

COUNTY OF BUTTE

State of California

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2015



Table Mountain – Oroville CA

Photo by Peggy Moak

Prepared Under the Supervision of:

David A. Houser

County Auditor-Controller





Introductory Section



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Butte County

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January 8, 2016

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, 2015, is hereby submitted in compliance with Sections 25250 and 25253 of the Government Code of the State of California (State). The report contains financial statements that have been prepared in conformity with generally accepted accounting principles in the United States of America (GAAP) prescribed for government entities. 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, 2015, 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 Management's Discussion and Analysis (MD&A) and should be read in conjunction with it. The County's MD&A can be found on pages 3 through 15 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 221,316 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 terms staggered every two years with two supervisors being elected during an election and two years later, three supervisors are elected. The County Charter designates that certain officers are elected which are responsible for the offices of the County: Assessor, Auditor-Controller, Clerk-Recorder, 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.

The County maintains a website located at: www.buttecounty.net that provides online services and extensive information about County government. The County's website includes information about the Board of Supervisors, Board meeting agendas, County job listings, viewing and paying Property Taxes, purchasing bid solicitations, County directories, financial information and links to other local resources just to name a few.

MAJOR INITIATIVES

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

Capital Projects

- **Hall of Records Building**

Construction of the Hall of Records building began in July, 2014, and were completed in December 2015. The Hall of Records building will serve as a single, climate-controlled repository of all the County's records and historical documents and also house the staff of the Clerk-Recorder and Elections Departments. The total project cost is estimated to be \$9.5 million dollars. The County is financing the project with a loan obtained through the USDA Community Facilities Direct and

Guaranteed Loan program, which will be repaid with departmental revenues, impact fees and facility reserve funds over a forty year period. .

- **Jail Capacity Expansion Construction**

Senate Bill 863 provides for a total of up to \$500 million dollars in funding to counties for the acquisition and construction of adult local criminal justice facilities, which will be made available through a competitive funding process administered by the State. Butte County submitted an application for funding in order to construct a new supplemental adult local criminal justice facility that will help the County cope with the impacts of the 2011 Public Safety Realignment, which affected an increase in the number of criminal offenders incarcerated and supervised locally. Butte County was awarded \$40 million in funding from the State and will be required to provide 10% in “cash-match” funding.

- **Neal Road Recycling and Waste Facility Module Expansion**

As identified in the Neal Road Recycling and Waste Facility Strategic Plan, an additional module will be added to the facility. It is expected to add five years of capacity to the site. Funding will come from Neal Road Landfill Enterprise Fund balance.

- **Government Campus Infrastructure Improvements**

The Oroville Government Center Campus Master Plan, adopted by the Board on August 28, 2012, provided conceptual plans for future development of the Oroville campus. The project will improve road and utility infrastructure on the north side of the campus in order to meet the future needs. The project will rely on debt financing and be funded by facility reserve in the Capital Projects Fund.

- **Technology Upgrade**

Butte County Information Systems is in the implementation phase of the LYNC Unified Messaging System. The LYNC Unified Messaging system leverages the County's data network and will transition the County's analog voice network to the County's existing data network.

- **Accounting Standards**

GASB Statement 68, Accounting for Pensions requires the County to recognize their proportionate share of the long-term obligation for pension benefits as a liability for the first time in their financial statements. Butte County continues to contribute the full amount of the annual contribution.

FACTORS AFFECTING FINANCIAL CONDITION**Economic Challenges**

As a result of Butte County Board of Supervisors and County employee's strong commitment toward prudent financial management, the County has been able to weather the worst of the current "Great Recession". Overall fiscal position is showing improvement, and the U.S. Economy is projected in the coming year. In the second quarter of 2015, the U.S. economy increased at an annual rate of 2.3% compared to an increase of 0.6% in the first quarter of 2015. This positive change is the result of increased personal consumption expenditures, exports, and increases in state and local government spending.

The real estate market, from which the General Fund derives its largest revenue (property taxes) continues to recover. Assessed property values, which property taxes are based on, have recovered to pre-recession amounts. Although unemployment rates continue to improve there are still thousands of residents looking for employment. We're in the midst of a very serious drought which drastically impacts the surrounding agriculture community.

Pension and healthcare costs continue to dominate the conversation about future costs. The County has proactively taken steps over that past years to mitigate increased costs by increasing the employee contributions to CalPERS retirement plan and capping the County's share of healthcare premiums. The County is negotiating member cost sharing amounts as existing collective bargaining agreements come up for renewal.

The County is on the path towards fiscal stability and the economy is beginning to see growth, the County must continue to be prudent when utilizing our limited resources in tackling the challenges previously identified: restoration of services, improvements to infrastructure, unfunded pension liabilities, deferred maintenance of facilities, retiree health care costs, pension obligation bond costs and compensation for employees. The Board of Supervisors and County staff will continue to prioritize the needs of the community in effectively and efficiently serving its citizens.

Internal Control

The management of the County has established a comprehensive framework of internal controls designed to ensure that the assets of the government are protected from loss, theft or misuse. This framework ensures that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. Reasonable assurance provides that the cost of internal controls should not exceed the benefits and that decisions often require the use of 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 Expenditures of Federal Awards, Schedule of 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 2014-15 Single Audit will be issued under separate cover and will be available by contacting the Auditor-Controller's office after March 31, 2016.

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. This 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. Pursuant to Board Resolution 04-029 transfers of appropriations between object levels within the same budget unit require approval of the Chief Administrative Office and Auditor-Controller. Any amendments or transfers of appropriations between departments or funds must be approved by the Board of Supervisors. The Board of Supervisors must approve supplementary appropriations normally financed by unanticipated revenues during the year. 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 encumbrance 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.

The County also maintains an encumbrance accounting system as one technique of accomplishing budgetary control and cash planning. Encumbered appropriations lapse at the end of each fiscal year.

Credit Rating

This year Butte County received a credit upgrade from A to A+ by Standard and Poor's Rating Service. The County proudly maintains a strong credit rating and strives to continue this achievement.

