after all of the Base Rental Payments and Additional Payments have been fully paid, or provision therefor made, shall be paid to the to the County.

Prepayment. (a) The County shall prepay on any date from insurance (including proceeds of title insurance) and eminent domain proceeds, to the extent provided in the Facilities Lease (provided, however, that in the event of partial damage to or destruction of the Facilities caused by perils covered by insurance, if in the judgment of the Authority the insurance proceeds are sufficient to repair, reconstruct or replace the damaged or destroyed portion of the Facilities, such proceeds shall be held by the Trustee and used to repair, reconstruct or replace the damaged or destroyed portion of the Facilities, pursuant to the procedure set forth in the Facilities Lease for proceeds of insurance), all or any part of Base Rental Payments then unpaid so that the aggregate annual amounts of Base Rental Payments which shall be payable after such prepayment date shall be as nearly proportional as practicable to the aggregate annual amounts of Base Rental Payments unpaid prior to the prepayment date (taking into account the reduction in Base Rental allocable to future interest on the Bonds that are redeemed), at a prepayment amount equal to the redemption payment of the maximum amount of Bonds, including the principal thereof and the interest thereon to the date of redemption.

(b) The County may prepay, from any source of available funds, all or any portion of Base Rental Payments by depositing with the Trustee moneys or securities as provided in the Trust Agreement sufficient to defease Bonds corresponding to such Base Rental Payments when due; provided that the County furnishes the Trustee with an Opinion of Counsel that such deposit will not cause interest on the Bonds to be includable in gross income for federal income tax purposes. The County agrees that if following such prepayment the Facilities are damaged or destroyed or taken by eminent domain, it is not entitled to, and by such prepayment waives the right of, abatement of such prepaid Base Rental Payments and shall not be entitled to any reimbursement of such Base Rental Payments.

(c) Before making any prepayment pursuant to this subheading, the County shall, within five (5) days following the event creating such right or obligation to prepay, give written notice to the Authority and the Trustee describing such event and specifying the date on which the prepayment will be made, which date shall be not less than forty-five (45) days from the date such notice is given.

(d) When (1) there shall have been deposited with the Trustee at or prior to the due dates of the Base Rental Payments or date when the County may exercise its option to purchase the Facilities or any portion or item thereof, in trust for the benefit of the Owners of the Bonds and irrevocably appropriated and set aside to the payment of the Base Rental Payments or option price, sufficient moneys and Permitted Investments described in subsection (1) of the definition thereof in the Trust Agreement, not redeemable prior to maturity, the principal of and interest on which when due will provide money sufficient to pay all principal, premium, if any, and interest on the Bonds to the due date of the Bonds; (2) all requirements of the Trust Agreement have been satisfied; and (3) an agreement shall have been entered into with the Trustee for the payment of its fees and expenses so long as any of the Bonds shall remain unpaid, then and in that event the right, title and interest of the Authority in the Facilities Lease and the obligations of the County under the Facilities Lease shall thereupon cease, terminate, become void and be completely discharged and satisfied (except for the right of the Authority and the obligation of the County to have such moneys and such Permitted Investments applied to the payment of the Base Rental Payments) and the Authority's interest in and title to the Facilities or applicable portion or item thereof shall be transferred and conveyed to the County. In such event, the Authority shall cause an accounting for such period or periods as may be requested by the County to be prepared and filed with the Authority and evidence such discharge and satisfaction, and the Authority shall pay over to the County as an overpayment of Base Rental Payments all such moneys or Permitted Investments held by it pursuant to the Facilities Lease other than such moneys and such Permitted Investments as are required for the payment or prepayment of the Base Rental Payments or the option price and the fees and expenses of the Trustee, which moneys and Permitted Investments shall continue to be held by the Trustee in trust for the payment of Base Rental Payments or the option price and the fees and expenses of the Trustee, and shall be applied by the Authority to the payment of the Base Rental Payments or the option price and the fees and expenses of the Trustee.

Option to Purchase; Sale of Personal Property. The County shall have the option to purchase the Authority's interest in any part of Facilities upon payment of an option price consisting of moneys or securities of the category specified in clause (1) of the definition of the term Permitted Investments contained in the Trust Agreement (not callable by the issuer thereof prior to maturity) in an amount sufficient (together with the increment, earnings and interest on such securities) to provide funds to pay the aggregate amount for the entire remaining term of the Facilities Lease of the part of the total rent under the Facilities Lease attributable to such part of the Facilities (determined by reference to Exhibit B to the Facilities Lease). Any such payment shall be made to the Trustee and shall be treated as rental payments and shall be applied by the Trustee to pay the principal, premium, if any, of the Bonds and interest on the Bonds and to redeem Bonds if such Bonds are subject to redemption pursuant to the terms of the Trust Agreement. Upon the making of such payment to the Trustee and the satisfaction of all requirements set forth in the Trust Agreement, (a) the Base Rental thereafter payable under the Facilities Lease shall be reduced by the amount thereof attributable to such part of the Facilities and theretofore paid pursuant to this paragraph, (b) provisions in the Facilities Lease relating to Rental Abatement and this paragraph shall not thereafter be applicable to such part of the Facilities, (c) the insurance required by the Facilities Lease need not be maintained as to such part of the Facilities, and (d) title to such part of the Facilities shall vest in the County and the term of the Facilities Lease shall end as to such Facilities.

The County, in its discretion, may request the Authority to sell or exchange any personal property which may at any time constitute a part of the Facilities, and to release said personal property from the Facilities Lease, if (a) in the opinion of the County the property so sold or exchanged is no longer required or useful in connection with the operation of the Facilities, (b) the consideration to be received from the property is of a value substantially equal to the value of the property to be released, and (c) if the value of any such property shall, in the opinion of the Authority, exceed the amount of $100,000, the Authority shall have been furnished a certificate of an independent engineer or other qualified independent professional consultant (satisfactory to the Authority) certifying the value thereof and further certifying that such property is no longer required or useful in connection with the operation of the Facilities. In the event of any such sale, the full amount of the money or consideration received for the personal property so sold and released shall be paid to the Authority. Any money so paid to the Authority may, so long as the County is not in default under any of the provisions of the Facilities Lease, be used upon the Written Request of the County to purchase personal property, which property shall become a part of the Facilities leased under the Facilities Lease. The Authority may require such opinions, certificates and other documents as it may deem necessary before permitting any sale or exchange of personal property subject to the Facilities Lease or before releasing for the purchase of new personal property money received by it for personal property so sold.

