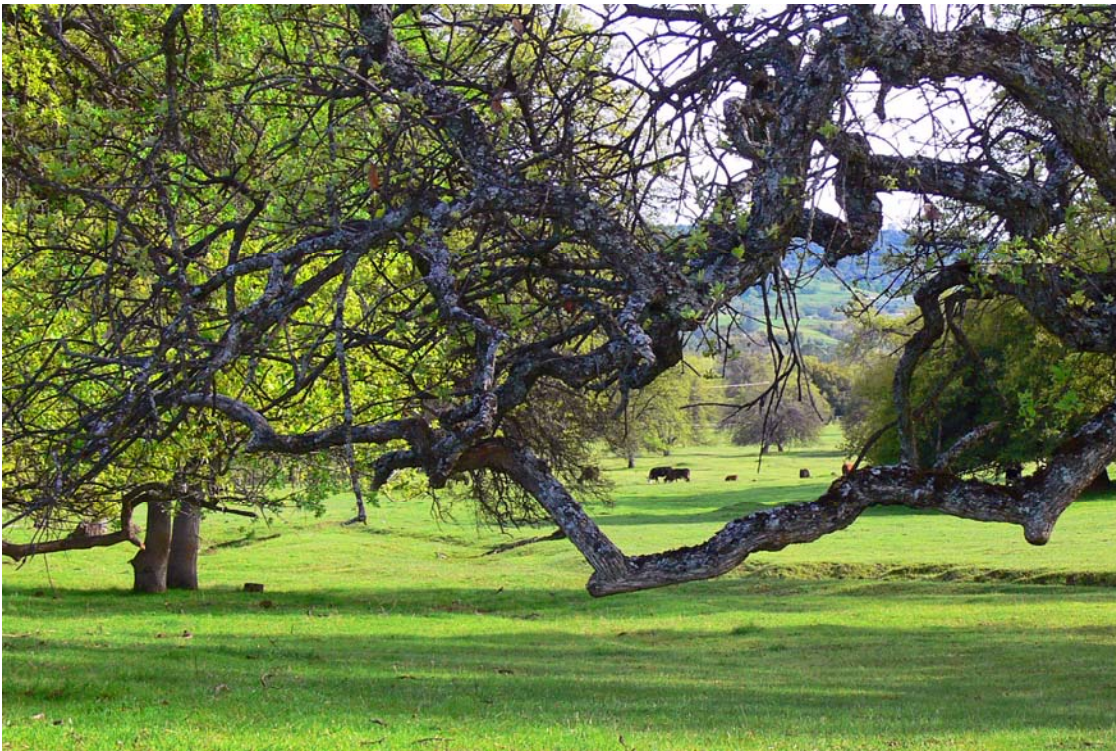


COUNTY OF BUTTE
STATE OF CALIFORNIA

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

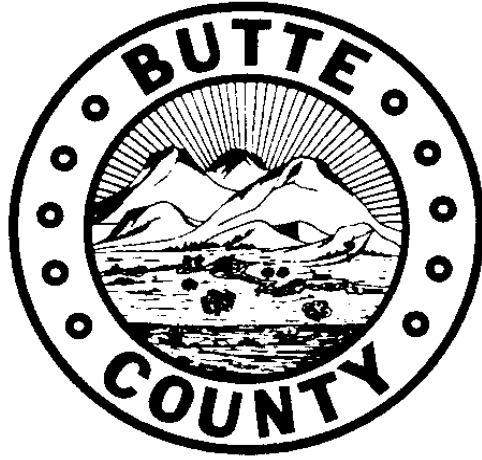
FOR THE FISCAL YEAR ENDED
JUNE 30, 2009



Messilla Valley
Photo by Peggy Moak

Prepared Under the Supervision of:

David A. Houser
County Auditor-Controller



Introductory Section

COUNTY OF BUTTE, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2009

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COUNTY OF BUTTE, CALIFORNIA

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
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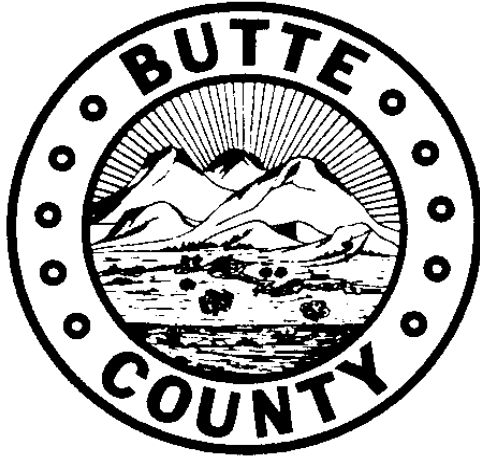
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BUTTE COUNTY
25 COUNTY CENTER DRIVE
OROVILLE, CALIFORNIA 95965-3392
Telephone: (530)-538-2020 Fax: (530)-538-3831

January 27, 2010

To the Citizens of Butte County, California

Dear Citizens:

The Comprehensive Annual Financial Report (CAFR) of the County of Butte (County) for the fiscal year ended June 30, 2009, is hereby submitted in compliance with Sections 25250 and 25253 of the Government Code of the State of California (State). Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the County. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and present fairly the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2009, and the respective changes in financial position and cash flow, where applicable, thereof for the fiscal year then ended. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The County's MD&A can be found on pages 3 through 12 of this report.

The financial reporting entity of the County includes all the funds of the primary government (i.e., Butte County as legally defined), as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable.

Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government. Accordingly, certain districts and agencies accounted for in the Special Revenue are reported as part of the primary government.

For a more detailed overview of the County's component units see the Notes to the Basic Financial Statements.

PROFILE OF THE GOVERNMENT

One of the State's original 27 counties, the County was established by an act of the State Legislature on February 18, 1850. The County is located in the northern portion of the Sacramento Valley. Rising from the Sacramento River, the County's western boundary, to the Sierra Nevada Mountains, its eastern perimeter, the County's 1,665 square miles range in elevation from sixty feet to over 7,000 feet resulting in a considerable variation in climate. There are five incorporated cities/town located within the County:

Biggs, Chico, Gridley, Oroville, and Paradise. The County's population is 220,748 with approximately 38% of the residents living in the unincorporated area.

Policymaking and legislative authority is vested in the County Board of Supervisors (the Board), which consists of an elected supervisor from each of five districts. The Board is responsible, among other things for passing ordinances, adopting the budget, appointing committees, appointing the Chief Administrative Officer (CAO), and appointing non-elected department heads. Supervisors are elected to four-year staggered terms with two supervisors being elected in even-year elections and three supervisors being elected in odd-year elections. The County Charter designates that certain officers are elected which are responsible for the offices of the County Clerk-Recorder, Assessor, Auditor-Controller, District Attorney, Sheriff-Coroner, and Treasurer-Tax Collector.

The County provides a full range of services including sheriff; health and sanitation; the construction and maintenance of highways, streets, and infrastructure assets; recreational activities and cultural events; election; library; social services; and administration.

MAJOR INITIATIVES

Butte County is undertaking several major initiatives notwithstanding significant fiscal limitations:

Significant County-wide Budget Cuts

During the 2008/2009 fiscal year, the County was faced with the effects of a global recession and increasingly dire outlook from the California state government. The Board of Supervisors acted quickly and decisively to ensure that the County remained financially stable through the fiscal year and to create a prudent spending plan for the coming year. These actions included significant budget cuts and layoffs across the entire County organization. While these cuts have placed strain on County operations, the Board's decisions have enabled the County to continue to provide its necessary services to its citizens despite the uncertain economic climate.

Proposition 1A Loan Securitization Program

Pursuant to the provisions of Proposition 1A and the 2009-2010 State budget package adopted in September 2009, the County is required to loan up to 8% of its property tax revenues to the State. This loan would be repaid in three years. The amount borrowed from Butte County is \$3.8 million.

In lieu of waiting for the maturity of this loan to the state, the County is participating in the California Communities Proposition 1A securitization program. This program enables the County to sell its loan receivable for 100% of its value in order to receive advance repayment of its Proposition 1A funds. Participation in the program results in the County realizing zero cash impact while still fulfilling its loan requirement to the State.

Financial Management Options Committee

A Financial Management Options Committee (Committee) was created during the 2006/2007 fiscal year to consider a restructuring of the Auditor-Controller's duties. The Committee recommended the creation of a financial management division within the Administrative Office managed by a Chief Financial Officer to improve the accountability and effectiveness of county government, while also emphasizing their belief in the importance of checks and balances provided by an elected Auditor-Controller.

During the 2007/2008 fiscal year, the process was begun to set in place creation of a Chief Financial Officer and staff within the Administrative Office. At present, the transition of staff and related duties continues.

FACTORS AFFECTING FINANCIAL CONDITION

Global Recession

Similar to the vast majority of public agencies and private enterprises around the globe, Butte County is steering through a “perfect storm” of financial crises involving swells of instability in the financial markets, significant delays of cash reimbursement from the State of California for services provided on their behalf, and a budget challenge deeper than anything this County has seen in decades.

The global financial crisis of 2008 transformed into a global economic recession in 2009 that is expected to drive down revenues for years to come. All the while, the State of California has struggled mightily to balance its own budget deficits.

Many long-term financial challenges are occurring concurrently and deepening suddenly. It has caused a cash crunch that is demanding extraordinary cash management efforts be performed by the Finance, Treasurer and Auditor offices. Because of the global liquidity crisis in the financial markets, the State of California and others, including Butte County, do not have access to additional credit at affordable rates. This credit crunch requires staff to seek Board of Supervisors approval for short-term cash flow borrowing between County operating and internal service funds to ensure sufficient operating capital through the end of the fiscal year.

Economy-driven impacts to County provided programs and services can be less severe with proactive management of the County’s budget. A broad array of immediate actions can be taken to ensure sufficient liquidity, curtail spending, improve revenue collections, and adjust to a new economic condition. Actions may include increased advocacy, internal borrowing, extraordinary reviews of proposed hiring, purchasing and contracting, deferment of capital projects and required cost reductions.

Impact of State Fiscal Crisis

The majority of the County’s revenues come from the State of California. As the State has struggled to come up with a sustainable, prudent, and balanced spending plan against the backdrop of the global economic crisis, the County has been forced to stand by and react to sudden and evolving changes in funding. These changes have included delayed payments, borrowing from counties, suspending funding, and cancelling funding altogether – even for services required to be performed by State mandate.

This uncertainty creates additional risk for the County. To mitigate this risk, all departments in the County, led by the Administrative, Finance, Treasurer/Tax Collector and Auditor-Controller offices, have conducted thorough reviews of their budgetary statuses, cash positions, and fiscal outlooks with close monitoring taking place continuously.

Internal Control

The management of the County is responsible for establishing and maintaining internal controls designed to ensure that the assets of the government are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles general accepted in the United States of America. Internal controls are designed to provide reasonable, but not absolute, assurance that these 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) choices between these two concepts often require estimates and judgments by management.

Single Audit

As a recipient of federal and state financial assistance, the County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*. Information related to this single audit, include the schedule of federal awards, findings and questioned costs, and the independent auditor's report on internal control and compliance. The County is also responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. Internal controls are subject to periodic evaluation by management and the Auditor-Controller Division's internal audit staff. The 2008-09 Single Audit will be issued under separate cover and will be available by contacting the Auditor-Controller's office, after March 31, 2010.

Budgeting Controls

In addition to accounting controls, the County maintains budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Supervisors.

In accordance with the provisions of Sections 29000 and 29143, inclusive, of the California Government Code and other statutory provisions, commonly known as the County Budget Act, the County prepares a budget for each fiscal year on or before August 30. Budgeted expenditures are enacted into law through the passage of an Appropriation Ordinance. This ordinance mandates the maximum authorized expenditures for the fiscal year and cannot be exceeded except by subsequent amendments to the budget by the County's Board of Supervisors.

An operating budget is adopted each fiscal year for all Governmental Funds. Expenditures are controlled at the object level within budget units for the County. The object level within a budget unit is the level at which expenditures may not legally exceed appropriations. Any amendments or transfers of appropriations between object levels within the same budget unit or between departments or funds are authorized by the County Chief Administrative Officer's office and must be approved by the Board of Supervisors. The Board of Supervisors must approve supplementary appropriations normally financed by unanticipated revenues during the year. Pursuant to Board Resolution, the County Chief Administrative Officer is authorized to approve transfers and revision of appropriations under \$50,000 within a single budget unit as deemed necessary and appropriate. Budgeted amounts in the budgetary financial schedules are reported as originally adopted and are amended during the fiscal year by resolutions approved by the Board of Supervisors.

The County uses an encumbrances system as an extension of normal budgetary accounting for the general, special revenue, and other debt service funds and to assist in controlling expenditures of the

capital projects funds. Under this system, purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of applicable appropriations. Encumbrances outstanding at year-end are recorded as reservations of fund balance since they do not constitute expenditures or liabilities. Encumbrances are combined with expenditures for budgetary comparison purposes.

The County also maintains an encumbrance accounting system as one technique of accomplishing budgetary control and cash planning. Open encumbrances at June 30, 2009, for all governmental fund types are reported as reservations of fund balances. Unencumbered appropriations lapse at the end of each fiscal year.

Cash Management

Cash temporarily idle during the year was invested in the Local Agency Investment Fund (managed by the California State Treasurer's Office), CalTrust (a public agency investment trust), money market mutual funds, time certificates, commercial paper, municipal notes, and U.S. Treasury and Agency investments.

The first and primary objective of the Treasurer's investment of public funds is to safeguard investment principal; second, to maintain sufficient liquidity within the portfolio to meet daily cash flow requirements, and third, to achieve a reasonable rate of return or yield on the portfolio consistent with these objectives. The portfolio shall be actively managed in a manner that is responsive to the public trust and consistent with State law.

Restrictive investment policies are in place to minimize credit and market risks while maintaining a competitive yield on the portfolios. The County Treasurer's selection of investments is more restrictive than those authorized in Sections 53601 and 53635 of the California Government Code and gives primary consideration to the safety and preservation of the principal amounts invested. On-going cash flow projections are maintained for the coming twelve months to assure that adequate funds are available to meet daily cash expenditure requirements.

State statutes, specific debt financing indentures and contractual arrangements generally determine the investment restrictions of County cash and investments not held in the County Treasury.

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Pools*, school districts and special district external investments pools are reported as investment trust funds. Of the Treasurer's total cash and investments pool of \$415,525,184 at June 30, 2009, \$279,282,751 relates to the external investment pool participants.

Risk Management

The County self-insures for property damage, liability, workers' compensation, unemployment, and dental insurance claims. Self-insurance transactions are accounted for in Internal Service Funds. It is the County's policy to fund current self-insurance liabilities for Governmental Funds by making provisions in the budget of the succeeding year. Proprietary premium charges are expensed in the year incurred.

Employee Benefit Plans

The County participates in and contributes to the employee retirement plans with the CalPERS, which is an agent multiple-employer defined benefit retirement plan that acts as a common investment and

administrative agent for various local and state governmental agencies within the state. CalPERS provides retirement, disability, and death benefits based on the employees' years of service, age, and final compensation. Copies of the CalPERS' annual financial report are available through CalPERS.

Post-retirement Health Care Benefits

The County provides post-retirement health insurance benefits, in accordance with County ordinance, to employees who retire from the County before attaining age 65 with at least ten (10) years or more of cumulative service with Butte County who, upon termination, immediately retire under the provisions of the County's contract with the Public Employees' Retirement System shall be eligible for the health benefit only coverage for themselves (employees only) to Medicare Supplemental Qualifying Age. Under the following conditions, PERS members shall be entitled to twelve (12) months of reimbursable health premiums immediately following retirement. In addition, miscellaneous members are permitted one of the following choices: 1) to receive one (1) month of reimbursable health only premium for each day of sick leave on accrual at the date of retirement; or 2) to receive one (1) month of reimbursable health only premium for each two and one-half (2 1/2) days in excess of thirty (30) days accrued sick leave to cover both employee and spouse to Medicare Supplemental Qualifying Age; or 3) one (1) month of reimbursable health plan benefits (employee only) will be granted for each day of accrued sick leave until the sick leave credit is exhausted or the employee reaches Medicare Supplemental Qualifying Age; and one (1) month of reimbursable health plan benefits for each one and one-half days in excess of thirty (30) days accrued sick leave to cover employee's spouse until the sick leave credit is exhausted or spouse reaches Medicare Supplemental Qualifying Age.

OTHER INFORMATION

Independent Audit

County charter requires an annual audit by independent certified public accountants. The firm of Gallina, LLP was selected by the County to meet this requirement. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2009, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified ("clean") opinion that the County's basic financial statements for the fiscal year ended June 30, 2009, are fairly presented in conformity with accounting standards generally accepted in the United States of America. The independent auditor's report is presented as the first item of the financial section of the report.

Awards and Acknowledgments

The GFOA awarded the prestigious Certificate of Achievement for Excellence in Financial Reporting to the County for successful completion of the CAFR for the fiscal year ended June 30, 2008. The award was also given for the fiscal years ended June 30, 2006 and 2007. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this Comprehensive Annual Financial Report could not have been accomplished without the efficient and dedicated services of staff from the Auditor-Controller office and the cooperation and assistance of all County departments. I would like to commend the Board of Supervisors for its interest, support, and exemplary leadership in planning and conducting the financial operations of the County in a responsive and progressive manner.

Respectfully submitted,

A handwritten signature in cursive script that reads "David A. Houser".

David A. Houser
County Auditor-Controller

COUNTY OF BUTTE

BOARD OF SUPERVISORS AND PRINCIPAL COUNTY OFFICIALS
June 30, 2009

Board of Supervisors

First District.....	Bill Connelly, Chair*
Second District.....	Jane Dolan, Vice Chair*
Third District.....	Maureen Kirk
Fourth District.....	Steve Lambert
Fifth District.....	Kim Yamaguchi

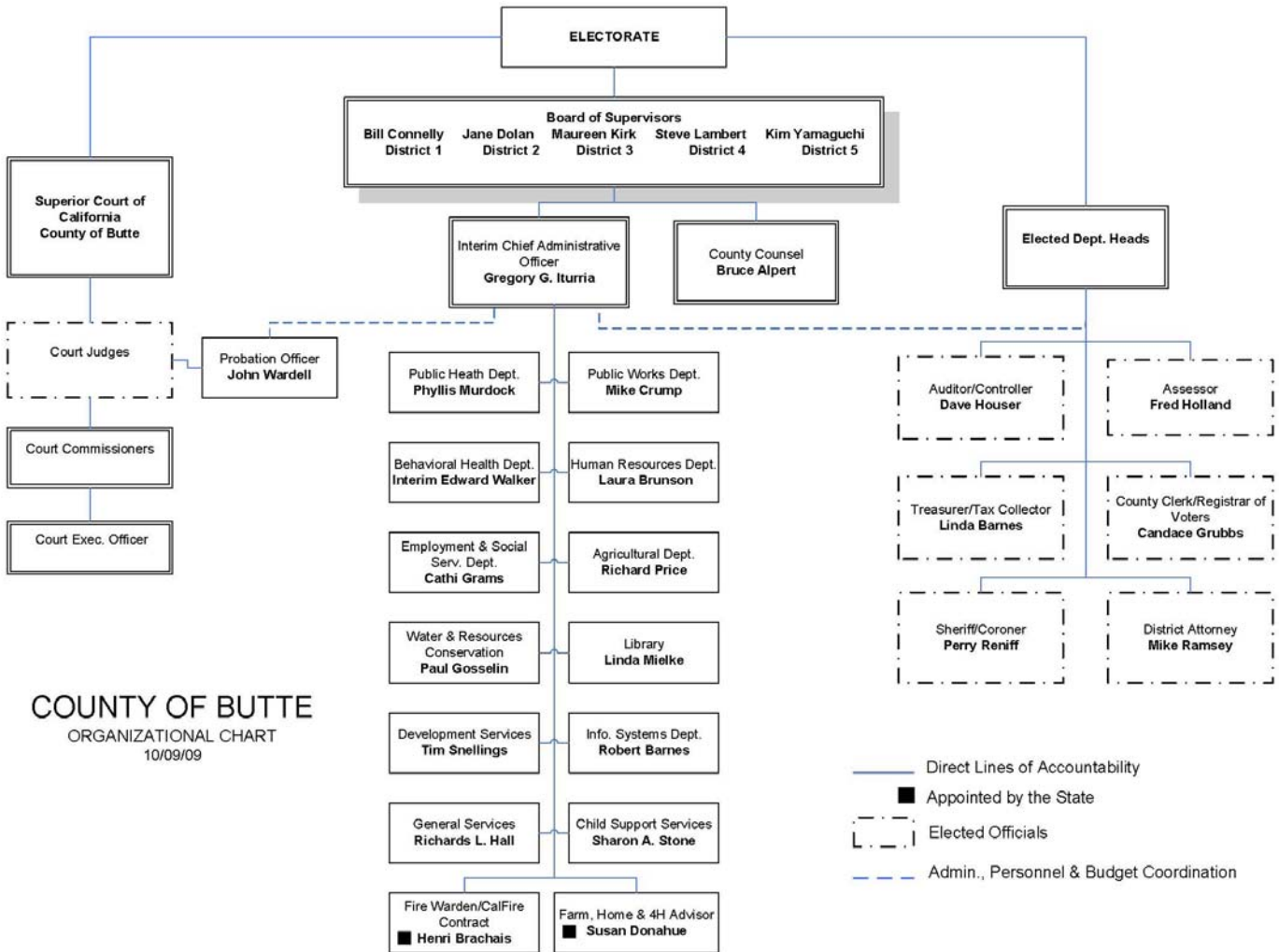
*Chosen annually at the first meeting in January.

County-wide Elected Officials

Assessor.....	Fred Holland
Auditor-Controller.....	David A. Houser
Clerk/Recorder.....	Candace Grubbs
District Attorney.....	Mike Ramsey
Sheriff-Coroner.....	Perry Reniff
Treasurer-Tax Collector.....	C. Linda Barnes

Appointed Officials

Interim Chief Administrative Officer (current).....	Scott Tandy
Interim Chief Administrative Officer (at 6/30/09).....	Greg Iturria
County Counsel.....	Bruce Alpert



Certificate of Achievement for Excellence in Financial Reporting

Presented to

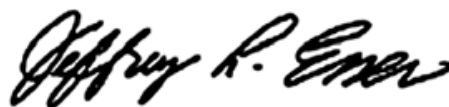
County of Butte California

For its Comprehensive Annual Financial Report
for the Fiscal Year Ended
June 30, 2008

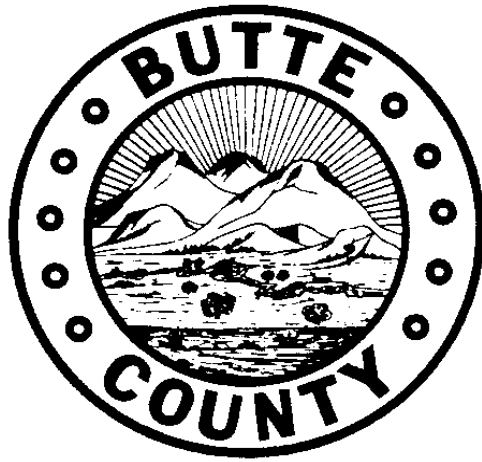
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President



Executive Director



Financial Section



INDEPENDENT AUDITOR'S REPORT

Board of Supervisors
County of Butte, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Butte, California (County), as of and for the year ended June 30, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the County of Butte, California. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Butte, California, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparisons for the General Fund and major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued under separate cover our report dated January 26, 2010, on our consideration of the County of Butte's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

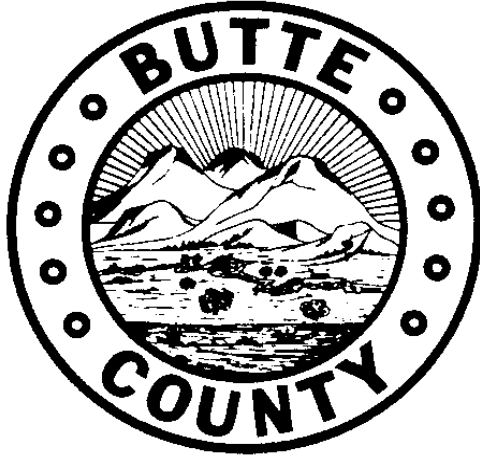
Board of Supervisors
County of Butte, California

The Management's Discussion and Analysis (MD & A) and the required supplementary information, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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, combining and individual fund financial statements and schedules, and 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 financial statements and schedules and detailed budget schedules have been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken 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 express no opinion on them.

A handwritten signature in cursive script that reads "Gallina LLP".

Roseville, California
January 26, 2010



Management's Discussion and Analysis

The information in this section is not covered by the Independent Auditor's Report. It is presented as required supplementary information for the benefit of the readers of the Comprehensive Annual Financial Report.

In this section of the County of Butte's (County) Comprehensive Annual Financial Report, the County's management discusses financial results for the fiscal year ended June 30, 2009. It should be read in conjunction with the County's financial statements following this section. All dollar amounts are expressed in thousands in the text and tables unless otherwise indicated.

I. FINANCIAL HIGHLIGHTS

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$370,616 (net assets). Of this amount, \$40,488 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets decreased by \$2,105 during the fiscal year excluding prior period adjustments.
- As of June 30, 2009, the County's governmental funds reported combined ending fund balances of \$84,098, a net increase of \$6,697 in comparison with the prior fiscal year, excluding the previous period adjustments. This net increase represents a decrease of \$3,907 in reserved fund balances, an increase of \$4,699 in designated fund balances, and an increase of \$5,905 in unreserved, undesignated fund balances, which may be used to meet the government's ongoing obligations to citizens and creditors.
- At the end of the current fiscal year, the unreserved, undesignated fund balance for the general fund was \$9,059 or 9.4% of total general fund expenditures.
- The County's total long-term obligations as of June 30, 2009 decreased by \$2,479 over the prior period. The key factor in the decrease was the retirement of \$350 in Certificates of Participation notes, the retirement of \$1,519 in Supplemental Retirement Benefits Payable, and the retirement of \$105 in capital lease obligations. Payment of other principal obligations throughout the fiscal year contributed a portion of the overall decrease.

II. OVERVIEW OF THE FINANCIAL STATEMENTS

A. GASB 34 Financial Report Model

The County of Butte has adopted a financial reporting model that is designed to demonstrate government accountability by presenting both a long-term and a near-term view of its finances. This model is prescribed by Statement Number 34 of the Government Accounting Standard Board (GASB 34). This model is comprised of three parts: 1) Management's Discussion and Analysis which provides the financial highlights; 2) The County's basic financial statements, which consist of the Government-Wide financial statements; the Fund financial statements, and the Notes to the financial statements; and 3) Required Supplementary Information.

B. Government-Wide Financial Statements

The government-wide financial statements provide an overview of the County's finances, in a manner similar to a private-sector business that is, using the accrual basis of accounting. They demonstrate accountability of Butte County by showing the extent to which it has met operating objectives efficiently and effectively, using all resources available, and whether it can continue to do so.

The *statement of net assets* presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information on expenses and revenues to show how the government's net assets changed during the fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues are reported as soon as earned and expenses are reported as soon as incurred even though the related cash flows may not take place until future fiscal periods (e.g., earned but unused vacation leave).

Both of these government-wide financial statements distinguish functions of the County that are principally 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, public ways and facilities, health and sanitation, public assistance, education, and recreation. The business-type activities of the County include the Butte County Neal Road Landfill.

Certain component units such as county service areas are essentially part of County operations and their financial data are blended in with operational funds of the County.

C. Fund Financial Statements

The fund financial statements provide evidence of accountability by demonstrating compliance with budgetary decisions made in public forum. A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or purposes stipulated by laws, regulations or policies. The funds of the County are divided into three categories: governmental, proprietary, and fiduciary.

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

The County maintains 143 individual governmental funds. On the financial statements for governmental funds information is presented separately for five major funds: the General Fund, the Welfare Fund, the Public Health Fund, the Behavioral Health Fund, and the Road Fund. Data from the other governmental funds are aggregated into a single column.

Proprietary funds are of two types. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses an enterprise fund to account for its central landfill operations. 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 a variety of services including telephone services, insurance, information systems, duplicating, utilities, and facilities maintenance. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds statements provide the same type of information as the part of government-wide financial statements pertaining to business-type activities, only in more detail. The County's internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's programs. In the fiduciary fund category, the County maintains both agency funds and investment trust funds.

Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the financial information provided in the government-wide and fund financial statements.

D. Required Supplementary Information

In addition to the basic financial statements, this report presents Required Supplementary Information. The required supplementary information is presented concerning the County's progress in funding its obligation to provide pension benefits to its employees and the County General fund budgetary comparison schedule and the major special revenue funds.

E. Combining Statements and Schedules

The combining and individual fund statements and schedules referred to earlier provide information for nonmajor governmental funds, internal service funds, and fiduciary funds and are presented immediately following the required supplementary information.

III. FINANCIAL ANALYSIS COUNTY-WIDE

Table 1 – Net Assets (in thousands)

	Governmental Activities		Business-type Activities		Total		Total	
	2008	2009	2008	2009	2008	2009	Dollar Change	Percent Change
Current and other assets	\$ 163,559	\$ 180,333	\$ 17,315	\$ 18,730	\$ 180,874	\$ 199,063	\$ 18,189	10.1 %
Capital assets	286,612	275,395	17,011	17,234	303,623	292,629	(10,994)	(3.6)%
Total assets	450,171	455,728	34,326	35,964	484,497	491,692	7,195	1.5 %
Current and other liabilities	21,025	24,448	701	975	21,726	25,423	3,697	17.0 %
Long-term liabilities	83,455	80,795	14,678	14,858	98,133	95,653	(2,480)	(2.5)%
Total liabilities	104,480	105,243	15,379	15,833	119,859	121,076	1,217	1.0 %
Net assets:								
Invested in capital assets, net of related debt	280,126	269,572	4,390	5,046	284,516	274,618	(9,898)	(3.5)%
Restricted net assets	46,000	51,089	4,300	4,421	50,300	55,510	5,210	10.4 %
Unrestricted net assets	19,565	29,824	10,257	10,664	29,822	40,488	10,666	35.8 %
Total net assets	\$ 345,691	\$ 350,485	\$ 18,947	\$ 20,131	\$ 364,638	\$ 370,616	\$ 5,978	1.6 %

Investment in capital assets net of related debt reflects the County's investment in capital assets (i.e. its land, structures and improvements, infrastructure, and equipment). The County uses these capital assets to provide services to citizens; consequently, these 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 these liabilities.

Restricted net assets represent resources that are subject to external restrictions on how they may be used.

Unrestricted net assets represent 10.9% of the total net assets and may be used to meet the County's ongoing obligations to citizens and creditors.

Beside the amount invested in capital assets, there are externally imposed debt service reserve and statutory constraints on the use of 100% of the restricted net assets.

The following table presents the activities that accounted for the changes in net assets.

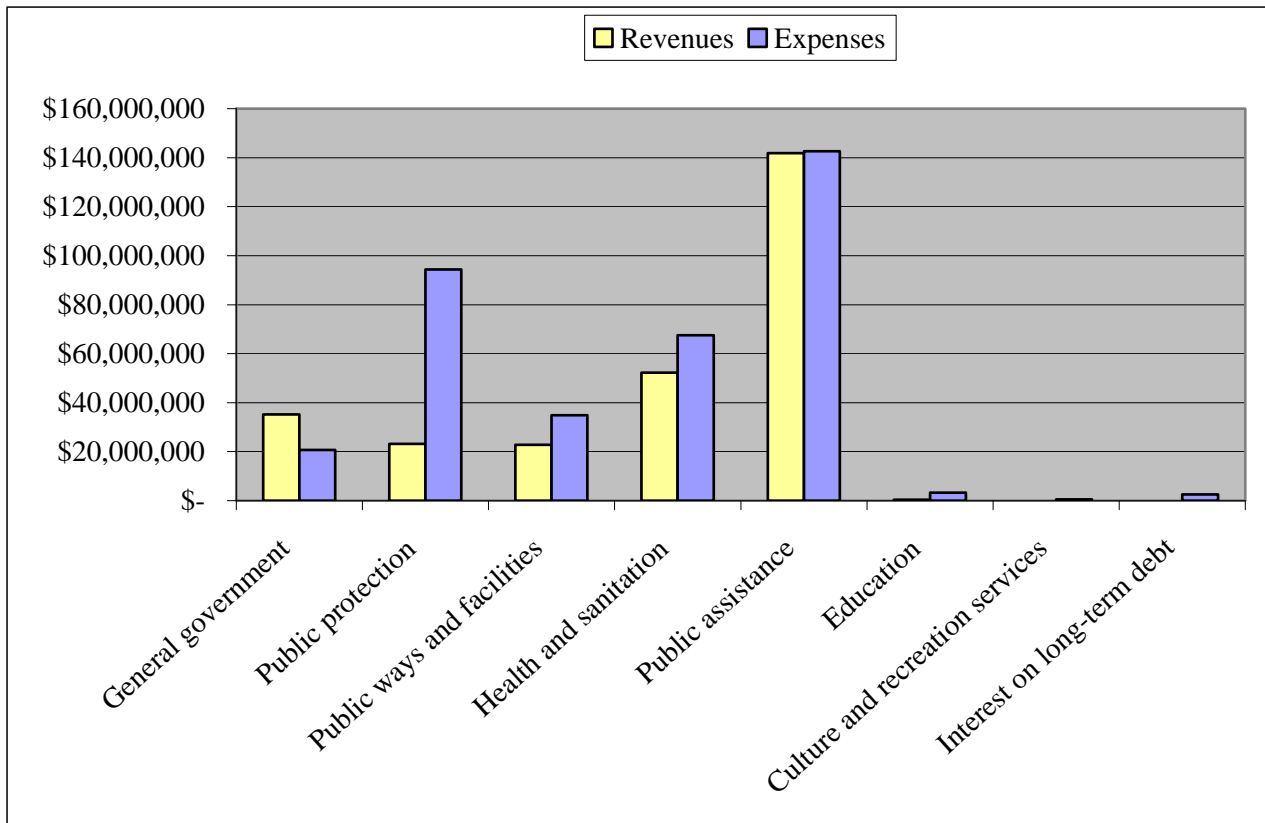
Table 2 – The Change in Net Assets (in thousands)

	Governmental Activities		Business-type Activities		Total		Total	
	2008	2009	2008	2009	2008	2009	Dollar Change	Percent Change
Revenues :								
Program revenues:								
Charges for services	\$ 35,943	\$ 36,329	\$ 5,982	\$ 6,094	\$ 41,925	\$ 42,423	\$ 498	1.2 %
Operating grants and contributions	214,120	222,938	108	84	214,228	223,022	8,794	4.1 %
Capital grants and contributions	12,981	16,300	--	--	12,981	16,300	3,319	25.6 %
General revenues:								
Property taxes	47,929	49,534	--	--	47,929	49,534	1,605	3.3 %
Sales taxes	4,007	3,525	--	--	4,007	3,525	(482)	(12.0)%
Other taxes and related revenues	989	1,032	--	--	989	1,032	43	4.3 %
Unrestricted grants and contributions	21,299	17,253	--	--	21,299	17,253	(4,046)	(19.0)%
Unrestricted investment income	5,367	4,832	1,004	811	6,371	5,643	(728)	(11.4)%
Miscellaneous revenues	12,932	11,689	--	--	12,932	11,689	(1,243)	(9.6)%
Total revenues	355,567	363,432	7,094	6,989	362,661	370,421	7,760	2.1 %
Program expenses :								
General government	20,866	20,710	--	--	20,866	20,710	(156)	(0.7)%
Public protection	96,664	94,362	--	--	96,664	94,362	(2,302)	(2.4)%
Public ways and facilities	40,000	34,975	--	--	40,000	34,975	(5,025)	(12.6)%
Health and sanitation	72,458	67,582	--	--	72,458	67,582	(4,876)	(6.7)%
Public assistance	142,125	142,616	--	--	142,125	142,616	491	0.3 %
Education	3,394	3,291	--	--	3,394	3,291	(103)	(3.0)%
Culture and recreation services	375	525	--	--	375	525	150	40.0 %
Interest on long-term debt	3,696	2,660	--	--	3,696	2,660	(1,036)	(28.0)%
Sanitation	--	--	5,486	5,805	5,486	5,805	319	5.8 %
Total expenses	379,578	366,721	5,486	5,805	385,064	372,526	(12,538)	(3.3)%
Net increase (decrease) in net assets	(24,011)	(3,289)	1,608	1,184	(22,403)	(2,105)	20,298	(90.6)%
Net assets, beginning	369,702	345,691	17,339	18,947	387,041	364,638	(22,403)	(5.8)%
Prior period adjustment	--	8,083	--	--	--	8,083	--	--
Net assets, ending, as restated	\$ 345,691	\$ 350,485	\$ 18,947	\$ 20,131	\$ 364,638	\$ 370,616	\$ 5,978	1.6 %

The following highlights significant factors that affected the governmental and business-type activities and contributed to the decrease in net assets:

- Governmental Activities accounted for a decrease in net assets of \$3,289, primarily due to current year depreciation expense of the County’s infrastructure (roads and bridges), which amounted to \$19,457. The decrease was offset by a \$1,605 increase in property taxes and a \$8,794 increase in operating grants.
- Business-Type Activities accounted for an increase in net assets of \$1,184, primarily due to current year revenues exceeding expenses.

Expenses and Program Revenues – Governmental Activities



IV. FINANCIAL ANALYSIS OF FUNDS

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with budgetary and legal requirements.

Governmental funds The general government functions are included in the General, Special Revenue, Capital Project, and Debt Service Funds. Included in these funds are the special districts governed by the Board of Supervisors. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, the unreserved fund balance may serve as a useful measure of the County's net resources available for spending at the end of the fiscal year.

At June 30, 2009, the County's governmental funds reported combined ending fund balances of \$84,098. Approximately 31.8% of this total amount (\$26,751) constitutes the unreserved fund balance, which may be used to meet the County's ongoing general obligations to citizens and creditors. The remainder of the fund balance is reserved to indicate that it is not available for general obligations because it has been committed in the form of prior year obligations (encumbrances), inventories, debt service reserves, or the funds have statutory restrictions.

The general fund is the main operating fund of the County. At June 30, 2009, the unreserved fund balance of the general fund was \$9,292 while the total fund balance reached \$24,464. As measures of the general fund's liquidity, it is useful to note that the unreserved fund balance represents 9.6% percent of total fund expenditures, while the total fund balance represents 25.3% percent of that same amount. The general fund's fund balance decreased by \$1,360 during the current fiscal year, excluding prior period adjustments.

The welfare fund has a total fund balance of \$3,019. Of this amount, \$2,399 is reserved, and the balance of \$620 is unreserved. The overall fund balance decreased by \$302 due to a decrease in welfare related aid.

The public health fund has a total fund balance of \$16,877. Of this amount, \$11,206 is reserved, and the balance of \$5,671 is unreserved. The overall fund balance decreased by \$1,343 due primarily to an increase in expenditures during the current fiscal year.

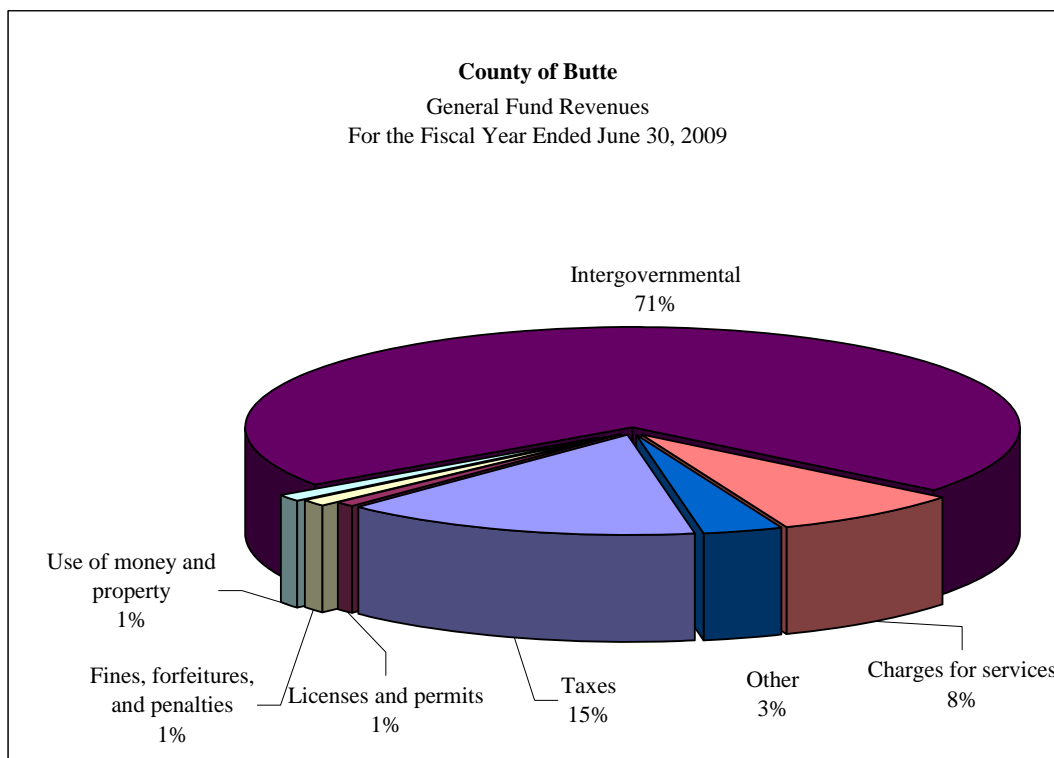
The behavioral health fund has a total fund balance of \$(1,158). Of this amount, \$5,593 is reserved, and the balance of \$(6,751) is unreserved. The behavioral health fund incurred a negative fund balance due to the State of California's reduction to funding for behavioral health.

The road fund has a total fund balance of \$9,192. Of this amount, \$4,047 is reserved, and the balance of \$5,145 is unreserved. The overall fund balance increased by \$1,053 during the current fiscal year, excluding prior period adjustments.

The following table presents revenues from various sources as well as reflecting increases or decreases from the prior fiscal year in the governmental funds.

Table 3 – Revenues in the Governmental Funds (in thousands)

Revenue Sources	FY 2008		FY 2009		Change	
	Amount	% of total	Amount	% of total	Amount	% of change
Taxes	\$ 53,797	14.8%	\$ 54,091	14.9%	\$ 294	0.5%
Licenses and permits	4,604	1.3%	3,721	1.0%	(883)	(19.2%)
Fines, forfeitures, and penalties	3,140	0.9%	3,307	0.9%	167	5.3%
Use of money and property	4,983	1.4%	4,064	1.1%	(919)	(18.4%)
Intergovernmental	248,377	68.5%	256,477	70.7%	8,100	3.3%
Charges for services	27,758	7.7%	29,301	8.1%	1,543	5.6%
Other	12,932	3.6%	11,689	3.2%	(1,243)	(9.6%)
Total	\$ 355,591	98%	\$ 362,649	100%	\$ 7,058	2.0%



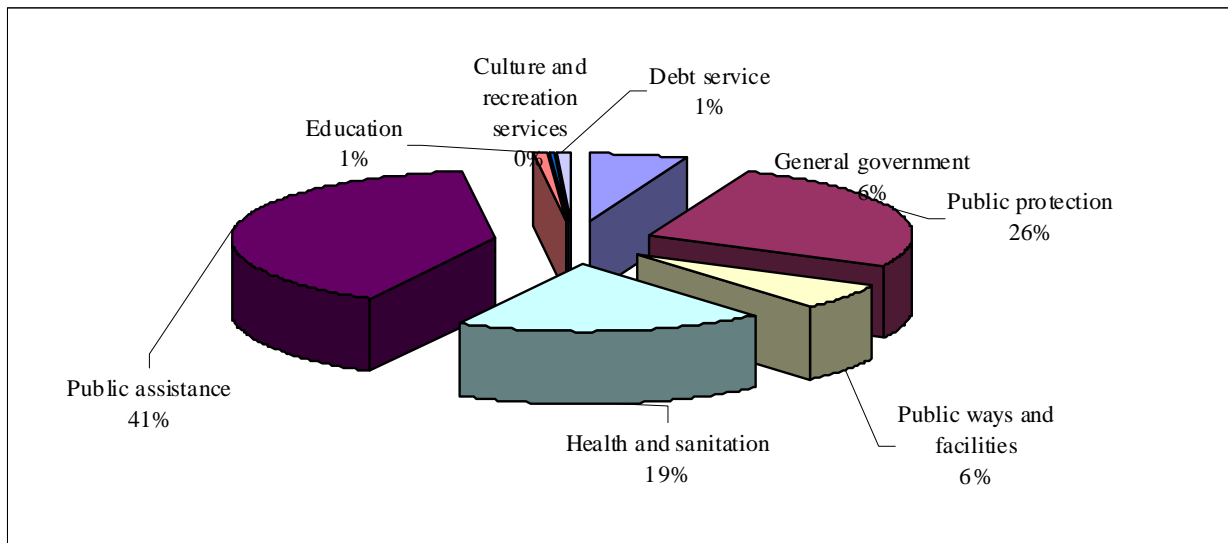
Significant changes for major revenue sources are explained below.