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, 2015, 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 their audit results, 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, 2015, 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, 2014. This achievement represents the County's 8th consecutive award. This award is the highest form of recognition for excellence in state and local government reporting. 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 this 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,



David A. Houser
County Auditor-Controller

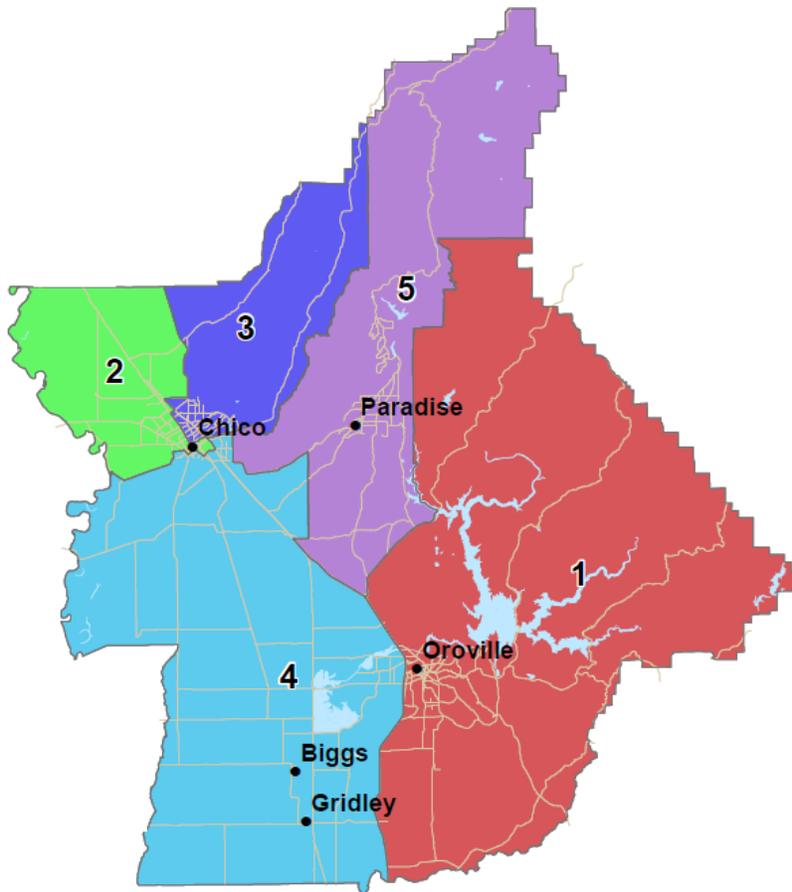
COUNTY OF BUTTE

BOARD OF SUPERVISORS

June 30, 2015

District 1	Bill Connelly
District 2	Larry Wahl
District 3	Maureen Kirk, Vice Chair*
District 4	Steve Lambert
District 5	Doug Teeter, Chair*

*Chosen annually at the first meeting in January.



COUNTY OF BUTTE

PRINCIPAL COUNTY OFFICIALS

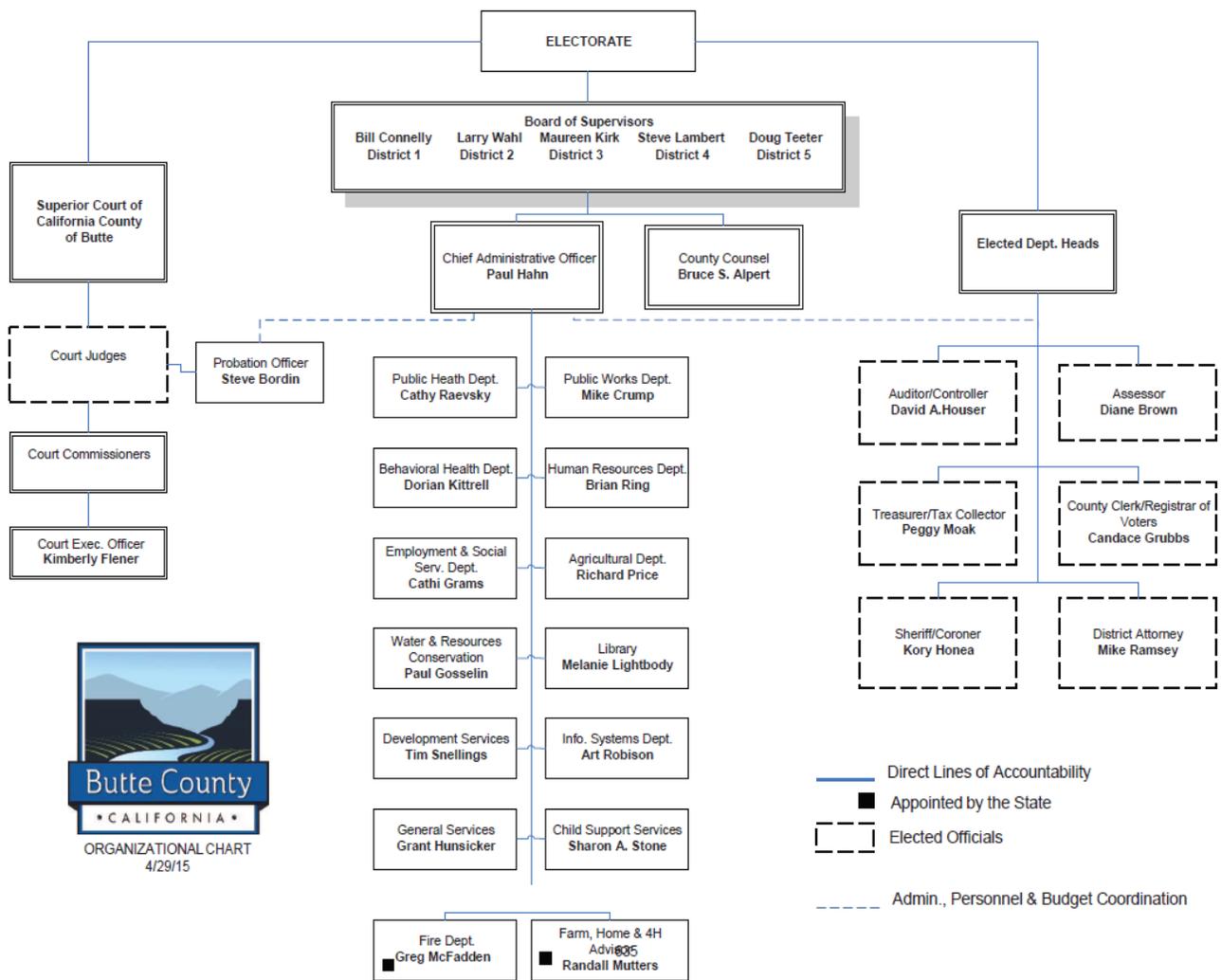
June 30, 2015

Elected Officials

Assessor.....	Diane Brown
Auditor-Controller.....	David A. Houser
Clerk/Recorder.....	Candace Grubbs
District Attorney.....	Mike Ramsey
Sheriff-Coroner.....	Kory Honea
Treasurer-Tax Collector.....	Peggy Moak