COVENANTS

Right of Entry. The Authority and its assignees shall have the right to enter upon and to examine and inspect the Facilities during reasonable business hours (and in emergencies at all times) (a) to inspect the same, (b) for any purpose connected with the Authority's or the County's rights or obligations under the Facilities Lease, and (c) for all other lawful purposes.

Liens. Neither the County nor the Authority shall, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to any portion of the Facilities, other than the respective rights of the Authority as provided in the Facilities Lease and Permitted Encumbrances. In the event the County shall at any time during the term of the Facilities Lease cause any changes, alterations, additions, improvements, or other work to be done or performed or materials to be supplied, in or upon the Facilities, the County shall pay, when due, all sums of money that may become due for, or purporting to be for, any labor, services, materials, supplies or equipment furnished or alleged to have been furnished to or for the County in, upon or about the Facilities and shall keep the Facilities free of any and all mechanics' or materialmen's liens or other liens against the Facilities or the Authority's interest therein. In the event any such lien attaches to or is filed against the Facilities or the Authority's interest therein, the County shall cause each such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or becomes due, except that if the County desires to contest any such lien it may do so in good faith. If any such lien shall be reduced to final judgment and such judgment or such process as may be issued for the enforcement thereof is not promptly stayed, or if so stayed and said stay thereafter expires, the County shall forthwith pay and discharge said judgment. The County agrees to and shall, to the maximum extent permitted by law, indemnify and hold the Authority and the Trustee and their respective members, directors, agents, successors and assigns, harmless from and against, and defend each of them against, any claim, demand, loss, damage, liability or expense (including attorney's fees) as a result of any such lien or claim of lien against the Facilities or the Authority's interest therein.

Quiet Enjoyment. The parties to the Facilities Lease mutually covenant that the County, by keeping and performing the covenants and agreements in the Facilities Lease contained and not in default under the Facilities Lease, shall at all times during the term of the Facilities Lease peaceably and quietly have, hold and enjoy the Facilities without suit, trouble or hindrance from the Authority.

Authority Not Liable. The Authority and its members, directors, officers, agents and employees shall not be liable to the County or to any other party whomsoever for any death, injury or damage that may result to any person or property by or from any cause whatsoever in, on or about the Facilities. The County, to the extent permitted by law, shall indemnify and hold the Authority and any assignees and their respective members, directors, officers, agents and employees, harmless from, and defend each of them against, any and all claims, liens and judgments arising from the operation of the Facilities, including, without limitation, death of or injury to any person or damage to property whatsoever occurring in, on or about the Facilities regardless of responsibility for negligence, but excepting the active negligence of the person or entity seeking indemnity.

Assignment by the Authority. The Authority's rights under the Facilities Lease, including the right to receive and enforce payment of the Base Rental Payments to be made by the County under the Facilities Lease, have been pledged and assigned to the Trustee for the benefit of the Bondholders pursuant to the Trust Agreement, to which pledge and assignment the County consents.

Assignment and Subleasing by the County. Neither the Facilities Lease nor any interest of the County under the Facilities Lease shall be mortgaged, pledged, assigned, sublet or transferred by the County by voluntary act or by operation of law or otherwise, except with the prior written consent of the Authority, which, in the case of subletting, shall not be unreasonably withheld; provided such subletting shall not affect the tax-exempt status of the interest on the Bonds. No such mortgage, pledge, assignment, sublease or transfer shall in any event affect or reduce the obligation of the County to make the Base Rental Payments and Additional Payments required under the Facilities Lease.

Title to Facilities. During the term of the Facilities Lease, the Authority shall hold a leasehold estate to the Facilities and any and all additions which comprise fixtures, repairs, replacement or modifications thereof, except for those fixtures, repairs, replacements or modifications which are added thereto by the County and which may be removed without damaging the Facilities, and except for any items added to the Facilities by the County pursuant to the Facilities Lease. This provision shall not operate to the benefit of any insurance company if there is rental interruption covered by insurance pursuant to the Facilities Lease.

Upon the termination or expiration of the Facilities Lease upon payment in full of the Base Rental Payments attributed to the Facilities and all amounts owing on the Bonds, the Authority's interest in the title to the Facilities shall vest in the County and the Authority shall execute such conveyances, deeds and other documents as may be necessary to evidence the ownership of the Facilities by the County and to clarify the title of the County on the record thereof.

Tax Covenants. (a) The County and the Authority shall at all times do and perform all acts and things permitted by law which are necessary or desirable in order to assure that the interest on the Bonds will be excluded from gross income for federal income tax purposes under Section 103 of the Code and shall take no action that would result in such interest not being excluded from gross income for federal income tax purposes. Without limiting the generality of the foregoing, the Authority and the County covenant that they will comply with the requirements of the Tax Certificate, which is incorporated in the Facilities Lease as if fully set forth in the Facilities Lease.

(b) If at any time the County or the Authority is of the opinion that for purposes of this subheading it is necessary to restrict or limit the yield on or change in any way the investment of any moneys held by the Trustee or the County or the Authority under the Facilities Lease or the Trust Agreement, the County or the Authority shall so instruct the Trustee or the appropriate officials of the County in writing, and the Trustee or the appropriate officials of the County, as the case may be, shall take such actions as may be necessary in accordance with such instructions.

(c) In furtherance of the covenants of the County and the Authority set forth above, the County will comply with the Tax Certificate. The Trustee and the Authority may conclusively rely on any such written instructions, and the County agrees to hold harmless the Trustee and the Authority for any loss, claim, damage, liability or expense incurred by the Authority and the Trustee for any actions taken by the Authority or the Trustee in accordance with such instructions.

(d) The covenants of the County and the Authority in the Facilities Lease shall survive payment in full or defeasance of the Bonds.

Taxes. The County shall pay or cause to be paid all taxes and assessments of any type or nature charged to the Authority or affecting the Facilities or the respective interests or estates therein; provided that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the County shall be obligated to pay only such installments as are required to be paid during the term of the Facilities Lease as and when the same become due. The County waives the benefits of subsections 1 and 2 of Section 1932, Section 1933(4) and Sections 1941 and 1942 of the California Civil Code.

The County shall also pay directly such amounts, if any, in each year as shall be required by the Authority for the payment of all license and registration fees and all taxes (including, without limitation, income, excise, license, franchise, capital stock, recording, sales, use, value-added, property, occupational, excess profits and stamp taxes), levies, imposts, duties, charges, withholdings, assessments and governmental charges of any nature whatsoever, together with any additions to tax, penalties, fines or interest thereon, including, without limitation, penalties, fines or interest arising out of any delay or failure by the County to pay any of the foregoing or failure to file or furnish to the Authority or the Trustee for filing in a timely manner any returns, hereinafter levied or imposed against the Authority or the Facilities, the rentals and other payments required under the Facilities Lease or any parts thereof or interests of the County or the Authority or the Trustee therein by any governmental authority.

