			Current	1st AF	1st AF	Chapman					
		Adopted	Modified	Projection	Estimate	Forecast	Forecast	Forecast	Forecast	Forecast	
	Sources (\$ Millions)	FY 04-05	FY 04-05	FY 04-05	FY 05-06	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10	
	Fund Balance Available (FBA)	107.1	145.2	145.2	105.0	105.0	100.0	95.0	90.0	90.0	_ 1
	General Purpose Revenues	200.4	050.4	200.0	070.0	070.4					2
3		202.4	350.1	360.8	379.0	376.1					3
4		8.3	8.2	8.6	8.8	7.5					4
5		145.6	25.6	25.6	28.3	29.2					5
7		9.1 2.0	9.1 2.0	9.9 1.9	10.4 1.9	9.6 2.2					7
8		6.2	6.2	8.9	15.0	11.0					8
9		13.9	14.0	12.0	10.8	4.7					ç
10		387.5	415.2	427.7	454.2	440.4	473.1	492.2	510.2	530.2	10
11		14.6	14.6	15.0	8.1	N/A	7.6	7.6	7.6	7.6	11
12			(27.7)	(27.7)	(27.7)	(27.7)					12
13	General Purpose Revenues Total	402.1	402.1	415.0	434.6	412.7	480.7	499.8	517.8	537.8	13
14	Yorba Linda Settlement Funds				1.3	N/A					14
15	VLF "loan" repaid					N/A	26.5				15
16	SB 90 Reimbursement					N/A	5.1	5.1	5.1	5.1	16
17	Draw on Reserves					N/A					17
18		27.7	27.7	27.7	27.7	N/A					18
19		6.0	6.0	6.0		N/A					19
	Assessment Tax System				1.5	N/A					20
	CAPS Upgrade or Replacement Funding				1.5	N/A					2
22		542.9	581.0	593.9	571.6	517.7	612.3	599.8	612.8	632.9	22
23											23
	For Reference Only										24
	2004 SFP NCC Departmental Projections	573.4		624.6	624.6	624.6	645.4	667.9	689.3	711.4	25
	2004 SFP NCC Limits	547.3	542.9	543.0	543.0	543.0	548.0	567.0	581.4	600.0	26
27											27
	Uses (\$ Millions)										28
	NCC Limits	542.9	542.9	542.9	548.6		565.4	584.9	601.2	619.3	29
	Los Pinos Expansion				1.1		1.1	1.2	1.2	1.2	30
	Juvenile Hall Expansion - 2nd half				2.5		2.5	2.6	2.6	2.7	3
	FBA		5.0	5.0							32
33 34			5.0 18.4	5.0 18.4			(2.0)	(2.0)	(2.0)	(2.0)	33
34 35			14.7	14.7			(2.0)	(2.0)	(2.0)	(2.0)	35
	Transfers into Reserves		14.7	14.7							36
37											37
38							26.5				38
39							2.0	2.0	2.0	2.0	39
40							5.1	5.1	5.1	5.1	40
_	Program I						0	0	0	<u> </u>	4
	South Court Financing				2.0		2.0	2.0	2.0	2.0	42
	Program II				2.0		2.3	2.3	2.3	2.0	43
	AB 3632 - Mental Health savings				(7.0)		(7.0)	(7.0)	(7.0)	(7.0)	4
	Program V				()		(1.10)	()	(1.2)	(1.10)	4
	Assessment Tax System				1.5						4
	CAPS Upgrade or Replacement				1.5						4
	Countywide/General										48
	Use of Investment Account Earnings				(11.0)		(11.0)	(11.0)	(11.0)	(11.0)	4
50	Retirement Contributions				` '		0.8	0.8	0.8	0.9	5
51	Retiree Medical (Pay As You Go)						2.2	2.5	2.8	3.2	
	Employee Health Insurance			, in the second second			2.6	2.6	2.7	2.7	5
	Workers Compensation							1.5	3.5	3.5	
	Potential Augmentations (Critical)				32.4		23.2	23.3	23.5	23.6	
55		542.9	581.0	581.0	571.6		613.3	608.5	627.4	646.1	5
6											5
	Surplus/(Deficit)	(0.0)	(0.0)	12.9	(0.0)		(1.0)	(8.6)	(14.6)	(13.2)	5
	e:	,									
	The SFP is focused on the NCC Limits and rep										
	The 80/20 assumption is used throughout as a			costs betwee	n gross reven	ues and NCC	-				L
	Final NCC estimates for any given issue will be			****							<u> </u>
	Assessment Tax System is a funded Strategic										
5	CAPS Upgrade or Replacement is the top Strat	egic Priority the	nat has \$5 mill	ion set aside f	or funding. F	uture costs an	d funding to be	e determined.			_