Appointed Officials

Agricultural Commissioner.....	Richard Price
Behavioral Health.....	Dorian Kittrell
Chief Administrative Officer.....	Paul Hahn
Child Support Services.....	Sharon A Stone
County Counsel.....	Bruce Alpert
Development Services.....	Tim Snellings
Employment and Social Services.....	Cathi Grams
Farm, Home & 4-H Advisor.....	Randall "Cass" Mutters
Fire Chief.....	Greg McFadden
General Services.....	Grant Hunsicker
Human Resources.....	Brian Ring
Information Systems.....	Art Robison
Library.....	Melanie Lightbody
Chief Probation Officer.....	Steve Bordin
Public Health.....	Cathy Raevsky
Public Works.....	Mike Crump
Water & Resource Conservation.....	Paul Gosselin





Government Finance Officers Association

**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, 2014

Executive Director/CEO





Financial Section





INDEPENDENT AUDITOR'S REPORT

Board of Supervisors
County of Butte

Report on the Financial Statements

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, (the County), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2015, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Implementation of New Accounting Pronouncement

As discussed in the Note 1 to the financial statements, the County adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*,

and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, during the fiscal year 2015. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, the schedule of changes in net pension liability and related ratios and schedule of plan contributions for the County’s employees’ retirement plan, the schedule of funding progress for the County’s other post-employment benefits (OPEB) plan, and budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Butte’s basic financial statements. The introductory section, combining and individual nonmajor 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 nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 6, 2016 on our consideration of the County’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County’s internal control over financial reporting and compliance.



Roseville, California
January 6, 2016



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, 2015. It should be read in conjunction with the County’s financial statements following this section. All dollar amounts included in the Management’s Discussion and Analysis section are expressed **in thousands** unless otherwise indicated.

I. FINANCIAL HIGHLIGHTS

Net Position- Government Wide	\$80 million	Change in Net Position from the previous year was a decrease of \$220 million or 72%, due to the implementation of GASB68
Fund Balance- Governmental	\$127 million	Change in Governmental Fund balance from the previous year was an increase of \$19 million or 17%
General Fund	\$51 million	Change in General Fund balance from the previous year was an increase of \$11 million or 27%, due to implementation of Teeter Plan policy which provided a onetime revenue of \$11 million.
Expenses	\$363 million	Change in Expenses for Governmental Activities from the previous year was an increase of \$19 million or 5%
Revenues	\$359 million	Change in Revenues for Governmental Activities from the previous year was an increase of \$26 million or 8%
Long Term Liabilities	\$243 million	Change in Long Term Liabilities for Governmental Activities from the previous year was an increase of \$146 million

II. OVERVIEW OF THE FINANCIAL STATEMENTS

A. Basic Financial Statements

The basic financial statements presented in the County’s CAFR are divided into three different sections: 1) government-wide financial statements, 2) fund financial statements and 3) the notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

B. Government-wide Financial Statements

The government-wide financial statements are designed to 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 position** presents information on all of the County’s assets and liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or declining.

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

The statement of net position and the statement of activities 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 a waste management operation.

The government-wide financial statements also provide information regarding the County's component units, entities for which the County (the primary government) is considered to be financially accountable. Blended component units, although legally separate entities, are in substance part of the County's operations and therefore data from these component units are blended in with operational funds of the County. Financial information for the Children and Families Commission of Butte County, a discretely presented component unit, is reported separately from the financial information presented for the primary government.

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 funds.

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

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

The County maintains 100 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. Individual fund data for each of these nonmajor governmental funds is provided in the combining statements and schedules section of this report.

The County adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

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 insurance and utilities. 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 provide the same type of information as the part of government-wide financial statements, 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. The accounting used for fiduciary funds is much like that used for proprietary funds.

D. Notes to the Basic Financial Statements

The 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.

E. 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 and OPEB (Other Post-Employment Benefits) benefits to its employees.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information on pensions and OPEB.

III. GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS

Table 1 – Net Position

	Governmental		Business-type		Total		Total	
	Activities		Activities				Dollar Change	% Change
	2015	2014	2015	2014	2015	2014	2014 to 2015	2014 to 2015
Current and other assets	\$ 173,674	\$ 201,832	\$ 20,919	\$ 20,007	\$ 194,593	\$ 221,839	\$ (27,246)	(14.0)%
Capital assets	177,116	196,631	19,377	19,933	196,493	216,564	(20,071)	(10.2)%
Deferred outflow of resources	15,174	-	144	-	15,318	-	15,318	100.0 %
Total assets & deferred outflow	365,964	398,463	40,440	39,940	406,404	438,403	(31,999)	(7.9)%
Current and other liabilities	29,245	24,961	367	683	29,612	25,644	3,968	13.4 %
Long-term liabilities	242,575	97,010	13,940	13,394	256,515	110,404	146,111	57.0 %
Deferred inflow of resources	39,785	-	433	-	40,218	--	40,218	100.0 %
Total liabilities deferred inflow	311,605	121,971	14,740	14,077	326,345	136,048	190,297	58.3 %
Net position:								
Net investment in capital assets	168,983	191,736	11,296	10,772	180,279	202,508	(22,229)	(12.3)%
Restricted	95,932	84,756			95,932	84,756	11,176	11.6 %
Unrestricted	(210,556)		14,404	15,091	(196,152)	15,091	(211,243)	107.7 %
Total net position	\$ 54,359	\$ 276,492	\$ 25,700	\$ 25,863	\$ 80,059	\$ 302,355	\$ (222,296)	(277.7)%

The largest portion of the County’s net position, \$168,983, reflects the County’s investment in capital assets (i.e. its land, structures and improvements, infrastructure, and equipment), less any related outstanding debt issued to acquire those assets. The County uses these capital assets to provide a variety of services to citizens. Accordingly, 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 position of \$95,932 is the net position subject to external restrictions on how they may be used.

The remaining deficit balance of (\$210,556) is primarily the result of the County’s unfunded pension and Other Postemployment Benefits obligations.