- Taxes – Tax revenues include sales taxes and property taxes. The increase in tax revenues is due primarily to increased property taxes, as well as smaller increases in property transfer tax revenues. This was offset by a decrease in sales taxes.
- Licenses and permits – Decreased revenues from construction permits and planning application fees account for most of the decrease noted in this revenue category.
- Fines, forfeitures, and penalties – Increase in court related fines and forfeitures.
- Use of money and property – Reflects decrease due to the change in fair value of the County’s investments.
- Other – Decreased revenue under other is primarily due to decrease in reimbursements.

The following table presents expenditures by function compared to prior fiscal year's amounts in the governmental funds.

Table 4 – Expenditures in the Governmental Funds (in thousands)

Function	FY 2008		FY 2009		Change	
	Amount	% of total	Amount	% of total	Amount	% of change
General government	\$ 21,641	5.9%	\$ 21,456	6.0%	\$ (185)	(0.9%)
Public protection	97,513	26.5%	94,357	26.5%	(3,156)	(3.3%)
Public ways and facilities	18,547	5.0%	22,211	6.2%	3,664	16.5%
Health and sanitation	72,966	19.8%	67,531	19.0%	(5,435)	(8.0%)
Public assistance	142,598	38.8%	143,752	40.3%	1,154	0.8%
Education	3,397	0.9%	3,228	0.9%	(169)	(5.2%)
Culture and recreation services	575	0.2%	434	0.1%	(141)	(32.5%)
Debt service	10,375	2.8%	3,344	0.9%	(7,031)	(210.3%)
Total	\$ 367,612	100%	\$ 356,313	100%	\$ (11,299)	(3.2%)



Significant changes for major functions are explained below.

- Culture and recreation – The Decrease in this function is due to the decrease in purchases for book and periodical purchases for libraries.
- Debt service – The decrease in this function is due to the County paying down the entire remaining balance of the Pension Obligation Bonds Series C in the prior year.

Proprietary funds The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The funds include the enterprise funds: the County Central Landfill Fund; and the internal service funds, which are presented in aggregate.

The Landfill fund has total net assets of \$20,131. Of this amount, \$5,046 is invested in capital assets, net of related debt, \$4,421 is restricted, and the balance of \$10,664 is unreserved. Overall net assets increased by \$1,184 due to an increase in investment earnings and operating grants.

V. GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget for revenues were a decrease of \$837. This decrease was due to the County anticipating less aid from other governments than was originally anticipated.

During the fiscal year, actual revenues were less than budgetary estimates by \$2,693. The main reason for the decrease was that taxes were \$1,724 less than the estimated amount due to decreased sales taxes. Plus, revenues from other governments decreased \$1,370 less than estimated amount due to decreases in grant revenues. Actual expenditures and transfers were less than budgetary estimates by \$15,124. The net effect of under-realization of revenues and under-utilization of appropriations resulted in a favorable variance of \$12,431.

VI. CAPITAL ASSETS AND DEBT ADMINISTRATION

A. Capital Assets

The County's investment in capital assets for its governmental and business-type activities as of June 30, 2009, amounts to \$292,629 (net of accumulated depreciation). This investment in capital assets includes land, structures and improvements, equipment, construction-in-progress, and infrastructure. The total decrease in the County's net investment in capital assets for the current period was 3.6%. The decrease resulted from infrastructure depreciation exceeding infrastructure assets acquired by \$13,634.

Additional information on the County's capital assets can be found in the Notes to the Financial Statements section of this report on page 49, note 5 – Capital Assets.

Key events affecting capital assets during the fiscal year included the following:

- Construction in progress capital assets being transferred structures and improvements and equipment.
- For government-wide financial statement presentation, all depreciable capital assets were depreciated from acquisition date to the end of the current fiscal year. Fund financial statements record capital asset purchases as expenditures.

Table 5 – Capital Assets (Net of Depreciation) (in thousands)

	Governmental activities		Business-type activities		Total	
	2008	2009	2008	2009	2008	2009
Land	\$ 3,406	\$ 3,406	\$ 488	\$ 488	\$ 3,894	\$ 3,895
Structures & improvements	44,183	43,064	97	88	44,280	43,152
Equipment	14,581	13,926	2,055	1,631	16,636	15,557
Infrastructure	222,943	213,597	--	--	222,943	213,597
Construction in progress	1,500	1,402	14,371	15,026	15,871	16,428
Total	\$ 286,613	\$ 275,395	\$ 17,011	\$ 17,234	\$ 303,624	\$ 292,629

B. Long-Term Obligations

At June 30, 2009, the County had total long-term obligations outstanding of \$95,491 consisting of \$14,325 in Certificates of Participation, capital lease obligations of \$1,049, bonds payable of \$50,492, loan payable of \$350, and notes payable of \$2,494. Additional long-term liabilities include compensated leave payable of \$13,813, actuarial claims liability of \$4,805 for general insurance and worker's compensation self insurance, landfill closure/post closure care liability of \$2,148, and OPEB obligation of \$6,015.

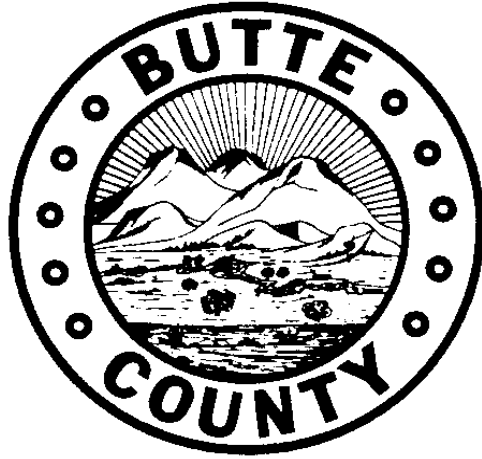
Additional information on the County's long-term liabilities can be found in the Notes to the Financial Statements section of this report on page 51, note 7 – Long-Term Obligations.

VII. Fiscal Outlook

The County adopted its fiscal year 2009-2010 Final Budget in the total amount of \$398,217, with a General Fund Contingency Appropriation of \$11,537. This represents decreased financing requirements of \$17,845 from the prior fiscal year, and a General Fund Contingency Appropriation increase of \$8,221. The County will continue to face difficult fiscal challenges in the foreseeable future. Although the most critical fiscal uncertainty facing the County continues to be the impact on local government resulting from actions the State of California may take in addressing its own fiscal problems, declining revenues and increasing social service and indigent health caseloads due to the declining economy will also impact the ability of the County to maintain current service levels.

VIII. Request for Information

This financial report is designed to demonstrate accountability of the Butte County government by providing both long-term and near-term views of the County's finances. Questions or comments regarding any of the information presented in this report or requests for additional financial information should be addressed to the Auditor-Controller, 25 County Center Drive, Oroville, CA 95965.



**Basic Financial Statement-
Government-wide Financial Statements**

COUNTY OF BUTTE

Statement of Net Assets

June 30, 2009

ASSETS	Primary Government		
	Governmental Activities	Business-Type Activities	Totals
Current Assets:			
Cash and investments	\$ 91,848,254	\$ 16,196,247	\$ 108,044,501
Cash with fiscal agent	5,545,168	2,274,063	7,819,231
Imprest cash	85,945	2,800	88,745
Accounts receivables, net	1,701,275	242,031	1,943,306
Interest receivable	751,031	129,453	880,484
Due from other government agencies	24,784,642	--	24,784,642
Prepaid items	58,941	--	58,941
Deposits with others	92,797	--	92,797
Inventory	375,399	--	375,399
Internal balances	386,870	(386,870)	--
Receivables from external parties	87,550	--	87,550
Loans receivable	1,688,637	--	1,688,637
Net pension asset	52,503,014	--	52,503,014
Deferred bond issuance costs	423,690	273,113	696,803
Noncurrent Assets:			
Capital Assets:			
Nondepreciable	4,808,460	15,513,970	20,322,430
Depreciable, net	270,586,560	1,719,704	272,306,264
Total assets	<u>455,728,233</u>	<u>35,964,511</u>	<u>491,692,744</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	9,745,022	674,046	10,419,068
Salaries and benefits payable	6,065,585	56,676	6,122,261
Unearned revenue	8,623,135	--	8,623,135
Accrued interest	14,972	243,575	258,547
Long-Term Liabilities:			
Due within one year	4,667,334	846,232	5,513,566
Due in more than one year	76,127,564	14,012,264	90,139,828
Total liabilities	<u>105,243,612</u>	<u>15,832,793</u>	<u>121,076,405</u>
NET ASSETS			
Invested in capital assets, net of related debt	269,571,545	5,046,136	274,617,681
Restricted for:			
General restrictions	33,984,846	--	33,984,846
County service areas	6,322,209	--	6,322,209
Other purposes	1,711,665	--	1,711,665
Debt service	9,070,659	--	9,070,659
Landfill post-closure requirements	--	4,421,316	4,421,316
Unrestricted	29,823,697	10,664,266	40,487,963
Total net assets	<u>\$ 350,484,621</u>	<u>\$ 20,131,718</u>	<u>\$ 370,616,339</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF BUTTE

Statement of Activities
For the Fiscal Year Ended June 30, 2009

Functions/Programs	Program Revenues			
	Expenses	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities:				
General government	\$ 20,710,290	\$ 16,567,360	\$ 18,612,704	\$ --
Public safety	94,362,185	9,180,534	13,460,159	491,824
Public ways and facilities	34,975,071	4,082,071	2,842,797	15,808,169
Health and sanitation	67,582,300	5,673,115	46,537,615	--
Public assistance	142,615,875	711,842	141,115,257	--
Education	3,291,233	113,684	309,393	--
Recreation and cultural services	524,852	--	60,000	--
Interest on long-term debt	2,659,630	--	--	--
Total Governmental Activities	<u>366,721,436</u>	<u>36,328,606</u>	<u>222,937,925</u>	<u>16,299,993</u>
Business-Type Activities:				
Sanitation	5,804,049	6,094,380	83,808	--
Total Business-Type Activities	<u>5,804,049</u>	<u>6,094,380</u>	<u>83,808</u>	<u>--</u>
Total Primary Government	<u>\$ 372,525,485</u>	<u>\$ 42,422,986</u>	<u>\$ 223,021,733</u>	<u>\$ 16,299,993</u>

General Revenues:

Taxes:

 Property taxes

 Sales and use taxes

 Other taxes and related revenues

Grants and contributions not restricted to specific programs

Unrestricted interest and investment earnings

Other revenues

 Total General Revenues

Change in Net Assets

Net Assets - beginning, as restated

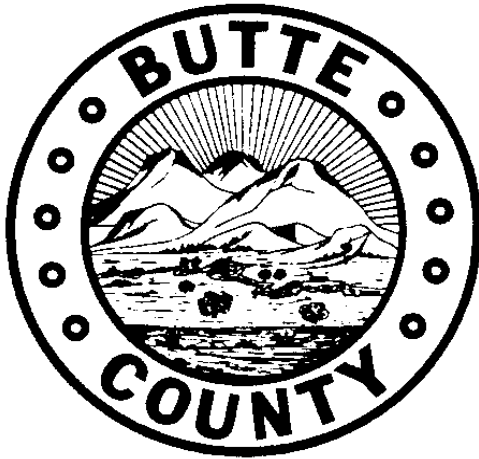
Net Assets - ending

The accompanying notes are an integral part of these financial statements.

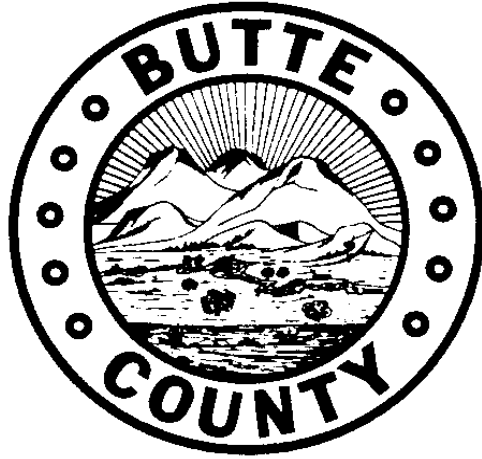
Net (Expenses) Revenues and
Changes in Net Assets

Primary Government		
Governmental Activities	Business- Type Activities	Total
\$ 14,469,774	\$ --	\$ 14,469,774
(71,229,668)	--	(71,229,668)
(12,242,034)	--	(12,242,034)
(15,371,570)	--	(15,371,570)
(788,776)	--	(788,776)
(2,868,156)	--	(2,868,156)
(464,852)	--	(464,852)
(2,659,630)	--	(2,659,630)
(91,154,912)	--	(91,154,912)
--	374,139	374,139
--	374,139	374,139
(91,154,912)	374,139	(90,780,773)
49,534,039	--	49,534,039
3,525,252	--	3,525,252
1,031,960	--	1,031,960
17,253,122	--	17,253,122
4,832,431	810,774	5,643,205
11,688,662	--	11,688,662
87,865,466	810,774	88,676,240
(3,289,446)	1,184,913	(2,104,533)
353,774,067	18,946,805	372,720,872
\$ 350,484,621	\$ 20,131,718	\$ 370,616,339

The accompanying notes are an integral part of these financial statements.



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**Basic Financial Statement-
Fund Financial Statements**

COUNTY OF BUTTE

**Balance Sheet
Governmental Funds
June 30, 2009**

	<u>General Fund</u>	<u>Welfare Fund</u>	<u>Public Health Fund</u>	<u>Behavioral Health Fund</u>	<u>Road Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
ASSETS							
Cash and investments	\$ 26,326,468	\$ 1,511,032	\$ 10,142,590	\$ 4,011,933	\$ 8,018,330	\$ 24,711,271	\$ 74,721,624
Restricted Assets:							
Cash with fiscal agent	1,127,040	--	--	--	--	4,375,775	5,502,815
Imprest cash	44,245	--	500	--	50	1,150	45,945
Due from other funds	2,149,408	424,249	5,698,667	131,999	806,847	4,452,868	13,664,038
Accounts receivable	1,126,544	108,530	4,117	77,012	125,887	7,407	1,449,497
Interest receivable	272,844	(8,366)	59,054	50,760	45,727	194,883	614,902
Due from other governments	3,194,182	6,426,322	2,171,456	7,608,816	1,534,116	3,937,300	24,872,192
Prepaid items	1,888	685	--	1,779	--	1,624	5,976
Deposits with others	2,500	--	--	--	--	297	2,797
Inventory	--	--	--	--	273,707	--	273,707
Long-term receivables	--	--	--	--	--	1,688,637	1,688,637
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 34,245,119</u>	<u>\$ 8,462,452</u>	<u>\$ 18,076,384</u>	<u>\$ 11,882,299</u>	<u>\$ 10,804,664</u>	<u>\$ 39,371,212</u>	<u>\$ 122,842,130</u>
LIABILITIES							
Liabilities:							
Due to other funds	\$ 5,427,401	\$ 441,075	\$ 213,378	\$ 5,922,128	\$ 227,492	\$ 920,150	\$ 13,151,624
Accounts payable	1,324,863	935,543	316,983	1,684,848	1,105,339	4,028,678	9,396,254
Accrued payroll	2,437,977	1,371,714	499,412	955,479	279,997	339,561	5,884,140
Deferred revenue	590,415	2,694,947	169,582	4,477,741	--	2,379,087	10,311,772
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>9,780,656</u>	<u>5,443,279</u>	<u>1,199,355</u>	<u>13,040,196</u>	<u>1,612,828</u>	<u>7,667,476</u>	<u>38,743,790</u>
FUND BALANCES							
Reserved for:							
Encumbrances	2,437,136	711,470	1,390,389	4,923,277	3,773,409	727,989	13,963,670
Imprest cash	44,245	--	500	--	50	1,150	45,945
Prepaid items	1,888	685	--	1,779	--	1,624	5,976
Deposits with others	2,500	--	--	--	--	297	2,797
General restrictions	11,560,087	1,686,632	9,815,099	667,621	--	10,255,407	33,984,846
Debt service	1,127,040	--	--	--	--	7,943,619	9,070,659
Inventories	--	--	--	--	273,707	--	273,707
Unreserved:							
Designated for:							
Fire protection	--	--	--	--	--	508,299	508,299
County service areas	--	--	--	--	--	4,050,242	4,050,242
General	232,510	--	--	--	--	--	232,510
Undesignated, reported in:							
General fund	9,059,057	--	--	--	--	--	9,059,057
Special revenue funds	--	620,386	5,671,041	(6,750,574)	5,144,670	7,919,445	12,604,968
Capital projects funds	--	--	--	--	--	295,664	295,664
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>24,464,463</u>	<u>3,019,173</u>	<u>16,877,029</u>	<u>(1,157,897)</u>	<u>9,191,836</u>	<u>31,703,736</u>	<u>84,098,340</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 34,245,119</u>	<u>\$ 8,462,452</u>	<u>\$ 18,076,384</u>	<u>\$ 11,882,299</u>	<u>\$ 10,804,664</u>	<u>\$ 39,371,212</u>	<u>\$ 122,842,130</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF BUTTE

Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Assets - Governmental Activities June 30, 2009

Fund Balance - total governmental funds \$ 84,098,340

Amounts reported for governmental activities in the statement
of net assets are different because :

Capital assets used in governmental activities are not financial resources and,
therefore, are not reported in the governmental funds. These assets consist of:

Land	3,406,451	
Construction in progress	1,402,009	
Infrastructure	577,564,208	
Structures and improvements	62,443,539	
Equipment	45,164,297	
Less accumulated depreciation	<u>(416,419,690)</u>	
Total capital assets		273,560,814

In governmental funds, other long-term assets are not available to pay for
current-period expenditures:

Net pension asset		52,503,014
Loans receivable		1,688,637

Governmental funds report the effect of issuance costs and similar items when
debt is first issued, whereas these amounts are deferred and amortized in the
statement of activities. This amount is the long-term debt issuance costs.

423,690

Interest payable on long-term debt does not require current financial resources,
therefore, interest payable is not reported as a liability in the Governmental Funds
Balance Sheet

(14,972)

Internal service funds are used by the County to charge the cost of liability,
malpractice, and worker's compensation insurance to individual funds. The
assets and liabilities of the internal service funds are included in governmental
activities in the statement of net assets.

13,622,064

Long-term liabilities applicable to the County's governmental activities are not
due and payable in the current period and accordingly are not reported as fund
liabilities. Interest on long-term debt is not accrued in governmental funds, but
rather is recognized as an expenditure when due. All liabilities are reported in the
statement of net assets. Balances as of June 30, 2006 are:

Certificates of participation	(2,300,000)	
Bonds payable	(50,491,664)	
Notes payable	(2,494,360)	
Capital leases	(1,029,115)	
Compensated absences	(13,066,604)	
Other post-employment benefits	<u>(6,015,223)</u>	
Total long-term liabilities		<u>(75,396,966)</u>

Net assets of governmental activities

\$ 350,484,621

The accompanying notes are an integral part of these financial statements.

COUNTY OF BUTTE

**Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2009**

	General	Welfare	Public Health	Behavioral Health	Road	Other Governmental Funds	Total
REVENUES:							
Taxes	\$ 53,236,624	\$ --	\$ --	\$ --	\$ --	\$ 854,627	\$ 54,091,251
Licenses and permits	3,198,000	--	480,074	--	42,661	--	3,720,735
Fines, forfeits and penalties	2,837,234	--	358,626	116,062	--	(4,701)	3,307,221
Revenue from use of money and property	1,818,656	7,926	492,575	200,289	210,078	1,334,377	4,063,901
Aid from other governments	29,339,604	133,266,151	18,101,919	45,684,887	16,055,157	14,029,044	256,476,762
Charges for services	19,214,384	647,880	2,470,355	2,244,143	4,039,410	684,478	29,300,650
Other	3,956,399	1,452,691	67,354	20,600	305,749	5,885,867	11,688,660
Total revenues	<u>113,600,901</u>	<u>135,374,648</u>	<u>21,970,903</u>	<u>48,265,981</u>	<u>20,653,055</u>	<u>22,783,692</u>	<u>362,649,180</u>
EXPENDITURES:							
Current:							
General government	20,355,102	--	--	--	--	1,101,157	21,456,259
Public protection	74,688,737	1,128,432	--	--	--	18,036,992	93,854,161
Public ways and facilities	--	--	--	--	20,962,332	1,248,798	22,211,130
Health and sanitation	--	--	23,288,997	44,155,542	--	484,420	67,928,959
Public assistance	429,506	135,548,243	--	--	--	7,773,889	143,751,638
Education	296,771	--	--	--	--	2,931,132	3,227,903
Recreation and cultural services	434,082	--	--	--	--	104,817	538,899
Debt Service:							
Principal	44,892	--	--	--	--	701,591	746,483
Interest	535,075	--	--	--	--	2,062,486	2,597,561
Total expenditures	<u>96,784,165</u>	<u>136,676,675</u>	<u>23,288,997</u>	<u>44,155,542</u>	<u>20,962,332</u>	<u>34,445,282</u>	<u>356,312,993</u>
Excess (deficiency) of revenues over (under) expenditures	<u>16,816,736</u>	<u>(1,302,027)</u>	<u>(1,318,094)</u>	<u>4,110,439</u>	<u>(309,277)</u>	<u>(11,661,590)</u>	<u>6,336,187</u>
OTHER FINANCING SOURCES (USES):							
Proceeds from sale of capital assets	34,152	368	2,460	1,043	33,159	1,210	72,392
Transfers in	--	1,000,000	972,226	424,727	1,329,061	17,136,946	20,862,960
Transfers out	(18,211,033)	--	(1,000,000)	--	--	(1,363,152)	(20,574,185)
Total other financing sources (uses)	<u>(18,176,881)</u>	<u>1,000,368</u>	<u>(25,314)</u>	<u>425,770</u>	<u>1,362,220</u>	<u>15,775,004</u>	<u>361,167</u>
Net change in fund balances	<u>(1,360,145)</u>	<u>(301,659)</u>	<u>(1,343,408)</u>	<u>4,536,209</u>	<u>1,052,943</u>	<u>4,113,414</u>	<u>6,697,354</u>
Fund balance - beginning	25,876,130	3,320,832	18,220,437	(5,694,106)	11,516,610	20,366,490	73,606,393
Prior period adjustments	(51,522)	--	--	--	(3,377,717)	7,223,832	3,794,593
Fund balance - beginning, restated	<u>25,824,608</u>	<u>3,320,832</u>	<u>18,220,437</u>	<u>(5,694,106)</u>	<u>8,138,893</u>	<u>27,590,322</u>	<u>77,400,986</u>
Fund balance - ending	<u>\$ 24,464,463</u>	<u>\$ 3,019,173</u>	<u>\$ 16,877,029</u>	<u>\$ (1,157,897)</u>	<u>\$ 9,191,836</u>	<u>\$ 31,703,736</u>	<u>\$ 84,098,340</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF BUTTE

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Government-Wide Statement of Activities - Governmental Activities
For the Fiscal Year Ended June 30, 2009

Net change to fund balance - total governmental funds		\$ 6,697,354
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital outlay expenditures are therefore added back to fund balances	8,586,235	
Depreciation expense not reported in governmental funds	<u>(23,856,587)</u>	(15,270,352)
<p>Governmental funds report the effect of the pension asset when first paid, whereas the amount is deferred and amortized in the statement of activities.</p>		
Increase in pension asset		1,080,156
<p>Debt proceeds provide current financial resources to governmental funds; however, issuing debt increases long-term liabilities in the statement of net assets. Costs associated with the issuance of long-term debt are reported as expenditures in the governmental funds, but in the statement of net assets, the costs are deferred and amortized throughout the period during which the related debt is outstanding. Repayment of debt principal is an expenditures in the governmental funds, but in the statement of net assets the repayment reduces long-term liabilities</p>		
Principal payments	746,483	
Amortization expense of costs of issuance not reported in governmental funds	<u>(101,751)</u>	644,732
Net adjustment		
<p>Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available (net change).</p>		
Interest payable	39,682	
Supplemental retirement benefit obligation	1,518,509	
Other post-employment benefits	(2,947,911)	
Compensated absences	<u>2,812,638</u>	1,422,918
<p>Internal service funds are used by the County to charge the costs of liability, malpractice, and worker's compensation insurance to individual funds. The net revenue/expense of internal service funds is reported with governmental activities.</p>		
		<u>2,135,746</u>
Change in net assets of governmental activities		<u><u>\$ (3,289,446)</u></u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF BUTTE

Statement of Fund Net Assets
Proprietary Funds
June 30, 2009

	<u>Landfill</u>	<u>Total</u>	<u>Governmental Activities</u>
			<u>Internal Service Funds</u>
ASSETS			
Current assets:			
Cash and Investments	\$ 16,196,247	\$ 16,196,247	\$ 17,126,630
Cash with fiscal agent	2,274,063	2,274,063	42,353
Imprest cash	2,800	2,800	40,000
Due from other funds	15,163	15,163	1,064,398
Accounts receivable	242,031	242,031	251,778
Interest receivable	129,453	129,453	136,129
Inventory	--	--	101,692
Deposits with others	--	--	90,000
Prepaid items	--	--	52,965
Total current assets	<u>18,859,757</u>	<u>18,859,757</u>	<u>18,905,945</u>
Noncurrent assets:			
Deferred debt issuance costs	273,113	273,113	--
Capital Assets:			
Nondepreciable:			
Land	488,134	488,134	--
Construction in progress	15,025,836	15,025,836	--
Depreciable:			
Structures and improvements	121,695	121,695	--
Equipment	4,200,352	4,200,352	5,302,606
Accumulated depreciation	<u>(2,602,343)</u>	<u>(2,602,343)</u>	<u>(3,468,400)</u>
Total noncurrent assets	<u>17,506,787</u>	<u>17,506,787</u>	<u>1,834,206</u>
Total assets	<u>36,366,544</u>	<u>36,366,544</u>	<u>20,740,151</u>
LIABILITIES			
Current liabilities:			
Due to other funds	402,033	402,033	1,189,942
Accounts payable	674,046	674,046	348,768
Accrued salaries and benefits	56,676	56,676	181,445
Interest payable	243,575	243,575	--
Compensates absences	38,000	38,000	--
COP payable, current portion	738,545	738,545	--
Capital leases, current portion	19,687	19,687	--
Loans payable, current portion	50,000	50,000	--
Total current liabilities	<u>2,222,562</u>	<u>2,222,562</u>	<u>1,720,155</u>
Compensates absences	115,526	115,526	592,932
Loans payable, less current portion	300,000	300,000	--
Claims and judgments	--	--	4,805,000
COP payable, less current portion	11,448,993	11,448,993	--
Landfill closure/post-closure care costs	2,147,745	2,147,745	--
Total noncurrent liabilities	<u>14,012,264</u>	<u>14,012,264</u>	<u>5,397,932</u>
Total liabilities	<u>16,234,826</u>	<u>16,234,826</u>	<u>7,118,087</u>
NET ASSETS			
Invested in capital assets, net of related debt	5,046,136	5,046,136	1,834,206
Restricted	4,421,316	4,421,316	--
Unrestricted	10,664,266	10,664,266	11,787,858
Total net assets	<u>\$ 20,131,718</u>	<u>\$ 20,131,718</u>	<u>\$ 13,622,064</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF BUTTE

Statement of Revenues, Expenses and Changes in Fund Net Assets
 Proprietary Funds
 For the Fiscal Year Ended June 30, 2009

	<u>Landfill</u>	<u>Total</u>	<u>Governmental Activities Internal Service Funds</u>
OPERATING REVENUES:			
Charges for services	\$ --	\$ --	\$ 18,539,643
Landfill fees	5,971,948	5,971,948	--
Miscellaneous	122,432	122,432	186,841
	<u>6,094,380</u>	<u>6,094,380</u>	<u>18,726,484</u>
Total operating revenues			
OPERATING EXPENSES:			
Operations and management	3,149,689	3,149,689	--
Salaries and employee benefits	1,493,519	1,493,519	5,413,470
Services and supplies	--	--	8,309,585
Premiums, claims and judgments	--	--	2,146,026
Other charges	--	--	881,836
Landfill closure/postclosure care costs	217,391	217,391	--
Depreciation and amortization	448,545	448,545	423,956
	<u>5,309,144</u>	<u>5,309,144</u>	<u>17,174,873</u>
Total operating expenses			
OPERATING INCOME (LOSS)	<u>785,236</u>	<u>785,236</u>	<u>1,551,611</u>
Nonoperating Revenues (Expenses):			
Intergovernmental	83,808	83,808	14,278
Interest income	810,774	810,774	768,530
Interest expense	(494,905)	(494,905)	--
	<u>399,677</u>	<u>399,677</u>	<u>782,808</u>
Total nonoperating revenues (expenses)			
NET INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	1,184,913	1,184,913	2,334,419
Capital contributions	--	--	90,102
Transfers out	--	--	(288,775)
	<u>1,184,913</u>	<u>1,184,913</u>	<u>2,135,746</u>
Change in net assets			
Net assets, beginning of year	<u>18,946,805</u>	<u>18,946,805</u>	<u>11,486,318</u>
Net assets, end of year	<u><u>\$ 20,131,718</u></u>	<u><u>\$ 20,131,718</u></u>	<u><u>\$ 13,622,064</u></u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF BUTTE

Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2009

	<u>Landfill</u>	<u>Total</u>	<u>Governmental Activities Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash receipts from customers	\$ 5,892,315	\$ 5,892,315	\$ 18,784,268
Cash paid to suppliers for goods and services	(2,881,032)	(2,881,032)	(12,085,722)
Cash paid to employees for services	(1,462,785)	(1,462,785)	(5,516,705)
Internal activities - payments from (to) other funds	520,415	520,415	796,877
	<u>2,068,913</u>	<u>2,068,913</u>	<u>1,978,718</u>
Net cash provided (used) by operating activities			
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Aid from other governmental units	83,808	83,808	14,278
Transfers out	--	--	(300,098)
	<u>83,808</u>	<u>83,808</u>	<u>(285,820)</u>
Net cash provided (used) by noncapital financing activities			
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Payments related to the acquisition of capital assets	(671,604)	(671,604)	(87,251)
Principal payments on loans payable	(50,000)	(50,000)	--
Interest paid	(487,150)	(487,150)	--
	<u>(1,208,754)</u>	<u>(1,208,754)</u>	<u>(87,251)</u>
Net cash provided (used) by capital and related financing activities			
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	820,075	820,075	734,131
Net cash provided by investing activities	<u>820,075</u>	<u>820,075</u>	<u>734,131</u>
Net increase (decrease) in cash and cash equivalents	1,764,042	1,764,042	2,339,778
Cash and cash equivalents, beginning	<u>16,709,068</u>	<u>16,709,068</u>	<u>14,869,205</u>
Cash and cash equivalents, ending	<u>\$ 18,473,110</u>	<u>\$ 18,473,110</u>	<u>\$ 17,208,983</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET ASSETS			
Cash and investments	\$ 16,196,247	\$ 16,196,247	\$ 17,126,630
Cash with fiscal agent	2,274,063	2,274,063	42,353
Imprest cash	2,800	2,800	40,000
	<u>\$ 18,473,110</u>	<u>\$ 18,473,110</u>	<u>\$ 17,208,983</u>

continued

The accompanying notes are an integral part of these financial statements.

COUNTY OF BUTTE

Statement of Cash Flows (continued)
 Proprietary Funds
 For the Fiscal Year Ended June 30, 2009

			Governmental Activities
	Landfill	Total	Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ 785,236	\$ 785,236	\$ 1,551,611
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	448,545	448,545	423,956
Changes in assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	(79,633)	(79,633)	57,784
Due from other funds	6,333	6,333	(34,504)
Inventory	--	--	55,696
Deposits with others	--	--	(40,000)
Prepaid expenses and other assets	--	--	24,931
Increase (decrease) in:			
Accounts payable	268,657	268,657	(250,902)
Due to other funds	391,650	391,650	831,381
Accrued salaries	3,928	3,928	(17,018)
Deposits payable	--	--	(94,000)
Compensated absences	26,806	26,806	(86,217)
Landfill closure/post-closure cost	217,391	217,391	--
Claims and judgments	--	--	(444,000)
Net Cash Provided (Used) by Operating Activities	<u>\$ 2,068,913</u>	<u>\$ 2,068,913</u>	<u>\$ 1,978,718</u>
Noncash investing, capital and financing activities:			
Contributions of capital assets from government	\$ --	\$ --	\$ 90,102
Contributions of capital assets from other funds			\$ 11,323

The accompanying notes are an integral part of these financial statements.

COUNTY OF BUTTE

Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2009

	<u>Investment Trust</u>	<u>Agency Funds</u>
ASSETS		
Cash and investments	\$ 279,282,751	\$ 20,281,960
Imprest cash	7,996	--
Interest receivable	1,727,250	119,897
Property tax receivable	--	15,123,920
Total assets	<u>281,017,997</u>	<u>\$ 35,525,777</u>
LIABILITIES		
Agency funds held for others	<u>\$ --</u>	<u>\$ 35,525,777</u>
Total liabilities	<u>\$ --</u>	<u>\$ 35,525,777</u>
NET ASSETS		
Held in trust for pool participants	<u>281,017,997</u>	
Total net assets	<u>\$ 281,017,997</u>	

The accompanying notes are an integral part of these financial statements.

COUNTY OF BUTTE

Statement of Changes in Fiduciary Net Assets
Investment Trust Fund
For the Fiscal Year Ended June 30, 2009

Additions:

Contributions to investment pool	\$ 1,392,833,096
Interest and investment income	<u>7,424,208</u>
Total additions	<u>1,400,257,304</u>

Deductions:

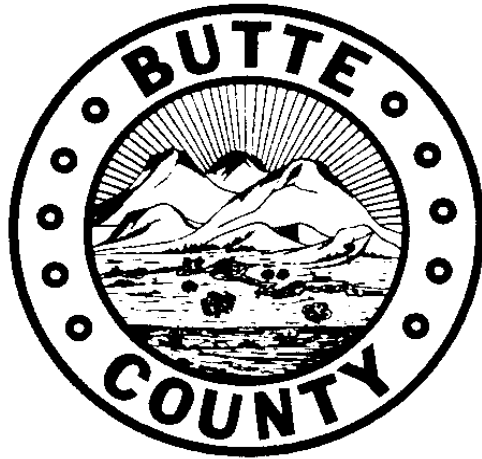
Distributions from investment pool	<u>(1,386,408,237)</u>
Total deductions	<u>(1,386,408,237)</u>

Change in net assets 13,849,067

Net assets, beginning 267,168,930

Net assets, ending \$ 281,017,997

The accompanying notes are an integral part of these financial statements.



**Basic Financial Statement-
Notes to the Basic Financial Statements**

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009

1. Summary of Significant Accounting Policies

A. **The Financial Reporting Entity**

The County of Butte (the County), which was incorporated as a County in 1850 as one of the State's original 27 counties, is a legal subdivision of the State of California charged with governmental powers. The County's powers are exercised through a Board of Supervisors, which, as the governing body of the County, is responsible for the legislative and executive control of the County. As required by accounting principles generally accepted in the United States of America, these financial statements present the government and its component units; legally separate entities for which the County is considered to be financially accountable. Financial accountability is demonstrated by the County Board of Supervisors acting as the governing board for each of the component units.

Blended component units, although legally separate entities are, in substance, part of the County's operations: therefore data from these units are combined with data of the primary government. Each blended component unit has a June 30, 2009 fiscal year-end.

In evaluating how to define the County for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in Governmental Accounting Standards Board (GASB) Statement No. 14 "The Financial Reporting Entity."

Based on the criteria established by GASB 14, as amended by GASB Statement No. 39, the reporting entity also includes the following blended component units, which are Special Districts under control of the Board of Supervisors:

County Service Area (CSA) – Lighting

CSA #11 Durham	CSA #14 East Chico
CSA #17 South Oroville – Las Plumas Park	CSA #16 West Chico
CSA #12 Stirling City Lighting	CSA #75 North Park
CSA #27 Richvale	CSA #36 Glen Haven
CSA #33 Oro-Wyandotte	CSA #92 Rosewood Subdivision
CSA #62 Rancho De Thunder	CSA #78 Woodside
CSA #67 Vista Del Cerro	CSA #85 Carriage Manor
CSA #103 Morris Subdivision	CSA #161 Mulberry Street

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009

1. Summary of Significant Accounting Policies (continued)

A. The Financial Reporting Entity (continued)

CSA – Drainage & Lighting

CSA #47 East and Guynn
CSA #76 Quail Run
CSA #79 Big Chico Creek Estates
CSA #154 Forebay Vista
CSA #96 Silvertree Subdivision
CSA #97 Stoney Brook
CSA #101 Carriage Estates Subdivision
CSA #102 Meadowlark Acres
CSA #116 Pistachio Grove Estates
CSA #119 South Fork Estates
CSA #125 Willow Bend Subdivision
CSA #128 Wildflower Estates Subdivision
CSA #129 Orchard House Estates
CSA #133 Ceres Avenue Subdivision
CSA #120 Oak Way Park
CSA #177 Blossom Estates
CSA #181 Palm Crest Village Subdivision

CSA – Drainage

CSA #4 Sierra Del Oro
CSA #87 Keefer Road/Rock Creek
CSA #23 Pleasant Valley
CSA #24 Chico – Mud Creek
CSA #25 Shasta Union
CSA #92 Copley Acres
CSA #98 Oro Monte Estates

CSA – Sewer

CSA #21 Oakridge
CSA #82 Stirling City
CSA #141 Mountain Oaks Subdivision

CSA – Lighting & Maintenance

CSA #68 Crestwood
CSA #69 Lindo Gardens
CSA #71 Joshua Tree #2

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009

1. Summary of Significant Accounting Policies (continued)

A. The Financial Reporting Entity (continued)

CSA – Other

CSA #90 Southgate Acres Drainage and Fire Protection
CSA #26 Thermalito Sewer and Drainage
CSA #94 Sycamore Valley Sewer, Lighting, and Drainage
CSA #37 Gridley – Biggs Ambulance
CSA #31 Biggs (Schohr's) Swimming Pool – Recreation
CSA #34 Gridley Swimming Pool – Recreation
CSA #114 County of Butte – Nitrate Study Plan
CSA #131 Walnut Manor – Lighting, Drainage, and Landscape
CSA #137 Durham-Dayton Industrial Partners for Extended Structural Fire Protection
CSA #149 Biggers Subdivision – Lighting, Drainage, and Snow removal
CSA #158 Ishi Valley Estates– Lighting, Drainage, and Fire
CSA #164 County of Butte – Animal Control
CSA #165 Justin Manor Subdivision – Lighting, Drainage, and Fire
CSA #135 Keefer Creek Estates – Lighting, Drainage, and Sewer
CSA #172 Autumn Park – Lighting, Drainage, and Fire
CSA #173 Melrose Estates – Lighting, Drainage, and Fire
CSA #174 Durham Land Estates – Lighting, Drainage, and Fire
CSA #169 Pheasant Landing #1 Subdivision and #2 – Lighting, Drainage, and Fire
CSA #169 Pheasant Landing #3 Subdivision – Lighting, Drainage, and Fire
Zone #4 of CSA #169 Sierra Moon Subdivision #1 – Lighting and Drainage
CSA #178 Twin Palms Subdivision – Lighting, Drainage, and Fire
CSA #179 Chambers & Speedway Subdivision – Lighting, Drainage, and Fire
CSA #163 Thorntee Industrial Park – Lighting, Drainage, and Fire
CSA #176 Pheasant Landing Estates #3 – Lighting, Drainage, and Fire
CSA #180 Red Hawk Ranch Subdivision – Lighting, Drainage, and Fire
CSA #183 Rare Earth Estates – Lighting, Drainage, and Fire

Excluded from the Reporting Entity

Local Board Governed Districts and School Districts: These potential component units have been excluded from the reporting entity. They are legally separate primary governmental units. The financial reporting for these governmental entities, which are independent of the County, are limited to the total amount for cash and investments and the related fiduciary responsibilities of the County for disbursement of these assets. Activities of school districts and local board governed districts are administered by boards which are separately elected and which are independent of the County Board of Supervisors. The following local board governed districts and school districts have been excluded from the County's financial statements:

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009

1. Summary of Significant Accounting Policies (continued)

A. The Financial Reporting Entity (continued)

Protection to Persons & Property

El Medio Fire District
DWR – Maintenance Area #5
DWR – Maintenance Area #7
DWR – Maintenance Area #13
DWR – Maintenance Area #16

Recreation

Chico Area Recreation & Park
Durham Recreation & Park
Feather River Recreation & Park
Paradise Recreation & Park
Richvale Recreation & Park

Other Districts

Butte County Association of Governments
Butte County Resource Conservation
School Districts
Butte County Fair
Buzztail Community Services
Berry Creek Community Services
Richardson Springs Community Services

Cemetery

Bangor Cemetery
Gridley-Biggs Cemetery
Kimsheew Cemetery
Oroville Cemetery
Paradise Cemetery
Pine Creek Cemetery
Thompson Flat Cemetery
Upham Cemetery

Drainage

Butte Creek Drainage
Drainage District #1
Drainage District #2
Drainage District #100
Drainage District #200
Reclamation District #833
Rock Creek Reclamation District
Sacramento River Reclamation District

Health & Sanitation

Butte County Mosquito Abatement
Durham Mosquito Abatement
Oroville Mosquito Abatement
Richvale Sanitary Operating

These entities have separate elected boards and provide services to residents, generally within the geographic boundaries of the County. In addition, these entities are excluded from the reporting entity because they are not financially accountable to the County.

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009

1. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation

Government-Wide Financial Statements

The statement of net assets and statement of activities display information about the primary government (the County) and its blended component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the County. 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.

The statement of activities demonstrates the degree to which the program expenses of a given function are offset by program revenues. Program expenses include direct expenses, which are clearly identifiable with a specific function, and allocated indirect expenses. Program revenues include 1) fees, fines, and charges paid by the recipients of goods or services offered by the programs 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 instead as general revenues.

Fund Financial Statements

The fund financial statements provide information about the County's funds, including fiduciary funds and blended component units. Separate statements for each fund category – *governmental, proprietary, and fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental funds are separately aggregated and reported as other governmental funds.

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.

GASB Statement No. 34 defines major funds and requires that the County's major governmental and proprietary funds are identified and presented separately in the fund financial statements. All other funds, called nonmajor funds, are combined and reported in a single column, regardless of their fund-type.

Major funds are defined as funds that have assets, liabilities, revenues, or expenditures/expenses equal to or greater than ten percent of their fund-type total and five percent of all fund-type totals. The General Fund is always a major fund. The County may also select other funds it believes should be presented as major funds.

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009

1. Summary of Significant Accounting Policies (continued)

B. **Basis of Presentation (continued)**

The County reports the following major governmental funds:

- The *General Fund* is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the County that are not accounted for through other funds. For the County, the General Fund includes such activities as public protection, public ways and facilities, health and sanitation, public assistance, education and recreation services.
- The *Welfare Fund* was established to account for the activities of the Butte County Department of Employment and Social Services. The department administers the CalWorks program, Adult and Children's Protection Services and various other State, Federal and local assistance programs.
- The *Public Health Fund* was established to account for the activities of the Butte County Department of Public Health. The department provides a wide range of services designed to protect and enhance the well being of the community.
- The *Behavioral Health Fund* was established to account for the activities of the Butte County Department of Behavioral Health. The department provides a comprehensive continuum of services meeting community needs related to mental health and substance abuse problems.
- The *Road Fund* provides for planning, design, construction, maintenance, and administration of County transportation planning activities. Revenues consist primarily of the County's share of state highway user taxes and are supplemented by federal funds.