SFP April 2005 Potential Issues 4/1/2005

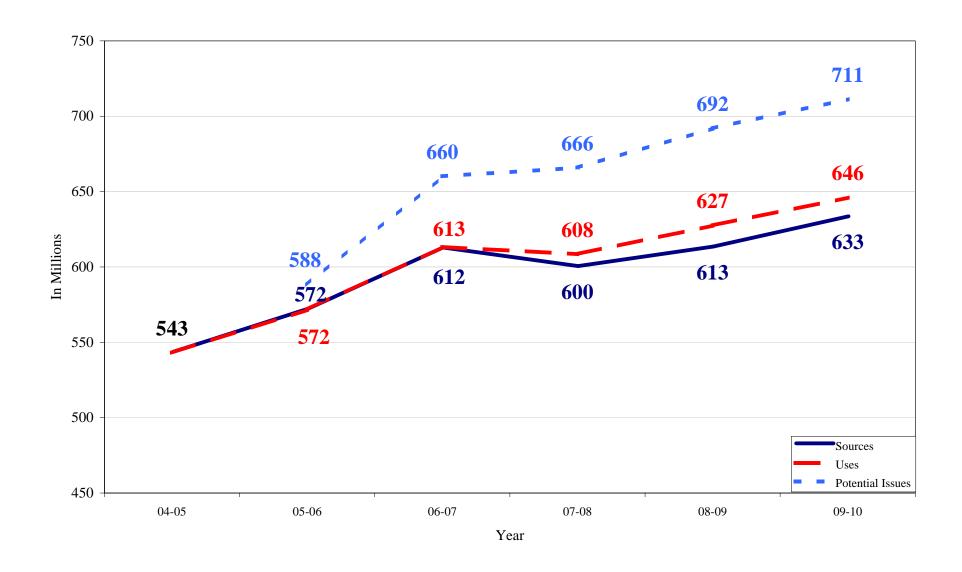
4/1/2005		Current	1st AF	1st AF	Chapman					
	Adopted	Modified	Projection	Estimate	Forecast	Forecast	Forecast	Forecast	Forecast	
Issues (\$ Millions)	FY 04-05	FY 04-05	FY 04-05	FY 05-06	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10	
1 Program I - Public Protection										1
2 AOCDS Contract	1			0.0		12.3	12.3	12.3	12.3	2
3 OCFA Public Safety Sales Tax Ballot Initiative				7.4		15.2	23.5	31.0	32.9	3
4 State Criminal Alien Assistance Program Funding (SCAAP)						3.4	3.4	3.4	3.4	4
5 Program III - Infrastructure & Environmental Resources										5
6 Watershed Costs - NPDES/TMDL permits							0.3			6
7 Program V - Capital Projects										7
8 Assessment Tax System										8
9 Voting System Maintenance							1.0	1.0	1.0	9
10 Integrated Procurement and Payables Processing						1.2	1.2	1.2	1.2	10
11 County-wide/General Fund										11
12 Retiree Medical (5-year reserve)				2.5		2.3	2.3	2.3	2.3	12 13
13 Top 10 Strategic Priorities										13
14 CAPS Replacement						5.1	5.1	5.1	5.1	14
15 Credit and Debt Management Strategy										15
16 District Attorney High Tech Crime Unit				1.1		1.1	1.7	1.8	1.8	16 17
17 Identity Theft, District Attorney				1.1		1.1	1.1	1.1	1.2	17
18 Bioterrorism and Public Health Preparedness										18
19 Affordable Housing										18 19 20 21
20 Los Pinos Wastewater Mitigation				1.2						20
21 Youth and Family Resource Centers, Probation				2.1		4.0	3.9	4.0	4.1	21
22 Preventive Maintenance				0.8		1.0	1.3	1.1	(0.2)	22
23 Water Quality and Watershed Protection (1)				0.0		0.0	0.0	0.0	0.0	23
24 800 MHz CCCS Upgrade				0.3		0.3	0.3	0.3	0.3	22 23 24 25
25 Total				16.5		46.9	57.4	64.5	65.4	25
26										26
27 Surplus/(Deficit)				(16.6)		(48.0)	(66.0)	(79.1)	(78.5)	27
Note:										
(1) Cost estimates are incuded on Page 1 under Potential Augmentations										

