

## 15Q - PENSION OBLIGATION BOND AMORTIZATION

### Operational Summary

#### Description:

To record the use of the County's investment account held by the Orange County Retirement System (OCERS) for normal and unfunded accrued actuarial liability (UAAL) costs.

In 1994 taxable Pension Obligation Bonds were sold to finance the County's UAAL obligation. The County deposited \$318.3 million in an investment account held by OCERS. The investment account is a part of the OCERS investment pool and as such earns the same rate of return.

The investment account was initially used to make annual payments to satisfy the County's UAAL obligation according to a 15-year amortization schedule in lieu of County cash contributions; however, in 1996 the County and OCERS concluded an agreement by which the UAAL is amortized according to a 28-year schedule and the investment account is used to pay an annually declining portion of the County's normal cost obligation.

#### At a Glance:

Total FY 2004-2005 Projected Expend + Encumb:	7,800,000
Total Recommended FY 2005-2006	22,200,000
Percent of County General Fund:	N/A
Total Employees:	0.00

#### Strategic Goals:

- Use of the County's investment account in the Orange County Employees Retirement System to mitigate cash contributions for normal and unfunded accrued actuarial pension costs.

### Budget Summary

#### Proposed Budget History:

Sources and Uses	FY 2003-2004	FY 2004-2005	FY 2004-2005	FY 2005-2006	Change from FY 2004-2005	
	Actual	Budget As of 3/31/05	Projected <sup>(1)</sup> At 6/30/05	Recommended	Projected Amount	Percent
Total Revenues	33,308,572	18,885,057	19,000,000	22,200,000	3,200,000	16.84
Total Requirements	33,308,572	7,700,000	7,800,000	22,200,000	14,400,000	184.61
Balance	0	11,185,057	11,200,000	0	(11,200,000)	-100.00

(1) Requirements include prior year encumbrance and expenditures. Therefore, the above totals may not match FY 2004-05 projected requirements included in "At a Glance" (Which exclude these).

Detailed budget by expense category and by activity is presented for agency: Pension Obligation Bond Amortization in the Appendix on page page 647

## 15Q - Pension Obligation Bond Amortization

### Summary of Proposed Budget by Revenue and Expense Category:

Revenues/Appropriations	FY 2003-2004		FY 2004-2005		FY 2004-2005		Change from FY 2004-2005	
	FY 2003-2004	Budget	FY 2004-2005	FY 2004-2005	FY 2005-2006	Projected	Projected	Percent
	Actual	As of 3/31/05	As of 6/30/05	As of 6/30/05	Recommended	Amount	Amount	Percent
Revenue from Use of Money and Property	\$ 17,820,779	\$ 11,185,057	\$ 19,000,000	\$ 19,000,000	\$ 11,000,000	\$ (8,000,000)		-42.10%
Total FBA	0	0	0	0	11,200,000	11,200,000		0.00
Reserves	15,487,793	7,700,000	0	0	0	0		0.00
<b>Total Revenues</b>	<b>33,308,572</b>	<b>18,885,057</b>	<b>19,000,000</b>	<b>19,000,000</b>	<b>22,200,000</b>	<b>3,200,000</b>		<b>16.84</b>
Other Charges	33,308,572	7,700,000	7,800,000	7,800,000	11,000,000	3,200,000		41.02
Reserves	0	0	0	0	11,200,000	11,200,000		0.00
<b>Total Requirements</b>	<b>33,308,572</b>	<b>7,700,000</b>	<b>7,800,000</b>	<b>7,800,000</b>	<b>22,200,000</b>	<b>14,400,000</b>		<b>184.61</b>
<b>Balance</b>	<b>\$ 0</b>	<b>\$ 11,185,057</b>	<b>\$ 11,200,000</b>	<b>\$ 11,200,000</b>	<b>\$ 0</b>	<b>\$ (11,200,000)</b>		<b>-100.00%</b>

(1) Requirements include prior year encumbrance and expenditures. Therefore, the above totals may not match FY 2004-05 projected requirements included in "At a Glance" (Which exclude these).