The County reports the following major enterprise funds:

- The *Landfill Fund* was established to account for the County's costs of providing landfill and related waste disposal services to the citizens of Butte County in both the unincorporated and incorporated areas of the County.

The County reports the following additional fund types:

- *Internal Service Funds* account for the County's information services, printing services, utilities, risk management, facilities services, and equipment on a cost-reimbursement basis. Internal Service Funds are presented in summary form as part of the proprietary fund financial statements. In the government-wide financial statements, the changes in net assets at the end of the fiscal year, as presented in the statements of activities, were allocated to the user functions of the governmental activities, to reflect the entire activity for the year. Since the predominant users of the internal services are the County's governmental activities, the asset and liability balances of the internal service funds are consolidated into the governmental activities column at the government-wide level.

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009

1. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

- The *Investment Trust Fund* accounts for the assets of legally separate entities that deposit cash with the County Treasurer in an investment pool, which commingles resources in the investment portfolio for the benefit of all participants. 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.
- The *Agency Funds* are custodial in nature and do not involve measurement of the results of operations. Such funds have no equity accounts since all assets are due to individuals or entities at some future time. These funds account for assets held by the County as an agent for other government units. These units include Butte County SB-325 and SB-620, and other special districts governed by local boards, regional boards and authorities and pass through funds for tax collections for cities.

C. Basis of Accounting

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements.

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 gives (or receives) 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 eligible requirements have been satisfied.

Governmental funds are reported using the current financial measurement focus and modified accrual basis of accounting. Under this method, revenues are recognized when “susceptible to accrual” (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means that revenues are collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Property tax revenues are recognized in the current year if they are collected within 60 days of fiscal year end. For all other revenues, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues not considered available are recorded as deferred revenue. The County’s other primary revenue sources: investment income, intergovernmental revenues and charges for services have been treated as “susceptible to accrual” under the modified accrual basis. Licenses and permits, fines, forfeitures and penalties, and other revenue are not considered “susceptible to accrual” under the modified accrual basis and are recorded as revenues when received. Expenditures generally are recorded when a liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded when payment is due.

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009

1. Summary of Significant Accounting Policies (continued)

C. **Basis of Accounting (continued)**

When both restricted and unrestricted net assets are available, unrestricted resources are used only after the restricted resources are depleted.

For its proprietary funds, the County has elected under GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*, to apply all applicable GASB pronouncements as well as any applicable pronouncements of the Financial Accounting Standards Board, the Accounting Principles Board or any Accounting Research Bulletins issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), are accounting principles generally accepted in the United States of America.

D. **Cash and Cash Equivalents**

The County maintains a Cash and Investment Pool (Pool) that is available for use by all County funds, and agencies outside of the County reporting entity may participate in the Pool. The participation of these agencies is involuntary, except for the Butte County Fair. The outside agencies participating in the Investment Pool are Superior Court, Butte County Fair, Autonomous Special Districts, Schools, Community College Districts, and the Butte County Association of Governments.

The pool is not registered as an investment company with the Securities and Exchange Commission (SEC) nor is it an SEC Rule 2a7-like pool. California Government Code, the County's Treasury Oversight Committee, and the Board of Supervisors annually set forth the investment policy that the County Treasurer must follow.

State statutes and the County's investment policy authorize the County Treasurer to invest in instruments described in California Government Code Section 53601 and 53635, including but not limited to: U.S. Government Treasury and Agency Securities, bankers' acceptances, commercial paper, corporate bonds and notes, repurchase agreements and the State Treasurer's Local Agency Investment Fund (LAIF). In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, investments held by the County Treasurer are stated at fair value.

The fair value of investments in the Pool is determined monthly based upon quoted market prices. The County has not provided nor obtained any legally binding guarantees during the fiscal year ended June 30, 2009 to support the values of shares in the Pool. However, management believes that the investments in the Pool are of high quality and that the risk of participation in the Pool is negligible. The Pool is subject to oversight by the Treasury Oversight Committee, as recommended by the California Debt and Investment Advisory Commission.

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009

1. Summary of Significant Accounting Policies (continued)

D. Cash and Cash Equivalents (continued)

The Pool values participants' shares on an amortized cost basis. Specifically, the Pool distributes income to participants quarterly based on their relative participation during the month, which is calculated based on (1) realized investment gains and losses computed on an amortized cost basis, (2) interest income based on stated rates (both paid and accrued), (3) amortization of discounts and premiums on a straight-line basis, and (4) investment and administrative expenses. This method differs from the fair value method used to value investments in these financial statements because the amortized cost method is not designed to distribute to participants all unrealized gains and losses in the fair value of the Pool's investments. Investment income related to investments reported in certain funds is assigned to other funds based upon legal or contractual provisions.

State law requires that the County Treasurer hold all operating monies of the County, school districts and certain special districts. Collectively, these mandatory deposits constituted approximately 92.8% of the funds on deposit in the County Treasury.

For purposes of the accompanying statement of cash flows – Proprietary Funds, the County considers all highly liquid investments with a maturity of three months or less when purchased, and their equity in the County Treasurer's investment pool, to be cash equivalents.

E. Inventories and Prepaid Items

Inventories are valued at cost, which is determined on a first-in, first-out basis, and consist primarily of expendable supplies held for consumption. The cost is recorded as an expenditure when the items are used. In the governmental funds balance sheet, there is a reservation of fund balance equal to the inventory balance as these amounts are not available for appropriation.

Payments made for services that will benefit future accounting periods are recorded as prepaid items. In the governmental fund types, there is a reservation of fund balance equal to the amount of prepaid items, since these amounts are not available for appropriation.

F. Property Taxes

Property taxes attach as an enforceable lien on January 1. Secured taxes are levied on July 1 and are payable in two installments due by December 10 and April 10. All general property taxes are then allocated by the County Auditor-Controller's Office to the various taxing entities per the legislation-implementing Proposition 13. The method of allocation used by the County is subject to review by the State of California.

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009

1. Summary of Significant Accounting Policies (continued)

F. **Property Taxes (continued)**

Alternative Method of Distribution of Tax Levies

The County utilizes the alternative method of property tax distribution, whereby the County, through the legally required Tax Resource Agency Fund purchases the current secured unpaid taxes remaining at year-end from participating agencies. In return, the Tax Resource Agency Fund records a tax receivable and receives the delinquent secured taxes. The Tax Loss Reserve Agency Fund receives delinquent penalties and redemption interest accruing to delinquent collections related to participating agencies. The participating agencies, including the County, the special districts, and the school districts, in turn, receive their full tax distribution with no liability for uncollected taxes to the Tax Resource Agency Fund. Therefore, for participating agencies, revenue is measurable and available and is recorded in the period the payment of current secured unpaid taxes is received.

The County is required to create a tax loss reserve fund (an agency fund) under one of two alternative methods: 1) one percent of the total amount of taxes and assessments levied on the secured roll for the year or 2) twenty-five percent of the total delinquent secured taxes and assessments as calculated at the end of the fiscal year. The County is using one percent of the total amount of taxes and assessments levied on the secured roll for the year to establish its tax loss reserve.

G. **Loans Receivable**

Loans receivable relate to the Housing and Community Development Program funded by federal and state monies. Loans receivable are collateralized by deeds of trust. Proceeds from the collection of the loans receivable and resale of assets held for sale are restricted by the terms of the grant and, accordingly, are offset by a fund balance reserve which indicates that they do not constitute available spendable resources. No amount has been provided as an allowance for doubtful accounts because in the opinion of management all material amounts are fully collectible.

H. **Capital Assets**

Capital assets (including infrastructure) are recorded at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed. Capital assets include public domain (infrastructure) general capital assets consisting of certain improvements including roads, bridges, water/sewer, lighting system, drainage systems, and flood control. The County defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Capital assets used in operations are depreciated or amortized (assets under capital leases) using the straight-line method over the lesser of the capital lease period or their estimated useful lives in the government-wide statements and the proprietary funds.

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009

1. Summary of Significant Accounting Policies (continued)

H. Capital Assets (continued)

The estimated useful lives are as follows:

Infrastructure	20 to 50 years
Structures and improvements	20 to 50 years
Equipment	3 to 25 years

The County has five networks of infrastructure assets – roads, water/sewer, lighting, drainage, and flood control. Infrastructure has been included in the County’s capital assets at historical cost and related depreciation.

I. Compensated Absences

The liability for compensated absences reported in the government-wide and proprietary fund statements consists of unpaid, accumulated leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

J. Interfund Receivables and Payables

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 either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent 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”. Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources.

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.

K. Use of 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.

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009

1. Summary of Significant Accounting Policies (continued)

L. **Implementation of Governmental Accounting Standards Board Statements and Standards**

Governmental Accounting Standards Board Statement No. 49

In November of 2006, GASB issued Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*. This Statement provides guidance on how to calculate and report the costs and obligations associated with pollution cleanup efforts. The requirements of the new statement became effective for fiscal periods beginning after December 15, 2007. As of June 30, 2009, Butte County was in compliance with GASB No. 49.

M. **Future Governmental Accounting Standards Board Statements**

These statements are not effective until June 30, 2010 or later. The County has not determined its effect on the financial statements.

Governmental Accounting Standards Board Statement No. 51

In June of 2008, GASB issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. This statement establishes accounting and financial reporting requirements for intangible assets including easements, water rights, timber rights, patents, trademarks, and computer software. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2009. The County has elected not to early implement GASB No. 51 and has not determined its effect on the County's financial statements.

Governmental Accounting Standards Board Statement No. 53

In June 2008, GASB issued Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, which is effective for the year ending June 30, 2010. This statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments.

Governmental Accounting Standards Board Statement No. 54

In March 2009, GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which is effective for the year ending June 30, 2011. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions.

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009

1. Summary of Significant Accounting Policies (continued)

N. Presentation of financial information related to County fiduciary responsibilities

The basic financial statements also include an Investment Trust fund to account for cash and investments held by the County Treasurer for numerous self-governed school and special districts. The financial reporting for these governmental entities, which are independent of the County, is limited to the total amount of cash and investments and other assets, and the related fiduciary responsibility of the County for disbursement of these assets. School and special district boards that are separately elected and that are independent of the County Board of Supervisors, administer activities of the school districts and special districts. The County Auditor-Controller makes disbursements upon the request of the responsible self-governed special district officers. The Board has no effective authority to govern, manage, approve budgets, assume financial accountability, establish revenue limits, or appropriate surplus funds available in these entities. Therefore, these entities are fiscally independent of the County. Five cities and numerous self-governed special districts provide services to the residents of the County. The operations of these entities have been excluded from the basic financial statements since each entity conducts its own day-to-day operations and is controlled by its own governing board.

O. Net Assets

The government-wide financial statements and proprietary fund financial statements utilize a net assets presentation. Net assets are categorized as invested in capital assets (net of related debt), restricted net assets, or unrestricted net assets. *Invested In Capital Assets, Net of Related Debt*— This category groups all capital assets, including infrastructure, into one component of net assets. 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 Assets*— This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or legislation. *Unrestricted Net Assets*— This category represents net assets of the County, not restricted for any project or other purpose.

P. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not appropriable or legally restricted for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009

2. Cash and Investments

Cash and investments as of June 30, 2009 are classified in the accompanying financial statements as follows:

Statement of net assets:

Primary government:

Cash and investments	\$ 108,044,501
Cash and investments with fiscal agents	7,819,231
Imprest cash	88,745

Fiduciary funds:

Cash and investments	299,564,711
Imprest cash	<u>7,996</u>

Total cash and investments	<u>\$ 415,525,184</u>
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Cash and investments as of June 30, 2009 consist of the following:

Cash on hand	\$ 175,321
Deposits with financial institutions	12,427,064
Investments	418,972,019
Outstanding warrants	<u>(16,049,220)</u>

Total cash and investments	<u>\$ 415,525,184</u>
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Investments Authorized by the California Government Code and the County's Investment Policy

The table below identifies the investment types that are authorized for the County by the California Government Code (or the County's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the County's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the County, rather than the general provisions of the California Government Code or the County's investment policy.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base value	None
Medium-Term Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
JPA Pools (other investment pools)	N/A	None	None

Excluding amounts held by bond trustee that are not subject to California Government Code restrictions.

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009

2. Cash and Investments (continued)

Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the County's investment policy. The table below identifies the investment types that are authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage Allowed</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
Banker's Acceptances	180 days	None	None
Commercial Paper	270 days	None	None
Money Market Mutual Funds	N/A	None	None
Investment Contracts	30 years	None	None
LAIF	None	None	None

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the County manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. Information about the sensitivity of the fair values of the County's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the County's investments by maturity:

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009

2. Cash and Investments (continued)

Disclosures Relating to Interest Rate Risk (continued)

Investment Type	Fair Value	Remaining Maturity				
		Less than One year	One to Two years	Two to Three years	Three to Four years	Four to Five years
With Treasurer:						
FAMCA	\$ 5,231,563	\$ --	\$ 5,231,563	\$ --	\$ --	\$ --
FFCB	52,268,055	12,352,847	8,145,938	9,729,375	11,373,469	10,666,427
FHLB	130,278,105	5,453,828	21,111,870	30,218,189	27,519,531	45,974,688
FHLMC	34,206,340	19,586,743	11,322,585	1,122,813	2,174,200	--
FNMA	3,196,875	--	3,196,875	--	--	--
TVA	8,697,085	--	--	3,388,785	--	5,308,300
Cal Trust	20,202,634	20,202,634	--	--	--	--
LAIF	141,532,434	141,532,434	--	--	--	--
MTN	15,454,250	--	--	15,454,250	--	--
Money Market Funds	107,292	107,292	--	--	--	--
Total with Treasurer	<u>411,174,633</u>	<u>199,235,778</u>	<u>49,008,831</u>	<u>59,913,412</u>	<u>41,067,200</u>	<u>61,949,415</u>
With fiscal agents:						
Money Market	4,541,943	4,541,943	--	--	--	--
Business checking	42,353	42,353	--	--	--	--
FHLB	1,415,303	--	--	--	1,017,190	398,113
LAIF	1,797,787	1,797,787	--	--	--	--
Total with fiscal agent	<u>7,797,386</u>	<u>6,382,083</u>	<u>--</u>	<u>--</u>	<u>1,017,190</u>	<u>398,113</u>
Total investments	<u>\$ 418,972,019</u>	<u>\$ 205,617,861</u>	<u>\$ 49,008,831</u>	<u>\$ 59,913,412</u>	<u>\$ 42,084,390</u>	<u>\$ 62,347,528</u>

Disclosures Relating to Credit Risk

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

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009

2. Cash and Investments (continued)

Disclosures Relating to Credit Risk (continued)

Investment Type	Fair Value	Minimum Legal Rating	Exempt From Disclosure	Rating as of Fiscal Year End			
				AAA	Aa	A1/P1	Not Rated
FAMCA	\$ 5,231,563	N/A		\$ 3,147,483	\$ --	\$ --	\$ 2,084,080
FFCB	52,268,055	N/A		52,268,055	--	--	--
FHLB	130,278,105	N/A		130,278,105	--	--	--
FHLMC	34,206,340	N/A		34,206,340	--	--	--
FNMA	3,196,875	N/A		3,196,875	--	--	--
TVA	8,697,085	N/A		8,697,085	--	--	--
Cal Trust	20,202,634	N/A		--	20,202,634	--	--
LAIF	141,532,434	N/A		--	--	--	141,532,434
MTN	15,454,250	N/A		15,454,250	--	--	--
MMF	107,292	A		107,292	--	--	--
Held by bond trustee:							
Money Market	4,541,943	A		4,541,943	--	--	--
Business checking	42,353	N/A		--	--	--	42,353
FHLB	1,415,303	N/A		1,415,303	--	--	--
LAIF	1,797,787	A		--	--	--	1,797,787
Total	\$ 418,972,019			\$ 253,312,731	\$ 20,202,634	\$ --	\$ 145,456,654

Concentration of Credit Risk

The investment policy of the County contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total County investments are as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>
Federal Home Loan Bank	Federal agency securities	\$ 128,962,940
Federal Farm Credit Bank	Federal agency securities	54,982,898
Federal Home Loan Mortgage Corp.	Federal agency securities	34,206,340

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009

2. Cash and Investments (continued)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the County's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). 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 County deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

Investment in State Investment Pool

The County is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. This fund is not registered with the Securities and Exchange Commission as an investment company, but is required to invest according to California State Code. Participants in the pool include voluntary and involuntary participants, such as special districts and school districts for which there are legal provisions regarding their investments. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. The fair value of the County's investment in this 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). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Investment Trust of California Joint Powers Authority Pool

The County Treasurer's Pool maintains an investment in the Investment Trust of California Joint Powers Authority Pool ("CalTRUST"). CalTRUST is not registered with the Securities and Exchange Commission as an investment company, but is overseen by a Board of Trustees composed of officials of the public agencies that participate in CalTRUST. The fair value of the County's position in the pool is approximately the same as the value of the pool shares.

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009

2. Cash and Investments (continued)

Treasury Investment Pool (continued)

Condensed Financial Information for the Treasurer's Investment Pool

In lieu of separately issued financial statements for the Treasurer's investment pool, condensed financial information is presented below as of and for the fiscal year ended June 30, 2009:

Statement of Net Assets	
Net Assets held for pool participants	<u>\$ 415,525,184</u>
Equity of internal pool participants	\$ 136,242,433
Equity of external pool participants (voluntary and involuntary)	<u>279,282,751</u>
Total Equity	<u>\$ 415,525,184</u>
Statement of Changes in Net Assets	
Net Assets held for pool participants at July 1, 2008	\$ 394,021,450
Net change in investments by pool participants	<u>21,503,734</u>
Net Assets held for pool participants at June 30, 2009	<u>\$ 415,525,184</u>

3. Receivables/Deferred Revenue

Governmental funds report deferred revenue in connection with receivables for revenue not considered available to liquidate liabilities of the current period. Governmental and enterprise funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

<u>Governmental Activities:</u>	<u>Unavailable</u>	<u>Unearned</u>
General Fund:		
Resources received that do not meet the criteria for revenue	\$ --	\$ 590,415
Welfare Fund:		
Resources received that do not meet the criteria for revenue	--	2,694,947
Public Health Fund:		
Resources received that do not meet the criteria for revenue	--	169,582
Behavioral Health Fund:		
Resources received that do not meet the criteria for revenue	--	4,477,741
Other Governmental Funds:		
Resources unavailable for current expenditures	<u>1,688,637</u>	<u>690,450</u>
	<u>\$ 1,688,637</u>	<u>\$ 8,623,135</u>

Management believes all of its receivables are collectible.

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009

4. Interfund Transactions

Interfund Receivables/Payables

The composition of interfund balances as of June 30, 2009 are as follows:

Balances due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Welfare Fund	\$ 372,695
	Public Health Fund	96,967
	Behavioral Health Fund	266,509
	Road Fund	171,399
	Nonmajor Governmental Funds	503,975
	Internal Service Funds	695,185
	Landfill Fund	42,678
		2,149,408
Welfare Fund	General Fund	88,344
	Public Health Fund	92,829
	Nonmajor Governmental Funds	187,350
	Internal Service Funds	55,726
		424,249
Public Health Fund	General Fund	37,726
	Behavioral Health Fund	5,588,806
	Nonmajor Governmental Funds	20,863
	Internal Service Funds	51,272
		5,698,667
Behavioral Health Fund	General Fund	54,718
	Internal Service Funds	77,281
		131,999
Road Fund	General Fund	292,128
	Welfare Fund	14,361
	Public Health Fund	12,360
	Behavioral Health Fund	24,702
	Nonmajor Governmental Funds	80,445
	Internal Service Funds	28,643
	Landfill Fund	354,209
		806,847

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009

4. Interfund Transactions (continued)

Interfund Receivables/Payables (continued)

Balances due to/from other funds (continued):

Nonmajor Governmental Funds	General Fund	\$ 4,245,124
	Road Fund	3,415
	Nonmajor Governmental Funds	6,000
	Internal Service Funds	198,330
		<u>4,452,869</u>
Internal Service Funds	General Fund	700,989
	Welfare Fund	54,019
	Public Health Fund	11,222
	Behavioral Health Fund	42,111
	Road Fund	52,678
	Nonmajor Governmental Funds	121,518
	Internal Service Funds	76,715
	Landfill Fund	5,147
		<u>1,064,398</u>
Landfill Fund	General Fund	8,372
	Internal Service Funds	6,790
		<u>15,163</u>
Total		<u>\$ 14,743,599</u>

These interfund balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, and (2) payments between funds are made.

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009

4. Interfund Transactions (continued)

Transfers to/ from other funds:

Transfers are indicative of funding for capital projects, lease payments or debt service, subsidies of various County operations and re-allocations of special revenue. The following schedule briefly summarizes the County's transfer activity:

Between Funds within the Governmental Activities*:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Reason</u>
General Fund	Public Health Fund	\$ 972,226	Transfer for county match
	Behavioral Health Fund	424,727	Transfer for county match
	Nonmajor Governmental Funds	29,596	Transfer for road operating subsidy
	Nonmajor Governmental Funds	12,869,468	Fire Protection
	Nonmajor Governmental Funds	1,248,817	Transfer for water operating subsidy
	Nonmajor Governmental Funds	2,352,783	Transfer for library operating subsidy
	Nonmajor Governmental Funds	<u>313,416</u>	Transfer Impact Fees to special revenue fund
		<u>18,211,033</u>	
Public Health	Welfare Fund	1,000,000	Transfer for operating subsidy
Nonmajor Governmental Funds	Road Fund	1,329,061	Transfer for road operating subsidy
	Nonmajor Governmental Funds	<u>34,091</u>	Transfer Impact Fees to special revenue fund
		<u>1,363,152</u>	
Internal Service Funds	Nonmajor Governmental Funds	<u>288,775</u>	Equipment replacement
		<u>288,775</u>	
Total		<u>\$ 19,862,960</u>	

* These transfers were eliminated in the consolidation, by column, for the Governmental and Business-type activities.

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009

5. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2009 was as follows:

	Balance ¹ July 1, 2008	Additions	Retirements	Transfers and Adjustments	Balance June 30, 2009
Governmental Activities					
<i>Capital assets, not being depreciated:</i>					
Land	\$ 3,406,451	\$ --	\$ --	\$ --	\$ 3,406,451
Construction in progress	1,499,713	343,816	--	(441,520)	1,402,009
Total capital assets, not being depreciated	<u>4,906,164</u>	<u>343,816</u>	<u>--</u>	<u>(441,520)</u>	<u>4,808,460</u>
<i>Capital assets, being depreciated:</i>					
Infrastructure	581,212,366	5,822,623	(9,470,781)	--	577,564,208
Structures and improvements	62,213,549	229,990	--	--	62,443,539
Equipment	47,784,871	2,363,826	(150,023)	468,229	50,466,903
Total capital assets, being depreciated	<u>691,210,786</u>	<u>8,416,439</u>	<u>(9,620,804)</u>	<u>468,229</u>	<u>690,474,650</u>
Less: accumulated depreciation for:					
Infrastructure	(353,981,242)	(19,456,500)	9,470,781	--	(363,966,961)
Structures and improvements	(18,031,287)	(1,348,679)	--	--	(19,379,966)
Equipment	(33,203,767)	(3,475,364)	148,721	(10,753)	(36,541,163)
Total accumulated depreciation	<u>(405,216,296)</u>	<u>(24,280,543)</u>	<u>9,619,502</u>	<u>(10,753)</u>	<u>(419,888,090)</u>
Total capital assets, being depreciated, net	<u>285,994,490</u>	<u>(15,864,104)</u>	<u>(1,302)</u>	<u>457,476</u>	<u>270,586,560</u>
Governmental activities capital assets, net	<u>\$ 290,900,654</u>	<u>\$ (15,520,288)</u>	<u>\$ (1,302)</u>	<u>\$ 15,956</u>	<u>\$ 275,395,020</u>
Business-Type Activities:					
<i>Capital assets, not being depreciated:</i>					
Land	\$ 488,134	\$ --	\$ --	\$ --	\$ 488,134
Construction in progress	14,370,814	655,022	--	--	15,025,836
Total capital assets, not being depreciated	<u>14,858,948</u>	<u>655,022</u>	<u>--</u>	<u>--</u>	<u>15,513,970</u>
<i>Capital assets, being depreciated:</i>					
Structures and improvements	121,695	--	--	--	121,695
Equipment	4,182,338	25,346	--	(7,332)	4,200,352
Total capital assets, being depreciated	<u>4,304,033</u>	<u>25,346</u>	<u>--</u>	<u>(7,332)</u>	<u>4,322,047</u>
Less: accumulated depreciation for:					
Structures and improvements	(27,902)	(5,294)	--	--	(33,196)
Equipment	(2,124,463)	(443,251)	--	(1,433)	(2,569,147)
Total accumulated depreciation	<u>(2,152,365)</u>	<u>(448,545)</u>	<u>--</u>	<u>(1,433)</u>	<u>(2,602,343)</u>
Total capital assets, being depreciated, net	<u>2,151,668</u>	<u>(423,199)</u>	<u>--</u>	<u>(8,765)</u>	<u>1,719,704</u>
Business-type activities capital assets, net	<u>\$ 17,010,616</u>	<u>\$ 231,823</u>	<u>\$ --</u>	<u>\$ (8,765)</u>	<u>\$ 17,233,674</u>

¹ The beginning balance of Governmental Activities was restated as explained in Note 15.

COUNTY OF BUTTE, CALIFORNIA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

5. Capital Assets (continued)

Depreciation expense was changed to functions as follows:

Governmental Activities:

General government	\$ 681,062
Public protection	3,078,948
Public ways	19,399,323
Health and sanitation	295,332
Public assistance	116,992
Education	91,251
Recreation and cultural services	193,679
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of assets	423,956
	\$ 24,280,543

Business-Type Activities:

Solid Waste	\$ 448,545
	\$ 448,545

6. Short-Term Debt

Tax and Revenue Anticipation Notes

In July 2008, the County issued \$25,000,000 in tax anticipation notes in advance of property tax collections, depositing the proceeds in the general fund. These notes are necessary in order to fund operations prior to receipt of tax collections. During the fiscal year, the County satisfied the requirements of the notes.

Short-term debt activity for the fiscal year ended June 30, 2009, was as follows:

	Balance July 1, 2008	Additions	Retirements	Balance June 30, 2009
Governmental Activities:				
FY 2008-09 TRANS	\$ --	\$ 25,000,000	\$ 25,000,000	\$ --
Total governmental activities	\$ --	\$ 25,000,000	\$ 25,000,000	\$ --

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009

7. Long-Term Obligations

Long-term obligations of the County consist of capital lease obligations, bonds, certificates of participation, notes, and other liabilities, which are payable from the General, Debt Service, Capital Projects, Enterprise, and Internal Service Funds. The calculated legal debt limit for the County is \$233,390,443.

A summary of long-term obligations follows:

Type of indebtedness (purpose)	Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2009
Governmental Activities:					
<i>Bonds Payable</i>					
Butte County Service Area No. 26 Bonds:					
1974 Sewer Bonds	7/1/80-1/1/15	5%	\$10,000-\$40,000	\$ 680,000	\$ 205,000
1975 Sewer Bonds, Series A	7/1/80-1/1/15	5%	\$10,000-\$45,000	790,000	245,000
1975 Sewer Bonds, Series B	7/1/80-1/1/15	5%	\$5,000-\$20,000	380,000	120,000
1975 Sewer Bonds, Series C	7/1/80-1/1/15	5%	\$956-\$4,878	86,396	26,664
				<u>1,936,396</u>	<u>596,664</u>
Pension Obligation Bonds:					
Series A	6/30/14-6/30/34	Variable	\$55,000 -\$3,440,000	28,020,000	28,020,000
Series B	6/30/14-6/30/34	Variable	\$295,000-\$2,105,000	21,875,000	21,875,000
Series C	6/30/05-6/30/14	Variable	\$690,000-\$910,000	7,865,000	--
				<u>57,760,000</u>	<u>49,895,000</u>
Total Bonds Payable				<u>59,696,396</u>	<u>50,491,664</u>
<i>Certificates of Participation</i>					
2003 Certificates of Participation	7/1/04-7/1/14	2%-3.4%	\$415,000-\$650,000	5,150,000	2,300,000
Total Certificates of Participation				<u>5,150,000</u>	<u>2,300,000</u>
<i>Notes Payable</i>					
California Energy Commission					
Solar Project - phase 1	6/22/06-12/22/18	4.9%	\$63,794-\$135,899	2,777,000	2,177,621
Solar Project - phase 2	6/22/06-6/22/20	4.9%	\$8,057-\$17,545	390,000	316,739
Total Notes Payable				<u>3,167,000</u>	<u>2,494,360</u>
Total Governmental Activities				<u>\$ 68,013,396</u>	<u>\$ 55,286,024</u>

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009

7. Long-Term Obligations (continued)

Summary of Long-Term Debt

The following is a summary of changes in long-term debt:

	Balance July 1, 2008	Additions	Retirements	Balance June 30, 2009	Amounts Due Within One Year
Governmental Activities:					
Capital lease obligations	\$ 1,133,680	\$ --	\$ 104,565	\$ 1,029,115	\$ 106,842
Bonds payable	50,575,340	--	83,676	50,491,664	88,943
Notes payable	2,702,602	--	208,242	2,494,360	216,549
Certificates of participation	2,650,000	--	350,000	2,300,000	355,000
Claims and judgments	5,249,000	2,146,026	2,590,026	4,805,000	2,400,000
Supplemental retirement benefits payable	1,518,509	--	1,518,509	--	--
Compensated absences	16,558,391	16,796,550	19,695,405	13,659,536	1,500,000
OPEB obligation	3,067,312	4,248,160	1,300,249	6,015,223	--
Total governmental activities	\$ 83,454,834	\$ 23,190,736	\$ 25,850,672	\$ 80,794,898	\$ 4,667,334
Business-Type Activities:					
Capital lease obligations	\$ 19,687	\$ --	\$ --	\$ 19,687	\$ 19,687
Certificates of participation	12,025,000	--	--	12,025,000	725,000
Premium on debt	176,083	--	13,545	162,538	13,545
Landfill closure/post-closure care costs	1,930,354	217,391	--	2,147,745	--
Loan payable	400,000	--	50,000	350,000	50,000
Compensated absences	126,720	175,274	148,468	153,526	38,000
Total business-type activities	\$ 14,677,844	\$ 392,665	\$ 212,013	\$ 14,858,496	\$ 846,232

Capital Lease

The County leases equipment under capital leases. The following is a summary, by year, of future minimum lease payments, together with the present value of the minimum lease payments, as of June 30, 2009:

Fiscal Year Ending June 30,	Governmental Activities	Business-Type Activities
2010	\$ 170,518	\$ 21,138
2011	146,974	--
2012	124,979	--
2013	123,431	--
2014	123,431	--
2015-2019	617,154	--
2020	123,431	--
Total minimum lease payments	1,429,918	21,138
Less: Amount representing interest	400,803	1,451
Present value of minimum lease payments	\$ 1,029,115	\$ 19,687

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009

7. Long-Term Obligations (continued)

Capital Lease (continued)

The following is a schedule of net remaining property leased under capital leases at June 30, 2009:

	<u>Acquisition Value</u>	<u>Accumulated Depreciation</u>
Governmental Activities:		
Chico Memorial Halls	1,254,300	17,200
File management system	90,581	25,880
Vehicles	131,970	99,088
Business-Type Activities:		
Tarpomatic	76,237	45,089

Operating Leases

The following is a schedule of the budgeted rental payments primarily for facilities:

Year Ending June 30,

2010 \$ 4,643,497

Rental expense was \$4,404,976 for all funds for the year ended June 30, 2009.

Bonds Payable

At June 30, 2009, bonds outstanding consist of the following:

Sewer Bonds:

The sewer bonds bear interest at the rate of 5% per annum which is payable semi-annually. Principal payments are due January 1 of each year through 2015. The bonds were issued to provide sewer in the County Service Area No. 26.

Pension Obligation Bonds:

The pension obligation bonds were issued in three series (A,B, and C). These bonds were issued to save future interest costs associated with the County's pension obligations. Series A has a fixed interest rate of 6.03%, while Series B and C have rates that are variable, based on the one month LIBOR plus a margin of .30%. For fiscal year 2008/2009, the average rate paid for Series B was 1.88%. The County elected to exercise its option to prepay Series C on September 1, 2007. The next payment of interest for Series A is due December 1, 2009, while the interest payments for Series B are calculated and paid the first business day of each month. Principal payments for both Series A and B are due beginning in fiscal year 2014 and ending in fiscal year 2034.

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009

7. Long-Term Obligations (continued)

Bonds Payable (continued)

As of June 30, 2009, annual debt service requirements to maturity are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2010	\$ 88,943	\$ 2,525,850	\$ 2,614,793
2011	94,140	2,521,273	2,615,413
2012	99,347	2,516,436	2,615,783
2013	99,564	2,511,463	2,611,027
2014	454,792	2,506,354	2,961,146
2015-2019	3,834,878	12,153,122	15,988,000
2020-2024	8,085,000	10,879,989	18,964,989
2025-2029	14,390,000	8,296,796	22,686,796
2030-2034	23,345,000	3,806,446	27,151,446
Total	<u>\$ 50,491,664</u>	<u>\$ 47,717,729</u>	<u>\$ 98,209,393</u>

Notes Payable

At June 30, 2009, notes outstanding consist of the following:

The County has in operation solar panels to generate power for certain county buildings. This solar project was funded, in part, through notes from the California Energy Commission of \$3,167,000. Principal and interest, at a fixed rate of 3.95%, are due semi-annually beginning in fiscal year 2005-06.

As of June 30, 2009, annual debt service requirements to maturity are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2010	\$ 216,549	\$ 96,419	\$ 312,968
2011	225,187	87,780	312,967
2012	233,962	79,006	312,968
2013	243,503	69,465	312,968
2014	253,216	59,751	312,967
2015-2019	1,287,193	139,053	1,426,246
2020	34,750	1,035	35,785
Total	<u>\$ 2,494,360</u>	<u>\$ 532,509</u>	<u>\$ 3,026,869</u>

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009

7. Long-Term Obligations (continued)

Compensated Absences

Upon termination, an employee may be compensated for sick leave amounts accrued over 240 hours at half the normal pay rate not to exceed \$3,000. Upon retirement, County employees have a one-time option of cashing out their accrued sick leave or electing post retirement health insurance benefits up to age 65. If an employee has 10 years of cumulative service, the County will pay health insurance benefits for 12 months plus 1 month for every 8 hours in excess of 240 hours accrued sick leave (employee coverage only). Vacation is accrued at varying rates depending on an employee's years of services. Upon termination, an employee is paid at 100% of the amount accrued. Compensated absences for vacation are paid out at the employee's current rate of pay. Administrative leave is accrued by employees exempt from paid overtime and may be accrued up to a maximum of 352 hours.

The County does not accrue for compensated absences in its governmental fund statements and recognizes liabilities for compensated absences only if they are due and payable in an event such as termination. However, in the statement of activities the expenditure is allocated to each function based on usage.

The compensated absences liability attributable to the governmental activities will be liquidated as follows: General Fund 39%, Welfare Fund 24%, Public Health Fund 8%, Behavioral Health Fund 18%, Road Fund 5%, and Nonmajor funds 6%.

Certificates of Participation

Governmental Activities

On June 30, 2003, the County issued \$5,150,000 in Certificates of Participation (COP's) with interest rates ranging from 2.0% to 3.4% to refund \$4,195,000 of outstanding 1993 COP's and \$1,026,882 of outstanding lease obligations for fire trucks with interest rates ranging from 3.8% to 5.5%. The net proceeds of \$5,091,245 (after payment of \$166,950 in underwriting fees, insurance, and other issuance costs) plus an additional \$883,208 of 1993 COP's reserve fund monies were used to payoff the 1993 COP's and lease obligations.

Fiscal Year Ending June 30,	Principal	Interest	Total
2010	\$ 355,000	\$ 64,335	\$ 419,335
2011	365,000	54,879	419,879
2012	375,000	44,235	419,235
2013	390,000	32,760	422,760
2014	400,000	20,510	420,510
2015	415,000	7,055	422,055
Total	<u>\$ 2,300,000</u>	<u>\$ 223,774</u>	<u>\$ 2,523,774</u>

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009

7. Long-Term Obligations (continued)

Certificates of Participation (continued)

Business-Type Activities

Certificates of Participation in the amount of \$12,025,000, dated November 1, 2006, were issued to finance certain capital improvements for the expansion of the County's solid waste facility at Neal Road Landfill. The improvements include module closures and improvements related to environmental mitigation. Interest ranging from 3.4% to 4.5% on the Series 2006 Certificates is payable semiannually on January 1 and July 1 of each year, commencing July 1, 2008. The average rate of interest for the certificates is 3.995%. Principal is payable annually, commencing on July 1, 2009.

Fiscal Year Ending June 30,	Principal	Interest	Total
2010	\$ 725,000	\$ 474,825	\$ 1,199,825
2011	750,000	447,500	1,197,500
2012	780,000	416,900	1,196,900
2013	810,000	385,100	1,195,100
2014	845,000	352,000	1,197,000
2015-2019	4,755,000	1,211,838	5,966,838
2020-2024	3,360,000	207,887	3,567,887
Total	\$ 12,025,000	\$ 3,496,050	\$ 15,521,050

Loan Payable

Business-Type Activities

At June 30, 2009, the loan outstanding consist of the following:

The County has received a zero interest loan from the California Integrated Waste Management Board in the amount of \$500,000 for operations at the Neal Road Landfill. Principal payments of \$50,000 are due annually beginning June 1, 2007 and ending June 1, 2016.

As of June 30, 2009, annual debt service requirements to maturity are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2010	\$ 50,000	\$ --	\$ 50,000
2011	50,000	--	50,000
2012	50,000	--	50,000
2013	50,000	--	50,000
2014	50,000	--	50,000
2015-2016	100,000	--	100,000
Total	\$ 350,000	\$ --	\$ 350,000

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009

7. Long-Term Obligations (continued)

Landfill Closure and Post-closure Costs

State and federal laws and regulations require the County to place a final cover on its Neal Road landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$2,147,745 reported as landfill closure and post-closure care liability at June 30, 2009, represents the cumulative amount reported to date based on the use of 17.51 percent of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and post-closure care of \$10,121,345 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2009. The County expects to close the landfill in the fiscal year 2031.

The County is required by state and federal laws and regulations to make annual contributions to a separate fund to finance closure and post-closure care. The County is in compliance with these requirements, and at June 30, 2009, investments of \$4,421,317 are held for these purposes. The County expects the future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional post-closure care requirements are determined, these costs may need to be covered by charges to future landfill users or from future tax revenue.

Annually, the Landfill adjusts the estimated closure and post-closure costs due to changes in inflation and capacity. Total estimated costs for closure and post-closure increased from \$11,689,384 at June 30, 2008 to \$12,269,090 at June 30, 2009, and the remaining capacity of the landfill increased from 83.49 percent to 82.49 percent at June 30, 2008 and 2009, respectively. These changes resulted in an increase to the landfill closure and post-closure care liability and caused an increase in expense of \$217,391 at June 30, 2009.

The closure/post-closure liability will be liquidated in the Landfill Fund.

Supplemental Retirement Benefits Payable

The County of Butte has adopted a tax qualified governmental defined benefit plan for the benefit of its eligible employees to provide supplemental retirement benefits to eligible employees in addition to the benefits employees will receive from the California Public Employees' Retirement System (CalPERS). At the time this incentive was offered, the eligibility requirements were: the employee must be a current Butte County employee with at least 5 years of service and at least 50 years of age as of January 1, 2006, with the condition that they agreed to terminate employment with the County on or before January 1, 2005, with the benefits beginning the first day after separation. The County made 5 disbursements of approximately \$1,518,509, over 5 years with the first remitted on August 10, 2004. On September 8, 2004, the County of Butte requested a "Letter of Determination" from the IRS to ensure the plan's compliance. At June 30, 2009, the total supplemental retirement benefits payable balance was \$0.

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009

7. Long-Term Obligations (continued)

Limitations and Restrictions

There are a number of limitations and restrictions contained in the various debt indentures. The County's management believes that the County is in compliance with all significant limitations and restrictions.

Deferred Debt Issuance Costs

Bond issuance costs are capitalized and amortized over the terms of the respective bonds using a method that approximates the effective interest method.

Rebatable Arbitrage Earnings

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 at least every five years. During the current year, the County performed calculations of excess investment earnings on various bonds and financings and at June 30, 2009 does not expect to incur a liability.

8. Restricted Net Assets/Reserved and Designated Fund Balances

Fund Balances

Fund balances that are not available for appropriation or are not considered "expendable available financial resources" are reserved. Unreserved fund balances that have been earmarked by the Board for a specified purpose are considered designated.

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009

8. Restricted Net Assets/Reserved and Designated Fund Balances (continued)

Fund Balances (continued)

Fund balance reserved for general restrictions are presented below:

General Fund		
Criminal Justice Facility Temporary Construction	\$ 2,183,637	
Recording System	2,109,235	
Inmate Welfare	1,693,891	
Table A Water	1,453,551	
Lime Saddle Dissolution Restitution	934,771	
Tax Collector Cost Charges	554,781	
Other	<u>2,630,221</u>	11,560,087
Welfare Fund		
SS - Sales Tax	1,329,515	
Other	<u>357,117</u>	1,686,632
Public Health Fund		
Public Health Vehicle License Fee Base	5,043,030	
Public Health Sales Tax	2,223,124	
Public Health Vehicle License Fee Growth	1,551,512	
Other	<u>997,433</u>	9,815,099
Behavioral Health Fund		
Other	<u>667,621</u>	667,621
Other Governmental Funds		
Fire-County Cost Share	1,138,139	
Street Improvements - Chico	1,099,532	
Subdivision Drainage	1,076,709	
4D Child Support	1,025,129	
Fire-Water Tender Inc.	793,126	
Sheriff Old Impact Fees	781,050	
Road Improvement Contributions	773,739	
Fire-CW Impact Fee	758,790	
General Government CW Impact Fee	735,748	
Other	<u>2,073,446</u>	<u>10,255,407</u>
Total Fund Balance - Reserved		<u>\$ 33,984,846</u>

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009

8. Restricted Net Assets/Reserved and Designated Fund Balances (continued)

Net Assets

The government-wide statement of net assets reports \$48 million of restricted net assets, of which \$42 million is restricted by enabling legislation.

9. County Employees Retirement Plan (Defined Benefit Pension Plan)

Plan Description

The County contributes to the California Public Employees Retirement System (CalPERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating public entities within the State of California. CalPERS provides retirement and disability benefits, and death benefits to plan members and beneficiaries. Benefit provisions and all other requirements are established by state statute and County ordinance. Copies of CalPERS' annual financial report may be obtained from their executive office: 400 Q Street, Sacramento, CA 95811.

Funding Policy

Employees under the Miscellaneous Plan are required to contribute 7% and employees under the Safety Plan are required to contribute 9% of their annual covered salary. The County is required to contribute at an actuarially determined rate of annual covered payroll; the current rate is 9.980% for non-safety employees and 15.752% for safety employees. The contribution requirements of plan members and the County are established and may be amended by CalPERS.

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

Annual Pension Cost

For the year ended June 30, 2009, the County's annual pension cost of \$11,327,548 for CalPERS was equal to the County's required and actual contributions. The required contribution was determined as part of the June 30, 2006 actuarial valuation using the entry age actuarial cost method. This is a projected benefit cost method, which takes into account those benefits that are expected to be earned in the future as well as those already accrued. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses), (b) projected annual merit or seniority salary increases that vary by length of service, and (c) no post retirement benefit increases. Both (a) and (b) included an inflation component of 3.0%. The actuarial value of the County's CalPERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a thirty-year period (smoothed market value). The County's CalPERS unfunded actuarial accrued liability is being amortized as a level of percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2006 was 32 years for the Miscellaneous Plan and 30 years for the Safety Plan.

COUNTY OF BUTTE, CALIFORNIA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

9. County Employees Retirement Plan (Defined Benefit Pension Plan) (continued)

Funded Status and Funding Progress

The following is the funded status information for each plan as of June 30, 2008, the most recent actuarial valuation date:

Funded Status and Funding Progress

The following is the funded status information for each plan as of June 30, 2008, the most recent actuarial valuation date:

	Entry Age Normal Accrued Liability	Actuarial Value of Assets	Unfunded/ (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	UAAL as a % of Payroll
Miscellaneous	\$ 403,167,840	\$ 369,399,324	\$ 33,768,516	91.6%	\$ 93,987,646	35.9%
Safety	96,570,462	91,770,029	4,800,433	95.0%	17,200,721	27.9%

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time.