SFP April 2005 Future Considerations 4/1/2005

15 Decline in the stock market - Impact on OCERS earnings

		Current	1st AF	1st AF	Chapman					
	Adopted	Modified	Projection	Estimate	Forecast	Forecast	Forecast	Forecast	Forecast	
Issues (\$ Millions)	FY 04-05	FY 04-05	FY 04-05	FY 05-06	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10	
1 Program I - Public Protection										1
2 Theo Lacy B & potential US Marshall contract										2
3 Proposition 36 - Long term funding										3
4 Proposition 69 DNA Sample Collection										4
5 Court - Facilities and Revenue Issues										5
6 Program III - Infrastructure & Environmental Resources										6
7 Building and Safety Fees: GF subsidy										7
8 Dana Point Revitalization										8
9 County-wide/General Fund										Ĝ
10 Retiree Medical - Fully fund per GASB 45										10
11 Accelerated payoff of the amorization over 5 years of 2.7% @ 55										11
12 Rebuild Funded Status of Pension System to 80%										12
13 Bill ACAX1 1 (Richman) - defined contribution plan										13
14 Economic decline										14

## **Strategic Financial Plan Summary**



SFP April 2005 Fund Balance Available 4/1/2005

						6/	30/2005				
	4 Yr Hist	4 Year	5 Year	6/30/2	2004	Fund 099		6/30	6/30	6/30	6/30
(\$ in millions)	Range	Avg.	Avg.	Adopted	Final	Est.	Into Reserves	2006	2007	2008	2009
Fund level Revenues (GPR variance)	14-49	38.7	33.96	6.2	15.0	30.0	30.0				
Departmental NCC savings	49-85	64.1	69.02	64.0	88.7	65.0	65.0				
Prior Period Encumbrance Cancellations	13-18	15.2	14.88	9.1	13.6	10.0	10.0				
Budgeted & Unused Contingency (099)	Var			27.9	27.9	5.0	0				
Total	108-153			107.2	145.2	110.0	105.0	100.0	95.0	90.0	90.

SFP April 2005 Update General Purpose Revenue Forecast 4/1/2005

### Comparison of General Purpose Revenues

	FY	05-06	FY 0	6-07	FY 0	7-08	FY 0	8-09	FY 09-10		
Description	1st AF	Chapman	County	Chapman	County	Chapman	County	Chapman	County	Chapman	
Property Taxes	\$379.0	\$376.1		\$385.9		\$396.6		\$407.0		\$419.3	
Sales and Other Taxes	8.8	7.5		8.0		8.3		8.8		9.2	
Motor Vehicle License Fees	28.3	29.2		32.5		36.4		40.3		44.2	
Property Tax Administration	10.4	9.6		10.0		10.3		10.7		11.1	
Franchise and Rents	1.9	2.2		2.2		2.3		2.3		2.3	
Interst Income	15.0	11.0		15.4		18.4		20.6		22.8	
Miscellaneous	10.8	4.7		4.7		4.9		5.0		5.1	
Subtotal	\$454.1	\$440.4	\$473.1	\$458.7	\$492.2	\$477.3	\$510.2	\$494.7	\$530.2	\$514.2	
Operating Transfers	8.1	N/A	7.6	N/A	7.6	N/A	7.6	N/A	7.6	N/A	
	\$462.2	\$440.4	\$480.7	\$458.7	\$499.8	\$477.3	\$517.8	\$494.7	\$537.8	\$514.2	

Note:	06-07	07-08	08-09	09-10
Chapman Annual Growth	4.17%	4.03%	3.66%	3.93%

FY 05-06 Property Taxes have the \$27.7m shift added into the estimate

Source Auditor-Controller First Available Financing Report Chapman General Revenue Forecast SFP April 2005 Funding of Retiree Medical 4/1/2005

(\$ in millions)