County of Butte Management's Discussion and Analysis

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

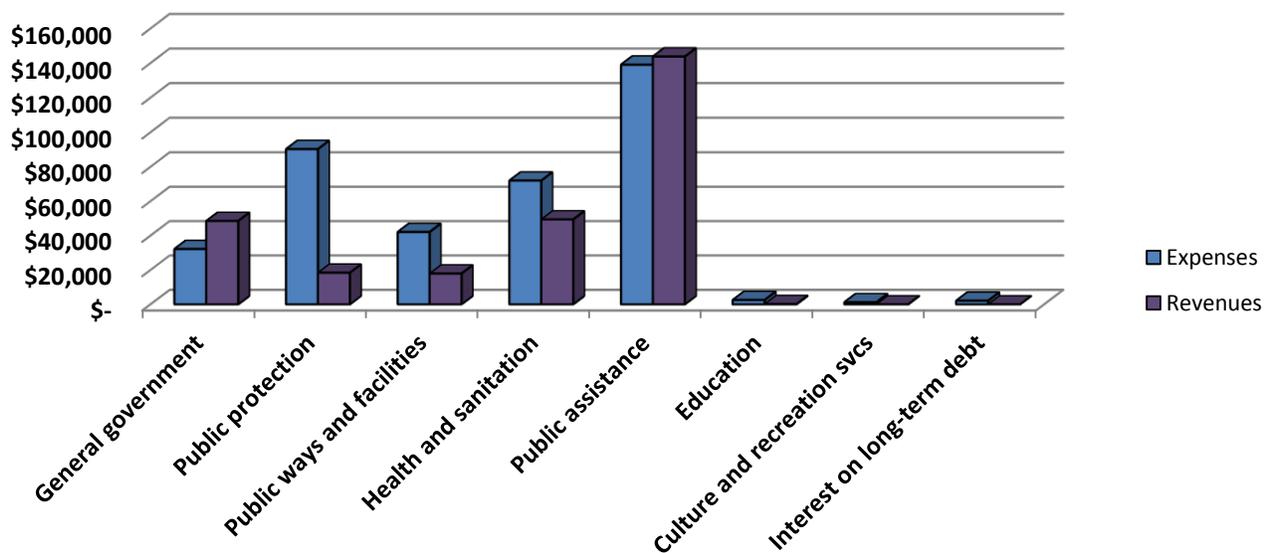
- Governmental Activities accounted for a decrease in net position of \$222,173 primarily due to the implementation of GASB 68, and current year depreciation expense of the County's infrastructure (roads and bridges), which amounted to \$11,339.
- Business-Type Activities accounted for an increase in net position of \$1,611, primarily due to current year revenues exceeding expenses.

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

Table 2 –Changes in Net Position

	Governmental Activities		Business-type Activities		Total		Total	
	2015	2014	2015	2014	2015	2014	Dollar Change 2014 to 2015	%Change 2014 to 2015
Revenues:								
Program revenues:								
Charges for services	\$ 21,865	\$ 22,792	\$ 7,548	\$ 6,227	\$ 29,413	\$ 29,019	\$ 394	1.3 %
Operating grants and contribution:	227,392	210,166	-	-	227,392	210,166	17,226	7.6 %
Capital grants and contributions	15,755	18,636	-	-	15,755	18,636	(2,881)	(18.3)%
General revenues:								
Property taxes	62,252	48,772	-	-	62,252	48,772	13,480	21.7 %
Sales taxes	4,715	4,412	-	-	4,715	4,412	303	6.4 %
Other taxes and related revenues	987	1,158	-	-	987	1,158	(171)	(17.3)%
Unrestricted grants and contributions	15,399	17,216	-	-	15,399	17,216	(1,817)	(11.8)%
Unrestricted investment income	3,802	3,951	199	263	4,001	4,214	(213)	(5.3)%
Miscellaneous revenues	6,927	4,459	-	-	6,927	4,459	2,468	35.6 %
Total revenues	359,094	331,562	7,747	6,490	366,841	338,052	28,789	7.8 %
Program expenses:								
General government	33,285	33,407	-	-	33,285	33,407	(122)	(0.4)%
Public protection	104,222	86,187	-	-	104,222	86,187	18,035	17.3 %
Public ways and facilities	34,940	40,463	-	-	34,940	40,463	(5,523)	(15.8)%
Health and sanitation	63,593	65,919	-	-	63,593	65,919	(2,326)	(3.7)%
Public assistance	121,696	113,277	-	-	121,696	113,277	8,419	6.9 %
Education	3,383	2,514	-	-	3,383	2,514	869	25.7 %
Culture and recreation services	274	235	-	-	274	235	39	14.2 %
Interest on long-term debt	1,922	1,967	-	-	1,922	1,967	(45)	(2.3)%
Sanitation	-	-	6,151	5,898	6,151	5,898	253	4.1 %
Total expenses	363,315	343,969	6,151	5,898	369,466	349,867	19,599	5.3 %
Change in net position before transfers	(4,221)	(12,407)	1,596	592	(2,625)	(11,815)	9,190	-
Transfers	-	2	-	(2)	-	-	-	-
Change in net position	(4,221)	(12,405)	1,596	590	(2,625)	(11,815)	9,190	(350)%
Net position - beginning	276,492	288,897	25,863	25,273	302,355	314,170	(11,815)	(3.9)%
Prior period adjustment	(217,912)	-	(1,759)	-	(219,671)	-	-	-
Net position - ending	\$ 54,359	\$ 276,492	\$ 25,700	\$ 25,863	\$ 80,059	\$ 302,355	\$ (222,296)	(277.7)%

Expenses and Program Revenues - Governmental Activities



IV. FINANCIAL ANALYSIS OF GOVERNMENTAL 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, total fund balance less the nonspendable portion is a useful measure of the County's net resources available for spending at the end of the fiscal year.

At June 30, 2015, the County's governmental funds reported combined ending fund balances of \$127,371. The components of total fund balance are as follows:

- Nonspendable fund balance – \$921 are amounts that are not spendable in form, or are legally or contractually required to be maintained intact, and are made up of inventories and prepaid expenses.
- Restricted fund balance – \$102,428 consists of amounts with constraints put on their use by externally imposed creditors, grantors, contributions, laws, regulations or enabling legislation.
- Assigned fund balance – \$28 are amounts intended to be used for specific purposes by the Board of Supervisors.
- Unassigned fund balance – \$23,994 represents the residual classification for the County's General Fund.

Approximately 99.27%, or \$126,450 of the total fund balances is available to meet the County's current and future needs. With the approval of the Board of Supervisors, County management may allocate a portion of fund balance to a particular function, project or activity, and may also allocate for purposes beyond the current year, within the constraints applied to the various categories of fund balance. With the exception of the nonspendable portion, fund balances are available for appropriation at any time. The general fund is the main operating fund of the County. The general fund balance increased by \$11,571 during the current fiscal year.