The County's annual pension cost and pension asset for the fiscal year ended June 30, 2009 were as follows:

Annual required contribution	\$ 11,118,352
Interest on beginning net pension asset	(4,068,979)
Adjustment to the annual required contribution	<u>3,198,018</u>
Annual pension cost	10,247,392
Contributions made	<u>11,327,548</u>
Increase in net pension asset	1,080,156
Net pension asset, beginning of year	<u>51,422,858</u>
Net pension asset, end of year	<u>\$ 52,503,014</u>

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009

9. County Employees Retirement Plan (Defined Benefit Pension Plan) (continued)

Three-Year Trend Information for PERS

Miscellaneous

Fiscal Year Ending	Annual Pension		Percentage of	Net Pension
	Cost (APC)	Contribution	APC Contributed	Asset
6/30/2007	6,077,827	6,853,953	113%	36,442,376
6/30/2008	6,582,801	6,167,844	94%	36,027,420
6/30/2009	7,179,435	7,936,205	111%	36,784,189

Safety

Fiscal Year Ending	Annual Pension		Percentage of	Net Pension
	Cost (APC)	Contribution	APC Contributed	Asset
6/30/2007	2,597,212	2,928,870	113%	15,572,760
6/30/2008	2,812,999	2,635,678	94%	15,395,438
6/30/2009	3,067,956	3,391,343	111%	15,718,825

10. Other Post Employment Benefits (OPEB)

Plan Description

The County sponsors healthcare coverage under the California Public Employees Medical and Hospital Care Act (“PEMHCA”), commonly referred to as PERS Health. PEMHCA provides health insurance through a variety of Health Maintenance Organization (HMO) and Preferred Provider Organization (PPO) options. Participation in PEMHCA is financed in part by the County through a contribution to PEMHCA of \$97.00 per employee per month. This amount is to be indexed with medical inflation (CPI) for years 2009 and thereafter. Delta Dental (Premier and DPO), vision and life insurance are also available.

Post-Retirement Coverage

The County also offers medical, dental and vision coverage (but not life insurance) to its retirees. The County makes the required statutory PEMHCA contribution as described above, subject to the “Unequal Contribution Method” under which the County’s contribution for retirees increases each year to 5% of its contribution for active employees multiplied by years the County has participated in PEMHCA until the two amounts are equal, except that Elected, Appointed, and Assistant Department Heads are covered under the Equal Contribution Method. Furthermore, the County will make additional contributions towards certain eligible retirees’ premiums until age 65 according to the County’s agreements with its various employee groups, as described below.

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009

10. Other Post Employment Benefits (OPEB) (continued)

Post-Retirement Coverage (continued)

Retirees who have completed at least 10 continuous years of service with the County, have accrued sick leave in excess of 240 hours, and elect retiree health insurance rather than the sick leave payout option, are eligible to receive reimbursements from the County for the cost of medical, dental and vision insurance (offset by the County's statutory contribution to PEMHCA.)

For BCEA, BCMEA, CWA, BCPPOA, BCCOA (General and Management), Supervisor's Administrative Services Assistants, and Miscellaneous and Assistant Probation Officer positions within the "Assistant Department Heads and Non-Represented" group, the retiree may make an irrevocable election at the time of retirement to receive one of the following benefit options in addition to 12 months of County-paid health insurance:

- (1) One month of retiree-only premiums for each day of accrued sick leave at retirement;
- (2) One month of 2-party premiums (employee and spouse) for each 2 1/2 days in excess of 30 days accrued sick leave to cover both employee and spouse until age 65; or
- (3) One month of retiree-only premiums for each day of accrued sick leave until the sick leave credit is exhausted or the retiree reaches age 65, and one month of premiums for spousal coverage for each day of accrued sick leave in excess of thirty days until the sick leave credit is exhausted or the spouse reaches age 65.

For DSA General, DSA Management, Under Sheriffs, and BCPEA, the retiree will receive 12 months of County-paid retiree-only health coverage. In addition, each one day of accrued sick leave is converted to one month of retiree-only health insurance premiums and credited to an account for the retiree. Premiums for the retiree and dependents, if applicable, are deducted from the account until it is depleted, or until the retiree reaches age 65, if earlier.

Elected and appointed department heads or officials retiring in good standing before age 65 under the provisions of the County's contract with PERS may continue to cover themselves and eligible dependents under the health plans. The County shall pay the full premium for such coverage until age 65.

In all cases, once the additional County contributions (as described above) end, the County pays the applicable PEMHCA statutory contribution for the remainder of the retiree's lifetime.

The County pays a 0.29%-of-premium administrative fee to PEMHCA for each retiree for July through December 2008 and 0.45% for January through June 2009. For 2008, the monthly County contributions are \$72.75 and \$97.00 for Unequal and Equal Contribution Methods, respectively. For 2009, those amounts increased to \$80.80 and \$101.00, respectively. For 2010, those amounts will increase to \$89.35 and \$105.00, respectively.

The following table shows January 1, 2009 monthly PERS Health (PEMHCA) premiums for retirees within the Other Northern California region (Bay Area/Sacramento for Kaiser). Dental and vision rates applicable to both 2008 and 2009 are also included.

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009

10. Other Post Employment Benefits (OPEB) (continued)

Post-Retirement Coverage (continued)

	Blue Shield HMO	Kaiser HMO	PERS Choice PPO	PERS Select	PERS Care PPO	PORAC (Safety)	Delta Premier Dental	Delta Dental PPO
<u>Basic Plan</u>								
Retiree	\$ 569.01	\$ 519.62	\$ 501.59	\$ 471.10	\$ 779.53	\$ 484.00	\$ 32.30	\$ 28.30
Retiree+1	1,138.02	1,039.24	1,003.18	942.20	1,559.06	906.00	69.80	61.70
Family	1,479.43	1,351.01	1,304.13	1,224.86	2,026.78	1,151.00	102.61	95.99
<u>Medicare Supplement</u>								
Retiree	341.44	280.16	349.11	349.11	404.60	330.00	N/A	N/A
Retiree+1	682.88	560.32	698.22	698.22	809.20	657.00	N/A	N/A
Family	1,024.32	840.48	1,047.33	1,047.33	1,213.80	1,052.00	N/A	N/A

Annual OPEB Cost and Net OPEB Obligation: For fiscal year 2009, the County's annual OPEB cost was \$4,248,160. The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ended June 30, 2009 were as follows:

Annual required contribution	\$4,248,160
Interest on net OPEB obligation	--
Adjustment of annual required contribution	--
Annual OPEB cost	<u>4,248,160</u>
Contributions made	<u>1,300,249</u>
Change in net OPEB obligation (asset)	2,947,911
Net OPEB obligation (asset) beginning of year	<u>3,067,312</u>
Net OPEB obligation (asset) end of year	<u><u>\$ 6,015,223</u></u>

Fiscal Year Ended	Annual OPEB Cost	Actual Employer Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
6/30/2008	\$ 4,248,160	\$ 1,180,848	27.80%	\$ 3,067,312
6/30/2009	\$ 4,248,160	\$ 1,300,249	30.61%	\$ 6,015,223

In future years, three year trend information will be presented. Fiscal year 2008 was the year of implementation of GASB 45, and the County elected to implement prospectively; therefore comparative data prior to 2008 is not available.

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009

10. Other Post Employment Benefits (OPEB) (continued)

Funded Status and Funding Progress

The funded status of the plan based on an actuarial valuation as of July 1, 2008, was as follows:

Actuarial accrued liability (AAL)	\$ 27,660,497
Actuarial value of plan assets	--
Unfunded actuarial accrued liability (UAAL)	<u>\$ 27,660,497</u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll	101,759,340
UAAL as percentage of covered payroll	27.18%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

In the June 30, 2007 actuarial valuation, the Projected Unit Credit actuarial cost method was used. The actuarial assumptions include a 6% discount rate. The actuarial value of assets is "Not Applicable" since the plan holds no qualifying trust assets. The Unfunded Actuarial Accrued Liability (UAAL) is being amortized as a level dollar amount over an open 30-year period. The remaining amortization period at June 30, 2009 was 29 years.

The required schedule of funding progress, presented as required supplementary information following the notes to the financial statements, will present multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. As fiscal year 2008 was the year of implementation of GASB Statement 45, and the County elected to apply the statement prospectively, only one year is shown. In future years, required trend data will be presented.

11. Risk Management

The County is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The County has three risk management funds (Internal Service Funds) to consolidate the County's insurance programs that are partially self-insured. Fund revenues are primarily premium charges to other funds and are planned to equal estimated expenses resulting from self-insurance programs, liability insurance coverage in excess of the self-insured amount, and operating expenses. The primary activities of the funds consist of risk management programs related to the following:

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009

11. Risk Management (continued)

General Liability Insurance
Unemployment Insurance
Worker’s Compensation Insurance

For general liability and workers’ compensation claims, the County is a participant in the California State Association of Counties (CSAC) – Excess Insurance Authority excess liability insurance program. The County maintains a self-insured retention (SIR) of \$100,000 per occurrence for its general liability program and \$125,000 for its workers’ compensation program. The purpose of the pool is to spread the adverse effects of losses among the member agencies. The County pays an annual basic premium for excess coverage and is assessed an annual risk premium based on an actuarial review that estimates each of the program’s participant’s ultimate liabilities. Should actual losses among participants be greater than anticipated, the County will be assessed its pro rata share of that deficiency. Conversely, if the actual losses are less than anticipated, the County will be refunded its pro rata share of the excess. Commercial insurance covers claims between \$100,000 and \$20,000,000 for general liability. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The County is fully self-insured for its unemployment insurance program. Quarterly billings from the State Employment Development Department are sent to the County’s claims reviewers, R.E. Harrington, Inc. After the claims are reviewed by R.E. Harrington, Inc., they are turned over to the County for payment.

It is the County’s policy to accrue to the Internal Service Fund the estimated liability, as determined with the assistance of independent actuaries, for claims in cases where such amounts are reasonably determinable and where the likelihood of liability exists.

All operating funds participate in the program and make payments to the insurance funds based on actuarial estimates of the amounts needed to pay prior and current year claims, and to allow accrual of estimated incurred but not reported claims. These claims liability estimates are based on the requirements of GASB Statements No. 10 and 30 and include estimate claims incurred but not yet reported as of June 30, 2009. The claims liability includes all allocated loss adjustment expenses. Changes in the insurance funds’ claims liability amount during the fiscal years ended June 30, 2008 and 2009 were as follows:

Fiscal Year	Claims Liability July 1	Current Year Claims and Changes in Estimates	Current Year Claim	Claims Liability June 30
2007-2008	\$ 5,062,000	\$ (7,296,413)	\$ 7,483,413	\$ 5,249,000
2008-2009	\$ 5,249,000	\$ (2,590,026)	\$ 2,146,026	\$ 4,805,000

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009

12. Affiliated Organization

The Butte County Air Quality Management District (the District) was established in 1967 by the State Legislature through the “Mulford-Carrell Air Resources Act” which provided local air districts with the primary responsibility for the control of non-vehicular sources of air pollution. The District’s Board is composed of ten members, of which five members are the County’s Board of Supervisors. Effective August 2003, the District became a separate legal entity and is no longer considered a part of the County. The District has financial statements prepared and they can be obtained from management at the District. Condensed financial statements for the District as of June 30, 2009 are presented below:

	<u>Amount</u>
Statement of Net Assets	
Assets	\$ 826,175
Liabilities	<u>88,089</u>
Equity	<u>\$ 738,086</u>
Revenue and Expenses	
Revenues	\$ 1,780,938
Expenses	<u>1,614,908</u>
Net Income (Loss)	<u>\$ 166,030</u>

13. Contingencies

Grants

The County participates in a number of grant programs funded, in whole or part, by federal, state and other sources. These programs are subject to program compliance audits by the grantors or their representatives. The audits of these programs for or including the fiscal year ended June 30, 2009, have not yet been conducted. Additionally, certain audits related to prior fiscal years have not been finalized. 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, although, the County expects such amounts, if any, to be immaterial.

Litigation

The County is a defendant in various matters of litigation. Of these matters, management and County’s legal counsel do not anticipate any material effect on the June 30, 2009 financial statements.

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009

14. Restatement of Fund Equity/Net Assets

The impact of the restatements on fund balances/net assets as previously reported is presented below:

	Government-Wide Statement of Activities	Fund Statements		
	Governmental Activities	General Fund	Road Fund	Other Governmental Funds
Fund balance/net assets, June 30, 2008, as previously reported	\$ 345,691,347	\$ 25,876,130	\$ 11,516,610	\$ 20,366,490
Restatements:				
Transfer of Impact Fees to new fund	--	--	(3,377,717)	3,377,717
Transfer from Agency funds	4,267,102	--	--	4,267,102
Reduce accumulated depreciation for infrastructure	4,288,127	--	--	--
Reclassification of Air Quality Management District - no longer part of County	(420,987)	--	--	(420,987)
Other	(51,522)	(51,522)	--	--
Total Restatements	8,082,720	(51,522)	(3,377,717)	7,223,832
Fund balance/net assets, July 1, 2008, as restated	<u>\$ 353,774,067</u>	<u>\$ 25,824,608</u>	<u>\$ 8,138,893</u>	<u>\$ 27,590,322</u>

15. Subsequent Events

Tax and Revenue Anticipation Notes

In August 2009, the County issued \$23,495,000 in notes in anticipation of operating expenditures during the 2009-2010 fiscal year. The notes will be redeemed by August 18, 2010.

Proposition 1A Loan Securitization Program

Pursuant to the provisions of Proposition 1A and the 2009-2010 state budget package, the County is required to loan up to 8% of its property tax revenues to the state. This loan would be repaid in three years.

In lieu of waiting for the maturity of this loan to the state, the County is participating in the California Communities Proposition 1A securitization program. This program enables the County to sell its loan receivable for 100% of its value in order to receive advance repayment of its Proposition 1A funds. Participation in the program results in the County realizing zero cash impact while still fulfilling its loan requirement to the state.

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009

16. Stewardship, Compliance, and Accountability

Budgetary Data

In accordance with the provisions of Sections 29000 and 29143, inclusive, of the California Government Code and other statutory provisions, commonly known as the County Budget Act, the County prepares a budget for each fiscal year on or before August 30. Budgeted expenditures are enacted into law through the passage of an Appropriation Ordinance. This ordinance mandates the maximum authorized expenditures for the fiscal year and cannot be exceeded except by subsequent amendments to the budget by the County's Board of Supervisors.

An operating budget is adopted each fiscal year for all Governmental Funds except for the Air Quality Management District. Expenditures are controlled at the object level within budget units for the County. The object level within a budget unit is the level at which expenditures may not legally exceed appropriations. Any amendments or transfers of appropriations between object levels within the same budget unit or between departments or funds are authorized by the County Administrative Officer's office and must be approved by the Board of Supervisors. The Board of Supervisors must approve supplementary appropriations normally financed by unanticipated revenues during the year. Pursuant to Board Resolution, the County Administrative Officer is authorized to approve transfers and revision of appropriations under \$50,000 within a single budget unit as deemed necessary and appropriate. Budgeted amounts in the budgetary financial schedules are reported as originally adopted and as amended during the fiscal year by resolutions approved by the Board of Supervisors.

The County uses an encumbrances system as an extension of normal budgetary accounting for the general, special revenue, and other debt service funds and to assist in controlling expenditures of the capital projects funds. Under this system, purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of applicable appropriations.

Encumbrances outstanding at year-end are recorded as reservations of fund balance since they do not constitute expenditures or liabilities. Encumbrances are combined with expenditures for budgetary comparison purposes. Unencumbered appropriations lapse at fiscal year-end. Encumbered appropriations are carried forward in the ensuing fiscal year's budget.

The budget approved by the Board of Supervisors for the general fund includes budgeted expenditures and reimbursements for amounts disbursed on behalf of other Governmental Funds. Actual reimbursements for these items have been eliminated in the accompanying budgetary financial schedules. Accordingly, the related budgets for these items have also been eliminated in order to provide a meaningful comparison of actual and budgeted results of operations.

The budgets for the governmental funds may include an object level known as "intrafund transfers" in the charges for appropriations. This object level is an accounting mechanism used by the County to show reimbursements between operations within the same fund (an example would be the General Fund).

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009

16. Stewardship, Compliance, and Accountability (continued)

Deficit Fund Balance

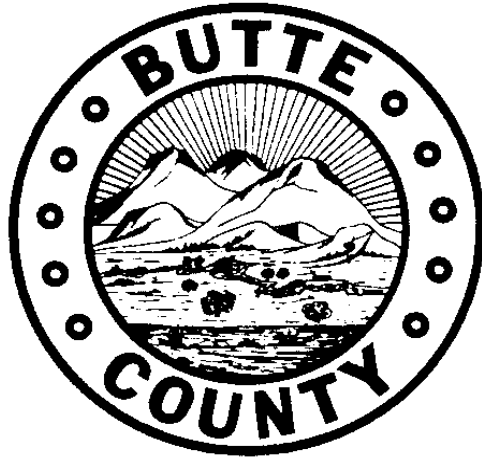
The following funds had deficit fund balances at June 30, 2009:

	<u>Deficit Fund Balance</u>
Behavioral Health Fund	\$ 1,157,897
IHSS Public Authority Fund	115,780
Medical Liability	426

Behavioral Health Fund had deficit fund balance of \$1,157,897 at June 30, 2009. The deficit fund balance for the Behavioral Health Fund primarily resulted from reimbursement delays and a decrease in funding from the State of California. The County has implemented expenditure reductions to eliminate the deficit fund balance.

IHSS Public Authority had deficit fund balance of \$115,780 at June 30, 2009. The deficit fund balance for IHSS primarily resulted from a decrease in funding from the State of California. The County has implemented expenditure reductions to eliminate the deficit fund balance.

The Medical Liability Fund had deficit net assets of \$426. The deficit net assets result from the fourth quarter administrative charge that created a deficit in this fund. The County has implemented expenditure reduction to eliminate the deficit fund balance.



Required Supplementary Information

COUNTY OF BUTTE, CALIFORNIA

County Employee's Retirement Plan (Defined Benefit Pension Plan) Schedule of Funding Progress For the Fiscal Year Ended June 30, 2009

The tables below shows a three-year analysis of the actuarial value of assets as a percentage of the actuarial accrued liability and the unfunded actuarial accrued liability as a percentage of the annual covered payroll as of June 30:

Actuarial Valuation Date	Actuarial Value of Assets (A)	Entry Age Actuarial Accrued Liability (B)	Unfunded Actuarial Accrued Liability (B-A)	Funded (UAAL) Ratio (A/B)	Covered Payroll (C)	UAAL as Percentage of Covered Payroll ((B-A)/C)
6/30/2006:						
Misc.	\$ 314,637,165	\$ 338,623,312	\$ 23,986,147	92.9%	\$ 83,528,481	28.7%
Safety	78,272,745	81,150,894	2,878,149	96.5%	14,895,548	19.3%
Total	<u>\$ 392,909,910</u>	<u>\$ 419,774,206</u>	<u>\$ 26,864,296</u>	<u>93.6%</u>	<u>\$ 98,424,029</u>	<u>27.3%</u>
6/30/2007:						
Misc.	\$ 343,569,266	\$ 373,069,727	\$ 29,500,461	92.1%	\$ 89,029,277	33.1%
Safety	85,517,599	89,635,795	4,118,196	95.4%	16,019,327	25.7%
Total	<u>\$ 429,086,865</u>	<u>\$ 462,705,522</u>	<u>\$ 33,618,657</u>	<u>92.7%</u>	<u>\$ 105,048,604</u>	<u>32.0%</u>
6/30/2008:						
Misc.	\$ 369,399,324	\$ 403,167,840	\$ 33,768,516	91.6%	\$ 93,987,646	35.9%
Safety	91,770,029	96,570,462	4,800,433	95.0%	17,200,721	27.9%
Total	<u>\$ 461,169,353</u>	<u>\$ 499,738,302</u>	<u>\$ 38,568,949</u>	<u>92.3%</u>	<u>\$ 111,188,367</u>	<u>34.7%</u>

COUNTY OF BUTTE, CALIFORNIA

Other Post Employment Benefits (OPEB) Plan Schedule of Funding Progress For the Fiscal Year Ended June 30, 2009

Actuarial Valuation Date	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded ratio	(4) Unfunded Actuarial Accrued Liability (UAAL) (2) - (1)	(5) Annual Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (4) ÷ (5)
7/1/2007	\$ -	\$ 27,660,497	0.00%	\$ 27,660,497	\$ 101,759,340	27.18%

Notes to Required Supplementary Information

1. This information is intended to help users assess the County's OPEB plan's status on a going-concern basis, assess progress made in accumulating assets to pay benefits when due, and make comparisons with other public employers.
2. Because this is the first valuation under GASB 45, there is no historical information provided. In the future, information from the three most recent valuations will be presented.

COUNTY OF BUTTE

General Fund

The General Fund is the general operations fund of the County. It accounts for all financial activities except those required to be accounted for in another fund. The accompanying Budgetary Comparison Schedule represents the primary expenditure classification of services provided by the County through the General Fund.

COUNTY OF BUTTE, CALIFORNIA

Budget Comparison Schedule - General Fund - Budgetary Basis
For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, beginning of year, restated	\$ 47,027,402	\$ 25,824,608	\$ 25,824,608	\$ --
RESOURCES (inflows):				
Taxes	57,460,187	54,960,187	53,236,624	(1,723,563)
Licenses and permits	4,192,174	3,977,245	3,198,000	(779,245)
Fines, forfeitures, and penalties	1,601,426	1,647,355	2,837,234	1,189,879
Revenues from uses of money and property	2,410,648	2,410,648	1,818,656	(591,992)
Aid from other governments	29,375,637	30,709,481	29,339,604	(1,369,877)
Charges for services	18,355,490	18,405,523	19,214,384	808,861
Other	3,151,147	4,217,659	3,956,399	(261,260)
Sale of capital assets	--	--	34,152	34,152
Interfund transfers	618,684	--	--	--
Amounts available for appropriation	<u>117,165,393</u>	<u>116,328,098</u>	<u>113,635,053</u>	<u>(2,693,045)</u>
CHANGES TO APPROPRIATIONS (outflows):				
General Government:				
Board of Supervisors:				
Salaries and employee benefits	749,791	754,291	725,557	28,734
Services and supplies	220,439	210,939	194,110	16,829
Capital assets	4,725	--	--	--
Other charges	--	3,918	--	3,918
Other financing uses	1,532,672	1,532,672	1,187,185	345,487
Total Board of Supervisors - District 1	<u>2,507,627</u>	<u>2,501,820</u>	<u>2,106,852</u>	<u>394,968</u>
Administrative Office:				
Salaries and employee benefits	3,345,550	3,108,455	2,908,400	200,055
Services and supplies	1,734,341	3,226,141	1,425,463	1,800,678
Capital assets	333,970	467,242	165,421	301,821
Other charges	--	528,829	342,709	186,120
Other financing uses	(353,087)	(197,177)	(554,573)	357,396
Total Administrative Office	<u>5,060,774</u>	<u>7,133,490</u>	<u>4,287,420</u>	<u>2,846,070</u>
Clerk of the Board:				
Other charges	--	4,024	--	4,024
Total Clerk of the Board	<u>--</u>	<u>4,024</u>	<u>--</u>	<u>4,024</u>
General Service Administration:				
Salaries and employee benefits	858,552	794,191	713,324	80,867
Services and supplies	382,971	578,821	285,163	293,658
Other charges	3,000	28,483	7,397	21,086
Capital assets	310	--	--	--
Other financing uses	48,409	48,409	30,578	17,831
Total General Service Administration	<u>1,293,242</u>	<u>1,449,904</u>	<u>1,036,462</u>	<u>413,442</u>

(continued)

COUNTY OF BUTTE, CALIFORNIA

Budget Comparison Schedule - General Fund - Budgetary Basis (continued)
For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
General Government (continued):				
Auditor-Controller:				
Salaries and employee benefits	\$ 1,595,571	\$ 1,458,621	\$ 1,418,641	\$ 39,980
Services and supplies	302,639	321,727	244,779	76,948
Capital assets	21,747	27,000	6,881	20,119
Other financing uses	(406,564)	(274,614)	(274,616)	2
Total Auditor-Controller	<u>1,513,393</u>	<u>1,532,734</u>	<u>1,395,685</u>	<u>137,049</u>
Purchasing:				
Salaries and employee benefits	359,794	413,605	413,604	1
Services and supplies	51,127	61,677	61,641	36
Capital assets	758	--	--	--
Other financing uses	(155,580)	(155,580)	(211,945)	56,365
Total Purchasing	<u>256,099</u>	<u>319,702</u>	<u>263,300</u>	<u>56,402</u>
Treasurer-Tax Collector:				
Salaries and employee benefits	1,891,444	1,825,954	1,625,216	200,738
Services and supplies	987,602	1,191,517	1,090,117	101,400
Other charges	--	--	483	(483)
Capital assets	21,772	15,000	6,451	8,549
Other financing uses	47,710	47,710	39,203	8,507
Total Treasurer-Tax Collector	<u>2,948,528</u>	<u>3,080,181</u>	<u>2,761,470</u>	<u>318,711</u>
Assessor:				
Salaries and employee benefits	3,324,187	3,197,237	3,024,369	172,868
Services and supplies	520,312	546,972	440,078	106,894
Other charges	5,000	5,000	11,931	(6,931)
Capital assets	40,310	19,000	8,164	10,836
Other financing uses	78,484	78,484	76,472	2,012
Total Assessor	<u>3,968,293</u>	<u>3,846,693</u>	<u>3,561,014</u>	<u>285,679</u>
Human Resources:				
Salaries and employee benefits	1,767,646	1,627,256	1,627,253	3
Services and supplies	301,072	320,820	241,633	79,187
Capital assets	6,952	--	--	--
Other financing uses	(702,117)	(628,827)	(628,846)	19
Total Human Resources	<u>1,373,553</u>	<u>1,319,249</u>	<u>1,240,040</u>	<u>79,209</u>
County Counsel:				
Salaries and employee benefits	1,407,233	1,131,848	1,131,845	3
Services and supplies	1,014,804	1,097,688	1,031,827	65,861
Capital assets	4,773	--	--	--
Other financing uses	(1,945,970)	(1,587,770)	(1,587,837)	67
Total County Counsel	<u>480,840</u>	<u>641,766</u>	<u>575,835</u>	<u>65,931</u>

(continued)

COUNTY OF BUTTE, CALIFORNIA

Budget Comparison Schedule - General Fund - Budgetary Basis (continued)
For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
General Government (continued):				
Elections:				
Salaries and employee benefits	\$ 866,216	\$ 977,216	\$ 938,224	\$ 38,992
Services and supplies	753,007	1,297,363	892,924	404,439
Other charges	500	1,000	866	134
Capital assets	13,958	7,600	7,376	224
Other financing uses	57,298	77,750	77,750	--
Total Elections	<u>1,690,979</u>	<u>2,360,929</u>	<u>1,917,140</u>	<u>443,789</u>
Public Works General Services:				
Services and supplies	8,605	9,817	9,811	6
Other charges	118,034	249,574	249,573	1
Other financing uses	920	944	943	1
Total Public Works General Services	<u>127,559</u>	<u>260,335</u>	<u>260,327</u>	<u>8</u>
Community Action Agency				
Services and supplies	--	22,796	19,857	2,939
Other financing uses	--	172	87	85
Total Community Action Agency	<u>--</u>	<u>22,968</u>	<u>19,944</u>	<u>3,024</u>
Tax and Revenue Anticipation Notes:				
Other charges	<u>412,250</u>	<u>528,250</u>	<u>527,899</u>	<u>351</u>
Total Tax and Revenue Anticipation Notes	<u>412,250</u>	<u>528,250</u>	<u>527,899</u>	<u>351</u>
Retired Employee Benefits:				
Salaries and employee benefits	<u>--</u>	<u>325,000</u>	<u>304,398</u>	<u>20,602</u>
Total Retired Employee Benefits	<u>--</u>	<u>325,000</u>	<u>304,398</u>	<u>20,602</u>
Unallocated A-87:				
Services and supplies	--	473,183	473,148	35
Other financing uses	--	152,067	152,067	--
Total Unallocated A-87	<u>--</u>	<u>625,250</u>	<u>625,215</u>	<u>35</u>
General Revenue and Transfers:				
Other financing uses	<u>21,896,541</u>	<u>20,715,109</u>	<u>18,211,033</u>	<u>2,504,076</u>
Total General Revenue and Transfers	<u>21,896,541</u>	<u>20,715,109</u>	<u>18,211,033</u>	<u>2,504,076</u>
Total General Government	<u>43,529,678</u>	<u>46,667,404</u>	<u>39,094,034</u>	<u>7,573,370</u>

(continued)

COUNTY OF BUTTE, CALIFORNIA

Budget Comparison Schedule - General Fund - Budgetary Basis (continued)
For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Protection:				
Emergency Services:				
Other charges	\$ --	\$ 23,842	\$ 6,702	\$ 17,140
Total Emergency Services	--	23,842	6,702	17,140
Energy Retro Capital Lease:				
Services and supplies	--	2,655,000	2,527,681	127,319
Other financing uses	--	41,681	24,920	16,761
Total Energy Retro Capital Lease	--	2,696,681	2,552,601	144,080
Grand Jury:				
Services and supplies	90,161	87,151	75,659	11,492
Other financing uses	8,828	11,838	11,835	3
Total Grand Jury	98,989	98,989	87,494	11,495
Non-Departmental				
Salaries and employee benefits	325,000	--	--	--
Services and supplies	3,520,647	266,165	64,931	201,234
Other charges	1,760,000	1,772,555	1,772,554	1
Capital assets	16,922	--	--	--
Other financing uses	171,914	39,311	17,254	22,057
Total County Share Trial Courts	5,794,483	2,078,031	1,854,739	223,292
District Attorney - Criminal:				
Salaries and employee benefits	8,651,783	8,848,923	8,658,433	190,490
Services and supplies	1,375,614	1,447,798	1,323,741	124,057
Other charges	29,700	29,700	93,383	(63,683)
Capital assets	86,626	--	--	--
Other financing uses	(33,878)	7,317	(5,568)	12,885
Total District Attorney - Criminal	10,109,845	10,333,738	10,069,989	263,749
District Attorney - Child Abduction Unit:				
Salaries and employee benefits	218,552	169,642	169,642	--
Services and supplies	13,816	9,699	7,017	2,682
Other financing uses	59,324	58,470	44,192	14,278
Total District Attorney - Child Abduction Unit	291,692	237,811	220,851	16,960
District Attorney - Welfare Fraud Investigation:				
Salaries and employee benefits	514,601	514,601	487,869	26,732
Services and supplies	49,700	49,700	24,276	25,424
Other financing uses	135,699	133,823	118,357	15,466
Total District Attorney - Welfare Fraud Investigation	700,000	698,124	630,502	67,622

(continued)

COUNTY OF BUTTE, CALIFORNIA

Budget Comparison Schedule - General Fund - Budgetary Basis (continued)
For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Protection (continued):				
Public Defender:				
Other charges	--	10,757	--	10,757
Total Public Defender	--	10,757	--	10,757
Sheriff - Coroner Administration:				
Salaries and employee benefits	5,268,280	5,250,230	5,114,873	135,357
Services and supplies	535,908	550,554	431,144	119,410
Other charges	--	100	100	--
Capital assets	12,185	77,000	8,092	68,908
Other financing uses	248,648	266,598	266,589	9
Total Sheriff - Coroner Administration	6,065,021	6,144,482	5,820,798	323,684
Sheriff - Coroner Operation:				
Salaries and employee benefits	9,121,129	8,949,950	8,949,949	1
Services and supplies	2,062,814	2,281,797	2,203,947	77,850
Other charges	223,700	387,210	455,244	(68,034)
Capital assets	14,892	--	--	--
Other financing uses	681,568	169,568	139,761	29,807
Total Sheriff - Coroner Operation	12,104,103	11,788,525	11,748,901	39,624
Sheriff - Coroner Incarc.:				
Salaries and employee benefits	9,346,182	9,191,778	8,657,581	534,197
Services and supplies	6,183,563	7,053,783	6,348,811	704,972
Other charges	8,500	24,435	24,433	2
Capital assets	275,129	31,706	23,869	7,837
Other financing uses	236,979	238,218	237,331	887
Total Sheriff - Coroner Incarc.	16,050,353	16,539,920	15,292,025	1,247,895
Sheriff - MIOCR Grant				
Salaries and employee benefits	--	2,607	2,606	1
Total Sheriff - MIOCR Grant	--	2,607	2,606	1
Sheriff - Rural County Supplement:				
Salaries and employee benefits	528,903	424,724	184,948	239,776
Services and supplies	11,041	80,660	80,660	--
Capital assets	--	489	488	1
Other financing uses	27,302	124,721	106,685	18,036
Total Sheriff - Rural County Supplement	567,246	630,594	372,781	257,813

(continued)

COUNTY OF BUTTE, CALIFORNIA

Budget Comparison Schedule - General Fund - Budgetary Basis (continued)
For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Protection (continued):				
Sheriff - Special Enforcement:				
Salaries and employee benefits	\$ 1,186,090	\$ 1,156,057	\$ 1,000,479	\$ 155,578
Services and supplies	375,472	340,239	213,479	126,760
Other charges	27,500	43,380	43,371	9
Other financing uses	76,425	(56,446)	(56,446)	--
Total Sheriff - Special Enforcement	<u>1,665,487</u>	<u>1,483,230</u>	<u>1,200,883</u>	<u>282,347</u>
Jail - Consent Decree:				
Services and supplies	--	30,306	8,018	22,288
Total Jail - Consent Decree	<u>--</u>	<u>30,306</u>	<u>8,018</u>	<u>22,288</u>
Juvenile Hall General:				
Salaries and employee benefits	3,640,641	3,640,641	3,633,108	7,533
Services and supplies	1,228,382	1,357,099	1,077,441	279,658
Other charges	3,000	3,000	301	2,699
Capital assets	40,992	--	--	--
Other financing uses	101,699	101,699	83,987	17,712
Total Juvenile Hall General	<u>5,014,714</u>	<u>5,102,439</u>	<u>4,794,837</u>	<u>307,602</u>
Probation Victim Witness:				
Salaries and employee benefits	236,302	239,502	239,499	3
Services and supplies	36,519	33,319	22,402	10,917
Other financing uses	6,843	6,843	6,828	15
Total Probation Victim Witness	<u>279,664</u>	<u>279,664</u>	<u>268,729</u>	<u>10,935</u>
Probation General Services:				
Salaries and employee benefits	7,661,527	7,753,683	7,291,260	462,423
Services and supplies	1,880,244	1,624,652	1,455,347	169,305
Other charges	81,227	92,700	80,570	12,130
Capital assets	3,889	36,500	32,991	3,509
Other financing uses	296,851	302,881	259,989	42,892
Total Probation General Services	<u>9,923,738</u>	<u>9,810,416</u>	<u>9,120,157</u>	<u>690,259</u>
Probation BD/CON:				
Salaries and employee benefits	153,762	153,762	153,368	394
Services and supplies	128,173	128,173	104,307	23,866
Other financing uses	4,799	4,799	4,257	542
Total Probation BD/CON	<u>286,734</u>	<u>286,734</u>	<u>261,932</u>	<u>24,802</u>

(continued)

COUNTY OF BUTTE, CALIFORNIA

Budget Comparison Schedule - General Fund - Budgetary Basis (continued)
For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Protection (continued):				
Development Services:				
Salaries and employee benefits	\$ 3,434,039	\$ 3,362,957	\$ 3,271,379	\$ 91,578
Services and supplies	1,811,237	2,454,042	988,723	1,465,319
Other charges	18,000	18,000	18,260	(260)
Capital assets	6,454	--	--	--
Other financing uses	283,415	283,415	229,317	54,098
Total Development Services	<u>5,553,145</u>	<u>6,118,414</u>	<u>4,507,679</u>	<u>1,610,735</u>
Subdivision Inspection:				
Salaries and employee benefits	737,848	737,848	599,158	138,690
Services and supplies	75,110	34,330	44,776	(10,446)
Other charges	160,000	160,000	66,886	93,114
Capital assets	635	--	--	--
Other financing uses	17,635	17,635	14,076	3,559
Total Subdivision Inspection	<u>991,228</u>	<u>949,813</u>	<u>724,896</u>	<u>224,917</u>
Agriculture General Services:				
Salaries and employee benefits	1,740,504	1,697,050	1,697,049	1
Services and supplies	361,600	426,731	352,468	74,263
Other charges	20,000	20,000	25,993	(5,993)
Capital assets	1,750	--	--	--
Other financing uses	46,608	39,108	33,065	6,043
Total Agriculture General Services	<u>2,170,462</u>	<u>2,182,889</u>	<u>2,108,575</u>	<u>74,314</u>
Recorder:				
Salaries and employee benefits	1,040,577	1,040,577	974,599	65,978
Services and supplies	318,144	445,020	321,154	123,866
Other charges	--	790	787	3
Capital assets	8,374	--	--	--
Other financing uses	43,672	43,672	33,401	10,271
Total Recorder	<u>1,410,767</u>	<u>1,530,059</u>	<u>1,329,941</u>	<u>200,118</u>
Juvenile Hall General:				
Services and supplies	--	2,089,028	1,196,428	892,600
Other charges	--	258,322	258,322	--
Other financing uses	--	101,700	101,666	34
Total Juvenile Hall General	<u>--</u>	<u>2,449,050</u>	<u>1,556,416</u>	<u>892,634</u>
LAFCO Contribution:				
Other charges	--	200,000	198,753	1,247
Total LAFCO Contribution	<u>--</u>	<u>200,000</u>	<u>198,753</u>	<u>1,247</u>
Total Public Protection	<u>79,077,671</u>	<u>81,696,358</u>	<u>74,740,805</u>	<u>6,955,553</u>

(continued)

COUNTY OF BUTTE, CALIFORNIA

Budget Comparison Schedule - General Fund - Budgetary Basis (continued)
For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Assistance:				
Children's Trust Fund - AB2994:				
Services and supplies	\$ 30,000	\$ 30,000	\$ 29,760	\$ 240
Other charges	--	6	6	--
Total Children's' Trust Fund - AB2994	<u>30,000</u>	<u>30,006</u>	<u>29,766</u>	<u>240</u>
Welfare Domestic Violence:				
Services and supplies	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>--</u>
Total Welfare Domestic Violence	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>--</u>
Institutional/Correction:				
Salaries and employee benefits	--	228,571	18,072	210,499
Services and supplies	119,232	397,798	119,255	278,543
Other charges	229,031	--	--	--
Other financing uses	2,188	2,648	2,640	8
Total Institutional/ Correction	<u>350,451</u>	<u>629,017</u>	<u>139,967</u>	<u>489,050</u>
Juvenile Court Wards:				
Other charges	1,497	1,495	--	1,495
Other financing uses	3	5	5	--
Total Juvenile Court Wards	<u>1,500</u>	<u>1,500</u>	<u>5</u>	<u>1,495</u>
Veteran's Service Officer:				
Salaries and employee benefits	175,851	175,851	170,072	5,779
Services and supplies	64,223	64,223	55,814	8,409
Capital assets	266	--	--	--
Other financing uses	6,273	6,273	3,882	2,391
Total Veteran's Service Officer	<u>246,613</u>	<u>246,347</u>	<u>229,768</u>	<u>16,579</u>
Total Public Assistance	<u>658,564</u>	<u>936,870</u>	<u>429,506</u>	<u>507,364</u>
Education:				
Farm, Home, and 4H Department:				
Salaries and employee benefits	171,317	171,317	143,431	27,886
Services and supplies	165,008	150,061	133,461	16,600
Other charges	6,000	8,000	10,159	(2,159)
Capital assets	1,036	--	--	--
Other financing uses	7,351	9,721	9,720	1
Total Farm, Home, and 4H Department	<u>350,712</u>	<u>339,099</u>	<u>296,771</u>	<u>42,328</u>
Total Education	<u>350,712</u>	<u>339,099</u>	<u>296,771</u>	<u>42,328</u>

(continued)

COUNTY OF BUTTE, CALIFORNIA

Budget Comparison Schedule - General Fund - Budgetary Basis (continued)
For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Recreation and cultural services:				
Butte Meadows Recreation Grant:				
Services and supplies	\$ 50,000	\$ 60,000	\$ 60,000	\$ --
Other charges	--	10,322	870	9,452
Other financing uses	8,133	7,263	602	6,661
Total Butte Meadows Recreation Grant	<u>58,133</u>	<u>77,585</u>	<u>61,472</u>	<u>16,113</u>
 Veteran's Memorial Halls:				
Services and supplies	310,278	371,238	367,423	3,815
Capital assets	19,188	--	--	--
Other financing uses	5,922	5,922	5,187	735
Total Veteran's Memorial Halls	<u>335,388</u>	<u>377,160</u>	<u>372,610</u>	<u>4,550</u>
 Total Recreation and Cultural Services	<u>393,521</u>	<u>454,745</u>	<u>434,082</u>	<u>20,663</u>
 Provisions for Contingencies:				
Appropriation Contingencies	<u>5,672,316</u>	<u>24,553</u>	<u>--</u>	<u>24,553</u>
 Total Charges to appropriations	<u>129,682,462</u>	<u>130,119,029</u>	<u>114,995,198</u>	<u>15,123,831</u>
 Budgetary Fund balances, ending	<u>\$ 34,510,333</u>	<u>\$ 12,033,677</u>	<u>\$ 24,464,463</u>	<u>\$ (12,430,786)</u>

(continued)

COUNTY OF BUTTE, CALIFORNIA

Budget Comparison Schedule - General Fund - Budgetary Basis (continued)
For the Fiscal Year Ended June 30, 2009

Explanation of Differences between Budgetary Inflows and Outflows and USGAAP Revenues and Expenditures:

Sources/inflows of resources:

Actual amounts (budgetary basis) "total resources"
from the budgetary comparison schedule \$ 113,635,053

Differences - budget to USGAAP:

Proceeds from sale of capital assets are inflows of budgetary resources
but are not revenues for financial reporting purposes (34,152)

Total revenues as reported on the statement of revenues, expenditures, and
changes in fund balance - general fund \$ 113,600,901

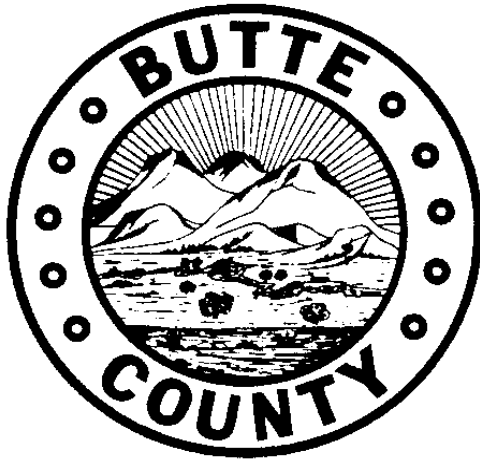
Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations"
from the budgetary comparison schedule \$ 114,995,198

Differences - budget to USGAAP:

Transfers to other funds are outflows of budgetary resources
but are not expenditures for financial reporting purposes (18,211,033)

Total expenditures as reported on the statement of revenues, expenditures, and
changes in fund balance - general fund \$ 96,784,165



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COUNTY OF BUTTE

Welfare Fund

The *Welfare Fund* was established to provide social and employment services to the residents of Butte County. Services are provided through two Community Employment Centers in Oroville and Chico.