The County may, at the County's expense and in its name, in good faith contest any such taxes, assessments and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Authority or the Trustee shall notify the County that, in the opinion of independent counsel, by nonpayment of any such items, the interest of the Authority in the Facilities will be materially endangered or the Facilities, or any part thereof, will be subject to loss or forfeiture, in which event the County shall promptly pay such taxes, assessments or charges or provide the Authority with full security against any loss which may result from nonpayment, in form satisfactory to the Authority.

Authority's Purpose. The Authority covenants that, prior to the discharge of the Facilities Lease, it will not engage in any activities inconsistent with the purposes for which the Authority is organized.

Purpose of Facilities Lease. The County covenants that during the term of the Facilities Lease, except as provided in the Facilities Lease, (a) it will use, or cause the use of, the Facilities for public purposes and for the purposes for which the Facilities are customarily used, (b) it will not vacate or abandon the Facilities or any part thereof, and (c) it will not make any use of the Facilities which would jeopardize in any way the insurance coverage required to be maintained pursuant to the provisions of the Facilities Lease relating to Insurance.

Essential Use. The Facilities are essential to the proper, efficient and economic operation of the County and serve an essential governmental function of the County.

Nondiscrimination. The County covenants in the Facilities Lease by and for itself, its heirs, executors, administrators, and assigns, and all person claiming under or through itself, and the Facilities Lease is made and accepted upon and subject to the following conditions: That there shall be no discrimination against or segregation of any person or groups of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those basis are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises leased in the Facilities Lease nor shall the County, or any person claiming under or through the County, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises leased in the Facilities Lease.

DISCLAIMER OF WARRANTIES; VENDOR'S WARRANTIES; USE OF THE FACILITIES

Disclaimer of Warranties. THE AUTHORITY MAKES NO AGREEMENT, WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE OR FITNESS FOR USE OF THE FACILITIES OR THE PROJECT OR WARRANTY WITH RESPECT THERETO. THE COUNTY ACKNOWLEDGES THAT THE AUTHORITY IS NOT A MANUFACTURER OF THE FACILITIES OR THE PROJECT OR A DEALER THEREIN, THAT THE COUNTY LEASES THE FACILITIES AS-IS, IT BEING AGREED THAT ALL OF THE AFOREMENTIONED RISKS ARE TO BE BORNE BY THE COUNTY. In no event shall the Authority be liable for any incidental, indirect, special or consequential damage in connection with or arising out of the Facilities Lease or the Project or the existence, furnishing, functioning or the County's use of any item or products or services provided for in the Facilities Lease.

Vendor's Warranties. The Authority irrevocably appoints the County its agent and attorney-in-fact during the term of the Facilities Lease, so long as the County shall not be in default under the Facilities Lease, to assert from time to time whatever claims and rights, including warranties of the Facilities, which the Authority may have against the manufacturers, vendors and contractors of the Facilities. The County's sole remedy for the breach of such warranty, indemnification or representation shall be against the manufacturer or vendor or contractor of the Facilities, and the Project, as applicable, and not against the Authority, nor shall such matter have any effect whatsoever on the rights and obligations of the Authority with respect to the Facilities Lease, including the right to receive full and timely payments under the Facilities Lease. The County expressly acknowledges that the Authority makes, and has made, no representation or warranties whatsoever as to the existence or availability of such warranties of the manufacturer, vendor or contractor with respect to the Facilities and the Project.

Use of the Facilities. The County will not install, use, operate or maintain the Facilities improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by the Facilities Lease. The County shall provide all permits and licenses, if any, necessary for the installation and operation of the Facilities. In addition, the County agrees to comply in all respects (including, without limitation, with respect to the use, maintenance and operation of the Facilities) with all laws of the jurisdictions in which its operations may extend and any legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Facilities; provided, however, that the County may contest in good faith the validity or application of any such law or rule in any reasonable manner which does not, in the opinion of the Authority, adversely affect the estate of the Authority in and to the Facilities or its interest or rights under the Facilities Lease.

MISCELLANEOUS

Net-Net-Net Lease. The Facilities Lease shall be deemed and construed to be a "net-net-net lease" and the County agrees that the rentals provided for in the Facilities Lease shall be an absolute net return to the Authority, free and clear of any expenses, charges or set-offs whatsoever.

THE SITE LEASE

Lease of Facilities

The County leases to the Authority and the Authority leases from the County, on the terms and conditions set forth in the Site Lease, the real property situated in the County of Contra Costa, State of California, together with the improvements thereon, as described in Exhibit A attached to the Site Lease and made a part thereof, and any additional real property added thereto by any supplement or amendment to the Site Lease, or any real property substituted for all or any portion of such property in accordance with the Site Lease and the Trust Agreement (the "Facilities"); subject, however, to Permitted Encumbrances. No merger shall be effected by the County's lease of the Facilities to the Authority under the Site Lease, and the Authority's sublease of the Facilities back to the County under the Facilities Lease.

Term

The term of the Site Lease as to the Facilities shall commence on the date of recordation of the Site Lease in the office of the County Recorder of the County of Contra Costa, State of California, on March 18, 2021 and shall end for the respective Facilities on the dates identified in Exhibit B to the Site Lease, unless such term is extended or sooner terminated as provided in the Site Lease. If on such dates, the Base Rental Payments and Additional Payments attributable to the related Facility and all other amounts then due under the Facilities Lease with respect to such Facility shall not be fully paid, or if the rental or other amounts payable under the Facilities Lease with respect to such Facility shall have been abated at any time and for any reason, then the term of the Site Lease with respect to such Facility shall be extended until ten (10) days after the Base Rental Payments and Additional Payments attributable to such Facility and all other amounts then due under the Facilities Lease with respect to such Facility, shall be fully paid except that the term of the Site Lease as to the respective Facility shall in no event be extended beyond ten (10) years after the date identified with respect thereto. If prior to such date the Base Rental Payments and Additional Payments attributable to the related Facility and all other amounts then due under the Facilities Lease with respect to such Facility shall be fully paid, the term of the Site Lease with respect to such Facility shall end ten (10) days thereafter or upon written notice by the County to the Authority, whichever is earlier.

Purpose

The Authority shall use the Facilities solely for the purpose of leasing the Facilities to the County pursuant to the Facilities Lease and for such purposes as may be incidental thereto; provided, that in the event of an Event of Default by the County under the Facilities Lease, the Authority may exercise the remedies provided in the Facilities Lease.