As a measure of the general fund's liquidity, it is useful to compare both total fund balance and spendable fund balance to total fund expenditures. Total fund balance equates to 41.7% of total fund expenditures, while spendable fund balance equates to 41.2% of total fund expenditures. Of the general fund spendable fund balance, \$26,840 or 52% is restricted.

The welfare fund has a total fund balance of \$6,427 of which \$6,427 is restricted. The overall fund balance decreased by \$321 primarily due to a shift in State funding.

The public health fund has a total fund balance of \$12,144 of which \$12,140 is restricted and \$4 is nonspendable. The overall fund balance increased by \$873 due to a decrease in expenditures as well as payment from the State of overdue funding.

The behavioral health fund has a total fund balance of \$7,593 of which \$7,589 is restricted and \$4 is nonspendable. The overall fund balance increased by \$326 primarily resulting from continuing compliance to a plan addressing prior structural deficits.

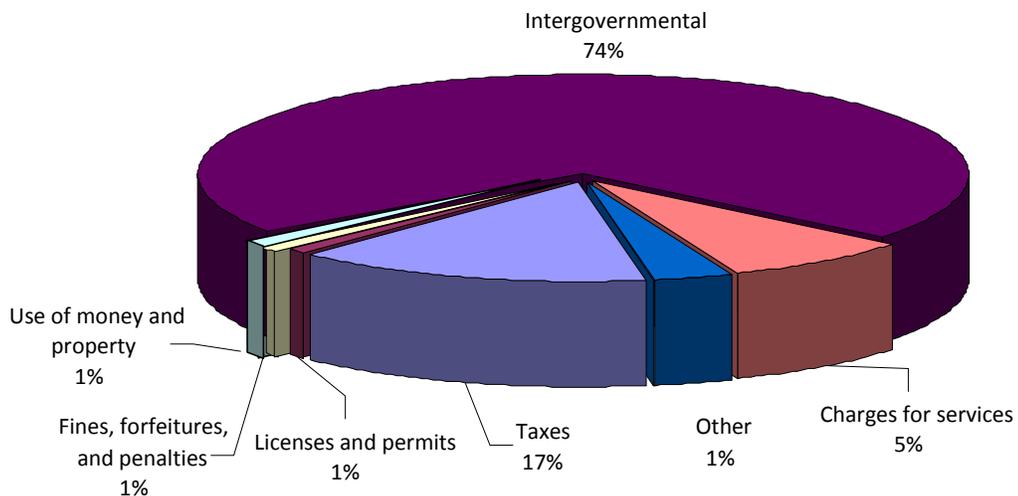
The road fund has a total fund balance of \$8,667. Of this amount, \$306 is nonspendable, and the balance of \$8,361 is restricted. The overall fund balance decreased by \$2,115 during the current fiscal year, due to decreased revenues from other local governmental projects.

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

Revenue Sources	FY 2014		FY 2015		Change	
	Amount	% of total	Amount	% of total	Amount	% of change
Taxes	\$ 54,344	16.4%	\$ 67,954	19.1%	\$ 13,610	25.0%
Licenses and permits	3,808	1.1%	3,896	1.1%	88	2.3%
Fines, forfeitures, and penaltie	2,173	0.7%	3,148	0.9%	975	44.9%
Use of money and property	3,720	1.1%	3,802	1.1%	82	2.2%
Intergovernmental	245,851	74.2%	255,545	71.8%	9,694	3.9%
Charges for services	16,811	5.1%	14,787	4.2%	(2,024)	(12.0%)
Other	4,459	1.3%	6,891	1.9%	2,432	54.5%
Total	\$ 331,166	100%	\$ 356,023	100%	\$ 24,857	7.5%

Revenue in the Governmental Funds



County of Butte Management's Discussion and Analysis

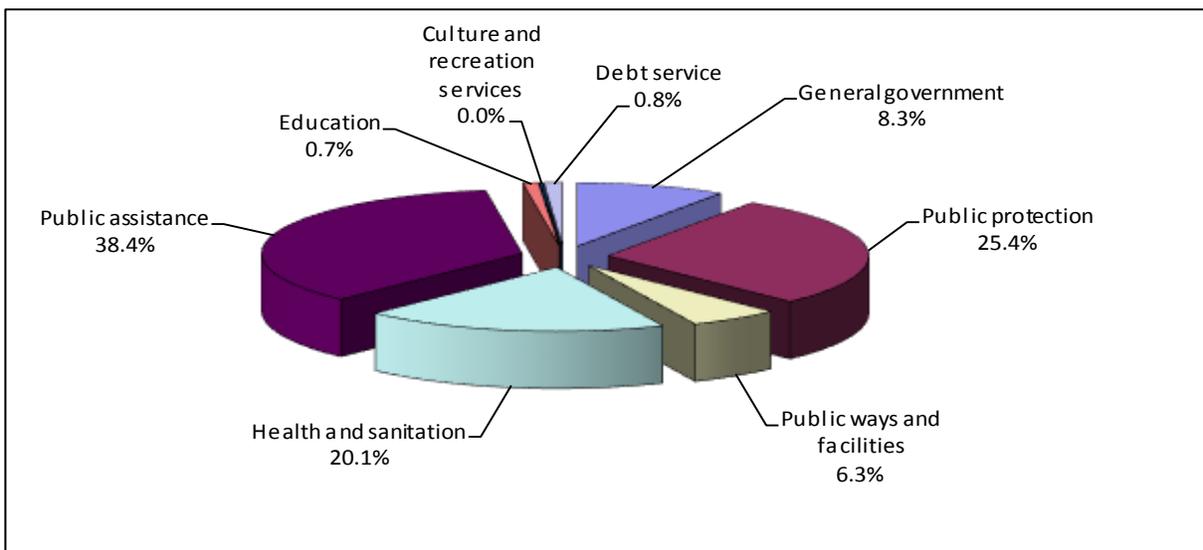
Significant changes for major revenue sources are explained below.

- Taxes – Residential and Secured Business Values increased due to the stabilization of the current economy.
- Charges for service – decrease in revenue due to a rare increase in Court costs which occurred last year.

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

Function	FY 2014		FY 2015		Change	
	Amount	% of total	Amount	% of total	Amount	% of change
General government	\$ 34,987	10.7%	\$ 31,818	9.3%	\$ (3,169)	(9.1%)
Public protection	87,075	26.6%	97,118	28.4%	10,043	11.5%
Public ways and facilities	21,243	6.5%	19,082	5.6%	(2,161)	(10.2%)
Health and sanitation	65,097	19.9%	64,446	18.9%	(651)	(1.0%)
Public assistance	112,559	34.4%	121,408	35.5%	8,849	7.9%
Education	2,508	0.8%	3,256	1.0%	748	29.8%
Culture and recreation service	252	0.1%	463	0.1%	211	83.7%
Debt service	3,074	0.9%	3,952	1.2%	878	28.6%
Total	\$ 326,795	100%	\$ 341,543	100%	\$ 14,748	4.5%



Significant changes for major functions are explained below.