COUNTY OF BUTTE, CALIFORNIA

Budget Comparison Schedule - Welfare Fund - Budgetary Basis
For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, beginning of year	\$ 3,320,832	\$ 3,320,832	\$ 3,320,832	\$ --
RESOURCES (inflows):				
Revenues from uses of money and property	--	--	7,926	7,926
Aid from other governments	138,847,085	138,867,749	133,266,151	(5,601,598)
Charges for services	703,413	708,856	647,880	(60,976)
Other	798,749	954,838	1,452,691	497,853
Interfund transfers	1,046,242	2,512,616	1,000,000	(1,512,616)
Sale of capital assets	--	--	368	368
Amounts available for appropriation	<u>141,395,489</u>	<u>143,044,059</u>	<u>136,375,016</u>	<u>(6,669,043)</u>
CHANGES TO APPROPRIATIONS (outflows):				
Public Protection:				
Welfare - Public Guardian:				
Salaries and employee benefits	435,620	432,120	427,725	4,395
Services and supplies	5,783	2,383	1,783	600
Other charges	59,500	104,900	102,097	2,803
Other financing uses	668,738	630,238	596,828	33,410
Total Welfare - Public Guardian	<u>1,169,641</u>	<u>1,169,641</u>	<u>1,128,433</u>	<u>41,208</u>
Total Public Protection	<u>1,169,641</u>	<u>1,169,641</u>	<u>1,128,433</u>	<u>41,208</u>
Public Assistance:				
Welfare Administration:				
Salaries and employee benefits	12,448,867	11,424,082	11,424,082	--
Services and supplies	6,245,447	5,839,638	5,206,447	633,191
Other charges	1,486,659	1,258,517	1,258,517	--
Other financing uses	(20,180,973)	(18,085,692)	(18,085,692)	--
Total Welfare Administration	<u>--</u>	<u>436,545</u>	<u>(196,646)</u>	<u>633,191</u>
Welfare - Eligibility:				
Salaries and employee benefits	11,282,122	11,102,122	10,883,919	218,203
Services and supplies	52,078	342,381	318,316	24,065
Other charges	219,990	232,620	194,075	38,545
Other financing uses	3,471,015	3,385,015	3,110,739	274,276
Total Welfare - Eligibility	<u>15,025,205</u>	<u>15,062,138</u>	<u>14,507,049</u>	<u>555,089</u>
Welfare Protective Services:				
Salaries and employee benefits	8,554,563	8,624,453	8,468,417	156,036
Services and supplies	2,050,077	3,031,997	1,646,536	1,385,461
Other charges	810,159	894,159	869,097	25,062
Other financing uses	6,694,410	6,694,410	6,004,450	689,960
Total Welfare Protective Services	<u>18,109,209</u>	<u>19,245,019</u>	<u>16,988,500</u>	<u>2,256,519</u>

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COUNTY OF BUTTE, CALIFORNIA

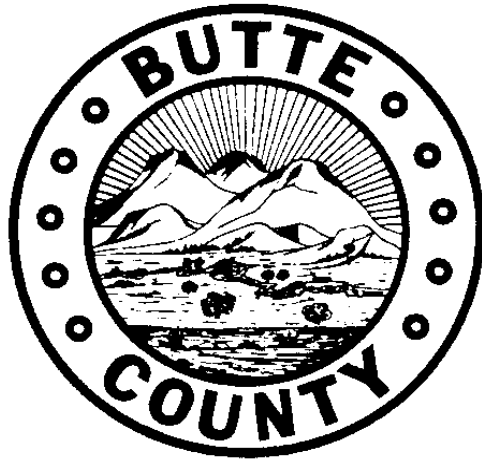
Budget Comparison Schedule - Welfare Fund - Budgetary Basis (continued)
For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Assistance (continued):				
Welfare CALWORKS Program:				
Salaries and employee benefits	\$ 4,573,740	\$ 4,303,240	\$ 4,221,413	\$ 81,827
Services and supplies	2,845,122	3,913,636	3,743,984	169,652
Other charges	1,489,035	1,531,600	1,488,408	43,192
Other financing uses	9,346,810	9,115,310	8,373,676	741,634
Total Welfare CALWORKS Program	<u>18,254,707</u>	<u>18,863,786</u>	<u>17,827,481</u>	<u>1,036,305</u>
Welfare Aids:				
Other charges	87,177,896	87,949,049	84,560,419	3,388,630
Total Welfare Aids	<u>87,177,896</u>	<u>87,949,049</u>	<u>84,560,419</u>	<u>3,388,630</u>
Welfare Sed-Foster Care:				
Other charges	378,896	544,875	544,875	--
Total Welfare Sed-Foster Care	<u>378,896</u>	<u>544,875</u>	<u>544,875</u>	<u>--</u>
Welfare General Relief:				
Services and supplies	1,229,935	21,925	4,891	17,034
Other charges	50,000	1,350,335	1,311,673	38,662
Total Welfare General Relief	<u>1,279,935</u>	<u>1,372,260</u>	<u>1,316,564</u>	<u>55,696</u>
Total Public Assistance	<u>140,225,848</u>	<u>143,473,672</u>	<u>135,548,242</u>	<u>7,925,430</u>
Total Charges to appropriations	<u>141,395,489</u>	<u>144,643,313</u>	<u>136,676,675</u>	<u>7,966,638</u>
Budgetary Fund balances, ending	<u>\$ 3,320,832</u>	<u>\$ 1,721,578</u>	<u>\$ 3,019,173</u>	<u>\$ 1,297,595</u>

Explanation of Differences between Budgetary Inflows and Outflows and USGAAP Revenues and Expenditures:

Sources/inflows of resources:

Actual amounts (budgetary basis) "total resources" from the budgetary comparison schedule	\$ 136,375,016
Differences - budget to USGAAP:	
Proceeds from sale of capital assets are inflows of budgetary resources but are not revenues for financial reporting purposes	(368)
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	<u>(1,000,000)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance - welfare fund	<u>\$ 135,374,648</u>



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COUNTY OF BUTTE

Public Health Fund

The *Public Health Fund* was established to provide public health services to the residents of Butte County.

COUNTY OF BUTTE, CALIFORNIA

Budget Comparison Schedule - Public Health Fund - Budgetary Basis
For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, beginning of year	\$ 18,220,437	\$ 18,220,437	\$ 18,220,437	\$ --
RESOURCES (inflows):				
Licenses and permits	480,525	480,525	480,074	(451)
Fines, forfeitures, and penalties	400,000	400,000	358,626	(41,374)
Revenues from uses of money and property	--	--	492,575	492,575
Aid from other governments	58,048,873	20,947,041	18,101,919	(2,845,122)
Charges for services	2,615,985	2,575,985	2,470,355	(105,630)
Other	27,550	27,550	67,354	39,804
Interfund transfers	911,867	911,867	972,226	60,359
Sale of capital assets	--	--	2,460	2,460
Amounts available for appropriation	<u>62,484,800</u>	<u>25,342,968</u>	<u>22,945,589</u>	<u>(2,397,379)</u>
CHANGES TO APPROPRIATIONS (outflows):				
Health and Sanitation:				
Public Health General Services:				
Salaries and employee benefits	14,437,721	13,352,971	12,661,033	691,938
Services and supplies	4,388,752	4,692,217	3,589,437	1,102,780
Other charges	875,362	1,194,544	885,273	309,271
Capital assets	133,777	153,300	44,257	109,043
Other financing uses	--	1,000,000	1,000,000	--
Total Public Health General Services	<u>19,835,612</u>	<u>20,393,032</u>	<u>18,180,000</u>	<u>2,213,032</u>
Public Health County Medical Services:				
Services and supplies	6,051,174	6,051,174	6,048,887	2,287
Other charges	41,612	41,612	14,466	27,146
Total Public Health County Medical Services	<u>6,092,786</u>	<u>6,092,786</u>	<u>6,063,353</u>	<u>29,433</u>
Public Health Environmental Health:				
Other charges	--	168,815	45,644	123,171
Total Public Health Environmental Health	<u>--</u>	<u>168,815</u>	<u>45,644</u>	<u>123,171</u>
Total Health and Sanitation	<u>25,928,398</u>	<u>26,654,633</u>	<u>24,288,997</u>	<u>2,365,636</u>
Total Charges to appropriations	<u>25,928,398</u>	<u>26,654,633</u>	<u>24,288,997</u>	<u>2,365,636</u>
Budgetary Fund balances, ending	<u>\$ 54,776,839</u>	<u>\$ 16,908,772</u>	<u>\$ 16,877,029</u>	<u>\$ (4,763,015)</u>

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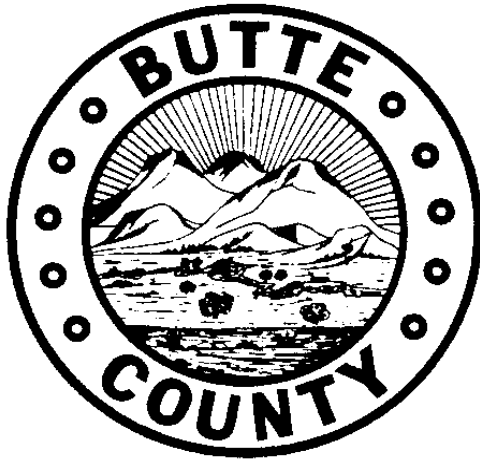
COUNTY OF BUTTE, CALIFORNIA

Budget Comparison Schedule - Public Health Fund - Budgetary Basis (continued)
For the Fiscal Year Ended June 30, 2009

Explanation of Differences between Budgetary Inflows and Outflows and USGAAP Revenues and Expenditures:

Sources/inflows of resources:

Actual amounts (budgetary basis) "total resources" from the budgetary comparison schedule	\$ 22,945,589
Differences - budget to USGAAP:	
Proceeds from sale of capital assets are inflows of budgetary resources but are not revenues for financial reporting purposes	(2,460)
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	<u>(972,226)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance - general fund	<u>\$ 21,970,903</u>
Uses/outflows of resources:	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 24,288,997
Differences - budget to USGAAP:	
Encumbrances for services and supplies ordered but not received is reported in the fiscal year the order is placed for budgetary purposes, but in the fiscal year services are incurred or goods received for financial reporting purposes	<u>(1,000,000)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance - public health fund	<u>\$ 23,288,997</u>



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COUNTY OF BUTTE

Behavioral Health Fund

The *Behavioral Health Fund* was established to provide behavioral health services to the residents of Butte County.

COUNTY OF BUTTE, CALIFORNIA

Budget Comparison Schedule - Behavioral Health Fund - Budgetary Basis
For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, beginning of year	\$ (5,694,106)	\$ (5,694,106)	\$ (5,694,106)	\$ --
RESOURCES (inflows):				
Fines, forfeitures, and penalties	--	--	116,062	116,062
Revenues from uses of money and property	--	--	200,289	200,289
Aid from other governments	7,564,444	46,692,981	45,684,887	(1,008,094)
Charges for services	2,275,477	2,318,042	2,244,143	(73,899)
Other	666	1,666	20,600	18,934
Interfund transfers	424,727	424,727	424,727	--
Sale of capital assets	--	--	1,043	1,043
Amounts available for appropriation	<u>10,265,314</u>	<u>49,437,416</u>	<u>48,691,751</u>	<u>(745,665)</u>
CHANGES TO APPROPRIATIONS (outflows):				
Health and Sanitation:				
Mental Health Substance Abuse:				
Salaries and employee benefits	1,721,364	1,938,669	1,938,667	2
Services and supplies	1,296,548	1,633,365	1,160,196	473,169
Other charges	198,967	225,998	203,805	22,193
Total Mental Health Substance Abuse	<u>3,216,879</u>	<u>3,798,032</u>	<u>3,302,668</u>	<u>495,364</u>
Prop. 36 Drug Treatment:				
Salaries and employee benefits	505,665	554,176	554,175	1
Services and supplies	130,173	175,658	112,741	62,917
Other charges	320,637	320,637	268,625	52,012
Total Mental Health Substance Abuse	<u>956,475</u>	<u>1,050,471</u>	<u>935,541</u>	<u>114,930</u>
Behavioral Health:				
Salaries and employee benefits	24,119,766	23,389,180	23,073,130	316,050
Services and supplies	16,345,774	21,758,934	15,052,750	6,706,184
Other charges	2,176,748	2,171,748	1,773,453	398,295
Capital assets	6,074	18,000	18,000	--
Other financing uses	--	773,000	--	773,000
Total Behavioral Health	<u>42,648,362</u>	<u>48,110,862</u>	<u>39,917,333</u>	<u>8,193,529</u>
Total Health and Sanitation	<u>46,821,716</u>	<u>52,959,365</u>	<u>44,155,542</u>	<u>8,803,823</u>
Total Charges to appropriations	<u>46,821,716</u>	<u>52,959,365</u>	<u>44,155,542</u>	<u>8,803,823</u>
Budgetary Fund balances, ending	<u>\$ (42,250,508)</u>	<u>\$ (9,216,055)</u>	<u>\$ (1,157,897)</u>	<u>\$ (9,549,488)</u>

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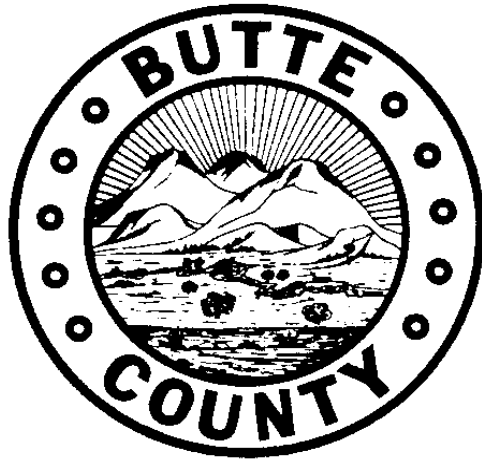
COUNTY OF BUTTE, CALIFORNIA

Budget Comparison Schedule - Behavioral Health Fund - Budgetary Basis (continued)
For the Fiscal Year Ended June 30, 2009

Explanation of Differences between Budgetary Inflows and Outflows and USGAAP Revenues and Expenditures:

Sources/inflows of resources:

Actual amounts (budgetary basis) "total resources" from the budgetary comparison schedule	\$ 48,691,751
Differences - budget to USGAAP:	
Proceeds from sale of capital assets are inflows of budgetary resources but are not revenues for financial reporting purposes	(1,043)
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	<u>(424,727)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance - behavioral health fund	<u>\$ 48,265,981</u>



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COUNTY OF BUTTE

Road Fund

The *Road Fund* provides for planning, design, construction, maintenance, and administration of County transportation planning activities. Revenues consist primarily of the County's share of state highway user taxes and are supplemented by federal funds.

COUNTY OF BUTTE, CALIFORNIA

Budget Comparison Schedule - Road Fund - Budgetary Basis
For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, beginning of year	\$ 8,138,893	\$ 8,138,893	\$ 8,138,893	\$ --
RESOURCES (inflows):				
Licenses and permits	55,000	55,000	42,661	(12,339)
Revenues from uses of money and property	190,000	190,000	210,078	20,078
Aid from other governments	16,555,726	17,455,726	16,055,157	(1,400,569)
Charges for services	4,717,061	5,347,912	4,039,410	(1,308,502)
Other	499,000	499,000	305,749	(193,251)
Interfund transfers	1,784,922	1,784,922	1,329,061	(455,861)
Sale of capital assets	50,000	50,000	33,159	(16,841)
Amounts available for appropriation	<u>23,851,709</u>	<u>25,382,560</u>	<u>22,015,275</u>	<u>(2,894,583)</u>
CHANGES TO APPROPRIATIONS (outflows):				
Public Ways and Facilities:				
Road Operations:				
Salaries and employee benefits	7,967,571	7,967,571	7,710,650	256,921
Services and supplies	11,416,572	21,796,831	11,449,764	10,347,067
Other charges	1,211,669	1,451,927	1,306,012	145,915
Capital assets	597,017	1,163,000	495,906	667,094
Othe financing uses	(157)	3,377,561	--	3,377,561
Total Road Operations	<u>21,192,672</u>	<u>35,756,890</u>	<u>20,962,332</u>	<u>14,794,558</u>
Total Public Assistance	<u>21,192,672</u>	<u>35,756,890</u>	<u>20,962,332</u>	<u>14,794,558</u>
Provisions for Contingencies:				
Appropriation Contingencies	<u>1,000,000</u>	<u>800,000</u>	<u>--</u>	<u>800,000</u>
Total Charges to appropriations	<u>22,192,672</u>	<u>36,556,890</u>	<u>20,962,332</u>	<u>15,594,558</u>
Budgetary Fund balances, ending	<u>\$ 9,797,930</u>	<u>\$ (3,035,437)</u>	<u>\$ 9,191,836</u>	<u>\$ (18,489,141)</u>

(continued)

COUNTY OF BUTTE, CALIFORNIA

Budget Comparison Schedule - Road Fund - Budgetary Basis (continued)

For the Fiscal Year Ended June 30, 2009

Explanation of Differences between Budgetary Inflows and Outflows and USGAAP Revenues and Expenditures:

Sources/inflows of resources:

Actual amounts (budgetary basis) "total resources" from the budgetary comparison schedule	\$ 22,015,275
Differences - budget to USGAAP:	
Proceeds from sale of capital assets are inflows of budgetary resources but are not revenues for financial reporting purposes	(33,159)
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	<u>(1,329,061)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance - road fund	<u>\$ 20,653,055</u>

COUNTY OF BUTTE, CALIFORNIA

Note to Required Supplementary Information For the Fiscal Year Ended June 30, 2009

BUDGETARY BASIS OF ACCOUNTING

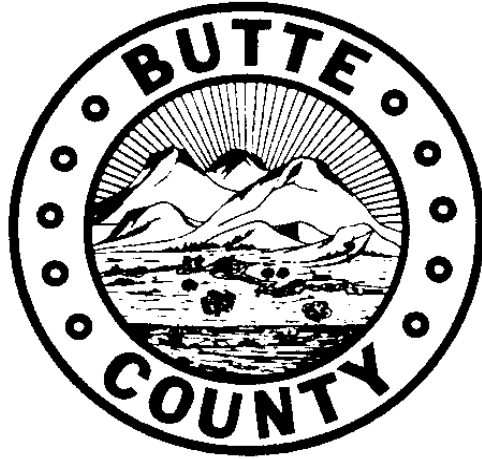
In accordance with the provisions of Sections 29000 and 29143, inclusive, of the California Government Code and other statutory provisions, commonly known as the County Budget Act, the County prepares a budget for each fiscal year on or before August 30. Budgeted expenditures are enacted into law through the passage of an Appropriation Ordinance. This ordinance mandates the maximum authorized expenditures for the fiscal year and cannot be exceeded except by subsequent amendments to the budget by the County's Board of Supervisors.

An operating budget is adopted each fiscal year for all Governmental Funds except for the JPFA. Expenditures are controlled at the object level within budget units for the County. The object level within a budget unit is the level at which expenditures may not legally exceed appropriations. Any amendments or transfers of appropriations between object levels within the same budget unit or between departments or funds are authorized by the County Administrative Officer's office and must be approved by the Board of Supervisors. The Board of Supervisors must approve supplementary appropriations normally financed by unanticipated revenues during the year. Pursuant to Board Resolution, the County Administrative Officer is authorized to approve transfers and revision of appropriations under \$50,000 within a single budget unit as deemed necessary and appropriate. Budgeted amounts in the budgetary financial schedules are reported as originally adopted and as amended during the fiscal year by resolutions approved by the Board of Supervisors.

The County uses an encumbrances system as an extension of normal budgetary accounting for the general, special revenue, and other debt service funds and to assist in controlling expenditures of the capital projects funds. Under this system, purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of applicable appropriations. Encumbrances outstanding at year-end are recorded as reservations of fund balance since they do not constitute expenditures or liabilities. Unencumbered appropriations lapse at fiscal year-end. Encumbered appropriations are carried forward in the ensuing fiscal year's budget.

The budget approved by the Board of Supervisors for the general fund includes budgeted expenditures and reimbursements for amounts disbursed on behalf of other Governmental Funds. Actual reimbursements for these items have been eliminated in the accompanying budgetary financial schedules. Accordingly, the related budgets for these items have also been eliminated in order to provide a meaningful comparison of actual and budgeted results of operations.

The budgets for the governmental funds may include an object level known as "intrafund transfers" in the charges for appropriations. This object level is an accounting mechanism used by the County to show reimbursements between operations within the same fund (an example would be the General Fund).



**Combining Nonmajor
Governmental Funds Statements**

COUNTY OF BUTTE

Nonmajor Governmental Funds

CAPITAL PROJECTS FUND

Capital Project Fund is 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 by the proprietary fund types.

SPECIAL REVENUE FUNDS

Special Revenue funds are established to finance particular governmental activities and are financed by specific taxes or other revenues. Such funds are authorized by statutory provisions to pay for certain activities of a continuing nature. The nonmajor Special Revenue funds are listed below:

The *Equipment Replacement Fund* was established to provide financing for equipment replacement.

The *Equipment Fund* was established to provide financing for equipment purchases.

The *State COPS Fund* was established to account for the State COPS monies received by the County.

The *Water Resources Fund* accounts for revenues and expenditures relating to water and other resources management and conservation.

The *Fire Protection Fund* provides fire protection services to both cities and unincorporated areas in the County.

The *Library Fund* accounts for the revenues and expenditures relating to libraries.

The *Transit Fund* was established to account for the local transportation tax funds.

The *Housing and Community Development Fund* accounts for revenues and expenditures relating to housing and community improvement and development.

The *Fish and Game Fund* is used to account for fines and forfeitures received under Section 13003 of the State of California Fish and Game Code and for other revenue and expenditures for the propagation and conservation of fish and game. The Board of Supervisors authorizes expenditures on the advice of the Fish and Game Commission.

COUNTY OF BUTTE

Nonmajor Governmental Funds (Continued)

SPECIAL REVENUE FUNDS (Continued)

The *Child Support Services Fund* was established by AB 196, AB 150, and SB 542 during fiscal year 2000-01 to provide separate fund accountability as required. These legislative bills mandated that all Family Support Divisions located in the District Attorney's Offices become separate and independent departments. Child Support Services establishes paternity, obtains and enforces court orders for child support, collects and distributes payments, and provides community outreach about those services for the benefit of minor children.

The *County Service Areas Fund* accounts for special district funds that provide sewer, drainage, fire, and street lighting and maintenance to specific areas in the County and are financed by property taxes and user charges.

The *IHSS Public Authority Fund* allows for the maintenance of a registry and referral system to assist consumers in finding qualified in-home supportive services (IHSS) personnel as well as training of and support for providers and recipients of IHSS. Revenues primarily come from grants.

The *Impact Fee Fund* was established to account for Impact Fees, Mitigation Fees, or Local Agency Improvement Fees that are charged by local agencies to developers for the purpose of defraying the cost of public facilities that will be needed in relation to the development project.

DEBT SERVICE FUND

Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt.

COUNTY OF BUTTE, CALIFORNIA

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2009

	Capital Projects Fund	Special Revenue Funds				Fire Protection
		Equipment Replacement	Equipment	State COPS	Water Resources	
ASSETS						
Cash and investments	\$ 743,610	\$ 2,169,640	\$ 1,880,840	\$ 496,577	\$ --	\$ 1,913,677
Cash with fiscal agent	--	138,161	--	--	--	--
Imprest cash	--	--	--	--	--	--
Due from other funds	22,338	1,774	108,115	69	5,667	4,017,250
Interest receivable	5,668	17,536	12,566	4,160	62	11,471
Accounts receivable	--	--	--	613	699	720
Due from other governments	--	--	--	137,869	579,554	8,783
Deposits with others	--	--	--	--	--	--
Prepaid items	--	--	--	--	--	--
Loans receivable	--	--	--	--	--	--
Total assets	<u>\$ 771,616</u>	<u>\$ 2,327,111</u>	<u>\$ 2,001,521</u>	<u>\$ 639,288</u>	<u>\$ 585,982</u>	<u>\$ 5,951,901</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Due to other funds	\$ 35,878	\$ 3,991	\$ 2,525	\$ 131,859	\$ 124,855	\$ 100,935
Accounts payable	5,626	79	--	182,806	433,317	3,348,322
Accrued payroll	--	--	--	--	20,410	1,121
Deferred revenue	--	--	--	--	--	--
Total liabilities	<u>41,504</u>	<u>4,070</u>	<u>2,525</u>	<u>314,665</u>	<u>578,582</u>	<u>3,450,378</u>
Fund balances:						
Reserved for:						
Encumbrances	434,448	--	9,580	--	--	57,719
Imprest cash	--	--	--	--	--	--
Prepaid items	--	--	--	--	--	--
Deposits with others	--	--	--	--	--	--
General restrictions	--	--	--	--	--	1,931,265
Debt service funds	--	138,161	--	--	--	--
Unreserved:						
Designated	--	--	--	--	--	508,299
Undesignated, reported in:						
Special revenue funds	--	2,184,880	1,989,416	324,623	7,400	4,240
Capital project funds	295,664	--	--	--	--	--
Total fund balances	<u>730,112</u>	<u>2,323,041</u>	<u>1,998,996</u>	<u>324,623</u>	<u>7,400</u>	<u>2,501,523</u>
Total liabilities and fund balances	<u>\$ 771,616</u>	<u>\$ 2,327,111</u>	<u>\$ 2,001,521</u>	<u>\$ 639,288</u>	<u>\$ 585,982</u>	<u>\$ 5,951,901</u>

continued

COUNTY OF BUTTE, CALIFORNIA

Combining Balance Sheet (continued)

Nonmajor Governmental Funds

June 30, 2009

	Special Revenue Funds				
	Library	Transit	Housing and Community Development	Fish and Game	Child Support Services
ASSETS					
Cash and investments	\$ 75,624	\$ 5,135	\$ 397,178	\$ 198,968	\$ 1,067,949
Cash with fiscal agent	--	--	--	--	--
Imprest cash	150	--	--	--	1,000
Due from other funds	157,196	2,410	8,434	128	31,748
Interest receivable	226	7,251	3,624	1,494	11,328
Accounts receivable	509	--	4,866	--	--
Due from other governments	--	438,882	42,998	--	--
Deposits with others	297	--	--	--	--
Prepaid items	--	--	--	--	1,225
Loans receivable	--	--	1,688,637	--	--
Total assets	<u>\$ 234,002</u>	<u>\$ 453,678</u>	<u>\$ 2,145,737</u>	<u>\$ 200,590</u>	<u>\$ 1,113,250</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Due to other funds	\$ 70,487	\$ 12,870	\$ 22,183	\$ 4,996	\$ 50,365
Accounts payable	12,638	--	628	9,681	1,862
Accrued payroll	67,060	--	--	--	240,152
Deferred revenue	--	--	1,688,637	--	690,450
Total liabilities	<u>150,185</u>	<u>12,870</u>	<u>1,711,448</u>	<u>14,677</u>	<u>982,829</u>
Fund balances:					
Reserved for:					
Encumbrances	--	--	113,288	20,822	--
Imprest cash	150	--	--	--	1,000
Prepaid items	--	--	--	--	1,225
Deposits with others	297	--	--	--	--
General restrictions	80,035	--	--	457	29,464
Debt service funds	--	--	--	--	--
Unreserved:					
Designated	--	--	--	--	--
Undesignated, reported in:					
Special revenue funds	3,335	440,808	321,001	164,634	98,732
Capital project funds	--	--	--	--	--
Total fund balances	<u>83,817</u>	<u>440,808</u>	<u>434,289</u>	<u>185,913</u>	<u>130,421</u>
Total liabilities and fund balances	<u>\$ 234,002</u>	<u>\$ 453,678</u>	<u>\$ 2,145,737</u>	<u>\$ 200,590</u>	<u>\$ 1,113,250</u>

continued

COUNTY OF BUTTE, CALIFORNIA

Combining Balance Sheet (continued)

Nonmajor Governmental Funds

June 30, 2009

	Special Revenue Funds				Total
	County Service Areas	IHSS Public Authority	Impact Fees	Debt Service Fund	
ASSETS					
Cash and investments	\$ 6,446,498	\$ 24,061	\$ 8,389,061	\$ 902,453	\$ 24,711,271
Cash with fiscal agent	--	--	--	4,237,614	4,375,775
Imprest cash	--	--	--	--	1,150
Due from other funds	95,349	2,390	--	--	4,452,868
Interest receivable	48,480	1,479	62,661	6,877	194,883
Accounts receivable	--	--	--	--	7,407
Due from other governments	--	62,875	--	2,666,339	3,937,300
Deposits with others	--	--	--	--	297
Prepaid item	--	399	--	--	1,624
Loans receivable	--	--	--	--	1,688,637
Total assets	\$ 6,590,327	\$ 91,204	\$ 8,451,722	\$ 7,813,283	\$ 39,371,212
LIABILITIES AND FUND BALANCES					
Liabilities:					
Due to other funds	\$ 152,285	\$ 193,973	\$ 12,948	\$ --	\$ 920,150
Accounts payable	23,701	2,193	--	7,825	4,028,678
Accrued payroll	--	10,818	--	--	339,561
Deferred revenue	--	--	--	--	2,379,087
Total liabilities	175,986	206,984	12,948	7,825	7,667,476
Fund balances:					
Reserved for:					
Encumbrances	92,132	--	--	--	727,989
Imprest cash	--	--	--	--	1,150
Prepaid items	--	399	--	--	1,624
Deposits with others	--	--	--	--	297
General restrictions	--	--	8,214,186	--	10,255,407
Debt service funds	--	--	--	7,805,458	7,943,619
Unreserved:					
Designated	4,050,242	--	--	--	4,558,541
Undesignated, reported in:					
Special revenue funds	2,271,967	(116,179)	224,588	--	7,919,445
Capital project funds	--	--	--	--	295,664
Total fund balances	6,414,341	(115,780)	8,438,774	7,805,458	31,703,736
Total liabilities and fund balances	\$ 6,590,327	\$ 91,204	\$ 8,451,722	\$ 7,813,283	\$ 39,371,212

COUNTY OF BUTTE, CALIFORNIA

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2009

	Special Revenue Funds					
	Capital Projects Fund	Equipment Replacement	Equipment	State COPS	Water Resources	Fire Protection
REVENUES						
Taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Fines, forfeits and penalties	--	--	--	--	--	--
Revenue from use of money and property	34,573	106,014	82,593	22,798	(1,573)	78,008
Aid from other governments	33,082	--	--	628,484	651,892	1,472,258
Charges for services	100,475	--	--	--	--	110,535
Other	109	--	--	--	104,455	545,292
Total revenues	<u>168,239</u>	<u>106,014</u>	<u>82,593</u>	<u>651,282</u>	<u>754,774</u>	<u>2,206,093</u>
EXPENDITURES						
Current:						
General government	330,556	--	47,462	--	--	--
Public protection	142,692	432,595	--	1,070,801	2,002,880	13,863,355
Public ways and facilities	--	--	--	--	--	--
Health and sanitation	86,177	--	--	--	--	--
Public assistance	--	--	--	--	--	--
Education	--	--	--	--	--	--
Recreation and cultural services	--	--	--	--	--	--
Debt Service:						
Principal	--	--	--	--	--	--
Interest	--	--	--	--	--	--
Total expenditures	<u>559,425</u>	<u>432,595</u>	<u>47,462</u>	<u>1,070,801</u>	<u>2,002,880</u>	<u>13,863,355</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(391,186)</u>	<u>(326,581)</u>	<u>35,131</u>	<u>(419,519)</u>	<u>(1,248,106)</u>	<u>(11,657,262)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	--	--	288,775	--	1,248,817	12,869,468
Transfers out	--	--	--	--	--	(34,091)
Sale of capital assets	--	--	1,199	11	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>289,974</u>	<u>11</u>	<u>1,248,817</u>	<u>12,835,377</u>
Net change in fund balances	<u>(391,186)</u>	<u>(326,581)</u>	<u>325,105</u>	<u>(419,508)</u>	<u>711</u>	<u>1,178,115</u>
Fund balances, beginning	1,121,298	2,649,622	1,673,891	744,131	6,689	1,323,408
Prior period adjustment	--	--	--	--	--	--
Fund balance - beginning, restated	<u>1,121,298</u>	<u>2,649,622</u>	<u>1,673,891</u>	<u>744,131</u>	<u>6,689</u>	<u>1,323,408</u>
Fund balances - ending	<u>\$ 730,112</u>	<u>\$ 2,323,041</u>	<u>\$ 1,998,996</u>	<u>\$ 324,623</u>	<u>\$ 7,400</u>	<u>\$ 2,501,523</u>

continued

COUNTY OF BUTTE, CALIFORNIA

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances (continued)
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2009

	Special Revenue Funds				
	Library	Transit	Housing and Community Development	Fish and Game	Child Support Services
REVENUES					
Taxes	\$ --	\$ --	\$ --	\$ --	\$ --
Fines, forfeits and penalties	--	--	--	18,253	--
Revenue from use of money and property	2,052	12,057	20,500	9,201	60,141
Aid from other governments	309,393	2,595,809	457,481	--	7,298,844
Charges for services	113,684	--	--	--	29,000
Other	136,721	--	121,613	18	832
Total revenues	<u>561,850</u>	<u>2,607,866</u>	<u>599,594</u>	<u>27,472</u>	<u>7,388,817</u>
EXPENDITURES					
Current:					
General government	--	--	689,520	--	--
Public protection	--	--	--	76,304	--
Public ways and facilities	--	1,248,798	--	--	--
Public ways and facilities	--	--	--	--	--
Public assistance	--	--	--	--	7,408,632
Education	2,931,132	--	--	--	--
Recreation and cultural services	--	--	--	--	--
Debt Service:					
Principal	--	--	--	--	--
Interest	--	--	--	--	--
Total expenditures	<u>2,931,132</u>	<u>1,248,798</u>	<u>689,520</u>	<u>76,304</u>	<u>7,408,632</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,369,282)</u>	<u>1,359,068</u>	<u>(89,926)</u>	<u>(48,832)</u>	<u>(19,815)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	2,352,783	--	--	--	29,596
Transfers out	--	(1,329,061)	--	--	--
Sale of capital assets	--	--	--	--	--
Total other financing sources (uses)	<u>2,352,783</u>	<u>(1,329,061)</u>	<u>--</u>	<u>--</u>	<u>29,596</u>
Net change in fund balances	<u>(16,499)</u>	<u>30,007</u>	<u>(89,926)</u>	<u>(48,832)</u>	<u>9,781</u>
Fund balances, beginning	100,316	410,801	524,215	234,745	120,640
Prior period adjustment	--	--	--	--	--
Fund balance - beginning, restated	<u>100,316</u>	<u>410,801</u>	<u>524,215</u>	<u>234,745</u>	<u>120,640</u>
Fund balances - ending	<u>\$ 83,817</u>	<u>\$ 440,808</u>	<u>\$ 434,289</u>	<u>\$ 185,913</u>	<u>\$ 130,421</u>

continued

COUNTY OF BUTTE, CALIFORNIA

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances (continued)
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2009

	Special Revenue Funds				Total
	County	IHSS Public	Impact	Debt	
	Service Areas				
REVENUES					
Taxes	\$ 854,627	\$ --	\$ --	\$ --	\$ 854,627
Fines, forfeits and penalties	--	--	(22,954)	--	(4,701)
Revenue from use of money and property	309,099	1,975	493,818	103,121	1,334,377
Aid from other governments	220,620	361,181	--	--	14,029,044
Charges for services	330,784	--	--	--	684,478
Other	--	--	--	4,976,827	5,885,867
Total revenues	<u>1,715,130</u>	<u>363,156</u>	<u>470,864</u>	<u>5,079,948</u>	<u>22,783,692</u>
EXPENDITURES					
Current:					
General government	--	--	24,416	9,203	1,101,157
Public protection	445,540	--	--	2,825	18,036,992
Public ways and facilities	--	--	--	--	1,248,798
Public ways and facilities	398,243	--	--	--	484,420
Public assistance	--	365,257	--	--	7,773,889
Education	--	--	--	--	2,931,132
Recreation and cultural services	104,817	--	--	--	104,817
Debt Service:					
Principal	114,625	--	--	586,966	701,591
Interest	1,023	--	--	2,061,463	2,062,486
Total expenditures	<u>1,064,248</u>	<u>365,257</u>	<u>24,416</u>	<u>2,660,457</u>	<u>34,445,282</u>
Excess (deficiency) of revenues over (under) expenditures	<u>650,882</u>	<u>(2,101)</u>	<u>446,448</u>	<u>2,419,491</u>	<u>(11,661,590)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	--	--	347,507	--	17,136,946
Transfers out	--	--	--	--	(1,363,152)
Sale of capital assets	--	--	--	--	1,210
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>347,507</u>	<u>--</u>	<u>15,775,004</u>
Net change in fund balances	<u>650,882</u>	<u>(2,101)</u>	<u>793,955</u>	<u>2,419,491</u>	<u>4,113,414</u>
Fund balances, beginning	5,763,459	(113,679)	--	5,385,967	19,945,503
Prior period adjustment	--	--	7,644,819	--	7,644,819
Fund balance - beginning, restated	<u>5,763,459</u>	<u>(113,679)</u>	<u>7,644,819</u>	<u>5,385,967</u>	<u>27,590,322</u>
Fund balances - ending	<u>\$ 6,414,341</u>	<u>\$ (115,780)</u>	<u>\$ 8,438,774</u>	<u>\$ 7,805,458</u>	<u>\$ 31,703,736</u>

COUNTY OF BUTTE, CALIFORNIA

Budget Comparison Schedule - Budgetary Basis Capital Projects Fund For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, beginning of year	\$ 1,121,298	\$ 1,121,298	\$ 1,121,298	\$ --
RESOURCES (inflows):				
Revenues from uses of money and property	--	--	34,573	34,573
Aid from other governments	--	--	33,082	33,082
Charges for services	1,345,762	686,694	100,475	(586,219)
Other financing sources	10,400,886	10,400,886	109	(10,400,777)
Interfund transfers	44,630	--	--	--
Amounts available for appropriation	11,791,278	11,087,580	168,239	(10,919,341)
CHANGES TO APPROPRIATIONS (outflows):				
General Government:				
General Services Building:				
Services and supplies	333,030	343,224	42,276	300,948
Other charges	22,125	37,229	27,192	10,037
Capital assets	1,022,050	1,011,565	75,407	936,158
Total Chico Veterans Hall	1,377,205	1,392,018	144,875	1,247,143
Oroville Veterans Hall ADA Improvements:				
Other charges	20,766	27,381	26,480	901
Capital assets	413,899	518,184	43,818	474,366
Total Chico Veterans Hall	434,665	545,565	70,298	475,267
Paradise Veterans ADA Improvements:				
Other charges	3,148	24,951	24,950	1
Capital assets	147,445	68,412	68,411	1
Total Chico Veterans Hall	150,593	93,363	93,361	2
Gridley Veterans ADA Improvements:				
Other charges	3,946	23,247	22,022	1,225
Capital assets	95,491	--	--	--
Total Chico Veterans Hall	99,437	23,247	22,022	1,225
Total General Government	2,061,900	2,054,193	330,556	1,723,637

(continued)

COUNTY OF BUTTE, CALIFORNIA

Budget Comparison Schedule - Budgetary Basis Capital Projects Fund (continued) For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Protection:				
Court House Expansion:				
Other charges	--	34,879	33,369	1,510
Total Court House Expansion	--	34,879	33,369	1,510
Bangor Fire Station #55:				
Services and supplies		2,370		
Other charges	40,528	75,005	8,252	66,753
Capital assets	1,168,230	1,165,860	101,071	1,064,789
Total Bangor Fire Station #55	1,208,758	1,243,235	109,323	1,131,542
So. Chico Station #44:				
Other charges	4,621	4,621	--	4,621
Capital assets	80,750	80,750	--	80,750
Total So. Chico Station #44	85,371	85,371	--	85,371
Sheriff - Evidence Storage Facility				
Other charges	29,348	14,685	--	14,685
Capital assets	2,240,588	--	--	--
Total Sheriff - Evidence Storage Facility	2,269,936	14,685	--	14,685
Total Public Protection	3,564,065	1,378,170	142,692	1,233,108
Health and Sanitation:				
Admin. - Covered Smoking Area				
Other Charges	6,130	3,052	--	3,052
Capital assets	38,500	--	--	--
Total Public Health Services Building	44,630	3,052	--	3,052
Public Health Services Building:				
Other Charges	24,775	102,775	78,677	24,098
Capital assets	5,962,000	5,962,000	7,500	5,954,500
Total Public Health Services Building	5,986,775	6,064,775	86,177	5,978,598
Total Health and Sanitation	6,031,405	6,067,827	86,177	5,981,650
Total Charges to appropriations	11,657,370	9,500,190	559,425	8,938,395
Budgetary Fund balances, ending	\$ 1,255,206	\$ 2,708,688	\$ 730,112	\$ (1,980,946)

COUNTY OF BUTTE, CALIFORNIA

Budget Comparison Schedule - Budgetary Basis
 Equipment Replacement Special Revenue Fund
 For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, beginning of year	\$ 2,649,622	\$ 2,649,622	\$ 2,649,622	\$ --
RESOURCES (inflows):				
Revenues from uses of money and property	45,000	45,000	106,014	61,014
Interfund transfers	266,150	--	--	--
Amounts available for appropriation	<u>311,150</u>	<u>45,000</u>	<u>106,014</u>	<u>61,014</u>
CHANGES TO APPROPRIATIONS (outflows):				
Public Protection:				
Sheriff Equipment Replacement:				
Services and supplies	--	2,505	2,503	2
Other charges	5,212	11,325	10,227	1,098
Capital assets	512,000	509,495	10,767	498,728
Total Sheriff Equipment Replacement	<u>517,212</u>	<u>523,325</u>	<u>23,497</u>	<u>499,828</u>
Fire Equipment Replacement:				
Services and supplies	--	410,337	406,096	4,241
Other charges	4,152	3,823	3,002	821
Capital assets	80,000	80,000	--	80,000
Total Fire Equipment Replacement	<u>84,152</u>	<u>494,160</u>	<u>409,098</u>	<u>85,062</u>
Total Public Protection	<u>601,364</u>	<u>1,017,485</u>	<u>432,595</u>	<u>584,890</u>
Total Charges to appropriations	<u>601,364</u>	<u>1,017,485</u>	<u>432,595</u>	<u>584,890</u>
Budgetary Fund balances, ending	<u>\$ 2,359,408</u>	<u>\$ 1,677,137</u>	<u>\$ 2,323,041</u>	<u>\$ 645,904</u>

COUNTY OF BUTTE, CALIFORNIA

Budget Comparison Schedule - Budgetary Basis
 Equipment Special Revenue Fund
 For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, beginning of year	\$ 1,673,891	\$ 1,673,891	\$ 1,673,891	\$ --
RESOURCES (inflows):				
Revenues from uses of money and property	--	--	82,593	82,593
Interfund transfers	82,664	--	288,775	288,775
Sale of capital assets	--	--	1,199	1,199
Amounts available for appropriation	<u>82,664</u>	<u>--</u>	<u>372,567</u>	<u>372,567</u>
CHANGES TO APPROPRIATIONS (outflows):				
General Government:				
ISF Equipment Replacement:				
Other charges	737,936	1,036,386	47,462	988,924
Total ISF Equipment Replacement	<u>737,936</u>	<u>1,036,386</u>	<u>47,462</u>	<u>988,924</u>
Total General Government	<u>737,936</u>	<u>1,036,386</u>	<u>47,462</u>	<u>988,924</u>
Total Charges to appropriations	<u>737,936</u>	<u>1,036,386</u>	<u>47,462</u>	<u>988,924</u>
Budgetary Fund balances, ending	<u>\$ 1,018,619</u>	<u>\$ 637,505</u>	<u>\$ 1,998,996</u>	<u>\$ 1,361,491</u>

Explanation of Differences between Budgetary Inflows and Outflows and USGAAP Revenues and Expenditures:

Sources/inflows of resources:

Actual amounts (budgetary basis) "total resources" from the budgetary comparison schedule	\$ 372,567
Differences - budget to USGAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	(288,775)
Sale of capital assets	<u>(1,199)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance - equipment fund	<u>\$ 82,593</u>