Environmental Law and Regulations

(a) Definitions used in this subheading and under Environmental Compliance below.

"Asbestos Containing Materials" shall mean material in friable form containing more than one percent (1%) of the asbestiform varieties of (a) chrysotile (serpentine); (b) crocidolite (ricbeckite); (c) amosite (cummington-itegrinerite); (d) anthophyllite; (e) tremolite; and (f) antinolite.

"Asbestos Operations and Maintenance Plan" shall mean that written plan for the Facilities relating to monitoring and maintaining all Asbestos Containing Materials used or located on the Facilities.

"Environmental Regulations" shall mean all Laws and Regulations, now or hereafter in effect, with respect to Hazardous Materials, including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act, as amended (42 U.S.C. Section 9601, et seq.) (together with the regulations promulgated thereunder, "CERCLA"), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Section 6901, et seq.) (together with the regulations promulgated thereunder, "RCRA"), the Emergency Planning and Community Right-to-Know Act, as amended (42 U.S.C. Section 11001, et seq.) (together with the regulations promulgated thereunder, "Title III"), the Clean Water Act, as amended (33 U.S.C. Section 1251, et seq.) (together with the regulations promulgated thereunder, "CWA"), the Clean Air Act, as amended (42 U.S.C. Section 7401, et seq.) (together with the regulations promulgated thereunder, "CAA"), the Toxic Substances Control Act, as amended (15 U.S.C. Section 2601, et seq.) (together with the regulations promulgated thereunder, "TSCA"), the Occupational Safety and Health Act, as amended (29 U.S.C. Section 651 et seq.) (together with regulations promulgated thereunder, "OSHA") and any similar federal, state or local laws and regulations and any so-called local, state or federal "superfund" or "superlien" law.

"Hazardous Materials" shall mean any material amount of flammable explosives, polychlorinated biphenyl compounds, heavy metals, chlorinated solvents, cyanide, radon, petroleum products, asbestos or any Asbestos Containing Materials, methane, radioactive materials, pollutants, hazardous materials, hazardous wastes, hazardous, toxic, or regulated substances or related materials, as characterized, regulated or defined in CERCLA, RCRA, CWA, CAA, TSCA, OSHA and Title III, and the regulations promulgated pursuant thereto, and in any other Environmental Regulations applicable to the County, any of the Facilities or the business operations conducted by the County therein.

"Laws and Regulations" shall mean any applicable law, regulation, code, order, rule, judgment or consent agreement, including, without limitation, those relating to zoning, building, use and occupancy, fire safety, health, sanitation, air pollution, ecological matters, environmental protection, hazardous or toxic materials, substances or wastes, conservation, parking, architectural barriers to the handicapped, or restrictive covenants or other agreements affecting title to the Facilities.

(b) No portion of the Facilities is located in an area of high potential incidence of radon which has an unventilated basement or subsurface portion which is occupied or used for any purpose other than the foundation or support of the improvements to such Facilities.

(c) The County has not received any notice from any insurance company which has issued a policy with respect to the Facilities or from the applicable state or local government agency responsible for insurance standards (or any other body exercising similar functions) requiring the performance of any repairs, alterations or other work, which repairs, alterations or other work have not been completed at the Facilities. The County has not received any notice of default or breach which has not been cured under any covenant, condition, restriction, right-of-way, reciprocal easement agreement or other easement affecting the Facilities which is to be performed or complied with by it.

Environmental Compliance

(a) Neither the County nor the Authority shall use or permit the Facilities or any part thereof to be used to generate, manufacture, refine, treat, store, handle, transport or dispose of, transfer, produce or process Hazardous Materials, except, and only to the extent, if necessary to maintain the Facilities and then, only in compliance with all Environmental Regulations, nor shall it permit, as a result of any intentional or unintentional act or omission on its part or by any tenant, subtenant, licensee, guest, invitee, contractor, employee and agent, the storage, transportation, disposal or use of Hazardous Materials or the pumping, spilling, leaking, disposing of, emptying, discharging or releasing (hereinafter collectively referred to as

"Release") or threat of Release of Hazardous Materials on, from or beneath the Facilities or onto any other real property excluding, however, those Hazardous Materials in those amounts ordinarily found in the inventory of an office building, the use, storage, treatment, transportation and disposal of which shall be in compliance with all Environmental Regulations. Upon the occurrence of any Release or threat of Release, or presence, of Hazardous Materials, the County shall promptly commence and perform, or cause to be commenced and performed promptly, without cost to the Trustee or the Authority, all investigations, studies, sampling and testing, and all remedial, removal and other actions necessary to clean up and remove all Hazardous Materials so Released or present, on, from or beneath the Facilities, in compliance with all Environmental Regulations. Notwithstanding anything to the contrary contained in the Site Lease, underground storage tanks shall only be permitted subject to compliance with subsection (d) and only to the extent necessary to maintain the Facilities.

(b) The County and the Authority shall comply with, and shall cause its tenants, subtenants, licensees, guests, invitees, contractors, employees and agents to comply with, all Environmental Regulations, and shall keep the Facilities free and clear of any liens imposed pursuant thereto (provided, however, that any such liens, if not discharged, may be bonded). The County and the Authority shall cause each tenant, and use its best efforts to cause all of such tenant's subtenants, agents, licensees, employees, contractors, guests and invitees and the guests and invitees of all of the foregoing to comply with all Environmental Regulations with respect to the Facilities; provided, however, that notwithstanding that a portion of this covenant is limited to the County and the Authority's use of its best efforts, the Authority and the County shall remain solely responsible for ensuring such compliance and such limitation shall not diminish or affect in any way the County and the Authority's obligations contained in subsection (c) of the Site Lease as provided in subsection (c) of the Site Lease. Upon receipt of any notice from any individual or Person with regard to the presence of, or Release of Hazardous Materials on, from or beneath the Facilities, the County and the Authority shall give prompt written notice thereof to the Trustee (and, in any event, prior to the expiration of any period in which to respond to such notice under any Environmental Regulation).