- General Government – Decrease due to operating efficiencies.
- Public Protection – The increase in this function is mainly due to a shift of responsibilities from the State to Counties.

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

The County’s only enterprise fund consists of the Neal Road Landfill Management fund and has a total net position of \$25,700. Of this amount, \$11,296 is investment in capital assets, and the balance of \$14,404 is unrestricted. Overall net position increased by \$1,596 due to an increase in revenue from fuel sales. The County’s internal service funds have an aggregate net position of \$7,899. Of this amount, \$11 is invested in capital assets.

V. GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget for revenues were an increase of \$3,039. Tax revenues outperformed revenue estimates primarily due to better than expected estimates for Property Tax. Differences between the original budget and the final amended budget for expenditures were an increase of \$3,131.

During the fiscal year, actual revenues were more than budgetary estimates by \$11,105. The primary reason for the increase was the increased revenue received by aid from other governments. Differences in actual expenditures to budgetary estimates were a decrease of \$17,817. The primary reason for the decrease was efficiencies.

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, 2015, amounts to \$196,472 (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 9.0%.

Additional information on the County's capital assets can be found in the Notes to the Financial Statements section of this report, note 4 – Capital Assets.

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

- A. Construction in progress capital assets were transferred to structures and improvements and equipment.
- B. 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.

A. Capital Assets - continued**Table 5 – Capital Assets (Net of Depreciation)**

	Governmental activities		Business-type activities		Total	
			2014	2015	2014	2015
	Land	\$ 2,616	\$ 2,616	\$ 421	\$ 421	\$ 3,037
Structures & improvements	42,937	38,779	52	49	42,989	38,828
Equipment	15,528	16,492	1,607	1,412	17,135	17,904
Infrastructure	131,223	111,785	17,771	17,406	148,994	129,191
Construction in progress	4,327	7,443	82	68	4,409	7,511
Total	\$ 196,631	\$ 177,115	\$ 19,933	\$ 19,356	\$ 216,564	\$ 196,471

B. Long-Term Obligations

At June 30, 2015, the County had total long-term obligations outstanding of \$57,206 consisting of \$5,790 in Certificates of Participation, capital lease obligations of \$1,283, bonds payable of \$49,075, and notes payable of \$1,058. Additional long-term liabilities include compensated leave payable of \$14,961, actuarial claims liability of \$7,052 for general insurance and worker's compensation self-insurance and OPEB obligations of \$23,559.

Business activities had total long-term obligations of \$12,266 consisting of \$744 of capital lease obligations, \$7,316 of Certificates of Participation, notes payable of \$50 and landfill closure/post closure care liability of \$4,156. Additional long-term liabilities include compensated leave payable of \$213.

Additional information on the County's long-term liabilities can be found in the Notes to the Financial Statements section of this report, note 6 – Long-Term Obligations.

VII. DEFERRED OUTFLOWS OF RESOURCES & DEFERRED INFLOW OF RESOURCES**A. Deferred Outflows of Resources**

Deferred outflows of resources are new to the County's Statement of Net Position for this fiscal year. This classification balance, although similar to "assets," is set apart because these items do not meet the technical definition of being a County asset on the date of these financial statements. On the date of the financial statement these amounts are not available to pay liabilities, which other assets are. Once the recognition criteria are met, the deferred outflow of resources will become and expense/expenditure.

The deferred outflow of resources reported on the Statement of Net Position this year are related to the implementation of GASB 68 and GASB 71 for pension liability reporting. GASB 71 requires that contributions made during the fiscal year to the retirement system be reported as deferred outflows of resources.

B. Deferred Inflows of Resources

Deferred inflows of resources are the counterpart to deferred outflows of resources on the Statement of Net Position. Deferred inflows of resources are not technically liabilities of the

County as of the date of the financial statements. When all the recognition criteria are met, the deferred inflow of resources will become revenue or and increase to net position.

The deferred outflow of resources reported on the Statement of Net Position for this fiscal year

B. Deferred Inflows of Resources (continued)

is attributable to the various components that impact pension changes, and can include investment changes amortization, changes due to actuarial assumptions, and differences between expected or actual experience.

VIII. FISCAL OUTLOOK

The County adopted its fiscal year 2015-2016 Final Budget in the total amount of \$450,567, with a General Fund overall emergency reserve level of \$7,500. The County will continue to face difficult fiscal challenges in the foreseeable future. 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, including the public safety and health and human services realignment. Declining revenues, 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.

IX. REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the County's finances for all those with an interest. Questions concerning any of the information presented in this report or requests for additional financial information should be addressed to:

Auditor-Controller
25 County Center Drive Suite 120
Oroville, CA 95965

The County's Comprehensive Annual Financial Report can also be found at www.buttecounty.net.



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

COUNTY OF BUTTE, CALIFORNIA

STATEMENT OF NET POSITION

JUNE 30, 2015

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 139,029,519	\$ 18,177,419	\$ 157,206,938
Cash and investments with fiscal agent	703,764	2,272,701	2,976,465
Imprest cash	41,695	2,800	44,495
Accounts receivable	4,862,793	459,539	5,322,332
Due from other governments	23,435,541	-	23,435,541
Prepaid items	567,372	26,906	594,278
Deposits with others	2,797	-	2,797
Inventories	354,290	-	354,290
Loans receivable	4,676,239	-	4,676,239
Capital assets, net			
Non-depreciable	10,058,983	489,527	10,548,510
Depreciable assets, net	167,056,619	18,866,759	185,923,378
Total Assets	350,789,612	40,295,651	391,085,263
DEFERRED OUTFLOW OF RESOURCES-PENSION	15,174,176	144,578	15,318,754
LIABILITIES			
Current liabilities:			
Accounts payable	5,652,092	148,304	5,800,396
Salaries and benefits payable	5,142,308	69,101	5,211,409
Deposits payable	258,098	-	258,098
Unearned revenue	18,184,394	-	18,184,394
Accrued interest	8,075	149,950	158,025
Long term liabilities:			
Due within one year	19,403,092	1,197,092	20,600,184
Due in more than one year	59,818,527	11,282,268	71,100,795
OPEB obligation	23,558,715	-	23,558,715
Net pension liability	139,794,947	1,460,366	141,255,313
Total Liabilities	271,820,248	14,307,081	286,127,329
DEFERRED INFLOW OF RESOURCES-PENSION	39,784,983	433,190	40,218,173
NET POSITION			
Net investment in capital assets	168,982,913	11,295,555	180,278,468
Restricted for:			
Health and sanitation	19,737,253	-	19,737,253
Public safety	20,029,948	-	20,029,948
Public ways & facilities	8,667,719	-	8,667,719
Welfare	6,426,943	-	6,426,943
Other county programs	41,070,101	-	41,070,101
Unrestricted (deficit)	(210,556,320)	14,404,403	(196,151,917)
Total Net Position	\$ 54,358,557	\$ 25,699,958	\$ 80,058,515