COUNTY OF BUTTE, CALIFORNIA

Budget Comparison Schedule - Budgetary Basis
 State COPS Special Revenue Fund
 For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, beginning of year	\$ 744,131	\$ 744,131	\$ 744,131	\$ --
RESOURCES (inflows):				
Revenues from uses of money and property	--	--	22,798	22,798
Aid from other governments	943,106	943,106	628,484	(314,622)
Sale of capital assets	--	--	11	11
Amounts available for appropriation	<u>943,106</u>	<u>943,106</u>	<u>651,293</u>	<u>(291,813)</u>
CHANGES TO APPROPRIATIONS (outflows):				
Public Protection:				
District Attorney - State COPS:				
Services and supplies	51,678	73,968	59,635	14,333
Capital assets	--	6,351	6,350	1
Other charges	2,244	6,675	6,578	97
Total District Attorney - State COPS	<u>53,922</u>	<u>86,994</u>	<u>72,563</u>	<u>14,431</u>
Sheriff - State COPS - Enforcement:				
Services and supplies	61,858	61,858	179	61,679
Other charges	100,642	108,908	7,707	101,201
Total Sheriff - State COPS - Enforcement	<u>162,500</u>	<u>170,766</u>	<u>7,886</u>	<u>162,880</u>
Sheriff - State COPS - Jail:				
Services and supplies	52,790	42,132	38,504	3,628
Other charges	--	5,166	4,875	291
Capital assets	210	10,000	7,385	2,615
Total Sheriff - State COPS - Jail	<u>53,000</u>	<u>57,298</u>	<u>50,764</u>	<u>6,534</u>
Juvenile Justice Plan:				
Services and supplies	55,000	55,000	53,381	1,619
Other financing uses	618,684	928,892	886,207	42,685
Total Juvenile Justice Plan	<u>673,684</u>	<u>983,892</u>	<u>939,588</u>	<u>44,304</u>
Total Public Protection	<u>943,106</u>	<u>1,298,950</u>	<u>1,070,801</u>	<u>228,149</u>
Total Charges to appropriations	<u>943,106</u>	<u>1,298,950</u>	<u>1,070,801</u>	<u>228,149</u>
Budgetary Fund balances, ending	<u>\$ 744,131</u>	<u>\$ 388,287</u>	<u>\$ 324,623</u>	<u>\$ (63,664)</u>

COUNTY OF BUTTE, CALIFORNIA

Budget Comparison Schedule - Budgetary Basis
State COPS Special Revenue Fund
For the Fiscal Year Ended June 30, 2009

Explanation of Differences between Budgetary Inflows and Outflows and USGAAP Revenues and Expenditures:

Sources/inflows of resources:

Actual amounts (budgetary basis) "total resources" from the budgetary comparison schedule	\$ 651,293
Differences - budget to USGAAP: Sale of capital assets	<u>(11)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance - state COPS fund	<u><u>\$ 651,282</u></u>

COUNTY OF BUTTE, CALIFORNIA

Budget Comparison Schedule - Budgetary Basis
Water Resources Special Revenue Fund
For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, beginning of year	\$ 6,689	\$ 6,689	\$ 6,689	\$ --
RESOURCES (inflows):				
Revenues from uses of money and property	--	--	(1,573)	(1,573)
Aid from other governments	500,000	1,223,570	651,892	(571,678)
Other	308,570	65,000	104,455	39,455
Interfund transfers	1,266,891	1,201,891	1,248,817	46,926
Amounts available for appropriation	<u>2,075,461</u>	<u>2,490,461</u>	<u>2,003,591</u>	<u>(486,870)</u>
CHANGES TO APPROPRIATIONS (outflows):				
Public Protection:				
Water Services:				
Salaries and employee benefits	510,425	514,665	514,664	1
Services and supplies	1,541,841	1,960,713	1,459,625	501,088
Other charges	22,105	22,105	28,591	(6,486)
Capital assets	1,090	--	--	--
Total Water Services	<u>2,075,461</u>	<u>2,497,483</u>	<u>2,002,880</u>	<u>494,603</u>
Total Public Protection	<u>2,075,461</u>	<u>2,497,483</u>	<u>2,002,880</u>	<u>494,603</u>
Total Charges to appropriations	<u>2,075,461</u>	<u>2,497,483</u>	<u>2,002,880</u>	<u>494,603</u>
Budgetary Fund balances, ending	<u>\$ 6,689</u>	<u>\$ (333)</u>	<u>\$ 7,400</u>	<u>\$ 7,733</u>

Explanation of Differences between Budgetary Inflows and Outflows and USGAAP Revenues and Expenditures:

Sources/inflows of resources:

Actual amounts (budgetary basis) "total resources"
from the budgetary comparison schedule

\$ 2,003,591

Differences - budget to USGAAP:

Transfers from other funds are inflows of budgetary resources
but are not revenues for financial reporting purposes

(1,248,817)

Total revenues as reported on the statement of revenues, expenditures, and
changes in fund balance - water fund

\$ 754,774

COUNTY OF BUTTE, CALIFORNIA

Budget Comparison Schedule - Budgetary Basis
 Fire Protection Special Revenue Fund
 For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, beginning of year	\$ 1,323,408	\$ 1,323,408	\$ 1,323,408	\$ --
RESOURCES (inflows):				
Revenues from uses of money and property	--	--	78,008	78,008
Aid from other governments	79,400	286,773	1,472,258	1,185,485
Charges for services	112,000	112,000	110,535	(1,465)
Other	93,895	142,907	545,292	402,385
Interfund transfers	15,321,387	14,471,387	12,869,468	(1,601,919)
Amounts available for appropriation	<u>15,606,682</u>	<u>15,013,067</u>	<u>15,075,561</u>	<u>62,494</u>
CHANGES TO APPROPRIATIONS (outflows):				
Public Protection:				
Fire Protection - Regular Service:				
Services and supplies	14,195,049	13,583,852	12,639,263	944,589
Other charges	183,683	183,683	174,333	9,350
Capital assets	129,607	430,117	336,297	93,820
Other financing uses	425,714	34,092	34,091	1
Total Fire Protection - Regular Service	<u>14,934,053</u>	<u>14,231,744</u>	<u>13,183,984</u>	<u>1,047,759</u>
Fire Protection - Voluntary Program:				
Salaries and employee benefits	55,305	55,305	46,912	8,393
Services and supplies	553,676	558,780	483,095	75,685
Other charges	9,893	37,589	37,589	--
Capital assets	--	17,000	17,000	--
Total Fire Protection - Voluntary Program	<u>618,874</u>	<u>668,674</u>	<u>584,596</u>	<u>84,078</u>
Fire Protection - Ancillary Services:				
Services and supplies	13,261	143,166	82,452	60,714
Other charges	--	355	353	2
Capital assets	40,494	86,131	46,061	40,070
Total Fire Protection - Ancillary Services	<u>53,755</u>	<u>229,652</u>	<u>128,866</u>	<u>100,786</u>
Total Public Protection	<u>15,606,682</u>	<u>15,130,070</u>	<u>13,897,446</u>	<u>1,232,623</u>
Total Charges to appropriations	<u>15,606,682</u>	<u>15,130,070</u>	<u>13,897,446</u>	<u>1,232,623</u>
Budgetary Fund balances, ending	<u>\$ 1,323,408</u>	<u>\$ 1,206,405</u>	<u>\$ 2,501,523</u>	<u>\$ 1,295,117</u>

(continued)

COUNTY OF BUTTE, CALIFORNIA

Budget Comparison Schedule - Budgetary Basis Fire Protection Special Revenue Fund (continued) For the Fiscal Year Ended June 30, 2009

Explanation of Differences between Budgetary Inflows and Outflows and USGAAP Revenues and Expenditures:

Sources/inflows of resources:

Actual amounts (budgetary basis) "total resources"
from the budgetary comparison schedule \$ 15,075,561

Differences - budget to USGAAP:
Transfers from other funds are inflows of budgetary resources
but are not revenues for financial reporting purposes (12,869,468)

Total revenues as reported on the statement of revenues, expenditures, and
changes in fund balance - fire fund \$ 2,206,093

Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations"
from the budgetary comparison schedule \$ 13,897,446

Differences - budget to USGAAP:
Transfers to other funds are outflows of budgetary resources
but are not expenditures for financial reporting purposes (34,091)

Total expenditures as reported on the statement of revenues, expenditures, and
changes in fund balance - fire fund \$ 13,863,355

COUNTY OF BUTTE, CALIFORNIA

Budget Comparison Schedule - Budgetary Basis
 Library Special Revenue Fund
 For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, beginning of year	\$ 100,316	\$ 100,316	\$ 100,316	\$ --
RESOURCES (inflows):				
Revenues from uses of money and property	--	--	2,052	2,052
Aid from other governments	299,763	304,713	309,393	4,680
Charges for services	123,774	134,578	113,684	(20,894)
Other	142,750	169,069	136,721	(32,348)
Interfund transfers	2,531,983	2,431,983	2,352,783	(79,200)
Amounts available for appropriation	<u>3,098,270</u>	<u>3,040,343</u>	<u>2,914,633</u>	<u>(125,710)</u>
CHANGES TO APPROPRIATIONS (outflows):				
Education:				
Libraries - Literacy Grant:				
Salaries and employee benefits	228,669	232,478	227,637	4,841
Services and supplies	44,105	45,860	42,403	3,457
Other charges	7,046	12,286	12,277	9
Total Libraries - Literacy Grant	<u>279,820</u>	<u>290,624</u>	<u>282,317</u>	<u>8,307</u>
Libraries				
Salaries and employee benefits	1,987,848	1,872,988	1,845,624	27,364
Services and supplies	696,294	798,833	725,449	73,384
Other charges	62,888	62,888	77,742	(14,854)
Capital assets	71,420	--	--	--
Total Libraries	<u>2,818,450</u>	<u>2,734,709</u>	<u>2,648,815</u>	<u>85,894</u>
Total Education	<u>3,098,270</u>	<u>3,025,333</u>	<u>2,931,132</u>	<u>94,201</u>
Total Charges to appropriations	<u>3,098,270</u>	<u>3,025,333</u>	<u>2,931,132</u>	<u>94,201</u>
Budgetary Fund balances, ending	\$ 100,316	\$ 115,326	\$ 83,817	\$ (31,509)

Explanation of Differences between Budgetary Inflows and Outflows and USGAAP Revenues and Expenditures:

Sources/inflows of resources:

Actual amounts (budgetary basis) "total resources"
 from the budgetary comparison schedule \$ 2,914,633

Differences - budget to USGAAP:

Transfers from other funds are inflows of budgetary resources
 but are not revenues for financial reporting purposes (2,352,783)

Total revenues as reported on the statement of revenues, expenditures, and
 changes in fund balance - library fund \$ 561,850

COUNTY OF BUTTE, CALIFORNIA

Budget Comparison Schedule - Budgetary Basis
 Transit Special Revenue Fund
 For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, beginning of year	\$ 410,801	\$ 410,801	\$ 410,801	\$ --
RESOURCES (inflows):				
Revenues from uses of money and property	14,000	14,000	12,057	(1,943)
Aid from other governments	3,264,000	3,264,000	2,595,809	(668,191)
Amounts available for appropriation	<u>3,278,000</u>	<u>3,278,000</u>	<u>2,607,866</u>	<u>(670,134)</u>
CHANGES TO APPROPRIATIONS (outflows):				
Public Ways and Facilities:				
Transit - System Operations				
Other charges	1,496,466	3,281,388	2,577,859	703,529
Other financing uses	1,784,922	--	--	--
Total Transit - System Operations	<u>3,281,388</u>	<u>3,281,388</u>	<u>2,577,859</u>	<u>703,529</u>
Total Public Ways and Facilities	<u>3,281,388</u>	<u>3,281,388</u>	<u>2,577,859</u>	<u>703,529</u>
Total Charges to appropriations	<u>3,281,388</u>	<u>3,281,388</u>	<u>2,577,859</u>	<u>703,529</u>
Budgetary Fund balances, ending	<u>\$ 407,413</u>	<u>\$ 407,413</u>	<u>\$ 440,808</u>	<u>\$ 33,395</u>

Explanation of Differences between Budgetary Inflows and Outflows and USGAAP Revenues and Expenditures:

Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 2,577,859
Differences - budget to USGAAP: Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(1,329,061)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance - transit fund	<u>\$ 1,248,798</u>

COUNTY OF BUTTE, CALIFORNIA

Budget Comparison Schedule - Budgetary Basis
Housing and Community Development Special Revenue Fund
For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, beginning of year	\$ 524,215	\$ 524,215	\$ 524,215	\$ --
RESOURCES (inflows):				
Revenues from uses of money and property	--	--	20,500	20,500
Aid from other governments	783,298	783,298	457,481	(325,817)
Other	447,083	447,083	121,613	(325,470)
Amounts available for appropriation	<u>1,230,381</u>	<u>1,230,381</u>	<u>599,594</u>	<u>(630,787)</u>
CHANGES TO APPROPRIATIONS (outflows):				
General Government:				
05-STBG-1621:				
Services and supplies	325,000	325,000	221,411	103,589
Other charges	631,066	756,893	143,436	613,457
Total 05-STBG-1621	<u>956,066</u>	<u>1,081,893</u>	<u>364,847</u>	<u>717,046</u>
06-EDBG-2616				
Other charges	905	21,487	21,486	1
Total 04-EDBG-0632	<u>905</u>	<u>21,487</u>	<u>21,486</u>	<u>1</u>
06-EDBG-2769				
Other charges	6,327	369,075	273,808	95,267
Total 02-EDBG-874	<u>6,327</u>	<u>369,075</u>	<u>273,808</u>	<u>95,267</u>
HCD - Revolving Loan:				
Services and supplies	405,042	356,879	8,468	348,411
Other charges	26,641	26,641	20,911	5,730
Other financing uses	--	160,000	--	160,000
Total HCD - Revolving Loan	<u>431,683</u>	<u>543,520</u>	<u>29,379</u>	<u>514,141</u>
Total General Government	<u>1,394,981</u>	<u>2,015,975</u>	<u>689,520</u>	<u>1,326,455</u>
Total Charges to appropriations	<u>1,394,981</u>	<u>2,015,975</u>	<u>689,520</u>	<u>1,326,455</u>
Budgetary Fund balances, ending	<u>\$ 359,615</u>	<u>\$ (261,379)</u>	<u>\$ 434,289</u>	<u>\$ 695,668</u>

COUNTY OF BUTTE, CALIFORNIA

Budget Comparison Schedule - Budgetary Basis
 Fish and Game Special Revenue Fund
 For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, beginning of year	\$ 234,745	\$ 234,745	\$ 234,745	\$ --
RESOURCES (inflows):				
Fines, forfeitures, and penalties	30,000	30,000	18,253	(11,747)
Revenues from uses of money and property	7,000	7,000	9,201	2,201
Other	--	--	18	18
Amounts available for appropriation	<u>37,000</u>	<u>37,000</u>	<u>27,472</u>	<u>(9,528)</u>
CHANGES TO APPROPRIATIONS (outflows):				
Public Protection:				
Fish and Game:				
Services and supplies	51,932	120,594	70,141	50,453
Other charges	805	6,165	6,162	3
Total Libraries - Fish and Game	<u>52,737</u>	<u>126,759</u>	<u>76,303</u>	<u>50,456</u>
Total Public Protection	<u>52,737</u>	<u>126,759</u>	<u>76,304</u>	<u>50,456</u>
Total Charges to appropriations	<u>52,737</u>	<u>126,759</u>	<u>76,304</u>	<u>50,456</u>
Budgetary Fund balances, ending	<u>\$ 219,008</u>	<u>\$ 144,986</u>	<u>\$ 185,913</u>	<u>\$ 40,928</u>

COUNTY OF BUTTE, CALIFORNIA

Budget Comparison Schedule - Budgetary Basis
 Child Support Services Special Revenue Fund
 For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, beginning of year	\$ 120,640	\$ 120,640	\$ 120,640	\$ --
RESOURCES (inflows):				
Revenues from uses of money and property	55,000	55,000	60,141	5,141
Aid from other governments	8,809,973	8,809,973	7,298,844	(1,511,129)
Charges for services	29,000	29,000	29,000	--
Other	100	100	832	732
Interfund transfers	--	29,596	29,596	--
Amounts available for appropriation	<u>8,894,073</u>	<u>8,923,669</u>	<u>7,418,413</u>	<u>(1,505,256)</u>
CHANGES TO APPROPRIATIONS (outflows):				
Public Assistance:				
Child support services:				
Salaries and employee benefits	7,649,105	7,630,701	6,294,968	1,335,733
Services and supplies	838,731	832,668	690,435	142,233
Other charges	406,236	460,299	423,229	37,070
Total Public Assistance	<u>8,894,072</u>	<u>8,923,668</u>	<u>7,408,632</u>	<u>1,515,036</u>
Total Charges to appropriations	<u>8,894,072</u>	<u>8,923,668</u>	<u>7,408,632</u>	<u>1,515,036</u>
Budgetary Fund balances, ending	<u>\$ 120,641</u>	<u>\$ 120,641</u>	<u>\$ 130,421</u>	<u>\$ 9,780</u>

Explanation of Differences between Budgetary Inflows and Outflows and USGAAP Revenues and Expenditures:

Sources/inflows of resources:

Actual amounts (budgetary basis) "total resources" from the budgetary comparison schedule	\$ 7,418,413
Differences - budget to USGAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	<u>(29,596)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance - child support services fund	<u>\$ 7,388,817</u>

COUNTY OF BUTTE, CALIFORNIA

Budget Comparison Schedule - Budgetary Basis
 County Service Areas Special Revenue Funds
 For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, beginning of year	\$ 5,763,459	\$ 5,763,459	\$ 5,763,459	\$ --
RESOURCES (inflows):				
Taxes	1,426,322	799,491	854,627	55,136
Revenues from uses of money and property	134,034	122,603	309,099	186,496
Aid from other governments	117,182	234,186	220,620	(13,566)
Charges for services	372,747	341,581	330,784	(10,797)
Amounts available for appropriation	<u>2,050,285</u>	<u>1,497,861</u>	<u>1,715,130</u>	<u>217,269</u>
CHANGES TO APPROPRIATIONS (outflows):				
Public protection	857,935	1,170,662	445,540	725,122
Health and sanitation	1,059,675	948,290	398,243	550,047
Recreation and cultural services	132,135	131,008	104,817	26,191
Other charges	150,430	149,641	115,648	33,993
Total Charges to appropriations	<u>2,200,175</u>	<u>2,399,601</u>	<u>1,064,248</u>	<u>1,335,353</u>
Budgetary Fund balances, ending	<u>\$ 5,613,569</u>	<u>\$ 4,861,719</u>	<u>\$ 6,414,341</u>	<u>\$ 1,552,622</u>

COUNTY OF BUTTE, CALIFORNIA

Budget Comparison Schedule - Budgetary Basis
 IHSS Public Authority Special Revenue Fund
 For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, beginning of year	\$ --	\$ (113,679)	\$ (113,679)	\$ --
RESOURCES (inflows):				
Revenues from uses of money and property	--	--	1,975	1,975
Aid from other governments	--	507,345	361,181	(146,164)
Amounts available for appropriation	--	507,345	363,156	(144,189)
CHANGES TO APPROPRIATIONS (outflows):				
Public Assistance:				
IHSS Public Authority:				
Salaries and employee benefits	--	398,066	300,484	97,582
Services and supplies	--	96,773	52,133	44,640
Other charges	--	12,506	12,640	(134)
Total IHSS Public Authority	--	507,345	365,257	142,088
Total Public Assistance	--	507,345	365,257	142,088
Total Charges to appropriations	--	507,345	365,257	142,088
Budgetary Fund balances, ending	\$ --	\$ (113,679)	\$ (115,780)	\$ (2,101)

COUNTY OF BUTTE, CALIFORNIA

Budget Comparison Schedule - Budgetary Basis
Debt Service Fund
For the Fiscal Year Ended June 30, 2009

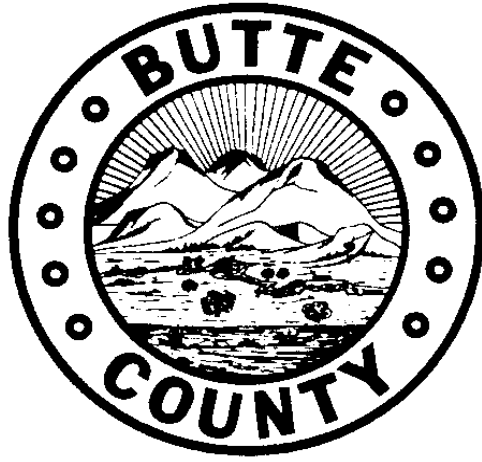
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, beginning of year	\$ 5,385,967	\$ 5,385,967	\$ 5,385,967	\$ --
RESOURCES (inflows):				
Revenues from uses of money and property	--	--	103,121	103,121
Other	3,185,992	3,185,992	4,976,827	1,790,835
Interfund transfers	868,134	868,134	--	(868,134)
Amounts available for appropriation	<u>4,054,126</u>	<u>4,054,126</u>	<u>5,079,948</u>	<u>1,025,822</u>
CHANGES TO APPROPRIATIONS (outflows):				
General Government:				
POB Series A:				
Services and supplies	2,500	6,705	6,703	
Other financing uses	1,690,992	1,690,992	1,690,992	--
Total POB Series A	<u>1,693,492</u>	<u>1,697,697</u>	<u>1,697,695</u>	<u>--</u>
POB Series B:				
Services and supplies	2,500	2,500	2,500	--
Other financing uses	1,490,000	1,490,000	449,621	1,040,379
Total POB Series B	<u>1,492,500</u>	<u>1,492,500</u>	<u>452,121</u>	<u>1,040,379</u>
CEC Solar				
Other charges	312,967	312,967	--	312,967
Total CEC Solar	<u>312,967</u>	<u>312,967</u>	<u>--</u>	<u>312,967</u>
Chico Memorial Hall 554 Rio				
Other charges	62,275	62,275	62,275	--
Total Chico Memorial Hall 554 Rio	<u>62,275</u>	<u>62,275</u>	<u>62,275</u>	<u>--</u>
Chico Memorial Hall 492 Rio				
Other charges	61,158	61,158	61,156	2
Total Chico Memorial Hall 492 Rio	<u>61,158</u>	<u>61,158</u>	<u>61,156</u>	<u>2</u>
Total General Government	<u>3,622,392</u>	<u>3,626,597</u>	<u>2,273,247</u>	<u>1,353,348</u>
Public Protection:				
Justice Facility:				
Services and supplies	--	2,825	2,824	1
Other financing uses	423,148	420,323	384,386	35,937
Total Justice Facility	<u>423,148</u>	<u>423,148</u>	<u>387,210</u>	<u>35,938</u>

continued

COUNTY OF BUTTE, CALIFORNIA

Budget Comparison Schedule - Budgetary Basis
Debt Service Fund
For the Fiscal Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Public Protection (continued):				
DA-Ford Motor Credit x16373				
Other charges	\$ 8,586	\$ 8,586	\$ --	\$ 8,586
Total DA-Ford Motor Credit x16373	<u>8,586</u>	<u>8,586</u>	<u>--</u>	<u>8,586</u>
 Total Public Protection	 <u>431,734</u>	 <u>431,734</u>	 <u>387,210</u>	 <u>44,524</u>
Total Charges to appropriations	<u>4,054,126</u>	<u>4,058,331</u>	<u>2,660,457</u>	<u>1,397,872</u>
 Budgetary Fund balances, ending	 <u>\$ 5,385,967</u>	 <u>\$ 5,381,762</u>	 <u>\$ 7,805,458</u>	 <u>\$ 2,423,694</u>



Internal Service Funds

COUNTY OF BUTTE

Internal Service Funds

These funds were established to account for the goods or services furnished by one County department or agency to other departments or agencies of the County, or to other governments, on a cost-reimbursement basis.

The *Data Processing Fund* is supported by revenues received from County departments for services from the Data Processing department for software systems support to computer network and data structure design and organization to County computer systems.

The *Self-Insurance Fund* accounts for the liability claims against the County, the administration of the insurance program, and associated legal and adjustment expenses.

The *Worker's Compensation Insurance Fund* accounts for the disability, medical, and rehabilitation expenses and related costs associated with on-the-job injuries.

The *Unemployment Insurance Fund* accounts for the unemployment compensation claims filed against the County.

The *Medical Liability Insurance Fund* accounts for the medical compensation claims filed against the County.

The *Self-Insurance Transit Fund* accounts for the transit claims filed against the County.

The *Miscellaneous Insurance Fund* accounts for the financing of the County's miscellaneous self-insurances.

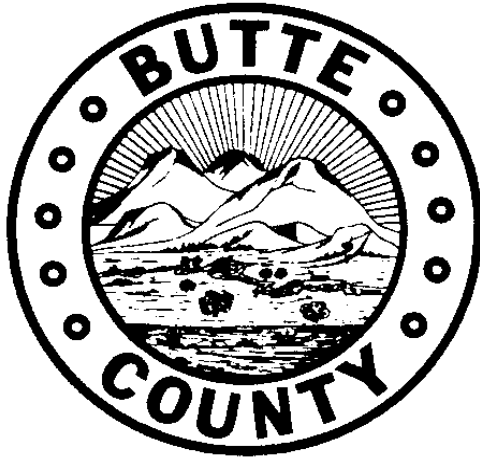
The *Facilities Services Fund* accounts for maintenance service provided to County departments.

The *Utilities Clearing Fund* accounts for the utilities provided to County departments.

The *Duplicating Fund* accounts for printing service functions such as reproduction, layouts, and related costs provided to County departments.

The *Stores Fund* accounts for surplus property of the County departments.

The *Communications Fund* accounts for centralized information management provided to County departments.



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COUNTY OF BUTTE, CALIFORNIA

Combining Statement of Fund Net Assets
Internal Service Funds
June 30, 2009

ASSETS	<u>Data Processing</u>	<u>Self Insurance</u>	<u>Workers' Compensation</u>	<u>Unemployment Insurance</u>
Current Assets:				
Cash and Investments	\$ 681,348	\$ 1,913,513	\$ 12,681,428	\$ 1,540,850
Cash with fiscal agent	--	--	42,353	--
Imprest cash	--	--	--	--
Due from other funds	45,642	30,615	3,499	141
Accounts receivable	--	--	--	--
Interest receivable	5,421	13,824	103,293	8,915
Prepaid expenses	--	22,815	--	--
Inventories	--	--	--	--
Deposits with others	--	--	90,000	--
Total current assets	<u>732,411</u>	<u>1,980,767</u>	<u>12,920,573</u>	<u>1,549,906</u>
Noncurrent Assets:				
Capital Assets:				
Nondepreciable:				
Depreciable:				
Equipment	3,141,254	10,671	8,911	--
Accumulated depreciation	<u>(1,925,978)</u>	<u>(1,601)</u>	<u>(3,861)</u>	<u>--</u>
Total noncurrent assets	<u>1,215,276</u>	<u>9,070</u>	<u>5,050</u>	<u>--</u>
Total assets	<u>1,947,687</u>	<u>1,989,837</u>	<u>12,925,623</u>	<u>1,549,906</u>
LIABILITIES				
Current Liabilities:				
Due to other funds	\$ 170,564	\$ 106,512	\$ 197,781	\$ 989
Accounts payable	36,243	101,034	2,522	--
Accrued salaries and benefits	81,061	42	625	--
Liability for unpaid claims	--	400,000	2,000,000	--
Total current liabilities	<u>287,868</u>	<u>607,588</u>	<u>2,200,928</u>	<u>989</u>
Long-Term Liabilities:				
Liability for compensated absences	371,022	--	--	--
Liability for unpaid claims	--	514,000	1,891,000	--
Total noncurrent liabilities	<u>371,022</u>	<u>514,000</u>	<u>1,891,000</u>	<u>--</u>
Total liabilities	<u>658,890</u>	<u>1,121,588</u>	<u>4,091,928</u>	<u>989</u>
NET ASSETS				
Invested in capital assets, net of related debt	1,215,276	9,070	5,050	--
Unrestricted	<u>73,521</u>	<u>859,179</u>	<u>8,828,645</u>	<u>1,548,917</u>
Total net assets	<u>\$ 1,288,797</u>	<u>\$ 868,249</u>	<u>\$ 8,833,695</u>	<u>\$ 1,548,917</u>

continued

COUNTY OF BUTTE, CALIFORNIA

Combining Statement of Fund Net Assets (continued)
Internal Service Funds
June 30, 2009

ASSETS	<u>Medical Liability</u>	<u>Miscellaneous Insurance</u>	<u>Facilities Services</u>	<u>Utilities Clearing</u>
Current Assets:				
Cash and Investments	\$ 380	\$ 1,228	\$ 81,759	\$ 169,365
Cash with fiscal agent	--	--	--	--
Imprest cash	--	--	--	--
Due from other funds	49	50	509,416	11,863
Accounts receivable	--	--	21	--
Interest receivable	6	7	477	2,910
Prepaid expenses	--	--	726	--
Inventories	--	--	--	--
Deposits with others	--	--	--	--
Total current assets	<u>435</u>	<u>1,285</u>	<u>592,399</u>	<u>184,138</u>
Noncurrent Assets:				
Capital Assets:				
Nondepreciable:				
Depreciable:				
Equipment	--	--	839,097	--
Accumulated depreciation	--	--	(614,727)	--
Total noncurrent assets	<u>--</u>	<u>--</u>	<u>224,370</u>	<u>--</u>
Total assets	<u>435</u>	<u>1,285</u>	<u>816,769</u>	<u>184,138</u>
LIABILITIES				
Current Liabilities:				
Due to other funds	\$ 861	\$ 336	\$ 368,479	\$ 9,419
Accounts payable	--	--	35,605	19,684
Accrued salaries and benefits	--	--	73,782	--
Liability for unpaid claims	--	--	--	--
Total current liabilities	<u>861</u>	<u>336</u>	<u>477,866</u>	<u>29,103</u>
Long-Term Liabilities:				
Liability for compensated absences	--	--	152,982	--
Liability for unpaid claims	--	--	--	--
Total noncurrent liabilities	<u>--</u>	<u>--</u>	<u>152,982</u>	<u>--</u>
Total liabilities	<u>861</u>	<u>336</u>	<u>630,848</u>	<u>29,103</u>
NET ASSETS				
Invested in capital assets, net of related debt	--	--	224,370	--
Unrestricted	(426)	949	(38,449)	155,035
Total net assets	<u>\$ (426)</u>	<u>\$ 949</u>	<u>\$ 185,921</u>	<u>\$ 155,035</u>

continued

COUNTY OF BUTTE, CALIFORNIA

Combining Statement of Fund Net Assets (continued)
Internal Service Funds
June 30, 2009

ASSETS	<u>Duplicating</u>	<u>Stores</u>	<u>Communications</u>	<u>Total</u>
Current Assets:				
Cash and Investments	\$ 56,759	\$ --	\$ --	\$ 17,126,630
Cash with fiscal agent	--	--	--	42,353
Imprest cash	--	40,000	--	40,000
Due from other funds	25,855	187,966	249,302	1,064,398
Accounts receivable	46,937	8,175	196,645	251,778
Interest receivable	128	(341)	1,489	136,129
Prepaid expenses	29,424	--	--	52,965
Inventories	--	101,692	--	101,692
Deposits with others	--	--	--	90,000
Total current assets	<u>159,103</u>	<u>337,492</u>	<u>447,436</u>	<u>18,905,945</u>
Noncurrent Assets:				
Capital Assets:				
Nondepreciable:				
Depreciable:				
Equipment	74,591	74,263	1,153,819	5,302,606
Accumulated depreciation	<u>(59,037)</u>	<u>(66,951)</u>	<u>(796,245)</u>	<u>(3,468,400)</u>
Total noncurrent assets	<u>15,554</u>	<u>7,312</u>	<u>357,574</u>	<u>1,834,206</u>
Total assets	<u>174,657</u>	<u>344,804</u>	<u>805,010</u>	<u>20,740,151</u>
LIABILITIES				
Current Liabilities:				
Due to other funds	\$ 22,185	\$ 120,899	\$ 191,917	\$ 1,189,942
Accounts payable	43,568	8,579	101,533	348,768
Accrued salaries and benefits	6,304	4,948	14,683	181,445
Liability for unpaid claims	--	--	--	2,400,000
Total current liabilities	<u>72,057</u>	<u>134,426</u>	<u>308,133</u>	<u>4,120,155</u>
Long-Term Liabilities:				
Liability for compensated absences	17,528	7,327	44,073	592,932
Liability for unpaid claims	--	--	--	2,405,000
Total noncurrent liabilities	<u>17,528</u>	<u>7,327</u>	<u>44,073</u>	<u>2,997,932</u>
Total liabilities	<u>89,585</u>	<u>141,753</u>	<u>352,206</u>	<u>7,118,087</u>
NET ASSETS				
Invested in capital assets, net of related debt	15,554	7,312	357,574	1,834,206
Unrestricted	69,518	195,739	95,230	11,787,858
Total net assets	<u>\$ 85,072</u>	<u>\$ 203,051</u>	<u>\$ 452,804</u>	<u>\$ 13,622,064</u>

COUNTY OF BUTTE, CALIFORNIA

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Fiscal Year Ended June 30, 2009

	<u>Data Processing</u>	<u>Self Insurance</u>	<u>Workers' Compensation</u>	<u>Unemployment Insurance</u>
OPERATING REVENUES				
Charges for services	\$ 3,067,627	\$ 1,786,020	\$ 3,320,871	\$ 525,232
Miscellaneous	2,395	130,927	--	--
Total operating revenues	<u>3,070,022</u>	<u>1,916,947</u>	<u>3,320,871</u>	<u>525,232</u>
OPERATING EXPENSES				
Salaries and employee benefits	2,091,454	(61,149)	--	448,708
Services and supplies	639,807	729,636	170,175	1,257
Premiums, claims and judgments	--	1,077,483	1,068,543	--
Other charges	51,836	64,641	377,796	2,074
Depreciation and amortization	298,451	711	594	--
Total operating expenses	<u>3,081,548</u>	<u>1,811,322</u>	<u>1,617,108</u>	<u>452,039</u>
Operating income (loss)	<u>(11,526)</u>	<u>105,625</u>	<u>1,703,763</u>	<u>73,193</u>
Nonoperating revenues (expenses):				
Intergovernmental	--	--	--	--
Interest income	29,776	69,351	581,262	64,347
Total nonoperating revenues (expenses)	<u>29,776</u>	<u>69,351</u>	<u>581,262</u>	<u>64,347</u>
Net Income Before Transfers	18,250	174,976	2,285,025	137,540
Capital contributions	90,102	--	--	--
Transfers out	<u>(226,244)</u>	<u>(711)</u>	<u>(594)</u>	<u>--</u>
Change in net assets	(117,892)	174,265	2,284,431	137,540
Net assets, beginning	<u>1,406,689</u>	<u>693,984</u>	<u>6,549,264</u>	<u>1,411,377</u>
Net assets, ending	<u>\$ 1,288,797</u>	<u>\$ 868,249</u>	<u>\$ 8,833,695</u>	<u>\$ 1,548,917</u>

continued

COUNTY OF BUTTE, CALIFORNIA

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets (continued)
 Internal Service Funds
 For the Fiscal Year Ended June 30, 2009

	<u>Medical Liability</u>	<u>Miscellaneous Insurance</u>	<u>Facilities Services</u>	<u>Utilities Clearing</u>
OPERATING REVENUES				
Charges for services	\$ 128,652	\$ 102,951	\$ 3,899,997	\$ 1,918,052
Miscellaneous	--	--	750	--
Total operating revenues	<u>128,652</u>	<u>102,951</u>	<u>3,900,747</u>	<u>1,918,052</u>
OPERATING EXPENSES				
Salaries and employee benefits	--	--	2,154,933	--
Services and supplies	128,253	101,405	1,555,732	1,972,781
Premiums, claims and judgments	--	--	--	--
Other charges	1,553	862	269,452	--
Depreciation and amortization	--	--	62,974	--
Total operating expenses	<u>129,806</u>	<u>102,267</u>	<u>4,043,091</u>	<u>1,972,781</u>
Operating income (loss)	<u>(1,154)</u>	<u>684</u>	<u>(142,344)</u>	<u>(54,729)</u>
Nonoperating revenues (expenses):				
Intergovernmental	--	--	--	--
Interest income	(22)	209	(606)	15,988
Total nonoperating revenues (expenses)	<u>(22)</u>	<u>209</u>	<u>(606)</u>	<u>15,988</u>
Net Income Before Transfers	(1,176)	893	(142,950)	(38,741)
Capital contributions	--	--	--	--
Transfers out	--	--	--	--
Change in net assets	(1,176)	893	(142,950)	(38,741)
Net assets, beginning	750	56	328,871	193,776
Net assets, ending	<u>\$ (426)</u>	<u>\$ 949</u>	<u>\$ 185,921</u>	<u>\$ 155,035</u>

continued

COUNTY OF BUTTE, CALIFORNIA

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets (continued)
 Internal Service Funds
 For the Fiscal Year Ended June 30, 2009

	<u>Duplicating</u>	<u>Stores</u>	<u>Communications</u>	<u>Total</u>
OPERATING REVENUES				
Charges for services	\$ 714,495	\$ 962,644	\$ 2,113,102	\$ 18,539,643
Miscellaneous	27	1	52,741	186,841
	<u>714,522</u>	<u>962,645</u>	<u>2,165,843</u>	<u>18,726,484</u>
Total operating revenues				
OPERATING EXPENSES				
Salaries and employee benefits	184,464	140,339	454,721	5,413,470
Services and supplies	523,849	861,380	1,625,310	8,309,585
Premiums, claims and judgments	--	--	--	2,146,026
Other charges	35,900	24,543	53,179	881,836
Depreciation and amortization	4,227	4,618	52,381	423,956
	<u>748,440</u>	<u>1,030,880</u>	<u>2,185,591</u>	<u>17,174,873</u>
Total operating expenses				
Operating income (loss)	<u>(33,918)</u>	<u>(68,235)</u>	<u>(19,748)</u>	<u>1,551,611</u>
Nonoperating revenues (expenses):				
Intergovernmental	--	--	14,278	14,278
Interest income	1,856	1,960	4,409	768,530
	<u>1,856</u>	<u>1,960</u>	<u>18,687</u>	<u>782,808</u>
Total nonoperating revenues (expenses)				
Net Income Before Transfers	(32,062)	(66,275)	(1,061)	2,334,419
Capital contributions	--	--	--	90,102
Transfers out	<u>(4,227)</u>	<u>(4,618)</u>	<u>(52,381)</u>	<u>(288,775)</u>
Change in net assets	(36,289)	(70,893)	(53,442)	2,135,746
Net assets, beginning	<u>121,361</u>	<u>273,944</u>	<u>506,246</u>	<u>11,486,318</u>
Net assets, ending	<u>\$ 85,072</u>	<u>\$ 203,051</u>	<u>\$ 452,804</u>	<u>\$ 13,622,064</u>

COUNTY OF BUTTE, CALIFORNIA

Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2009

	<u>Data</u>	<u>Self</u>	<u>Workers'</u>	<u>Unemployment</u>
	<u>Processing</u>	<u>Insurance</u>	<u>Compensation</u>	<u>Insurance</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash receipts from customers	\$ 3,070,798	\$ 1,916,947	\$ 3,320,871	\$ 525,232
Cash paid to suppliers for goods and services	(698,307)	(1,827,832)	(2,152,515)	(4,167)
Cash paid to employees for services	(2,099,552)	(16,129)	625	(448,708)
Internal activities - payments from (to) other funds	416,703	155,057	133,200	825
Net cash provided (used) by operating activities	<u>689,642</u>	<u>228,043</u>	<u>1,302,181</u>	<u>73,182</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Aid from other governmental agencies	--	--	--	--
Transfers out	<u>(226,244)</u>	<u>(711)</u>	<u>(594)</u>	<u>--</u>
Net cash provided (used) by noncapital financing activities	<u>(226,244)</u>	<u>(711)</u>	<u>(594)</u>	<u>--</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Payments related to the acquisition of capital assets	<u>(72,207)</u>	--	--	--
Net cash provided (used) by capital and related financing activities	<u>(72,207)</u>	--	--	--
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	<u>26,481</u>	<u>69,773</u>	<u>549,548</u>	<u>63,402</u>
Net cash provided (used) by investing activities	<u>26,481</u>	<u>69,773</u>	<u>549,548</u>	<u>63,402</u>
Net increase (decrease) in cash and cash equivalents	417,672	297,105	1,851,135	136,584
Cash and cash equivalents, beginning	<u>263,676</u>	<u>1,616,408</u>	<u>10,872,646</u>	<u>1,404,266</u>
Cash and cash equivalents, ending	<u>\$ 681,348</u>	<u>\$ 1,913,513</u>	<u>\$ 12,723,781</u>	<u>\$ 1,540,850</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET ASSETS				
Cash and investments	\$ 681,348	\$ 1,913,513	\$ 12,681,428	\$ 1,540,850
Cash with fiscal agent	--	--	42,353	--
Imprest cash	--	--	--	--
Total cash and investments	<u>\$ 681,348</u>	<u>\$ 1,913,513</u>	<u>\$ 12,723,781</u>	<u>\$ 1,540,850</u>

continued

COUNTY OF BUTTE, CALIFORNIA

Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2009

	<u>Medical Liability</u>	<u>Miscellaneous Insurance</u>	<u>Facilities Services</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash receipts from customers	\$ 128,652	\$ 102,951	\$ 3,951,335
Cash paid to suppliers for goods and services	(129,806)	(102,267)	(1,970,152)
Cash paid to employees for services	--	--	(2,171,920)
Internal activities - payments from (to) other funds	817	310	(20,365)
	<u> </u>	<u> </u>	<u> </u>
Net cash provided (used) by operating activities	(337)	994	(211,102)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Aid from other governmental agencies	--	--	--
Transfers out	--	--	--
	<u> </u>	<u> </u>	<u> </u>
Net cash provided (used) by noncapital financing activities	--	--	--
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Payments related to the acquisition of capital assets	--	--	--
	<u> </u>	<u> </u>	<u> </u>
Net cash provided (used) by capital and related financing activities	--	--	--
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	(21)	203	(384)
	<u> </u>	<u> </u>	<u> </u>
Net cash provided (used) by investing activities	(21)	203	(384)
Net increase (decrease) in cash and cash equivalents	(358)	1,197	(211,486)
Cash and cash equivalents, beginning	738	31	293,245
	<u> </u>	<u> </u>	<u> </u>
Cash and cash equivalents, ending	<u>\$ 380</u>	<u>\$ 1,228</u>	<u>\$ 81,759</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET ASSETS			
Cash and investments	\$ 380	\$ 1,228	\$ 81,759
Cash with fiscal agent	--	--	--
Imprest cash	--	--	--
	<u> </u>	<u> </u>	<u> </u>
Total cash and investments	<u>\$ 380</u>	<u>\$ 1,228</u>	<u>\$ 81,759</u>

continued

COUNTY OF BUTTE, CALIFORNIA

Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2009

	Utilities Clearing	Duplicating	Stores
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash receipts from customers	\$ 1,937,888	\$ 703,524	\$ 994,408
Cash paid to suppliers for goods and services	(2,112,166)	(511,491)	(832,347)
Cash paid to employees for services	--	(186,548)	(139,266)
Internal activities - payments from (to) other funds	(7,980)	33,960	(19,928)
	<u>(182,258)</u>	<u>39,445</u>	<u>2,867</u>
Net cash provided (used) by operating activities			
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Aid from other governmental agencies	--	--	--
Transfers out	--	(4,227)	(4,618)
	<u>--</u>	<u>(4,227)</u>	<u>(4,618)</u>
Net cash provided (used) by noncapital financing activities			
	<u>--</u>	<u>(4,227)</u>	<u>(4,618)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Payments related to the acquisition of capital assets	--	--	--
	<u>--</u>	<u>--</u>	<u>--</u>
Net cash provided (used) by capital and related financing activities			
	<u>--</u>	<u>--</u>	<u>--</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	17,519	1,795	1,751
	<u>17,519</u>	<u>1,795</u>	<u>1,751</u>
Net cash provided (used) by investing activities			
	<u>17,519</u>	<u>1,795</u>	<u>1,751</u>
Net increase (decrease) in cash and cash equivalents	(164,739)	37,013	--
Cash and cash equivalents, beginning	334,104	19,746	40,000
	<u>334,104</u>	<u>19,746</u>	<u>40,000</u>
Cash and cash equivalents, ending	<u>\$ 169,365</u>	<u>\$ 56,759</u>	<u>\$ 40,000</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET ASSETS			
Cash and investments	\$ 169,365	\$ 56,759	\$ --
Cash with fiscal agent	--	--	--
Imprest cash	--	--	40,000
Total cash and investments	<u>\$ 169,365</u>	<u>\$ 56,759</u>	<u>\$ 40,000</u>

continued

COUNTY OF BUTTE, CALIFORNIA

Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2009

	<u>Communications</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash receipts from customers	\$ 2,131,662	\$ 18,784,268
Cash paid to suppliers for goods and services	(1,744,672)	(12,085,722)
Cash paid to employees for services	(455,207)	(5,516,705)
Internal activities - payments from (to) other funds	104,278	796,877
	<hr/>	<hr/>
Net cash provided (used) by operating activities	36,061	1,978,718
	<hr/>	<hr/>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Aid from other governmental agencies	14,278	14,278
Transfers out	(63,704)	(300,098)
	<hr/>	<hr/>
Net cash provided (used) by noncapital financing activities	(49,426)	(285,820)
	<hr/>	<hr/>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Payments related to the acquisition of capital assets	(15,044)	(87,251)
	<hr/>	<hr/>
Net cash provided (used) by capital and related financing activities	(15,044)	(87,251)
	<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	4,064	734,131
	<hr/>	<hr/>
Net cash provided (used) by investing activities	4,064	734,131
	<hr/>	<hr/>
Net increase (decrease) in cash and cash equivalents	(24,345)	2,339,778
Cash and cash equivalents, beginning	24,345	14,869,205
	<hr/>	<hr/>
Cash and cash equivalents, ending	\$ --	\$ 17,208,983
	<hr/> <hr/>	<hr/> <hr/>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET ASSETS		
Cash and investments	\$ --	\$ 17,126,630
Cash with fiscal agent	--	42,353
Imprest cash	--	40,000
Total cash and investments	\$ --	\$ 17,208,983
	<hr/> <hr/>	<hr/> <hr/>

continued

COUNTY OF BUTTE

Combining Statement of Cash Flows (continued)
 Internal Service Funds
 For the Fiscal Year Ended June 30, 2009