(c) Irrespective of whether any representation or warranty contained in the subheading Environmental Law and Regulations above is not true or correct, the County and the Authority shall, to the extent permitted by law, defend, indemnify and hold harmless the Bondholders and the Trustee, its partners, depositors and each of its and their employees, agents, officers, directors, trustees, successors and assigns, from and against any claims, demands, penalties, fines, attorneys' fees (including, without limitation, attorneys' fees incurred to enforce the indemnification contained in this subheading), consultants' fees, investigation and laboratory fees, liabilities, settlements (five (5) Business Days' prior notice of which the Authority or the Trustee, as appropriate, shall have delivered to the County and the Authority), court costs, damages, losses, costs or expenses of whatever kind or nature, known or unknown, contingent or otherwise, occurring in whole or in part, arising out of, or in any way related to, (i) the presence, disposal, Release, threat of Release, removal, discharge, storage or transportation of any Hazardous Materials on, from or beneath the Facilities, (ii) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials, (iii) any lawsuit brought or threatened, settlement reached (five (5) Business Days' prior notice of which the Authority or the Trustee, as appropriate, shall have delivered to the County and the Authority), or governmental order relating to Hazardous Materials on, from or beneath any of the Facilities, (iv) any violation of Environmental Regulations or subsection (a) or (b) of the Site Lease by it or any of its agents, tenants, employees, contractors, licensees, guests, subtenants or invitees, and (v) the imposition of any governmental lien for the recovery of environmental cleanup or removal costs. To the extent that the Authority or the County is strictly liable under any Environmental Regulation, its obligation to the Trustee and the Bondholders and the other indemnitees under the foregoing indemnification shall likewise be without regard to fault on its part with respect to the violation of any Environmental Regulation which results in liability to any indemnitee. Its obligations and liabilities under this paragraph) shall survive any termination of the Facilities Lease or exercise of any remedies thereunder, and the satisfaction of all Bonds.

(d) The County and the Authority shall conform to and carry out a reasonable program of maintenance and inspection of all underground storage tanks, and shall maintain, repair, and replace such tanks only in accordance with Laws and Regulations, including but not limited to Environmental Regulations.

Owner in Fee

The County covenants that it is the owner in fee of the Facilities. The County further covenants and agrees that if for any reason this covenant proves to be incorrect, the County will either institute eminent domain proceedings to condemn the property or institute a quiet title action to clarify the County's title, and will diligently pursue such action to completion. The County further covenants and agrees that it will hold the Authority, the Trustee and the Bondholders harmless from any loss, cost or damages resulting from any breach by the County of the covenants contained in this paragraph.

Assignments and Subleases

Unless the County shall be in default under the Facilities Lease, the Authority may not assign its rights under the Site Lease or sublet the Facilities, except pursuant to the Facilities Lease, without the written consent of the County, which consent may be withheld in the County's sole and absolute discretion. Upon the occurrence of a default by the County under the Facilities Lease, the Authority may assign or sell its rights under the Site Lease or sublet the Facilities, without the consent of the County.

Default

In the event the Authority shall be in default in the performance of any obligation on its part to be performed under the terms of the Site Lease, which default continues for one hundred and eighty (180) days following notice and demand for correction thereof to the Authority and the Trustee, the County may exercise any and all remedies granted by law, except that no merger of the Site Lease and of the Facilities Lease shall be deemed to occur as a result thereof; provided, however, that the County shall have no power to terminate the Site Lease by reason of any default on the part of the Authority if such termination would affect or impair any assignment of the Facilities Lease of all or any part of the Facilities then in effect between the Authority and any assignee or subtenant of the Authority (other than the County under the Facilities Lease) or the rights of the Trustee with respect thereto. So long as any such assignee or subtenant of the Authority (or the Trustee) shall duly perform the terms and conditions of the Site Lease, such assignee or subtenant (or the Trustee) shall be deemed to be and shall become the tenant of the County under the Site Lease and shall be entitled to all of the rights and privileges granted under any such assignment or subrogation; provided, further, that so long as any Bonds are outstanding and unpaid in accordance with the terms thereof, the rentals or any part thereof payable to the Authority or Trustee shall continue to be paid to the Trustee on behalf of the Bondholders.

Waiver of Personal Liability

All liabilities under the Site Lease on the part of the Authority shall be solely liabilities of the Authority, as a public entity and agency, and the County releases each and every member, director, officer, agent or employee of the Authority of and from any personal or individual liability under the Site Lease. No member, director, officer, agent or employee of the Authority shall at any time or under any circumstances be individually or personally liable under the Site Lease to the County or to any other party whomsoever for anything done or omitted to be done by the Authority under the Site Lease.

The Authority and its members, directors, officers, agents, employees and assignees shall not be liable to the County or to any other party whomsoever for any death, injury or damage that may result to any person or property by or from any cause whatsoever in, on or about the Facilities. The County, to the extent permitted by law, shall indemnify and hold the Authority and its members, directors, officers, agents, employees and assignees, harmless from, and defend each of them against, any and all claims, liens and judgments arising from the operation of the Facilities or the Project, including, without limitation, death of or injury to any person or damage to property whatsoever occurring in, on or about the Facilities of the Project regardless of responsibility for negligence, but excepting the active negligence of the person or entity seeking indemnity.

Eminent Domain

In the event the whole or any part of the Facilities is taken by eminent domain proceedings, the interest of the Authority shall be recognized and is determined to be the amount of the then unpaid or outstanding Bonds and all other amounts due under the Trust Agreement and the Facilities Lease attributable to such part of the Facilities shall be paid to the Trustee, and the balance of the award, if any, shall be paid to the County.

APPENDIX F

PROPOSED FORM OF BOND COUNSEL OPINION

[Closing Date]

County of Contra Costa Financing Authority
Martinez, California

County of Contra Costa
Martinez, California

Re: $97,420,000 County of Contra Costa Public Financing Authority Lease Revenue Bonds (Capital Projects and Refunding), 2021 Series comprised of: $63,540,000 2021 Series A (Capital Projects) and $33,880,000 2021 Series B (Refunding)

Ladies and Gentlemen:

We have acted as Bond Counsel to the County of Contra Costa Financing Authority (the "Authority") in connection with the issuance of $63,540,000 aggregate principal amount of its Lease Revenue Bonds, 2021 Series A (Capital Projects) (the "2021A Bonds") and $33,880,000 aggregate principal amount of its Lease Revenue Bonds, 2021 Series B (Refunding) (the "2021B Bonds" and together with the 2021A Bonds, the "Bonds"), issued pursuant to a Trust Agreement, dated as of March 1, 2021 (the "Trust Agreement"), by and between the Authority and Wells Fargo Bank, National Association, as trustee (the "Trustee"). Capitalized terms used but not defined herein shall have the meaning ascribed to such term as set forth in the Trust Agreement.