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

COUNTY OF BUTTE, CALIFORNIA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 33,284,793	\$ 8,482,864	\$ 26,867,021	\$ -	\$ 2,065,092	\$ -	\$ 2,065,092
Public protection	104,222,488	9,345,835	46,712,488	-	(48,164,165)	-	(48,164,165)
Public ways and facilities	34,940,310	347,898	-	15,754,932	(18,837,480)	-	(18,837,480)
Health and sanitation	63,592,673	2,877,011	133,254,897	-	72,539,235	-	72,539,235
Public assistance	121,695,661	373,010	20,354,639	-	(100,968,012)	-	(100,968,012)
Education	3,382,972	120,413	202,783	-	(3,059,776)	-	(3,059,776)
Culture and recreation services	274,130	317,359	-	-	43,229	-	43,229
Interest on long-term debt	1,921,981	-	-	-	(1,921,981)	-	(1,921,981)
Total Governmental activities	<u>363,315,008</u>	<u>21,864,390</u>	<u>227,391,828</u>	<u>15,754,932</u>	<u>(98,303,858)</u>	<u>-</u>	<u>(98,303,858)</u>
Business-type activities:							
Sanitation	6,151,270	7,548,245	-	-	-	1,396,975	1,396,975
Total Business-type activities	<u>6,151,270</u>	<u>7,548,245</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,396,975</u>	<u>1,396,975</u>
Total Primary Government	<u>\$ 369,466,278</u>	<u>\$ 29,412,635</u>	<u>\$ 227,391,828</u>	<u>\$ 15,754,932</u>	<u>(98,303,858)</u>	<u>1,396,975</u>	<u>(96,906,883)</u>
General revenues:							
Taxes:							
Property taxes					62,251,988	-	62,251,988
Sales and use taxes					4,715,299	-	4,715,299
Other taxes and related revenues					986,621	-	986,621
Grants and contributions not restricted to specific programs					15,399,497	-	15,399,497
Unrestricted interest and investment earnings					3,801,898	199,250	4,001,148
Other revenues					6,927,395	-	6,927,395
Total general revenues					<u>94,082,698</u>	<u>199,250</u>	<u>94,281,948</u>
Change in net position					(4,221,160)	1,596,225	(2,624,935)
Net position - beginning					276,491,979	25,862,732	302,354,711
Prior period adjustment					(217,912,262)	(1,758,999)	(219,671,261)
Adjusted net position-beginning					<u>58,579,717</u>	<u>24,103,733</u>	<u>82,683,450</u>
Net position - ending					<u>\$ 54,358,557</u>	<u>\$ 25,699,958</u>	<u>\$ 80,058,515</u>

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



Basic Financial Statements- Fund Financial Statements



COUNTY OF BUTTE, CALIFORNIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

	General Fund	Welfare Fund	Public Health Fund	Behavioral Health Fund	Road Fund	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and investments	\$ 49,854,463	\$ 10,178,293	\$ 11,713,496	\$ 10,118,054	\$ 4,708,838	\$ 37,607,862	\$ 124,181,006
Restricted Assets:							
Cash with fiscal agent	37,432	-	-	-	-	501,663	539,095
Imprest cash	37,995	-	650	1,000	50	2,000	41,695
Due from other funds	3,770	-	-	-	2,796,698	-	2,800,468
Accounts receivable	2,370,041	71,884	2,313,366	46,685	37,386	153	4,839,515
Due from other governments	4,472,435	8,439,341	0	5,562,855	2,149,081	2,811,830	23,435,542
Prepaid items	555,606	-	3,978	3,950	3,837	-	567,371
Deposits with others	2,797	-	-	-	-	-	2,797
Inventory	51,854	-	-	-	302,436	-	354,290
Loans receivable	-	-	-	-	-	4,676,238	4,676,238
Total assets	57,386,393	18,689,518	14,031,490	15,732,544	9,998,326	45,599,746	161,438,017
LIABILITIES							
Due to other funds	1,391	-	-	-	-	2,799,077	2,800,468
Accounts payable	2,295,912	125,488	185,171	1,563,270	387,586	997,722	5,555,149
Salaries and benefits payable	2,300,072	1,326,060	340,763	745,611	221,542	208,263	5,142,311
Unearned revenue	918,593	10,798,311	109,489	5,830,262	3,156	524,583	18,184,394
Deposits payable	258,098	-	-	-	-	-	258,098
Total liabilities	5,774,066	12,249,859	635,423	8,139,143	612,284	4,529,645	31,940,420
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue	142,636	12,716	1,252,215	-	718,323	-	2,125,890
Total deferred inflows of resources	142,636	12,716	1,252,215	-	718,323	-	2,125,890
FUND BALANCES							
Nonspendable	607,460	-	3,978	3,950	306,273	-	921,661
Restricted	26,840,249	6,426,943	12,139,874	7,589,451	8,361,446	41,070,101	102,428,064
Assigned	28,259	-	-	-	-	-	28,259
Unassigned	23,993,723	-	-	-	-	-	23,993,723
Total fund balances	51,469,691	6,426,943	12,143,852	7,593,401	8,667,719	41,070,101	127,371,707
Total liabilities deferred inflow of resources and fund balance	\$ 57,386,393	\$ 18,689,518	14,031,490	15,732,544	\$ 9,998,326	\$ 45,599,746	\$ 161,438,017

COUNTY OF BUTTE, CALIFORNIA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2015

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

Fund balances-total governmental funds	\$ 127,371,707
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. These assets consist of:

Land	2,616,291	
Construction in progress	7,442,692	
Infrastructure	589,086,867	
Structures and improvements	62,034,747	
Equipment	62,215,040	
Less: accumulated depreciation	<u>(546,291,124)</u>	
Total capital assets		177,104,513

Some of the County's revenue will be collected after year-end, but is not available soon enough to pay for the current period's expenditures, and therefore is reported as unavailable revenue in the governmental funds.	2,125,890
---	-----------

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.	(8,075)
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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.	7,898,610
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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, 2015 are:

Certificates of participation	(5,790,528)	
Bonds payable	(49,075,000)	
Notes payable	(1,058,644)	
Capital leases	(1,283,518)	
Other postemployment benefits	(23,558,715)	
Compensated absences	(14,961,929)	
Net pension liability	<u>(139,794,947)</u>	
Total long-term liabilities		(235,523,281)

Deferred outflows and inflows of resources related to pensions are applicable to future periods and therefore, are not reported in the funds.