Schedule of Costs	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10
Pay As You Go	0.0	2.2	2.5	2.8	3.2
Pay As You Go with 5 Year Reserve	2.5	2.3	2.3	2.3	2.3
Total	2.5	4.5	4.8	5.1	5.4

## Scenario - Pay As You Go (Actual Costs)

	Severance	Medical	1%	Addt'l	80/20 Rule
 Year	Benefit	Grant	of Pay	Funding	20% Portion
2006	2.745	17.994	10.911	9.828	1.966
2007	2.753	19.751	11.402	11.102	2.22
2008	2.736	21.713	11.915	12.534	2.507
2009	2.681	23.903	12.451	14.133	2.827
2010	2.595	26.319	13.011	15.903	3.181

## Scenario - Pay As You Go with 5 Year Reserve (Actual Costs)

	Severance	Medical	1%	Addt'l	NCC of	Reserve	Reserve	Total	80/20 Rule
Year	Benefit	Grant	of Pay	Funding	20%	Funding	Balance	Funding	20% Portion
2006	2.745	17.994	10.911	9.828	1.966	11.254	22.677	21.082	4.216
2007	2.753	19.751	11.402	11.102	2.22	11.254	34.271	22.356	4.471
2008	2.736	21.713	11.915	12.534	2.507	11.254	46.039	23.788	4.758
2009	2.681	23.903	12.451	14.133	2.827	11.254	57.984	25.387	5.077
2010	2.595	26.319	13.011	15.903	3.181	11.254	70.108	27.157	5.431

Source: Mercer Actuarial Valuation January 1, 2004

SFP April 2005 Reserves Schedule 4/1/2005

County of Orange Schedule of Reserves

Reserve Account Detail	6/30/2004 Balance	FY 04-05 Activity	6/30/2005 Balance	FY 05-06 Activity	6/30/2006 Balance	FY 06-07 Activity	6/30/2007 Balance	FY 07-08 Activity	6/30/2008 Balance	FY 08-09 Activity	6/30/2009 Balance	FY 09-10 Activity	6/30/2010 Balance
Child Support System Fed. Penalty CAPS Upgrade Assessment Tax System	\$ 5,000,000 9,200,000	\$ 291,119 \$	5,000,000 9,200,000	(1,500,000) (1,500,000)	3,500,000 7,700,000	\$ (3,500,000) TBD TBD	- 7,700,000	TBD TBD	\$ - 7,700,000	TBD TBD	\$ - 7,700,000	TBD TBD	\$ 7,700,0
Computer System Los Pinos land acquisition Other Capital Improvements	4,600,000 - 2,434,256	444,885 (2,434,256)	4,600,000 444,885 -	TBD TBD	4,600,000 444,885	TBD	4,600,000 444,885	TBD	4,600,000 444,885	TBD	4,600,000 444,885	TBD	4,600,0 444,8
Total	\$ 25,234,256	\$ (1,698,252) \$	23,536,004 \$	(7,291,119) \$	16,244,885 \$	(3,500,000) \$	12,744,885	-	\$ 12,744,885	\$ -	\$ 12,744,885	\$ -	\$ 12,744,8
e for Designated Special Revenue Fund - Fund 15S <u>Account Detail</u>	6/30/2004 Balance	FY 04-05 Activity	6/30/2005 Balance	FY 05-06 Activity	6/30/2006 Balance	FY 06-07 Activity	6/30/2007 Balance	FY 07-08 Activity	6/30/2008 Balance	FY 08-09 Activity	6/30/2009 Balance	FY 09-10 Activity	6/30/201 Balanc
Relocate Animal Shelter Deferred Maintenance/ADA Future Strategic Priorities From Fund 13N - Loan Repayment	\$ 4,150,000 S 13,320,000 4,588,564	\$ (880,000) \$ (6,220,000) 4,596,153	3,270,000 \$ 7,100,000 9,184,717	(1,635,000) \$ (3,550,000) (4,592,359) 5,993,650	1,635,000 \$ 3,550,000 4,592,359 5,993,650	(1,635,000) (3,550,000) (4,592,359) 2,569,442	- - - 8,563,092	TBD	8,563,092	TBD	8,563,092	TBD	8,563