As Bond Counsel, we have examined copies, certified to us as being true and complete, of the Trust Agreement, the Site Lease, dated as of March 1, 2021, (the "Site Lease"), by and between the Authority and the County of Contra Costa (the "County"), the Facilities Lease, dated as of March 1, 2021 (the "Facilities Lease"), by and between the County and the Authority and the Tax Certificate, dated the date hereof (the "Tax Certificate"). In addition, we have relied upon and examined the opinions of counsel to the Authority, the County and the Trustee, certificates of the Authority, the County, the Trustee and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein. We have not undertaken to verify independently the accuracy of the factual matters represented, warranted or certified therein, and we have assumed the genuineness of all signatures thereto. The Facilities Lease, the Site Lease and the Trust Agreement are collectively referred to herein as the "Legal Documents."

We have, with your approval, assumed that all items submitted to us as originals are authentic and that all items submitted as copies conform to the originals.

On the basis of such examination, our reliance upon the assumptions contained herein and our consideration of such questions of law as we considered relevant, and subject to the limitations and qualifications in this opinion, we are of the opinion that:

1. The Bonds constitute a legal, valid and binding limited obligations of the Authority.

2. The Trust Agreement has been duly executed and delivered by, and, assuming due authorization, execution and delivery by the other parties thereto, constitutes the legally valid and binding obligation of, the Authority and the County, enforceable in accordance with its terms. The Trust Agreement establishes a valid lien on and a pledge of the Revenues (as defined in the Trust Agreement) for the security of the Bonds. Enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles affecting the enforcement of creditors' rights generally, the exercise of judicial discretion, the application of equitable principles if equitable remedies are sought and limitations on remedies against counties in the State of California.

3. The Facilities Lease and the Site Lease have been duly executed and delivered by, and, assuming due authorization, execution and delivery by the other parties thereto, constitute the legally valid and binding obligations of, the County and the Authority, enforceable in accordance with their terms. Enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles affecting the enforcement of creditors' rights generally, the exercise of judicial discretion, the application of equitable principles if equitable remedies are sought and limitations on remedies against counties in the State of California.

4. The Facilities Lease has been validly assigned to the Trustee.

5. The Internal Revenue Code of 1986 (the "Code") sets forth certain requirements which must be met subsequent to the issuance and delivery of the Bonds for interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause the interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the Bonds. Pursuant to the Trust Agreement, the Facilities Lease, and the Tax Certificate, the Authority and the County, as applicable, have covenanted to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code. In addition, the Authority and the County, as applicable, have made certain representations and certifications in the Trust Agreement, the Facilities Lease, and the Tax Certificate. We have not independently verified the accuracy of those certifications and representations.

Under existing law, assuming compliance with the tax covenants described herein and the accuracy of the aforementioned representations and certifications, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code. We are also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code.

6. Interest on the Bonds is exempt from personal income taxes of the State of California under present state law.

The opinions set forth in paragraphs 1, 2 and 3 above are subject to (a) applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting creditors' rights generally (including, without limitation, fraudulent conveyance laws), (b) the effect of general principles of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing and the possible unavailability of specific performance or injunctive relief, regardless of whether considered in a proceeding in equity or at law, and (c) the limitations on legal remedies against government entities in the State of California. We express no opinion with respect to any indemnification, contribution, choice of law, choice of forum or waiver provisions contained in the Legal Documents, and we express no opinion on the laws of any jurisdiction other than the State of California and the United States of America.

Except as stated in paragraphs 5, 6 and 7, we express no opinion as to any other federal, state or local tax consequences of the ownership or disposition of the Bonds. Furthermore, we express no opinion as to any federal, state or local tax law consequences with respect to the Bonds, or the interest thereon, if any action is taken with respect to the Bonds or the proceeds thereof upon the advice or approval of other counsel.

No opinion is expressed herein on the accuracy, completeness or sufficiency of any offering material relating to the Bonds. This opinion is expressly limited to the matters set forth above and we render no opinion, whether by implication or otherwise, as to any other matters.

We do not undertake to advise you of any subsequent events or developments which might affect the statements contained herein. Our engagement with respect to this matter has ended as of the date hereof, and we disclaim any obligation to update this letter.

Respectfully submitted,

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APPENDIX G

PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Disclosure Agreement"), dated March 18, 2021, is executed and delivered by the County of Contra Costa, California (the "County"), and acknowledged and agreed to by Digital Assurance Certification, L.L.C., as dissemination agent, in connection with the issuance by the County of Contra Costa Public Financing Authority (the "Authority") of $97,420,000 aggregate principal amount of its Lease Revenue Bonds (Capital Projects and Refunding), 2021 Series, comprised of $63,540,000 2021 Series A (Capital Projects) and $33,880,000 2021 Series B (Refunding) (together, the "2021 Bonds"). The 2021 Bonds are being issued pursuant to a Trust Agreement, dated as of March 1, 2021 (the "Trust Agreement"), by and between the Authority and the Trustee and acknowledged by the County. Pursuant to a Facilities Lease, dated as March 1, 2021 (the "Facilities Lease"), the County has covenanted to comply with its obligations under this Disclosure Agreement and to assume all obligations for continuing disclosure with respect to the 2021 Bonds. The County and the Dissemination Agent covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement This Disclosure Agreement is being executed and delivered by the County and the Dissemination Agent for the benefit of the Holders and Beneficial Owners of the 2021 Bonds and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Trust Agreement, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"*Annual Report*" shall mean any Annual Report provided by the County pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"*Beneficial Owner*" shall mean any person which has or shares the power, directly or indirectly, to make investment decisions concerning the ownership of any 2021Bonds (including persons holding a 2021Bonds through nominees, depositories or other intermediaries).

"Business Day" shall mean any day of the year which is not a Saturday or Sunday, or a day on which banking institutions located in California are required or authorized to remain closed, or on which the Federal Reserve system is closed.

"*Disclosure Representative*" shall mean the County Administrator, the Director of Conservation and Development, and the County Finance Director or his or her designee, or such other officer or employee as the County shall designate in writing to the Trustee from time to time.

"*Dissemination Agent*" shall initially mean Digital Assurance Certification, L.L.C., or any successor Dissemination Agent which may be designated in writing by the County and which has filed with the County a written acceptance of such designation.

"*Filing Date*" shall mean March 31 of each Fiscal Year of the County (or the next succeeding Business Day if such day is not a Business Day), commencing March 31, 2021.

"Financial Obligation" means a debt obligation; derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or a

guarantee of a debt obligation or derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation. The term "Financial Obligation" excludes municipal securities for which a final offering memorandum has been provided to the MSRB consistent with the Rule.