	<u>Data</u>	<u>Self</u>	<u>Workers'</u>	<u>Unemployment</u>
	<u>Processing</u>	<u>Insurance</u>	<u>Compensation</u>	<u>Insurance</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ (11,526)	\$ 105,625	\$ 1,703,763	\$ 73,193
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	298,451	711	594	--
Changes in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	776	--	--	--
Due from other funds	277,495	50,292	(1,981)	(106)
Inventory	--	--	--	--
Deposits with others	--	--	(40,000)	--
Prepaid expenses and other assets	--	--	--	--
Increase (decrease) in:				
Accounts payable	(6,664)	(8,072)	(1)	(836)
Due to other funds	139,208	104,765	135,181	931
Accrued salaries	(802)	(12,693)	625	--
Deposits payable	--	--	--	--
Compensated absences	(7,296)	(64,585)	--	--
Claims and judgments	--	52,000	(496,000)	--
Net cash provided (used) by operating activities	<u>\$ 689,642</u>	<u>\$ 228,043</u>	<u>\$ 1,302,181</u>	<u>\$ 73,182</u>
Noncash investing, capital and financing activities:				
Contributions of capital assets from government	\$ 90,102	\$ --	\$ --	\$ --
Contributions of capital assets from other funds	--	--	--	--

continued

COUNTY OF BUTTE

Combining Statement of Cash Flows (continued)
 Internal Service Funds
 For the Fiscal Year Ended June 30, 2009

	<u>Medical Liability</u>	<u>Miscellaneous Insurance</u>	<u>Facilities Services</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ (1,154)	\$ 684	\$ (142,344)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	--	--	62,974
Changes in assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	--	--	50,588
Due from other funds	(26)	5	(303,668)
Inventory	--	--	--
Deposits with others	--	--	--
Prepaid expenses and other assets	--	--	(726)
Increase (decrease) in:			
Accounts payable	--	--	(50,242)
Due to other funds	843	305	283,303
Accrued salaries	--	--	(854)
Deposits payable	--	--	(94,000)
Compensated absences	--	--	(16,133)
Claims and judgments	--	--	--
Net cash provided (used) by operating activities	<u>\$ (337)</u>	<u>\$ 994</u>	<u>\$ (211,102)</u>
Noncash investing, capital and financing activities:			
Contributions of capital assets from government	\$ --	\$ --	\$ --
Contributions of capital assets from other funds	--	--	--

continued

COUNTY OF BUTTE

Combining Statement of Cash Flows (continued)
 Internal Service Funds
 For the Fiscal Year Ended June 30, 2009

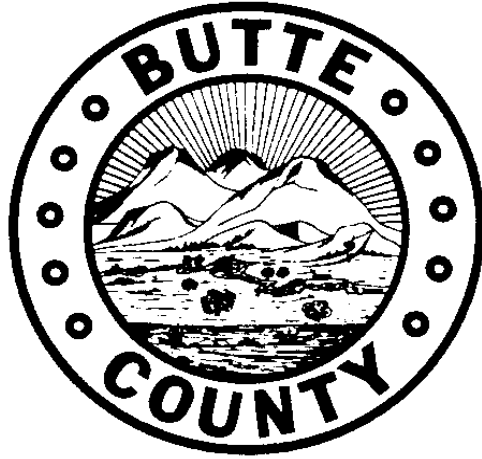
	<u>Utilities Clearing</u>	<u>Duplicating</u>	<u>Stores</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ (54,729)	\$ (33,918)	\$ (68,235)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	--	4,227	4,618
Changes in assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	19,836	(10,998)	31,763
Due from other funds	(11,862)	18,858	3,453
Inventory	--	--	54,766
Deposits with others	--	--	--
Prepaid expenses and other assets	--	25,611	--
Increase (decrease) in:			
Accounts payable	(139,385)	22,647	(1,190)
Due to other funds	3,882	15,102	(23,381)
Accrued salaries	--	330	(286)
Deposits payable	--	--	--
Compensated absences	--	(2,414)	1,359
Claims and judgments	--	--	--
Net cash provided (used) by operating activities	<u>\$ (182,258)</u>	<u>\$ 39,445</u>	<u>\$ 2,867</u>
Noncash investing, capital and financing activities:			
Contributions of capital assets from government	\$ --	\$ --	\$ --
Contributions of capital assets from other funds	--	--	--

continued

COUNTY OF BUTTE

Combining Statement of Cash Flows (continued)
Internal Service Funds
For the Fiscal Year Ended June 30, 2009

	Communications	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating income (loss)	\$ (19,748)	\$ 1,551,611
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	52,381	423,956
Changes in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(34,181)	57,784
Due from other funds	(66,964)	(34,504)
Inventory	930	55,696
Deposits with others	--	(40,000)
Prepaid expenses and other assets	46	24,931
Increase (decrease) in:		
Accounts payable	(67,159)	(250,902)
Due to other funds	171,242	831,381
Accrued salaries	(3,338)	(17,018)
Deposits payable	--	(94,000)
Compensated absences	2,852	(86,217)
Claims and judgments	--	(444,000)
	<u>\$ 36,061</u>	<u>\$ 1,978,718</u>
Net cash provided (used) by operating activities		
Noncash investing, capital and financing activities:		
Contributions of capital assets from government	\$ --	\$ 90,102
Contributions of capital assets from other funds	11,323	11,323



Fiduciary Funds

COUNTY OF BUTTE

Fiduciary Fund Types

Fiduciary Funds account for assets held by the County in a trustee capacity, or as an agent for private organizations, other governmental units, or other funds. The following are the County's Fiduciary Funds:

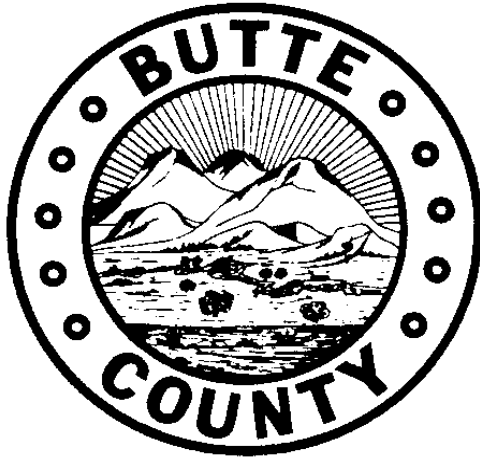
Agency Funds

The *Other Agency Fund* accounts for assets held for other governmental agencies and governmental units by the County in a fiduciary capacity.

The *Tax Resources Fund* accounts for funds reserved for losses and property tax receipts apportioned to other local government agencies participating in the Teeter Plan.

The *Butte County SB-325 Fund* accounts for funds held for other government agencies.

The *Butte County SB-620 Fund* accounts for funds held for other government agencies.



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COUNTY OF BUTTE, CALIFORNIA

Combining Statement of Fiduciary Assets and Liabilities
 Agency Funds
 June 30, 2009

	<u>Other</u>	<u>Tax Resources</u>	<u>Butte County SB-325</u>	<u>Butte County SB-620</u>	<u>Total</u>
ASSETS					
Cash and investments	\$ 15,937,564	\$ 4,342,008	\$ 2,337	\$ 51	\$ 20,281,960
Interest receivable	14,898	104,974	25	--	119,897
Property tax receivable	--	15,123,920	--	--	15,123,920
Total assets	<u>\$ 15,952,462</u>	<u>\$ 19,570,902</u>	<u>\$ 2,362</u>	<u>\$ 51</u>	<u>\$ 35,525,777</u>
LIABILITIES					
Agency funds held for others	\$ 15,952,462	\$ 19,570,902	\$ 2,362	\$ 51	\$ 35,525,777
Total liabilities	<u>\$ 15,952,462</u>	<u>\$ 19,570,902</u>	<u>\$ 2,362</u>	<u>\$ 51</u>	<u>\$ 35,525,777</u>

COUNTY OF BUTTE, CALIFORNIA

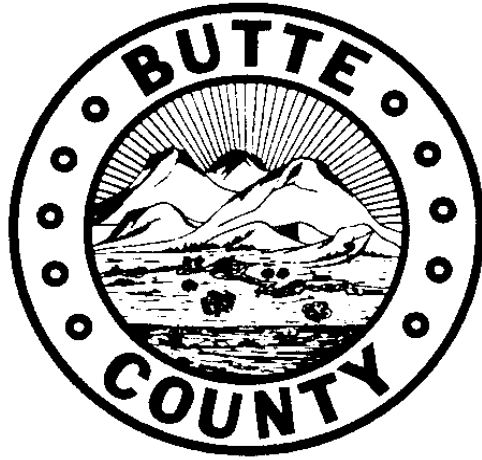
Combining Statement of Changes in Fiduciary Assets and Liabilities
Agency Funds
June 30, 2009

	Balance July 1, 2008 (Restated)	Additions	Deductions	Balance June 30, 2009
<u>Other</u>				
ASSETS				
Cash and investments	\$ 17,345,886	\$ --	\$ 1,408,322	\$ 15,937,564
Interest receivable	262,920	14,898	262,920	14,898
Total assets	<u>\$ 17,608,806</u>	<u>\$ 14,898</u>	<u>\$ 1,671,242</u>	<u>\$ 15,952,462</u>
LIABILITIES				
Agency funds held for others	17,608,806	14,898	1,671,242	15,952,462
Total liabilities	<u>\$ 17,608,806</u>	<u>\$ 14,898</u>	<u>\$ 1,671,242</u>	<u>\$ 15,952,462</u>
<u>Tax Resources</u>				
ASSETS				
Cash and investments	\$ 6,127,880	\$ --	\$ 1,785,872	\$ 4,342,008
Interest receivable	123,250	104,974	123,250	104,974
Property tax receivable	12,078,026	15,123,920	12,078,026	15,123,920
Total assets	<u>\$ 18,329,156</u>	<u>\$ 15,228,894</u>	<u>\$ 13,987,148</u>	<u>\$ 19,570,902</u>
LIABILITIES				
Agency funds held for others	\$ 18,329,156	\$ 15,228,894	\$ 13,987,148	\$ 19,570,902
Total liabilities	<u>\$ 18,329,156</u>	<u>\$ 15,228,894</u>	<u>\$ 13,987,148</u>	<u>\$ 19,570,902</u>
<u>Butte County SB-325</u>				
ASSETS				
Cash and investments	\$ --	\$ 2,337	\$ --	\$ 2,337
Interest receivable	2	25	2	25
Total assets	<u>\$ 2</u>	<u>\$ 2,362</u>	<u>\$ 2</u>	<u>\$ 2,362</u>
LIABILITIES				
Agency funds held for others	2	2,362	2	2,362
Total liabilities	<u>\$ 2</u>	<u>\$ 2,362</u>	<u>\$ 2</u>	<u>\$ 2,362</u>

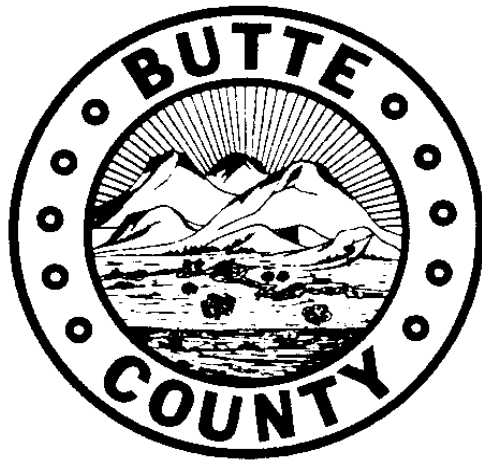
COUNTY OF BUTTE, CALIFORNIA

Combining Statement of Changes in Fiduciary Assets and Liabilities
Agency Funds
June 30, 2009

	Balance July 1, 2008 (Restated)	Additions	Deductions	Balance June 30, 2009
<u>Butte County SB-620</u>				
ASSETS				
Cash and investments	\$ 3	\$ 48	\$ --	\$ 51
Total assets	<u>\$ 3</u>	<u>\$ 48</u>	<u>\$ --</u>	<u>\$ 51</u>
LIABILITIES				
Agency funds held for others	3	48	--	51
Total liabilities	<u>\$ 3</u>	<u>\$ 48</u>	<u>\$ --</u>	<u>\$ 51</u>
 <u>Total Agency Funds</u>				
ASSETS				
Cash and investments	\$ 23,473,769	\$ 2,385	\$ 3,194,194	\$ 20,281,960
Interest receivable	386,172	119,897	386,172	119,897
Property tax receivable	12,078,026	15,123,920	12,078,026	15,123,920
Total assets	<u>\$ 35,937,967</u>	<u>\$ 15,246,202</u>	<u>\$ 15,658,392</u>	<u>\$ 35,525,777</u>
LIABILITIES				
Agency funds held for others	35,937,967	15,246,202	15,658,392	35,525,777
Total liabilities	<u>\$ 35,937,967</u>	<u>\$ 15,246,202</u>	<u>\$ 15,658,392</u>	<u>\$ 35,525,777</u>



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Statistical Section

Statistical Section

The information in this section is not covered by the Independent Auditor's Report, but is presented as supplemental data for the benefit of the readers of the comprehensive annual financial report. The objectives of statistical section information are to provide financial statement users with additional historical perspective, context, and detail to assist in using the information in the financial statements, notes to financial statements, and required supplementary information to understand and assess a government's economic condition.

CONTENTS

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 trend information to help the reader assess the County's most significant local revenue source, the property tax.

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.

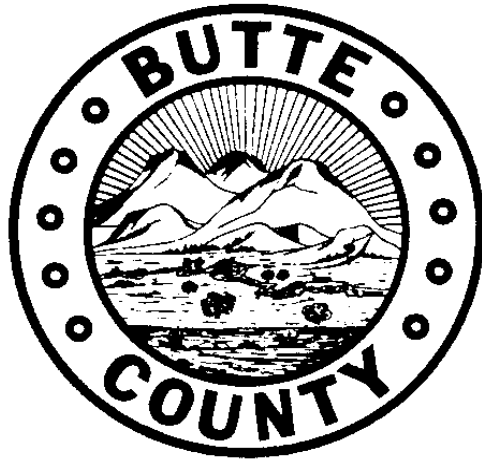
ECONOMIC AND DEMOGRAPHIC INFORMATION

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

OPERATING INFORMATION

These schedules contain service and infrastructure 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.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.



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COUNTY OF BUTTE, CALIFORNIA
NET ASSETS by COMPONENT
LAST EIGHT FISCAL YEARS
(accrual basis of accounting)

	For the Fiscal Year Ended June 30,							
	2002	2003	2004	2005	2006	2007	2008	2009
<u>Governmental activities:</u>								
Invested in capital assets, net of related debt	\$ 361,051,836	\$ 346,872,973	\$ 287,229,222	\$ 328,573,058	\$ 313,955,354	\$ 299,087,057	\$ 280,126,245	\$ 269,571,545
Restricted	50,627,806	43,991,120	29,106,697	14,971,692	16,696,959	26,321,708	45,999,726	51,089,379
Unrestricted	14,396,314	23,109,853	28,188,079	39,547,523	45,147,228	44,293,530	19,565,376	29,823,697
Total governmental activities net assets	<u>\$ 426,075,956</u>	<u>\$ 413,973,946</u>	<u>\$ 344,523,998</u>	<u>\$ 383,092,273</u>	<u>\$ 375,799,541</u>	<u>\$ 369,702,295</u>	<u>\$ 345,691,347</u>	<u>\$ 350,484,621</u>
<u>Business-type activities:</u>								
Invested in capital assets, net of related debt	\$ 3,715,815	\$ 4,389,868	\$ 6,799,310	\$ 8,402,774	\$ 8,748,541	\$ 1,792,507	\$ 4,389,846	\$ 5,046,136
Restricted	--	--	6,196,080	6,434,145	6,691,502	4,083,228	4,300,259	4,421,316
Unrestricted	5,987,239	9,311,498	520,516	(313,620)	(753,677)	11,463,088	10,256,700	10,664,266
Total business-type activities net assets	<u>\$ 9,703,054</u>	<u>\$ 13,701,366</u>	<u>\$ 13,515,906</u>	<u>\$ 14,523,299</u>	<u>\$ 14,686,366</u>	<u>\$ 17,338,823</u>	<u>\$ 18,946,805</u>	<u>\$ 20,131,718</u>
<u>Primary government:</u>								
Invested in capital assets, net of related debt	\$ 364,767,651	\$ 351,262,841	\$ 294,028,532	\$ 336,975,832	\$ 322,703,895	\$ 300,879,564	\$ 284,516,091	\$ 274,617,681
Restricted	50,627,806	43,991,120	35,302,777	21,405,837	23,388,461	30,404,936	50,299,985	55,510,695
Unrestricted	20,383,553	32,421,351	28,708,595	39,233,903	44,393,551	55,756,618	29,822,076	40,487,963
Total primary government net assets	<u>\$ 435,779,010</u>	<u>\$ 427,675,312</u>	<u>\$ 358,039,904</u>	<u>\$ 397,615,572</u>	<u>\$ 390,485,907</u>	<u>\$ 387,041,118</u>	<u>\$ 364,638,152</u>	<u>\$ 370,616,339</u>

Source: Auditor-Controller, County of Butte

Note: The Government-wide reporting requirements related to the implementation of GASB 34 were initiated during fiscal year 2001-02. We therefore only have eight years of data available to report.

COUNTY OF BUTTE, CALIFORNIA
CHANGES IN NET ASSETS
LAST EIGHT FISCAL YEARS
(accrual basis of accounting)

	For the Fiscal Year Ended June 30,							
	2002	2003	2004	2005	2006	2007	2008	2009
Governmental activities:								
Expenses								
General government	\$ 12,073,217	\$ 13,403,744	\$ 19,988,028	\$ 28,108,571	\$ 16,617,793	\$ 19,086,835	\$ 20,865,771	\$ 20,710,290
Public protection	61,195,775	67,875,626	69,137,314	82,634,178	81,999,331	87,500,747	96,664,267	94,362,185
Public ways and facilities	27,590,645	28,463,533	28,079,018	17,520,672	31,531,708	34,623,721	39,999,631	34,975,071
Health and sanitation	49,121,198	55,095,207	55,942,561	56,395,525	58,593,884	64,268,283	72,458,490	67,582,300
Public assistance	123,118,708	127,500,579	126,530,857	130,935,568	130,966,814	135,871,668	142,125,227	142,615,875
Education	2,453,904	2,522,005	2,749,824	2,723,315	2,905,270	3,117,432	3,394,070	3,291,233
Culture and recreation services	430,377	533,602	393,637	499,967	658,741	604,386	374,615	524,852
Interest on long-term debt	--	--	--	3,608,601	4,183,940	4,315,186	3,696,005	2,659,630
Total governmental activities expense	275,983,824	295,394,296	302,821,239	322,426,397	327,457,481	349,388,258	379,578,076	366,721,436
Program Revenues								
Charges for services:								
General government	6,399,673	5,856,655	6,461,374	16,760,879	16,779,891	19,903,572	20,463,697	16,567,360
Public protection	12,695,131	13,731,788	8,021,648	6,461,794	5,581,142	5,285,862	6,000,509	9,180,534
Public ways and facilities	1,787,913	2,631,921	925,783	2,680,446	2,932,837	3,439,296	3,547,975	4,082,071
Health and sanitation	5,424,164	6,391,541	5,929,611	4,109,596	4,041,916	5,011,027	5,176,893	5,673,115
Public assistance	834,080	1,157,862	2,289,201	393,023	205,520	354,261	543,906	711,842
Education	164,024	327,068	72,357	72,532	118,108	101,360	89,362	113,684
Culture and recreation services	52,988	57,256	58,789	--	101,775	115,716	120,209	--
Operating grants and contributions	197,761,213	205,178,971	207,564,618	184,501,125	194,629,899	206,381,946	214,119,802	222,937,925
Capital grants and contributions	11,051,195	2,643,929	3,151,868	14,939,327	11,982,196	13,136,901	12,981,464	16,299,993
Total governmental activities program revenues	236,170,381	237,976,991	234,475,249	229,918,722	236,373,284	253,729,941	263,043,817	275,566,524
Net Expense¹	(39,813,443)	(57,417,305)	(68,345,990)	(92,507,675)	(91,084,197)	(95,658,317)	(116,534,259)	(91,154,912)
General Revenues and Transfers								
Taxes:								
Property taxes	14,269,289	17,798,624	18,770,212	34,260,317	41,656,548	45,641,947	47,928,940	49,534,039
Sales taxes	3,278,612	3,517,481	3,846,573	4,952,509	3,371,227	4,551,967	4,006,588	3,525,252
Other taxes and related revenues	3,689,600	2,353,498	2,715,949	1,935,715	1,624,332	1,356,479	989,470	1,031,960
Grants and contributions not restricted to specific programs	16,632,649	15,056,401	12,405,825	18,526,669	25,122,030	21,030,134	21,299,136	17,253,122
Unrestricted investment earnings	2,470,163	1,587,619	1,936,913	3,291,173	1,474,933	5,558,955	5,367,056	4,832,431
Gain (Loss) on Sale/Disposal of Capital Assets	23,321	--	(5,569)	(66,147)	19,610	--	--	--
Miscellaneous	3,505,351	5,008,578	8,326,140	19,507,815	8,327,670	11,430,359	12,932,121	11,688,662
Transfers	--	(6,906)	--	--	--	(8,770)	--	--
Total general revenues and transfers	43,868,985	45,315,295	47,996,043	82,408,051	81,596,350	89,561,071	92,523,311	87,865,466
Change in net assets-								
-governmental activities	\$ 4,055,542	\$ (12,102,010)	\$ (20,349,947)	\$ (10,099,624)	\$ (9,487,847)	\$ (6,097,246)	\$ (24,010,948)	\$ (3,289,446)

¹ Net expense 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 general revenues were needed to finance that function or program.

COUNTY OF BUTTE, CALIFORNIA
CHANGES IN NET ASSETS
LAST EIGHT FISCAL YEARS
(accrual basis of accounting)

	For the Fiscal Year Ended June 30,							
	2002	2003	2004	2005	2006	2007	2008	2009
Business-Type activities:								
Expenses								
Sanitation	\$ 4,780,855	\$ 1,425,942	\$ 5,129,527	\$ 4,664,895	\$ 4,680,195	\$ 4,403,172	\$ 5,486,248	\$ 5,804,049
Transit	1,796,178	2,192,068	2,243,837	2,528,381	23,907	388,537	--	--
Total business-type activities	<u>6,577,033</u>	<u>3,618,010</u>	<u>7,373,364</u>	<u>7,193,276</u>	<u>4,704,102</u>	<u>4,791,709</u>	<u>5,486,248</u>	<u>5,804,049</u>
Program Revenues								
Charges for services:								
Sanitation	4,167,002	4,553,286	4,373,835	5,579,396	6,499,022	6,662,729	5,981,595	6,094,380
Transit	231,793	314,320	199,588	478,840	71,499	--	--	--
Operating grants and contributions	1,600,402	2,097,391	2,103,588	1,605,044	465,263	70,717	108,566	83,808
Total business-type activities program revenues	<u>5,999,197</u>	<u>6,964,997</u>	<u>6,677,011</u>	<u>7,663,280</u>	<u>7,035,784</u>	<u>6,733,446</u>	<u>6,090,161</u>	<u>6,178,188</u>
Net Expense¹	<u>(577,836)</u>	<u>3,346,987</u>	<u>(696,353)</u>	<u>470,004</u>	<u>2,331,682</u>	<u>1,941,737</u>	<u>603,913</u>	<u>374,139</u>
General revenues								
Unrestricted investment earnings	700,798	632,463	522,399	384,442	89,643	701,950	1,004,069	810,774
Gain (Loss) on Sale/Disposal of Capital Assets	(22,132)	--	--	--	(2,528,082)	--	--	--
Miscellaneous	209,152	18,862	(11,506)	152,947	186,366	--	--	--
Transfers	--	--	--	--	--	8,770	--	--
Total general revenues	<u>887,818</u>	<u>651,325</u>	<u>510,893</u>	<u>537,389</u>	<u>(2,252,073)</u>	<u>710,720</u>	<u>1,004,069</u>	<u>810,774</u>
Change in net assets -business-type activities	<u>\$ 309,982</u>	<u>\$ 3,998,312</u>	<u>\$ (185,460)</u>	<u>\$ 1,007,393</u>	<u>\$ 79,609</u>	<u>\$ 2,652,457</u>	<u>\$ 1,607,982</u>	<u>\$ 1,184,913</u>
Primary Government								
Expenses								
Governmental activities	\$ 275,983,824	\$ 295,394,296	\$ 302,821,239	\$ 322,426,397	\$ 327,457,481	\$ 349,388,258	\$ 379,578,076	\$ 366,721,436
Business-type activities	6,577,033	3,618,010	7,373,364	7,193,276	4,704,102	4,791,709	5,486,248	5,804,049
Total primary government expenses	<u>282,560,857</u>	<u>299,012,306</u>	<u>310,194,603</u>	<u>329,619,673</u>	<u>332,161,583</u>	<u>354,179,967</u>	<u>385,064,324</u>	<u>372,525,485</u>
Program Revenues								
Governmental activities	236,170,381	237,976,991	234,475,249	229,918,722	236,373,284	253,729,941	263,043,817	275,566,524
Business-type activities	5,999,197	6,964,997	6,677,011	7,663,280	7,035,784	6,733,446	6,090,161	6,178,188
Total primary government program revenues	<u>242,169,578</u>	<u>244,941,988</u>	<u>241,152,260</u>	<u>237,582,002</u>	<u>243,409,068</u>	<u>260,463,387</u>	<u>269,133,978</u>	<u>281,744,712</u>
Net Expense¹	<u>(39,813,443)</u>	<u>(57,417,305)</u>	<u>(68,345,990)</u>	<u>(92,507,675)</u>	<u>(91,084,197)</u>	<u>(95,658,317)</u>	<u>(116,534,259)</u>	<u>(91,154,912)</u>
Governmental activities	(39,813,443)	(57,417,305)	(68,345,990)	(92,507,675)	(91,084,197)	(95,658,317)	(116,534,259)	(91,154,912)
Business-type activities	(577,836)	3,346,987	(696,353)	470,004	2,331,682	1,941,737	603,913	374,139
Total primary government net expense	<u>(40,391,279)</u>	<u>(54,070,318)</u>	<u>(69,042,343)</u>	<u>(92,037,671)</u>	<u>(88,752,515)</u>	<u>(93,716,580)</u>	<u>(115,930,346)</u>	<u>(90,780,773)</u>
General revenues								
Governmental activities	43,868,985	45,315,295	47,996,043	82,408,051	81,596,350	89,561,071	92,523,311	87,865,466
Business-type activities	887,818	651,325	510,893	537,389	(2,252,073)	710,720	1,004,069	810,774
Total primary government general revenues	<u>44,756,803</u>	<u>45,966,620</u>	<u>48,506,936</u>	<u>82,945,440</u>	<u>79,344,277</u>	<u>90,271,791</u>	<u>93,527,380</u>	<u>88,676,240</u>
Change in net assets								
Governmental activities	4,055,542	(12,102,010)	(20,349,947)	(10,099,624)	(9,487,847)	(6,097,246)	(24,010,948)	(3,289,446)
Business-type activities	309,982	3,998,312	(185,460)	1,007,393	79,609	2,652,457	1,607,982	1,184,913
Total primary government change in net assets	<u>\$ 4,365,524</u>	<u>\$ (8,103,698)</u>	<u>\$ (20,535,407)</u>	<u>\$ (9,092,231)</u>	<u>\$ (9,408,238)</u>	<u>\$ (3,444,789)</u>	<u>\$ (22,402,966)</u>	<u>\$ (2,104,533)</u>

Source: Auditor-Controller, County of Butte

Note: The Government-wide reporting requirements related to the implementation of GASB 34 were initiated during fiscal year 2001-02.

We therefore only have eight years of data available to report.

COUNTY OF BUTTE, CALIFORNIA
FUND BALANCES, GOVERNMENTAL FUNDS
LAST EIGHT FISCAL YEARS
(modified accrual basis of accounting)

	For the Fiscal Year Ended June 30,							
	2002	2003	2004	2005	2006	2007	2008	2009
General Fund:								
Reserved for:								
Encumbrances	\$ 7,069,736	\$ 7,257,572	\$ 6,409,889	\$ 5,130,723	\$ 5,535,099	\$ 2,829,192	\$ 4,164,873	\$ 2,437,136
Imprest cash	49,695	44,270	44,270	45,145	45,095	45,595	44,095	44,245
Prepaid items	--	--	1,100	4,140	15,503	1,138	--	1,888
Deposits with others	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Notes receivable								
General restrictions	15,695,241	18,132,280	21,069,956	3,165,083	5,196,551	5,586,824	10,611,120	11,560,087
Debt service	1,091,371	4,656,265	787,644	787,482	792,978	808,994	801,259	1,127,040
Unreserved:								
Designated	2,388,433	2,502,727	2,830,188	24,366,630	19,626,639	3,894,494	91,826	232,510
Undesignated	16,192,849	16,078,711	8,768,646	10,776,705	15,813,037	16,857,031	10,160,457	9,059,057
Total general fund balance	<u>\$ 42,489,825</u>	<u>\$ 48,674,325</u>	<u>\$ 39,914,193</u>	<u>\$ 44,278,408</u>	<u>\$ 47,027,402</u>	<u>\$ 30,025,768</u>	<u>\$ 25,876,130</u>	<u>\$ 24,464,463</u>
All other Governmental Funds:								
Reserved for:								
Encumbrances	\$ 10,347,610	\$ 7,304,377	\$ 5,412,910	\$ 4,389,886	\$ 2,988,183	\$ 10,563,974	\$ 17,850,098	\$ 11,526,534
Imprest cash	2,940	5,365	5,215	1,215	1,165	1,815	1,750	1,700
Prepaid items	--	--	2,190	297	945	1,766	--	4,088
Deposits with others	--	--	297	500	297	297	297	297
Long-term loans receivable ¹	3,241,840	3,134,461	2,682,411	2,226,168	2,074,395	--	--	--
General restrictions	4,369,157	4,006,428	3,862,737	731,130	948,144	1,961,755	21,963,318	22,424,759
Debt service	--	1,150,916	417,810	8,061,829	7,684,891	8,970,613	5,522,525	7,943,619
Inventories	95,668	119,333	280,034	267,580	310,556	231,586	293,954	273,707
Unreserved:								
Designated, reported in:								
Special revenue funds	5,937,454	5,594,935	5,356,679	6,053,130	7,102,915	23,931,864	--	4,558,541
Undesignated, reported in:								
Special revenue funds	9,327,658	7,339,842	8,004,013	10,816,972	14,336,025	8,439,849	1,249,734	12,604,968
Capital projects funds	(2,402,568)	(1,331,347)	501,318	90,015	129,562	220,031	848,587	295,664
Total other governmental fund balances	<u>\$ 30,919,759</u>	<u>\$ 27,324,310</u>	<u>\$ 26,525,614</u>	<u>\$ 32,638,722</u>	<u>\$ 35,577,078</u>	<u>\$ 54,323,550</u>	<u>\$ 47,730,263</u>	<u>\$ 59,633,877</u>

¹ During the fiscal year 2006-2007, the County changed the way it accounts for loans receivable by offsetting loans receivable with deferred revenue instead of restricted fund balance.

Source: Auditor-Controller, County of Butte

Note 1: The Government-wide reporting requirements related to the implementation of GASB 34 were initiated during fiscal year 2001-02. We therefore only have eight years of data available to report.

Note 2: The substantial increase or decrease in fund balance reserved or designated is explained in Management's Discussion and Analysis.

COUNTY OF BUTTE, CALIFORNIA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST EIGHT FISCAL YEARS
(modified accrual basis of accounting)

	For the Fiscal Year Ended June 30,							
	2002	2003	2004	2005	2006	2007	2008	2009
REVENUES								
Taxes	\$ 21,237,501	\$ 22,753,793	\$ 23,874,775	\$ 41,845,457	\$ 47,395,136	\$ 52,384,206	\$ 53,797,238	\$ 54,091,251
Licenses and permits	3,398,347	3,988,539	4,360,823	5,143,170	4,322,084	4,861,476	4,604,498	3,720,735
Fines, forfeitures, and penalties	2,115,318	2,255,129	2,741,657	1,829,081	2,446,572	2,728,930	3,139,816	3,307,221
Revenues from uses of money and property	3,533,053	3,053,170	2,240,655	3,081,942	1,337,150	5,285,289	4,982,969	4,063,901
Aid from other governments	224,680,201	223,632,528	221,567,801	217,938,378	231,688,344	240,529,554	248,376,861	256,476,762
Charges for services	20,091,942	22,705,240	22,558,577	23,166,702	22,885,477	26,645,205	27,757,939	29,300,650
Other	5,637,472	3,912,473	6,852,202	19,506,239	8,327,670	11,430,359	12,932,121	11,688,660
Total revenues	280,693,834	282,300,872	284,196,490	312,510,969	318,402,433	343,865,019	355,591,442	362,649,180
EXPENDITURES:								
Current:								
General government	13,295,361	13,564,592	23,530,072	28,041,583	18,353,948	20,440,643	21,640,700	21,456,259
Public protection	68,903,950	72,318,779	73,266,989	80,974,652	80,525,118	89,379,218	97,512,700	93,854,161
Public ways and facilities	14,798,252	13,942,349	15,811,238	10,943,957	14,332,609	17,037,110	18,547,425	22,211,130
Health and sanitation	48,966,706	54,706,422	55,626,131	55,683,804	59,429,613	65,632,200	72,966,299	67,928,959
Public assistance	122,398,997	127,320,047	126,018,804	128,551,888	131,916,991	137,501,206	142,597,681	143,751,638
Education	2,323,995	2,595,937	2,618,241	2,604,840	2,819,417	3,056,164	3,397,317	3,227,903
Recreation and cultural services	4,065,679	629,744	455,878	356,178	540,284	475,794	574,995	538,899
Debt Service: (1)								
Principal	--	--	--	4,160,315	5,562,451	2,854,718	6,774,954	746,483
Interest	--	--	--	3,259,717	4,218,911	4,226,524	3,599,724	2,597,561
Cost of issuance	--	--	--	162,344	19,300	--	--	--
Total expenditures	274,752,940	285,077,870	297,327,353	314,739,278	317,718,642	340,603,577	367,611,795	356,312,993
Excess (deficiency) of revenues over expenditures	5,940,894	(2,776,998)	(13,130,863)	(2,228,309)	683,791	3,261,442	(12,020,353)	6,336,187
OTHER FINANCING SOURCES (USES):								
Sales of capital asset	26,488	55,949	16,283	184,210	22,973	24,014	463,507	72,392
Transfers in	6,675,214	6,628,970	11,545,776	20,333,417	23,387,710	19,802,941	24,328,799	20,862,960
Transfer out	(6,675,214)	(6,358,889)	(11,277,305)	(22,854,312)	(19,446,663)	(19,292,699)	(23,638,040)	(20,574,185)
Proceeds from issuance of debt	1,428,917	5,040,019	52,387,282	15,474,418	1,254,300	23,535	123,162	--
Total other financing sources (uses)	1,455,405	5,366,049	52,672,036	13,137,733	5,218,320	557,791	1,277,428	361,167
SPECIAL ITEM:								
Payment for unfunded actuarial liability	--	--	(49,100,000)	--	--	--	--	--
Net change in fund balances	\$ 7,396,299	\$ 2,589,051	\$ (9,558,827)	\$ 10,909,424	\$ 5,902,111	\$ 3,819,233	\$ (10,742,925)	\$ 6,697,354
Debt service as a percentage of noncapital expenditures								
	n/a	n/a	n/a	2.5%	3.1%	2.1%	2.9%	1.0%

Source: Auditor-Controller, County of Butte

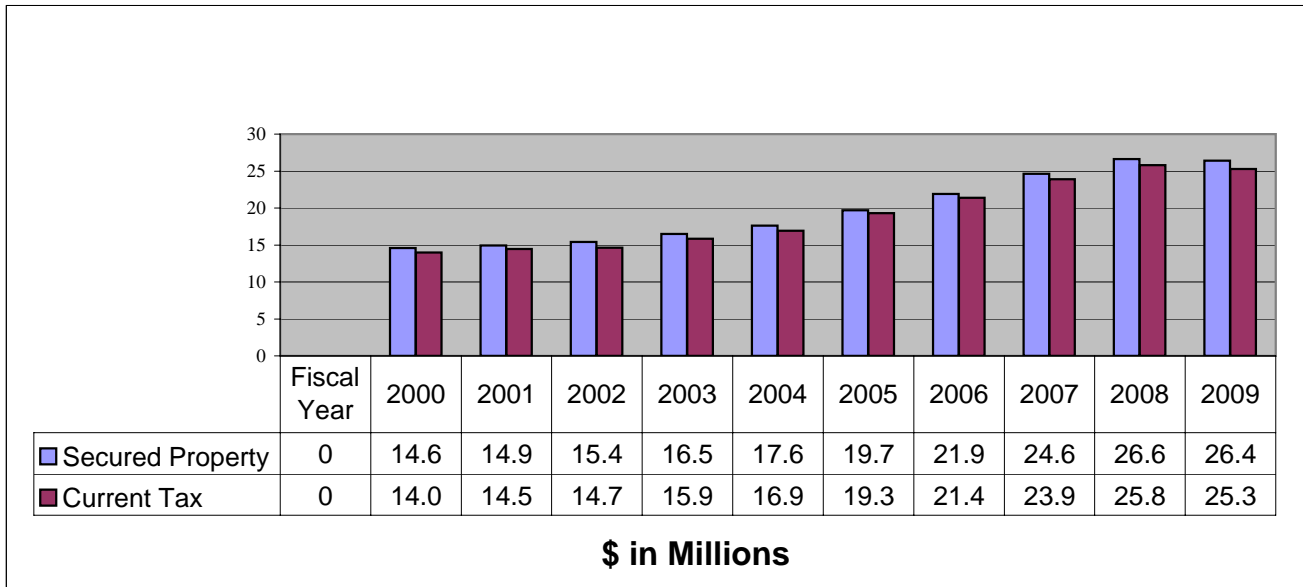
Note 1: Debt service was shown as a separate function during fiscal year 2004-05.

Note 2: The Government-wide reporting requirements related to the implementation of GASB 34 were initiated during fiscal year 2001-02. We therefore only have eight years of data available to report.

COUNTY OF BUTTE, CALIFORNIA
PROPERTY TAXES LEVIES AND COLLECTIONS
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

Fiscal Year	Total Secured Property Tax Levy	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections June 30 (1)	Percent of Total Tax Collections to Tax Levy
2000	\$ 14,568,472	\$ 13,985,733	96.00%	\$ 2,796,837	\$ 16,782,570	115.20%
2001	14,917,329	14,469,809	97.00%	2,662,593	17,132,402	114.85%
2002	15,421,306	14,650,240	95.00%	2,908,736	17,558,976	113.86%
2003	16,513,410	15,852,874	96.00%	2,990,234	18,843,108	114.11%
2004	17,611,617	16,907,152	96.00%	2,687,282	19,594,434	111.26%
2005	19,717,336	19,313,601	97.95%	2,449,265	21,762,866	110.37%
2006	21,909,684	21,399,946	97.67%	2,901,198	24,301,144	110.92%
2007	24,617,283	23,886,338	97.03%	4,710,806	28,597,144	116.17%
2008	26,619,209	25,813,325	96.97%	6,792,152	32,605,477	122.49%
2009	26,419,095	25,290,109	95.73%	7,997,544	33,287,653	126.00%

Note 1: Includes current and teeter buy-out, penalties, and interest.



COUNTY OF BUTTE, CALIFORNIA
ASSESSED VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year	Secured Roll	Utility Roll	Unsecured Roll	Assessed Value	Total Direct Tax Rate
2000	\$ 9,414,996,955	\$ 20,077,633	\$ 523,173,513	\$ 9,958,248,101	1.0%
2001	9,809,069,349	19,591,858	572,029,882	10,400,691,089	1.0%
2002	10,210,901,077	20,289,420	596,527,153	10,827,717,650	1.0%
2003	10,940,529,305	18,939,397	622,967,322	11,582,436,024	1.0%
2004	11,624,793,072	18,939,909	635,629,383	12,279,362,364	1.0%
2005	12,720,999,330	21,586,369	628,596,023	13,371,181,722	1.0%
2006	14,047,057,479	21,878,301	671,570,735	14,740,506,515	1.0%
2007	15,705,066,165	19,279,234	728,715,203	16,453,060,602	1.0%
2008	17,253,582,073	8,367,262	772,788,613	18,034,737,948	1.0%
2009	17,826,407,338	7,930,798	836,897,313	18,671,235,449	1.0%

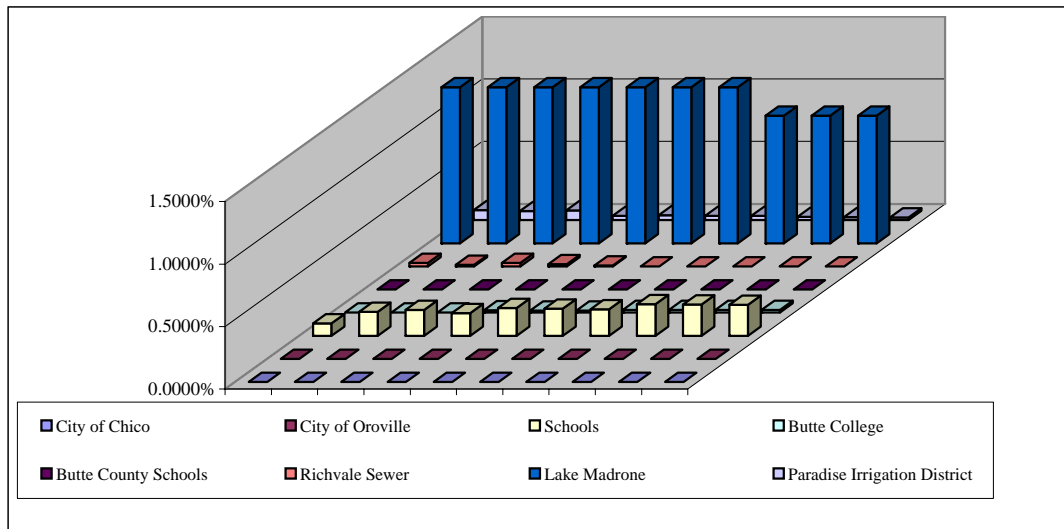
Note: Total estimated actual value of taxable property was not reasonably estimable.