4/1/2005

SFP April 2005 Reserves Schedule

# Schedule for Departmental Reserves

6/30/2004

FY 04-05

6/30/2005

FY 05-06

	Balanc		Activity	Bala		Activity	Balance	Activity	Balance	Activity	Balance	Activity	Balance	Activity	Balance
d Department						-				•				_	
District Attorney	\$ 17,925	,961	\$ -	\$ 17,9	25,961	(5,358,140) \$	12,567,821	(4,655,168) \$	7,912,653	(4,655,168)	\$ 3,257,485	(3,257,485)	\$ -		
Sheriff	57,274	,784	0	57,2	74,784	(30,961,116)	26,313,668	(26,313,668)	-						
ious HCA (see detail below)	23,000	,000	900,000	23,9	000,000	(5,400,000)	18,500,000	(5,000,000)	13,500,000	(5,700,000)	7,800,000	(5,000,000	) 2,800,000	0	2,800,000
SSA	7,800	,540	(5,750,000)	2,0	50,540	(500,000)	1,550,540	(500,000)	1,050,540	(500,000)	550,540	(550,540	) -		
, 2AJ DCSS collections & incentives	4,586	,246	0	4,5	86,246	(3,000,000)	1,586,246	(1,586,246)	-						
Total	\$ 110,587	,531	\$ (4,850,000)	\$ 105,7	37,531 \$	(45,219,256) \$	60,518,275 \$	(38,055,082) \$	22,463,193	\$ (10,855,168)	\$ 11,608,025	\$ (8,808,025	) \$ 2,800,000	\$ -	\$ 2,800,000
Details of HCA Reserves available to offset NCC															
Health Realignment	\$ 4,200	,000	\$ 1,750,000	\$ 5,9	50,000 \$	(2,500,000) \$	3,450,000 \$	(2,500,000) \$	950,000	\$ (950,000)	\$ -				
MH Realignment	5,000		1,750,000	6,7	'50,000	(2,500,000)	4,250,000	(2,500,000)	1,750,000	(1,750,000)	-				
Managed Care	10,800	,000	0	10,8	300,000	0	10,800,000	0	10,800,000	(3,000,000)	7,800,000	(5,000,000	) 2,800,000		2,800,000
AVSS	1,700	,000	(1,700,000)		-										
EMSF	1,000	,000	(600,000)	4	00,000	(400,000)	-								
Other	300	,000	(300,000)		-										
Guici									13,500,000	(5,700,000)	7,800,000	(5,000,000	) 2,800,000		2,800,000

6/30/2006

FY 06-07

6/30/2007

FY 07-08

FY 08-09

6/30/2009

FY 09-10

6/30/2010

Insurance, Workers' Compensation and Retirement Contribution Schedules 4/1/2005

## **Insurance and Workers' Compensation**

## #1 Increase to NCC Above the 3% Growth Rate

	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10
Employee Health Insurance*		2.6	2.6	2.7	2.7
Workers Compensation*		0.0	0.3	0.7	0.0
* These costs include NCC Offset =	20%				

#2 Calculations - (\$ in millions)	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10
Employee Health Insurance	\$116.0	\$132.3	\$149.5	\$167.4	\$185.9
% Annual Increase		14.0%	13.0%	12.0%	11.0%
Amount above 3% growth		\$12.8	\$13.2	\$13.5	\$13.4
Workers Compensation	\$47.1	\$47.1	\$50.0	\$55.0	\$55.0
% Annual Increase		0.0%	6.1%	10.0%	0.0%
Amount above 3% growth		\$0.0	\$1.5	\$3.5	\$0.0

#3 Asssumptions (\$ in millions)

		% Increase/ Actual Costs					
Description	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10		
Employee Health Insurance	\$116.0	14.0%	13.0%	12.0%	11.0%		
Workers Compensation	\$47.1	\$47.1	\$50.0	\$55.0	\$55.0		

Source: Worker's Comp. Rate Report by CEO/Risk Management, Dec. 2004

## **Retirement Contributions**

	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10
OCERS Retirement Contributions	\$188.2	\$197.6	\$207.5	\$217.9	\$228.8
% Annual Increase	0.0%	5.0%	5.0%	5.0%	5.0%
Amount above 3% growth	\$0.0	\$3.8	\$4.0	\$4.1	\$4.4
20% NCC Offset	0.0	0.8	0.8	0.8	0.9