"Fiscal Year" shall mean the period beginning on July 1 of each year and ending on the next succeeding June 30, or any other twelve-month period hereafter selected and designated as the official fiscal year period of the County and certified to the Trustee in writing by an Authorized Representative of the County.

"*MSRB*" means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

"*Official Statement*" means the Official Statement dated February 25, 2021 relating to the 2021 Bonds.

"*Participating Underwriter*" shall mean the original underwriter of the 2021 Bonds required to comply with the Rule in connection with offering of the 2021 Bonds.

"*Rule*" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"*Specified Event*" shall mean any of the events listed in Section 5(a) or Section 5(b) of this Disclosure Agreement and any other event legally required to be reported pursuant to the Rule.

"*State*" shall mean the State of California.

SECTION 3. Provision of Annual Reports.

(a) The County shall provide, or shall cause the Dissemination Agent to provide, to the MSRB not later than the Filing Date, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. The Annual Report shall be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB, and may include by reference other information as provided in Section 4 of this Disclosure Agreement; *provided*, that the audited financial statements of the County may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the County's Fiscal Year changes, it shall give notice of such change in the same manner as for a Specified Event under Section 5.

(b) Not later than thirty (30) days prior to each Filing Date, the Dissemination Agent shall give notice to the County that the Annual Report is so required to be filed in accordance with the terms of this Disclosure Agreement. Not later than fifteen (15) Business Days prior to the Filing Date, the County shall provide the Annual Report to the Dissemination Agent (if other than the County). If by said date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall notify the County of such failure to receive the Annual Report.

(c) The Dissemination Agent shall:

1. If the County is unable to provide to the Dissemination Agent an Annual Report by the Filing Date, and if not previously filed by the County, send a notice in a timely manner, in electronic format, to the MSRB in substantially the form attached hereto as Exhibit A.

2. File a report with the County certifying that the Annual Report has been provided pursuant to this Disclosure Agreement and stating the date it was provided.

SECTION 4. Content of Annual Reports. The County's Annual Report shall contain or include by reference the following:

(a) The audited financial statements of the County for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the County's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) A maturity schedule for the outstanding 2021 Bonds.

(c) Numerical and tabular information for the immediately preceding Fiscal Year of the type contained in the Official Statement under the following captions:

1 Table B-1–"County of Contra Costa General Fund Budget Summary;"

2. Table B-3–"County of Contra Costa Summary of Secured Assessed Valuations and *Ad Valorem* Property Taxation;"

3. Table B-6–"County of Contra Costa General Fund Statement of Revenues, Expenditures and Changes in Fund Balances;"

4. Table B-9–"Contra Costa County Outstanding Lease Revenue Obligations and Pension Obligation Bonds").

(d) In addition to any of the information expressly required to be provided under Sections 4(a) and 4(b), the County shall provide such other information, if any, necessary to the required statements, in light of the circumstances under which they were made, not misleading.

(e) The presentation and format of the Annual Report may be modified from time to time as determined in the judgment of the County to conform to changes in accounting or disclosure principles or practices and legal requirements followed by or applicable to the County to reflect changes in the business, structure, or operations of the County; provided that any such modifications shall comply with the requirements of the Rule.

(f) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the County or related public entities, which, have been made available to the public on the MSRB website. The County shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Specified Events.

(a) Pursuant to the provisions of this Disclosure Agreement, the County shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the 2021 Bonds, no later than ten (10) Business Days after the occurrence of such event:

1. Principal and interest payment delinquencies;

2. Non-payment related defaults, if material.

3. Unscheduled draws on debt service reserves reflecting financial difficulties;

4. Unscheduled draws on credit enhancements reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform;

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed (Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the 2021 Bonds, or other material events affecting the tax status of the 2021 Bonds;

7. Modifications to rights of the 2021 Bond Holders, if material;

8. Bond calls, if material, and tender offers;

9. Defeasances;

10. Release, substitution, or sale of property, if any, securing repayment of the 2021 Bonds, if material;

11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the County or other obligated person;

13. The consummation of a merger, consolidation, or acquisition involving the County or an obligated person, or the sale of all or substantially all of the assets of the County or an obligated person (other than in the ordinary course of business), the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;

15. Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

(b) Wherever the County obtains knowledge of the occurrence of Specified Event, the County shall, or shall cause the Dissemination Agent (if not the County) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of ten (10) Business Days after the occurrence of the Specified Event.

(c) The County acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(10), (a)(12), (a)(13), (a)(14), and (a)(15) of this Section 5 contain the qualifier "if material." The County shall cause a notice to be filed as set forth in this Section 5 with respect to any such event only to the extent that it determines the event's occurrence is material for purposes of U.S. federal securities law. Whenever the County obtains knowledge of the occurrence of any of these Specified Events, the County will as soon as possible determine if such event would be material under applicable federal securities law. If such event is determined to be material, the County will cause a notice to be filed as set forth in Section 5(c).

(d) If in response to a request under Section 5(b), the County determines that the Specified Event would not be material under applicable federal securities laws, the County shall so notify the Trustee in writing and instruct the Dissemination Agent not to report the occurrence.

(e) If the Dissemination Agent has been instructed by the County to report the occurrence of a Specified Event, the Dissemination Agent shall file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of Specified Events described in Section 5(a)(viii) and (ix) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Trust Agreement.

(f) For purposes of this Disclosure Agreement, any event described in Section 5(a)(xii) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the County in a proceeding under the United States Bankruptcy Code or in any other proceeding under State or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the County, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the County.

(g) The Dissemination Agent may conclusively rely on an opinion of counsel that the instructions of the County to the Dissemination Agent under this Section 5 comply with the requirements of the Rule.

SECTION 6 CUSIP Numbers. Whenever providing information to the Dissemination Agent, including but not limited to Annual Reports, documents incorporated by reference to the Annual Reports, Audited Financial Statements and notices of Specified Events, the County shall indicate the full name of the 2021 Bonds and the nine-digit CUSIP numbers for the 2021 Bonds as to which the provided information relates.

SECTION 7 Termination of Reporting Obligation. The County's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the 2021 Bonds. If such termination occurs prior to the final maturity of the 2021 Bonds, the County shall give notice of such termination in the same manner as for a Specified Event under Section 5(c).

SECTION 8. Dissemination Agent. (a) The County may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Agent, with or without appointing a successor Dissemination Agent.

(b) The initial Dissemination Agent shall be Digital Assurance Certification, L.L.C. If at any time there is no designated Dissemination Agent appointed by the County, or if the Dissemination Agent so appointed is unwilling or unable to perform the duties of the Dissemination Agent hereunder, the County shall be the Dissemination Agent an undertake or assume its obligations hereunder. The Dissemination Agent (other than the County) shall not be responsible in any manner for the content of any notice or report required to be delivered by the County pursuant to this Disclosure Agreement.