Source: Auditor-Controller, County of Butte

COUNTY OF BUTTE, CALIFORNIA
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

Fiscal Year	Basic Countywide Levy	City of Chico	City of Oroville	Schools	Butte College	Butte County Schools	Richvale Sewer	Lake Madrone	Paradise Irrigation District	Total
2000	1.000%	0.0000%	0.0000%	0.0998%	0.0000%	0.0000%	0.0289%	1.2500%	0.0800%	2.4587%
2001	1.000%	0.0000%	0.0000%	0.1916%	0.0000%	0.0000%	0.0119%	1.2500%	0.0720%	2.5255%
2002	1.000%	0.0000%	0.0000%	0.2072%	0.0000%	0.0000%	0.0280%	1.2500%	0.0780%	2.5632%
2003	1.000%	0.0000%	0.0000%	0.1810%	0.0188%	0.0000%	0.0175%	1.2500%	0.0340%	2.5013%
2004	1.000%	0.0000%	0.0000%	0.2229%	0.0171%	0.0000%	0.0078%	1.2500%	0.0390%	2.5368%
2005	1.000%	0.0000%	0.0000%	0.2177%	0.0160%	0.0000%	0.0000%	1.2500%	0.0340%	2.5177%
2006	1.000%	0.0000%	0.0000%	0.2118%	0.0209%	0.0000%	0.0000%	1.2500%	0.0330%	2.5157%
2007	1.000%	0.0000%	0.0000%	0.2518%	0.0209%	0.0000%	0.0000%	1.0200%	0.0270%	2.3197%
2008	1.000%	0.0000%	0.0000%	0.2507%	0.0209%	0.0000%	0.0000%	1.0200%	0.0240%	2.3156%
2009	1.000%	0.0000%	0.0000%	0.2488%	0.0209%	0.0000%	0.0000%	1.0200%	0.0220%	2.3117%

Note:



Source: Auditor-Controller, County of Butte

**COUNTY OF BUTTE, CALIFORNIA
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND PRIOR YEAR**

Taxpayer	2009			2005 (1)		
	Rank	Assessed Valuation	Percentage of Total Assessed	Rank	Assessed Valuation	Percentage of Total Assessed
Pacific Gas and Electric Corporation	1	\$ 393,606,857	2.182%	1	\$ 346,921,754	2.595%
Wild Goose Storage, Inc.	2	84,747,546	0.470%	2	91,461,818	0.684%
Pacific Bell California	3	61,569,884	0.341%	3	58,258,685	0.436%
Chico Mall Partners LP	4	40,797,131	0.226%	5	28,858,611	0.216%
Chico Crossroads LP	5	39,270,000	0.218%	4	36,651,410	0.274%
Carwood Skypark LLC ETAL	6	32,528,500	0.180%			
Farmland Reserve, Inc.	7	28,421,551	0.158%			
Sprint Communications Co.	8	23,976,694	0.133%	8	23,695,716	0.177%
Pacific Coast Producers	9	25,215,401	0.140%	6	24,011,550	0.180%
Costco Wholesale Corporation	10	21,736,948	0.121%	9	23,425,271	0.175%
Pan Pacific Development LLC				7	24,002,189	0.180%
Western Investment Real Estate Trust				10	19,262,765	0.144%
Largest Secured Property Valuation		751,870,512	<u>4.169%</u>		676,549,769	<u>5.060%</u>
Other Secured Taxpayers		<u>17,282,867,436</u>			<u>12,694,631,953</u>	
Total Secured Property Valuation - net of exemptions		<u>\$ 18,034,737,948</u>			<u>\$ 13,371,181,722</u>	

Note 1: In accordance with GASB Statement No. 44, the following table presents information for the County's principal taxpayers as of June 30, 2009 and should also be presented for June 30, 2000. However, June 30, 2000 information is not available and June 30, 2005 information will be presented until there is a nine year separation.

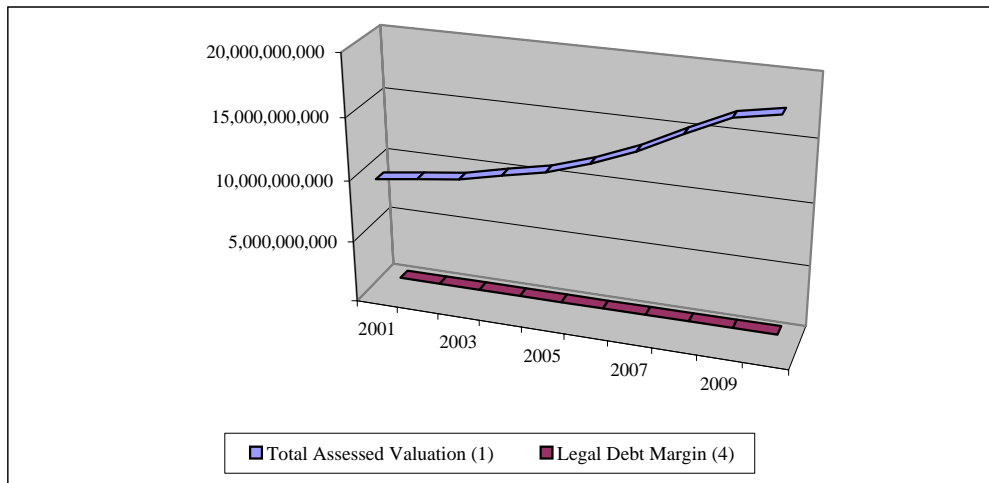
Source: Auditor-Controller, County of Butte

COUNTY OF BUTTE, CALIFORNIA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Fiscal Year	Total Assessed Valuation (1)	Legal Debt Limit (2)	Total Net Debt Applicable to Limit	Legal Debt Margin (4)	Legal Debt Margin/Debt Limit
2000	9,958,248,101	124,478,101	\$ --	124,478,101	100%
2001	10,400,691,089	130,008,639	--	130,008,639	100%
2002	10,827,717,650	135,346,471	--	135,346,471	100%
2003	11,582,436,024	144,780,450	--	144,780,450	100%
2004	12,279,362,364	153,492,030	--	153,492,030	100%
2005	13,371,181,722	167,139,772	--	167,139,772	100%
2006	14,740,506,515	184,256,331	--	184,256,331	100%
2007	16,453,060,602	205,663,258	--	205,663,258	100%
2008	18,034,737,948	225,434,224	--	225,434,224	100%
2009	18,671,235,449	233,390,443	--	233,390,443	100%

Note:

- (1) Total assessed valuation includes exempt property.
- (2) The legal debt limit is set by statute at 1.25 percent of the total assessed valuation.
- (3) The County does not have any General Bonded Debt.
- (4) The legal debt margin is the legal debt limit reduced by all general bonded debt.



Source: Auditor-Controller, County of Butte

COUNTY OF BUTTE, CALIFORNIA
RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO TAXABLE ASSESSED
VALUE AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS

Fiscal Year	County Population (1)	Assessed Value	Gross Bonded Debt	Debt Payable from Enterprise Revenue	Net Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2000	203,064	9,958,248,101	\$ --	\$ --	\$ --	0.000%	\$ --
2001	205,400	10,400,691,089	--	--	--	0.000%	--
2002	207,300	10,827,717,650	--	--	--	0.000%	--
2003	210,800	11,582,436,024	--	--	--	0.000%	--
2004	212,237	12,279,362,364	--	--	--	0.000%	--
2005	214,119	13,371,181,722	--	--	--	0.000%	--
2006	217,209	14,740,506,515	--	--	--	0.000%	--
2007	218,069	16,453,060,602	--	--	--	0.000%	--
2008	220,407	18,034,737,948	--	--	--	0.000%	--
2009	220,748	18,671,235,449	--	--	--	0.000%	--

Source:

- (1) State of California, Employment Development Department, Labor Market Information Division
(www.labormarketinfo.edd.ca.gov/cgi/dataanalysis/)

Source: Auditor-Controller, County of Butte

COUNTY OF BUTTE, CALIFORNIA
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(In Thousands, except Per Capita)

Fiscal Year	Governmental Activities				Business-type Activities			Total Primary Government	Percentage of Assessed Value	Per Capita
	Bonds	Certificates of Participation	Loans/ Notes	Capital Leases	Loans	Certificates of Participation	Capital Leases			
2000	1,225	4,900	--	2,042	--	--	--	8,167	0.0785%	39
2001	1,167	4,675	5,077	1,809	--	--	--	12,728	0.1176%	60
2002	1,109	4,440	--	2,998	--	--	--	8,547	0.0738%	40
2003	1,052	9,345	--	2,366	--	--	2,258	15,021	0.1223%	70
2004	50,879	5,150	2,492	1,019	--	--	1,780	61,320	0.4586%	282
2005	61,515	4,540	4,111	688	--	--	1,289	72,143	0.4894%	332
2006	57,212	3,920	3,935	1,479	500	--	784	67,830	0.4123%	311
2007	56,424	3,290	2,903	1,097	450	12,025	303	76,491	0.4649%	351
2008	50,575	2,650	2,703	1,134	400	12,025	20	69,506	0.3854%	315
2009	50,492	2,300	2,494	1,029	350	12,025	20	68,710	0.3680%	311

Source: Auditor-Controller, County of Butte

COUNTY OF BUTTE, CALIFORNIA
OVERLAPPING BONDED DEBT
JUNE 30, 2009

2008-09 Assessed Valuation: \$19,287,913,849 (includes unitary utility valuation)
 Redevelopment Incremental Valuation: 4,138,786,350
 Adjusted Assessed Valuation: \$15,149,127,499

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	Total Debt 6/30/09	% Applicable (1)	County's Share of Debt 6/30/09
Butte-Glenn Community College District	\$80,313,079	85.382%	\$ 68,572,913
Yuba Joint Community College District	94,256,325	0.177	166,834
Chico Unified School District	55,350,000	100.	55,350,000
Marysville Joint Unified School District	35,330,000	1.172	414,068
Oroville Union High School District	21,021,385	100.	21,021,385
Manzanita School District	775,000	100.	775,000
Oroville School District	5,106,411	100.	5,106,411
Thermalito Union School District	1,986,330	100.	1,986,330
City 1915 Act Bonds	450,000	100.	<u>450,000</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$153,842,941

DIRECT AND OVERLAPPING GENERAL FUND DEBT:

Butte County Certificates of Participation	\$14,325,000	100. %	\$14,325,000
Butte County Pension Obligations	49,895,000	100.	49,895,000
Butte-Glenn Community College District General Fund Obligations	3,270,000	85.382	2,791,991
Chico Unified School District Certificates of Participation	2,160,000	100.	2,160,000
Paradise Unified School District Certificates of Participation	3,665,000	100.	3,665,000
City of Oroville Pension Obligations	7,015,000	100.	7,015,000
City of Paradise Certificates of Participation	30,000	100.	30,000
City of Paradise Pension Obligations	10,918,154	100.	<u>10,918,154</u>
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$90,800,145

COMBINED TOTAL DEBT **\$244,643,086 (2)**

- (1) Percentage of overlapping agency's assessed valuation located within boundaries of the county.
 (2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Ratios to 2008-09 Assessed Valuation:

Total Overlapping Tax and Assessment Debt0.80%

Ratios to Adjusted Assessed Valuation:

Combined Direct Debt (\$64,220,000).....0.42%

Combined Total Debt.....1.61%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/09: \$0

AB:(\$450)

Source: California Municipal Statistics, Inc.

COUNTY OF BUTTE, CALIFORNIA
RATIO OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

	Fiscal Year										
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Obligation Bonds	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Less:											
Amounts Available in Debt Service Fund	--	--	--	--	--	--	--	--	--	--	--
Total Net Obligation Bonds Outstanding	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
Percentage of Estimated											
Actual Taxable Value of Property	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%
Per Capita	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --

Note: Details regarding the county's outstanding debt can be found in the notes to the financial statements.

Source: Auditor-Controller, County of Butte

**COUNTY OF BUTTE, CALIFORNIA
DEMOGRAPHICS AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year	Population (1)	Personal Income (2)	Per Capita	School Enrollment (3)	Unemployment Rate (1)
			Personal Income		
2000	205,400	4,570,617,000	22,252	35,083	6.1%
2001	207,300	4,798,095,000	23,146	34,433	6.5%
2002	210,800	4,879,434,000	23,147	34,454	7.3%
2003	212,237	5,025,193,000	23,677	34,260	7.4%
2004	214,119	5,393,454,000	25,189	33,768	7.2%
2005	217,209	5,811,000,000	26,753	33,385	6.7%
2006	217,209	6,099,731,000	28,082	33,192	4.9%
2007	218,069	6,494,706,000	29,783	32,827	6.1%
2008	220,407	n/a	n/a	32,559	8.2%
2009	220,748	n/a	n/a	32,069	13.2%

Detail of estimated population, as July, 2008:

Incorporated Cities/Towns:

City of Biggs	1,777
City of Chico	87,713
City of Gridley	6,417
City of Oroville	14,639
Town of Paradise	26,287
Total of incorporated	136,833
Total of unincorporated	83,915
Total Population	220,748

Sources:

- (1) State of California, Employment Development Department, Labor Market Information Division (www.labormarketinfo.edd.ca.gov/cgi/dataanalysis/)
- (2) Bureau of Economic Analysis (www.bea.gov/bea/regional/reis/)
- (3) Ed-data (www.ed-data.k12.ca.us)

**COUNTY OF BUTTE, CALIFORNIA
PRINCIPAL EMPLOYERS
JUNE 30, 2009**

Major County Employers

Company	Location	Product/ Service
BEHAVIORAL HEALTH DEPT.	Chico	COUNTY GOVERNMENT
BETTENDORF TRUCKING	Oroville	TRUCKING
BUTTE COMMUNITY COLLEGE	Oroville	SCHOOLS-UNIVERSITIES & COLLEGES ACADEMIC
BUTTE COUNTY BEHAVIORAL HEALTH	Chico	COUNTY GOVERNMENT
BUTTE COUNTY SOCIAL WELFARE	Oroville	COUNTY GOVERNMENT
BUTTE COUNTY SHERIFF	Oroville	SHERIFF
CHICO CREEK CARE & REHAB	Chico	NURSING & CONVALESCENT HOMES
CHICO HIGH SCHOOL	Chico	SCHOOLS
CALIFORNIA STATE UNIVERSITY - CHICO	Chico	UNIVERSITY
ENLOE HOMECARE & HOSPICE	Chico	HOME HEALTH SERVICE
ENLOE MEDICAL CENTER	Chico	HOSPITALS
ENLOE REHABILITATION CENTER	Chico	REHABILITATION SERVICES
FEATHER FALLS CASINO & LODGE	Oroville	CASINOS
FEATHER RIVER HOSPITAL	Paradise	HOSPITALS
GOLD COUNTRY CASINO & HOTEL	Oroville	CASINOS
HOME HEALTH CARE MANAGEMENT	Chico	HOME HEALTH SERVICE
KNIFE RIVER CORP.	Chico	ASPHALT & ASPHALT PRODUCTS
LIFETOUCH NATIONAL SCHOOL STUDIO	Chico	PHOTOGRAPHERS-PORTRAIT
NATIONAL HERITAGE INSURANCE	Chico	INSURANCE
NORTHERN CALIFORNIA HOMES	Paradise	REAL ESTATE
OROVILLE HOSPITAL	Oroville	HOSPITALS
PACIFIC COAST PRODUCERS	Oroville	CANNING (MANUFACTURERS)
SUNGARD	Chico	COMPUTER SOFTWARE
WAL-MART	Oroville	DEPARTMENT STORES
WAL-MART	Chico	DEPARTMENT STORES
WIL-KER-SON RANCH & PACKING	Gridley	FRUITS & VEGETABLES
WITTMEIER AUTO CENTER	Chico	AUTOMOBILE DEALERS-NEW CARS

Source: www.labormarketinfo.edd.ca.gov/majorer/countymajorer.asp

COUNTY OF BUTTE, CALIFORNIA
MISCELLANEOUS STATISTICAL INFORMATION
JUNE 30, 2009

Geographical Location: One of the State's original 27 counties, Butte County is located in the northern portion of the Sacramento Valley. Rising from the Sacramento River, its western boundary, to the Sierra Nevada Mountains, its eastern perimeter, the county's 1,665 square miles range in elevation from sixty feet to over 7,000 feet, resulting in a considerable variation in climate.

Area of County: 1,665 square miles

County Seat: Oroville, California

Date of Incorporation: February 18, 1850

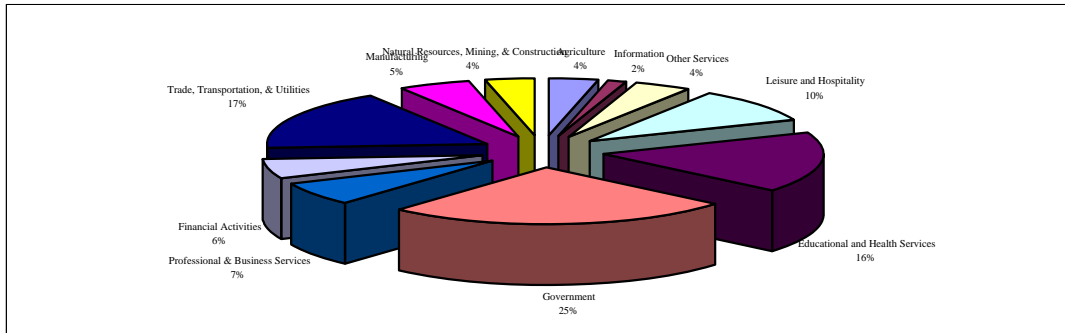
Form of Government: General Law County, governed by a five-member Board of Supervisors

Fiscal Year Begins: July 1

County Employees: as of June 30, 2009: 2,263

Employment Distribution (2008 Annual Average):

Agriculture	3.5%
Information	1.5%
Other Services	4.3%
Leisure and Hospitality	9.6%
Educational and Health Services	17.3%
Government	25.6%
Professional & Business Services	6.6%
Financial Activities	5.6%
Trade, Transportation, & Utilities	17.2%
Manufacturing	5.1%
Natural Resources, Mining, & Construction	3.7%



Source: State of California, Employment Development Department, Labor Market Information Division
(<http://www.labormarketinfo.edd.ca.gov/>)

**COUNTY OF BUTTE, CALIFORNIA
OPERATING INDICATORS BY FUNCTION
LAST SIX FISCAL YEARS**

Function/Program	For the Fiscal Year Ended June 30,					
	2004	2005	2006	2007	2008	2009
Sheriff						
Number of Bookings	11,356	12,964	13,543	13,920	12,693	14,241
Coroner Case Load	1,588	1,618	1,701	1,709	1,632	1,677
Calls for Services - Unincorporated Areas	45,536	43,585	43,261	56,131	64,121	63,871
Fire						
Medical Assistance	13,383	13,964	13,240	8,287	8,101	8,021
Fires Extinguished	905	884	740	753	1,311	1,089
Probation						
Juveniles in Detention Facilities (bed days)	22,354	19,967	20,987	21,484	19,242	17,949
Waste Management						
Landfill Tonnage	209,466	202,189	191,676	196,153	192,073	163,370
Recycling Tonnage	22,762	20,186	13,640	26,484	23,377	19,390
County Library						
Total Circulation	653,985	662,590	723,178	744,881	826,821	910,249
Reference Questions Answered	49,276	41,672	37,703	36,948	38,546	42,366
Patrons	97,023	106,696	96,049	90,702	93,616	94,574
Programs Offered	1,106	975	1,169	1,019	1,214	1,353
Program Attendance	20,788	18,917	22,510	23,439	30,916	34,764
Visitor Count	581,194	628,430	662,302	656,949	723,460	756,901
Clerk-Recorder						
Official Records Recorded	87,054	77,545	74,963	77,497	61,002	51,388
Vital Records Copies Issued	12,201	12,813	13,179	13,903	13,629	13,689
Official Records Copies Issued	6,942	7,319	6,665	6,442	6,172	5,408
Community Health Agency						
Facilities Inspections	N/A	3,200	4,015	4,905	5,577	5,276
Public Social Services						
CalWORKS Clients	134,259	122,799	115,616	121,734	105,953	103,947
Food Stamp Clients	167,912	206,012	209,550	221,324	228,513	251,732
Medi-Cal Clients	119,660	152,590	148,090	144,901	159,384	157,048
In-Home Support Services	32,355	33,044	30,927	36,416	35,951	37,593
Foster Care Placements	9,682	9,166	8,859	8,343	8,417	7,542
Child Welfare Services	11,850	12,193	12,019	11,130	12,282	11,237

Note: Information was not available for ten years' reporting, but will be accumulated over time as it becomes available.

Source: Auditor-Controller, County of Butte

**COUNTY OF BUTTE, CALIFORNIA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST SIX FISCAL YEARS**

Function/Program	For the Fiscal Year Ended June 30,					
	2004	2005	2006	2007	2008	2009
Sheriff						
Patrol Stations	4	4	4	4	4	4
Patrol Vehicles	65	65	65	60	60	50
Fire						
Stations	26	26	26	26	26	26
Trucks	38	40	40	40	40	40
Waste Management						
Landfills	1	1	1	1	1	1
Capacity in Tons	13,141,300	12,608,230	12,427,121	12,257,452	12,088,756	11,931,691
County Libraries						
Branch Libraries	6	6	6	6	6	6
Book Mobiles	1	1	1	1	1	1
Books in Collection	284,355	296,795	299,262	309,681	306,155	321,799

Note: Information was not available for ten years' reporting, but will be accumulated over time as it becomes available.

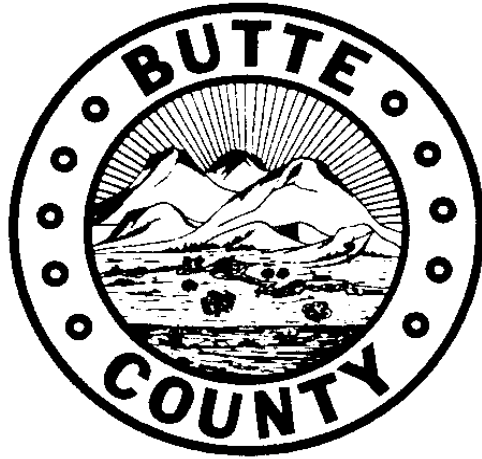
Source: Auditor-Controller, County of Butte

COUNTY OF BUTTE, CALIFORNIA
FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION/ PROGRAM
LAST FOUR FISCAL YEARS

Function/Program	Full-time Equivalent Employees			
	2006	2007	2008	2009
General government:				
Legislative and Administrative	28	24	35	35
Finance	30	35	19	16
Purchasing	3	4	6	6
Treasurer	28	24	26	28
Assessor	44	44	44	38
Human Resources	12	13	22	17
County Counsel	12	12	9	9
Elections	14	8	13	60
Development Services	44	45	42	40
Recorder	17	17	15	12
Other General	11	11	14	--
Public Protection:				
Judicial	97	97	104	118
Police Protection	167	163	175	163
Detention and Correction	167	159	168	191
Fire Protection	3		4	5
Probation	92	102	105	94
Water Services	5	5	4	4
Other Protection	7	8	7	6
Public ways and Facilities:				
Public ways	106	117	106	103
Health and Sanitation:				
Health	571	565	591	579
Agriculture	22	19	24	24
Public Assistance:				
Aid Programs	555	565	557	514
Veterans Services	1	2	3	3
Other Assistance	111	122	101	107
Education:				
Library Services	54	56	58	43
Farm Advisor	3	3	3	3
County Business-type Functions				
Landfill	25	25	23	21
Internal Service Funds				
	66	67	67	24
	2,295	2,312	2,345	2,263

Note: Information was not available for ten years' reporting, but will be accumulated over time as it becomes available.

Source: Human Resources Department, County of Butte



Glossary

COUNTY OF BUTTE

Glossary for the Comprehensive Annual Financial Report

ACCOUNTS PAYABLE. A short-term liability account reflecting amounts owed to private persons or organizations for goods and services received by a government.

ACCOUNTS RECEIVABLE. An asset account reflecting amounts due from private persons or organizations for goods and services furnished by a government (but not including amounts due from other funds or other governments).

ACCRUAL BASIS. The recording of the financial effects on a government of transactions and other events and circumstances that have cash consequences for the government in the periods in which those transactions, events and circumstances occur, rather than only in the periods in which cash is received or paid by the government.

ACCUMULATED DEPRECIATION. A contra-asset account used to report the accumulation of periodic credits to reflect the expiration of the estimated service life of capital assets.

ADVANCE FROM OTHER FUNDS. A liability account used to record noncurrent portions of a long-term debt owed by one fund to another fund within the same reporting entity. See **DUE TO OTHER FUNDS** and **INTERFUND RECEIVABLE/PAYABLE**.

ADVANCE TO OTHER FUNDS. An asset account used to record noncurrent portions of a long-term loan from one fund to another fund within the same reporting entity. See **DUE FROM OTHER FUNDS**.

AGENCY FUND. A fund normally used to account for assets held by a government as an agent for individuals, private organizations or other governments and/or other funds.

AMORTIZATION. (1) The portion of the cost of a limited-life or intangible asset charged as an expense during a particular period. (2) The reduction of debt by regular payments of principal and interest sufficient to retire the debt by maturity.

APPROPRIATION. A legal authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes. An appropriation usually is limited in amount and time it may be expended.

ASSESSED VALUATION. A valuation set upon real estate or other property by a government as a basis for levying taxes.

AUDITOR'S REPORT. In the context of a financial audit, a statement by the auditor describing the scope of the audit and the auditing standards applied in the examination, and setting forth the auditor's opinion on the fairness of presentation of the financial information in conformity with GAAP or some other comprehensive basis of accounting.

BALANCE SHEET. The financial statement disclosing the assets, liabilities and equity of an entity at a specified date in conformity with GAAP.

BASIC FINANCIAL STATEMENTS (BFS). The minimum combination of financial statements and note disclosures required for fair presentation in conformity with GAAP. Basic financial statements have three components: government-wide financial statements, fund financial statements and notes to the financial statements.

BASIS OF ACCOUNTING. A term used to refer to *when* revenues, expenditures, expenses, and transfers - and the related assets and liabilities are recognized in the accounts and reported in the financial statements. Specifically, it relates to the *timing* of the measurements made, regardless of the nature of the measurement, on either the cash or the accrual method.

BUDGET. A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. Used without any modifier, the term usually indicates a financial plan for a single fiscal year. The term "budget" is used in two senses in practice. Sometimes it designates the financial plan presented to the appropriating governing body for adoption, and sometimes, the plan finally approved by that body.

BUDGETARY CONTROL. The control or management of a government or enterprise in accordance with an approved budget to keep expenditures within the limitations of available appropriations and available revenues.

CAPITAL ASSETS. Long-lived tangible assets obtained or controlled as a result of past transactions, events or circumstances. Capital assets include buildings, equipment, and improvements other than buildings, land and infrastructure. In the private sector, these assets are referred to most often as property, plant and equipment.

CAPITAL EXPENDITURES. Expenditures resulting in the acquisition of or addition to the government's general capital assets.

CAPITALIZATION POLICY. The criteria used by a government to determine which outlays should be reported as capital assets.

CAPITAL LEASE. An agreement that conveys the right to use property, plant or equipment, usually for a stated period of time. See **LEASE-PURCHASE AGREEMENTS**.

CAPITAL PROJECTS FUND. A fund created to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

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CASH BASIS. A basis of accounting under which transactions are recognized only when cash is received or disbursed.

CASH WITH FISCAL AGENT. An asset account reflecting deposits with fiscal agents, such as commercial banks, for the payment of bond principal and interest.

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING PROGRAM. A voluntary program administered by the GFOA to encourage governments to publish efficiently organized and easily readable CAFR's and to provide technical assistance and peer recognition to the finance officers preparing them.

CHANGE IN THE FAIR VALUE OF INVESTMENTS. The difference between the fair value of investments at the beginning of the year and at the end of the year, taking into consideration investment purchases, sales, and redemptions.

COMPENSATED ABSENCES. Absences, such as vacation, illness and holidays, for which it is expected employees will be paid. The term does not encompass severance or termination pay, postretirement benefits, deferred compensation or other long-term fringe benefits, such as group insurance and long-term disability pay.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR). A financial report that encompasses all funds and component units of the government. The CAFR should contain (a) the basic financial statements and required supplementary information, (b) combining statements to support columns in the basic financial statements that aggregate information from more than one fund or component unit, and (c) individual fund statements as needed. The CAFR is the governmental unit's official annual report and also should contain introductory information, schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, and statistical data.

CONCENTRATION OF CREDIT RISK. The risk of loss attributed to the magnitude of a government's investment in a single issuer.

CONTINGENT LIABILITY. Items that may become liabilities as a result of conditions undetermined at a given date, such as guarantees, pending lawsuits, judgments under appeal, unsettled disputed claims, unfilled purchase orders and uncompleted contracts. Contingent liabilities should be disclosed within the financial statements (including the notes) when there is a reasonable possibility a loss may have been incurred. Guarantees, however, should be disclosed even though the possibility of loss may be remote.

CREDIT RISK. The risk that an issuer or a counter-party to an investment will not fulfill its obligations.

CURRENT FINANCIAL RESOURCES MEASUREMENT FOCUS. Measurement focus according to which the aim of a set of financial statements is to report the near-term (current) inflows, outflows, and balances of expendable (spendable) financial resources. The current financial resources measurement focus is unique to accounting and financial reporting for state and local governments and is used solely for reporting the financial position and results of operations of governmental funds.

DEBT. An obligation resulting from the borrowing of money or from the purchase of goods and services. Debts of governments include bonds, time warrants and notes.

DEBT SERVICE FUND. A fund established to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

DEFERRED CHARGES. Expenditures that are not chargeable to the fiscal period in which they were made but that are carried as an asset on the balance sheet, pending amortization or other disposition (e.g. bond issuance costs). Deferred charges differ from prepaid items in that they usually extend over a long period of time (more than five years) and are not regularly recurring costs of operation.

DEFERRED REVENUE. Resource inflows that do not yet meet the criteria for revenue recognition. Unearned amounts are always reported as deferred revenue. In governmental funds, earned amounts also are reported as deferred revenue until they are available to liquidate liabilities of the current period.

DEFICIT. (1) The excess of the liabilities of a fund over its assets. (2) The excess of expenditures over revenues during an accounting period or, in the case of proprietary funds, the excess of expenses over revenues during an accounting period.

DEFINED BENEFIT PENSION PLAN. A pension plan having terms that specify the amount of pension benefits to be provided at a future date or after a certain period of time; the amount specified usually is a function of one or more factors such as age, years of service, and compensation.

DEPRECIATION. (1) Expiration in the service life of capital assets, other than wasting assets, attributable to wear and tear, deterioration, action of the physical elements, inadequacy and obsolescence. (2) The portion of the cost of a capital asset, other than a wasting asset, charged as an expense during a particular period. In accounting for depreciation, the cost of a capital asset, less any salvage value, is prorated over the estimated service life of such an asset, and each period is charged with a portion of such cost. Through this process, the entire cost of the asset is ultimately charged off as an expense.

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DESIGNATED FUND BALANCE. A portion of an unreserved fund balance that has been "earmarked" by the chief executive officer or the legislative body for specified purposes.

DUE FROM OTHER FUNDS. An asset account used to indicate amounts owed to a particular fund by another fund for goods sold or services rendered. This account includes only short-term obligations on open account, not interfund loans.

DUE TO OTHER FUNDS. A liability account reflecting amounts owed by a particular fund to another fund for goods sold or services rendered. These amounts include only short-term obligations on open account, not interfund loans.

ECONOMIC RESOURCES MEASUREMENT FOCUS.

Measurement focus under which the aim of a set of financial statements is to report all inflows, outflows, and balances affecting or reflecting an entity's net assets. The economic resources measurement focus is used for proprietary and fiduciary funds, as well as for government-wide financial reporting. It is also used by business enterprises in the private sector.

ENCUMBRANCES. Commitments related to unperformed (executory) contracts for goods or services. Used in budgeting, encumbrances are not GAAP expenditures or liabilities, but represent the estimated amount of expenditures ultimately to result if unperformed contracts in process are completed.

ENTERPRISE FUND. Proprietary fund type used to report an activity for which a fee is charged to external users for goods and services.

EXPENDITURE-DRIVEN GRANTS. Government-mandated or voluntary nonexchange transactions in which expenditure is the prime factor for determining eligibility. Also referred to as reimbursement grants.

EXCHANGE-LIKE TRANSACTION. Transaction in which there is an identifiable exchange between the reporting government and another party, but the values exchanged may not be quite equal or the direct benefits of the exchange may not be exclusively for the parties to the exchange.

EXPENDITURES. Decreases in net financial resources. Expenditures include current operating expenses requiring the present or future use of net current assets, debt service and capital outlays, and intergovernmental grants, entitlement and shared revenues.

EXPENSES. Outflows or other using up of assets or incurrences of liabilities (or a combination of both) from delivering or producing goods, rendering services or carrying out other activities that constitute the entity's ongoing major or central operations.

EXTERNAL AUDITORS. Independent auditors typically engaged to conduct an audit of a government's financial statements.

EXTERNAL INVESTMENT POOL. An arrangement that commingles (pools) the moneys of more than one legally separate entity and invests, on the participants' behalf, in an investment portfolio; one or more of the participants is not part of the sponsors reporting entity. An external investment pool can be sponsored by an individual government, jointly by more than one government, or by a nongovernmental entity. An investment pool that is sponsored by an individual state or local government is an external investment pool if it includes participation by a legally separate entity that is not part of the same reporting entity as the sponsoring government. If a government-sponsored pool includes only the primary government and its component units, it is an internal investment pool and not an external investment pool.

FAIR VALUE. The amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

FEDERAL DEPOSIT INSURANCE CORPORATION. A corporation created by the federal government that insures deposits in banks and savings associations.

FIDUCIARY FUNDS. The trust and agency funds used to account for assets held by a government unit in a trustee capacity or as an agent for individuals, private organizations, other government units and/or other funds.

FINANCIAL RESOURCES. Resources that are or will become available for spending. Financial resources include cash and resources ordinarily expected to be converted to cash (e.g. receivables, investments). Financial resources may also include inventories and pre-pays (because they obviate the need to expend current available resources).

FISCAL AGENT. A fiduciary agent, usually a bank or county treasurer, who performs the function of paying debt principal and interest when due.

FOREIGN EXCHANGE RISK. The risk that changes in exchange rate will adversely affect the fair value of an investment or a deposit.

FUND. A fiscal and accounting entity with a self-balancing set of accounts in which cash and other financial resources, all related liabilities and residual equities, or balances, and changes therein, are recorded and segregated to carry on specific activities or attain certain objectives in accordance with special regulations, restrictions or limitations.

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FUND BALANCE. The difference between fund assets and fund liabilities of governmental and similar trust funds.

FUND FINANCIAL STATEMENTS. Basic financial statements presented on the basis of funds. Term used in contrast with *government-wide financial statements*.

FUND TYPE. Any one of seven categories into which all funds are classified in governmental accounting. The seven fund types are: general, special revenue, debt service, capital projects, enterprise, internal service, and trust and agency.

GENERAL REVENUES. All revenues that are not required to be reported as program revenues. All taxes, even those that are levied for a specific purpose, are general revenues and should be reported by type of tax – for example, property tax, sales tax, and transient occupancy tax. All other nontax revenues (including interest, grants and contributions) that do not meet the criteria to be reported as program revenues should also be reported as general revenues.

GENERAL FUND. The general fund is one of five governmental fund types and typically serves as the chief operating fund of the government. The general fund is used to account for all financial resources except those required to be accounted for in another fund.

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP). The conventions, rules, and procedures that serve as the norm for the fair presentation of financial statements. The various sources of GAAP for state and local governments are set forth by SAS No. 69, *The Meaning of "Present Fairly in Conformity with Generally Accepted Accounting Principles"* in the Independent Auditor's Report.

GOVERNMENTAL ACCOUNTING. The composite activity of analyzing, recording, summarizing, reporting and interpreting the financial transactions of governments.

GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB). The ultimate authoritative accounting and financial reporting standard-setting body for state and local governments. The GASB was established in June 1984 to replace the National Council on Governmental Accounting (NCGA).

GOVERNMENTAL FUNDS. Funds generally used to account for tax-supported activities. There are five different types of governmental funds: the general fund, special revenue funds, debt service funds, capital projects funds and permanent funds.

GOVERNMENT-WIDE FINANCIAL STATEMENTS. Financial statements that incorporate all of a government's governmental and business-type activities, as well as its nonfiduciary component units. There are two basic government-wide financial statements: the statement of net assets and the statement of net activities. Both basic governmental financial statements are presented using the economic resources measurement focus and the accrual basis of accounting.

INFRASTRUCTURE. Long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples of infrastructure assets include roads, bridges, tunnels, drainage systems, water and sewer systems, dams and lighting systems.

INTEREST RATE RISK. The risk that changes in interest rates will adversely affect the fair value of an investment or a deposit.

INTERFUND RECEIVABLE/PAYABLE. Short-term loans made by one fund to another, or the current portion of an advance to or from another fund.

INTERFUND TRANSFERS. Flow of assets (such as cash or goods) between funds and blended component units of the primary government without equivalent flows of assets in return and without a requirement for payment.

INTERNAL SERVICE FUND. A fund used to account for the financing of goods or services provided by one department or agency to other departments or agencies of a government, or to other governments, on a cost-reimbursement basis.

JOINT VENTURE. A legal entity or other contractual arrangement in which a government participates as a separate and specific activity for the benefit of the public or service recipients and in which the government retains an ongoing financial interest.

LAPSE. As applied to appropriations, the automatic termination of an appropriation. Except for indeterminate appropriations and continuing appropriations, an appropriation is made for a certain period of time. At the end of this period, any unexpended or unencumbered balance thereof lapses, unless otherwise provided by law.

LEASE-PURCHASE AGREEMENTS. Contractual agreements that are termed leases, but that in substance are purchase contracts.

LEGAL LEVEL OF BUDGETARY CONTROL. The level at which spending in excess of budgeted amounts would be a violation of law.

LEVEL OF BUDGETARY CONTROL. The level at which a government's management may not reallocate resources without special approval from the legislative body.

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LIABILITIES. Probable future sacrifices of economic benefits, arising from present obligations of a particular entity to transfer assets or provide services to other entities in the future as a result of past transactions or events.

LOANS RECEIVABLE. An asset account reflecting amounts loaned to individuals or organizations external to a government, including notes taken as security for such loans. Loans to other funds and governments should be recorded and reported separately.

MAJOR FUND. A governmental fund or enterprise fund reported as a separate column in the basic fund financial statements. The general fund is always a major fund. Otherwise, major funds are funds whose revenues/expenditures, assets or liabilities are at least 10 percent of corresponding totals for all government or enterprise funds and at least 5 percent of the aggregate amount for all governmental and enterprise funds for the same item. Any other government or enterprise fund may be reported as a major fund if the government's officials believe that fund is particularly important to financial statement users.

MANAGEMENT'S DISCUSSION AND ANALYSIS. A component of required supplementary information used to introduce the basic financial statements and to provide an analytical overview of the government's financial activities.

MEASUREMENT FOCUS. A way of presenting an entity's financial performance and position by considering which *resources* are measured (financial or economic) and *when* the effects of transactions or events involving those resources are recognized (the basis of accounting). The measurement focus of government-wide financial statements, proprietary fund financial statements and fiduciary fund financial statements is economic resources. The measurement focus of governmental fund financial statements is current financial resources.

MODIFIED ACCRUAL BASIS. The accrual basis of accounting adapted to the governmental fund-type measurement focus. Under it, revenues and other financial resource increments (e.g. bond issue proceeds) are recognized when they become susceptible to accrual, that is when they become both "measurable" and "available to finance expenditures of the current period." "Available" means collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period. Generally, expenditures are recognized when the fund liability is incurred. All governmental funds, expendable trust funds and agency funds are accounted for using the modified accrual basis of accounting.

OTHER FINANCING SOURCES. An increase in current financial resources that is reported separately from revenues to avoid distorting revenue trends. The use of the other financing sources category is limited to items so classified by GAAP.

OPERATING LEASE. A lease does not transfer ownership rights, risks and rewards from the lessor to the lessee, the lease is called an operation lease and is similar to a rental.

OTHER FINANCING USES. A decrease in current financial resources that is reported separately from expenditures to avoid distorting expenditure trends. The use of other financing uses category is limited to items so classified by GAAP.

OVERLAPPING DEBT. The proportionate share property within each government must bear of the debts of all local governments located wholly or in part within the geographic boundaries of the reporting government. Except for special assessment debt, the amount of debt of each unit applicable to the reporting unit is arrived at by (1) determining what percentage of the total assessed value of the overlapping jurisdiction lies within the limits of the reporting unit, and (2) applying this percentage to the total debt of the overlapping jurisdiction. Special assessment debt is allocated on the basis of the ratio of assessment receivable in each jurisdiction, which will be used wholly or in part to pay off the debt, to total assessments receivable, which will be used wholly or in part for this purpose.

PROGRAM REVENUES. Term used in connection with the government-wide statement of activities. Revenues that derive directly from the program itself or from parties outside the reporting government's taxpayers or citizenry, as a whole; they reduce the net cost of the function to be financed from the government's general revenues.

PROPRIETARY FUNDS. Funds that focus on the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. There are two different types of proprietary funds: enterprise funds and internal service funds.

REBATABLE ARBITRAGE. A term used in connection with the reinvestment of the proceeds of tax-exempt debt. A requirement to remit to the federal government interest revenue in excess of interest costs when the proceeds from the sale of tax-exempt securities are reinvested in a taxable money market instrument with a materially higher yield.

REPORTING ENTITY. The oversight unit and all of its component units, if any, that are combined in the CAFR/BFS.

REQUIRED SUPPLEMENTARY INFORMATION. Consists of statements, schedules, statistical data or other information which, according to the GASB, is necessary to supplement, although not required to be a part of the basic financial statements.

RESERVED FUND BALANCE. The portion of a governmental fund's net assets that is not available for appropriation.

RESTRICTED ASSETS. Assets whose use is subject to constraints that are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

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RESTRICTED NET ASSETS. A component of net assets calculated by reducing the carrying value of restricted assets by the amount of any related debt outstanding.

RETAINED EARNINGS. An equity account reflecting the accumulated earnings of an enterprise or internal service fund.

REVENUE BONDS. Bonds whose principal and interest are payable exclusively from earnings of an enterprise fund. In addition to a pledge of revenues, such bonds sometimes contain a mortgage on the enterprise fund's property.

RISK MANAGEMENT. All the ways and means used to avoid accidental loss or to reduce its consequences if it does occur.

SELF-INSURANCE. A term often used to describe the retention by an entity of a risk of loss arising out of the ownership of property or from some other cause, instead of transferring that risk to an independent third party through the purchase of an insurance policy. It is sometimes accompanied by the setting aside of assets to fund any related losses. Because no insurance is involved, the term self insurance is a misnomer.

SINGLE AUDIT. An audit performed in accordance with the Single Audit Act of 1997 and Office of Management and Budget's (OMB) Circular A-133, *Audits of State and Local Governments and Non-Profit Organizations*. The Single Audit Act allows or requires governments (depending on the amount of federal assistance received) to have one audit performed to meet the needs of all federal agencies.

SPECIAL DISTRICT. An independent unit of local government organized to perform a single government function or a restricted number of related functions. Special districts usually have the power to incur debt and levy taxes; however, certain types of special districts are entirely dependent upon enterprise earnings and cannot impose taxes. Examples of special districts are water districts, drainage districts, flood control districts, hospital districts, fire protection districts, transit authorities, port authorities and electric power authorities.

SPECIAL REVENUE FUND. A fund used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes.

TAX AND REVENUE ANTICIPATION NOTES (TRANS). Notes issued in anticipation of the collection of taxes and revenues, usually retireable only from tax collections, and frequently only from the proceeds of the tax and revenues levy whose collection they anticipate.

TRUST FUNDS. Funds used to account for assets held by a government in a trustee capacity for individuals, private organizations, other governments and/or other funds.

UNDESIGNATED UNRESERVED FUND BALANCE. That portion of a fund balance that is available for spending or appropriation and has not been "earmarked" for specified purposes by the chief executive officer or the legislative body.

UNQUALIFIED OPINION. An opinion rendered without reservation by the independent auditor that financial statements are fairly presented.

UNRESERVED FUND BALANCE. That portion of a fund balance available for spending or appropriation in the future.

UNRESTRICTED NET ASSETS. That portion of net assets that is neither restricted nor invested in capital assets (net of related debt).

VARIABLE-RATE INVESTMENT. An investment with terms that provide for the adjustment of its interest rate (such as the last day of the month or a calendar quarter) and that, upon each adjustment until the final maturity of the instrument or the period remaining until the principal amount can be recovered through demand, can reasonably be expected to have a fair value that will be unaffected by interest rate changes.