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the County from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Specified Event, in addition to that which is required by this Disclosure Agreement. If the County chooses to include any information in any Annual Report or notice of occurrence of a Specified Event in addition to that which is specifically required by this Disclosure Agreement, the County shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Specified Event.

SECTION 10. Amendment; Waiver Notwithstanding any other provision of this Disclosure Agreement, the County may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to such 2021 Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the 2021 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the affected Series of 2021 Bonds in the same manner as provided in the Trust Agreement for amendments to the Trust Agreement with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interest of the Holders or Beneficial Owners of such 2021 Bonds.

(e) In the event of any amendment or waiver of a provision of this Disclosure Agreement, the County shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the County. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Specified Event under Section 5(c), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 11. Default. In the event of a failure of the County to comply with any provision of this Disclosure Agreement, the Dissemination Agent or any Holders or Beneficial Owners of the 2021 Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the County to comply with its obligations under this Disclosure Agreement; provided that any such action may be instituted only in the Superior Court of the State of California in and for the County of Contra Costa or in the U.S. District Court in the County of Contra Costa. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Resolution, and the sole remedy under this Disclosure Agreement in the event of any failure of the County to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 12. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and the County agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the County under this Section shall survive resignation or removal of the Dissemination Agent and payment of the 2021 Bonds.

SECTION 13. Notices. Any notices or communications to or among any of the parties to this Disclosure Agreement may be given as follows:

To the County:	County of Contra Costa County Administrator's Office 1025 Escobar Street, 4th Floor Martinez, CA 94553-0063 Attention: Tim Ewell, Chief Assistant County Administrator Telephone: 925-335-1036 Email: timothy.ewell@cao.ccounty.us
If to the Dissemination Agent:	Digital Assurance Certification, L.L.C. 315 E. Robinson Street, Suite 300 Orlando, FL 32801-1674 Attention: Customer Assistance Telephone: 888-824-2663 Email: support@DACBond.com

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

SECTION 14. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the County, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the 2021 Bonds, and shall create no rights in any other person or entity.

SECTION 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Dated: March 18, 2021

COUNTY OF CONTRA COSTA

By____

Chair of the Board of Supervisors
County of Contra Costa,
State of California

DIGITAL ASSURANCE CERTIFICATION, L.L.C., as Dissemination Agent

By:____

Dissemination Agent

EXHIBIT A

FORM OF NOTICE TO REPOSITORY OF FAILURE TO FILE ANNUAL REPORT

Name of District:	County of Contra Costa
Name of Bond Issue:	County of Contra Costa Public Financing Authority Lease Revenue Bonds (Capital Projects and Refunding), 2021 Series, comprised of 2021 Series A (Capital Projects) and 2021 Series B (Refunding)
Date of Issuance:	March 18, 2021

NOTICE IS HEREBY GIVEN that the County of Contra Costa (the "County") has not provided an Annual Report with respect to the above-named Bonds as required by Section 8.08 of the Subleases, each dated as of March 1, 2021, by and between the County of Contra Costa Public Financing Authority and the County. The County anticipates that the Annual Report will be filed by _____________.

Dated: _______________

DIGITAL ASSURANCE CERTIFICATION, L.L.C., as Dissemination Agent

By:____
Dissemination Agent

cc: County of Contra Costa

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APPENDIX H

DTC AND THE BOOK-ENTRY ONLY SYSTEM

The following description of the procedures and record keeping with respect to beneficial ownership interests in the 2021 Bonds, payment of principal, redemption premium, if any, and interest with respect to the 2021 Bonds to DTC, its Participants or Beneficial Owners, confirmation and transfers of beneficial ownership interests in the 2021 Bonds and other related transactions by and between DTC, its Participants and the Beneficial Owners is based solely on the understanding of the County of such procedures and record keeping from information provided by DTC. Accordingly, no representations can be made concerning these matters and neither DTC, its Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or its Participants, as the case may be. The County, the Trustee and the Underwriter understand that the current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and that the current "Procedures" of DTC to be followed in dealing with Participants are on file with DTC.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the 2021 Bonds. The 2021 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of each Series of the 2021 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the 2021 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2021 Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the

2021 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the 2021 Bonds, except in the event that use of the book-entry system for the 2021 Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the 2021 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2021 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the 2021 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2021 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Indenture. For example, Beneficial Owners of the 2021 Bonds may wish to ascertain that the nominee holding the 2021 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC, if less than all of the 2021 Bonds within a maturity are being redeemed. DTC's practice is to determine by lot the amount of the interest of each Direct Participant in each issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2021 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2021 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal of, premium, if any, and interest on the 2021 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal of, premium, if any, and interest on the 2021 Bonds to Cede (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2021 Bonds at any time by giving reasonable notice to the County or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

The foregoing information concerning DTC concerning and DTC's book-entry system has been provided by DTC, and neither the County nor the Trustee take any responsibility for the accuracy thereof.

NEITHER THE COUNTY NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS WITH RESPECT TO THE PAYMENTS OR THE PROVIDING OF NOTICE TO DTC PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS OR THE SELECTION OF BONDS FOR REDEMPTION.

Neither the County nor the Trustee can give any assurances that DTC, DTC Participants, Indirect Participants or others will distribute payments of principal of, premium, if any, and interest on the 2021 Bonds paid to DTC or its nominee, as the registered Owner, or any redemption or other notice, to the Beneficial Owners or that they will do so on a timely basis or that DTC will serve and act in a manner described in this Official Statement.

In the event that the book-entry system is discontinued as described above, the requirements of the Indenture will apply.

The County and the Trustee cannot and do not give any assurances that DTC, the Participants or others will distribute payments of principal, interest or premium, if any, evidenced by the 2021 Bonds paid to DTC or its nominee as the registered owner, or will distribute any redemption notices or other notices, to the Beneficial Owners, or that they will do so on a timely basis or will serve and act in the manner described in this Official Statement. Neither the County nor the Trustee are responsible or liable for the failure of DTC or any Participant to make any payment or give any notice to a Beneficial Owner with respect to the 2021 Bonds or an error or delay relating thereto.

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COUNTY OF CONTRA COSTA PUBLIC FINANCING AUTHORITY
LEASE REVENUE BONDS (CAPITAL PROJECTS AND REFUNDING), 2021 SERIES A (CAPITAL PROJECTS) AND 2021 SERIES B (REFUNDING)

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