Deferred outflows of resources	15,174,176	
Deferred inflows of resources	<u>(39,784,983)</u>	
Total deferred pension balances		<u>(24,610,807)</u>

Net position of governmental activities	<u>\$ 54,358,557</u>
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COUNTY OF BUTTE, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	General Fund	Welfare Fund	Public Health Fund	Behavioral Health Fund	Road Fund	Other Governmental Funds	Total Governmental Funds
REVENUES							
Taxes	\$ 67,018,248	\$ -	\$ -	\$ -	\$ -	\$ 935,657	\$ 67,953,905
Licenses and permits	3,715,786	-	136,484	-	44,101	839,965	3,896,371
Fines, forfeitures, and penalties	1,976,804	-	246,046	76,223	8,575	354,367	3,147,613
Revenue from use of money and property	3,156,233	98,136	102,964	(961)	91,157	14,943,267	3,801,896
Aid from other governments	40,488,672	119,567,908	12,709,583	56,365,642	11,470,125	1,226,080	255,545,197
Charges for services	10,932,191	211,010	1,759,100	659,157	-	996,667	14,787,538
Other	3,017,868	977,992	861,863	319,946	996,667	716,783	6,891,119
Total revenues	<u>130,305,802</u>	<u>120,855,046</u>	<u>15,816,040</u>	<u>57,420,007</u>	<u>12,610,625</u>	<u>19,016,119</u>	<u>356,023,639</u>
EXPENDITURES:							
Current:							
General government	21,844,344	-	-	-	-	9,973,363	31,817,707
Public protection	96,016,701	251,567	-	-	-	849,811	97,118,079
Public ways and facilities	-	-	-	-	17,653,917	1,428,225	19,082,142
Health and sanitation	3,025	-	15,135,436	49,175,805	-	131,520	64,445,786
Public assistance	751,396	114,057,641	-	-	-	6,599,525	121,408,562
Education	3,255,644	-	-	-	-	-	3,255,644
Recreation and cultural services	353,706	-	-	-	-	109,763	463,469
Debt Service:							
Principal	1,196,093	-	-	-	-	832,109	2,028,202
Interest	7,554	-	-	-	-	1,916,260	1,923,814
Total expenditures	<u>123,428,463</u>	<u>114,309,208</u>	<u>15,135,436</u>	<u>49,175,805</u>	<u>17,653,917</u>	<u>21,840,576</u>	<u>341,543,405</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,877,339</u>	<u>6,545,838</u>	<u>680,604</u>	<u>8,244,202</u>	<u>(5,043,292)</u>	<u>(2,824,457)</u>	<u>14,480,234</u>
OTHER FINANCING SOURCES (USES):							
Sales of capital assets	-	-	-	-	34,307	1,968	36,275
Issuance of debt	-	-	-	-	-	4,796,195	4,796,195
Transfers in	10,428,950	617,182	1,436,014	1,844,396	5,828,559	6,823,771	26,978,872
Transfers out	(5,735,052)	(7,484,263)	(1,243,301)	(2,822,130)	(2,934,950)	(6,759,176)	(26,978,872)
Total other financing sources (uses)	<u>4,693,898</u>	<u>(6,867,081)</u>	<u>192,713</u>	<u>(977,734)</u>	<u>2,927,916</u>	<u>4,862,758</u>	<u>4,832,470</u>
Net change in fund balances	11,571,237	(321,243)	873,317	7,266,468	(2,115,376)	2,038,301	19,312,704
Fund balances, beginning	39,898,454	6,748,186	11,270,535	326,933	10,783,095	39,031,800	108,059,003
Fund balances, ending	<u>\$ 51,469,691</u>	<u>\$ 6,426,943</u>	<u>\$ 12,143,852</u>	<u>\$ 7,593,401</u>	<u>\$ 8,667,719</u>	<u>\$ 41,070,101</u>	<u>\$ 127,371,707</u>

COUNTY OF BUTTE, CALIFORNIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE
GOVERNMENT-WIDE STATEMENTS OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

The schedule below reconciles the Net Changes in Fund Balances reported on the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances, which measure only changes in current assets and current liabilities on the modified accrual basis, with the Change in Net Position of Governmental Activities reported in the Statement of Activities, which is prepared on the full accrual basis.

Net change to fund balances-total governmental funds		\$ 19,312,704
Amounts reported for governmental activities in the statements of activities are different because:		
Governmental funds reported 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.		
Capital outlay expenditures are therefore added back to fund balances		19,291,572
Depreciation expense not reported in governmental funds		(24,761,562)
Other capital asset adjustments		(14,038,571)
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 expenditure in the governmental funds, but in the statement of net position the repayment reduces long-term liabilities.		
Principal payments		2,028,202
Proceeds from issuance of debt		(4,796,195)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when paid		
		1,833
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).		
Other postemployment benefits	(2,669,982)	
Compensated absences	(59,084)	
Net pension liability	<u>40,003,797</u>	
		37,274,731
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds		
		1,958,525
Deferred inflow of resources	(39,784,983)	
Deffered outflow of resources	<u>976,151</u>	
		(38,808,832)
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 of internal service funds is reported with governmental activities.		
		<u>(1,683,567)</u>
Change in net position of governmental activities		<u>\$ (4,221,160)</u>

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

COUNTY OF BUTTE, CALIFORNIA

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

JUNE 30, 2015

	Business Type Activities <u>Neal Road Landfill</u>	Governmental Activities <u>Internal Service Funds</u>
ASSETS		
Current assets:		
Cash and investments	\$ 18,177,419	\$ 14,848,513
Cash and investments with fiscal agent	2,272,701	164,669
Imprest cash	2,800	-
Accounts receivable	459,539	23,277
Prepaid items	26,906	-
Total current assets	<u>20,939,365</u>	<u>15,036,459</u>
Noncurrent assets:		
Capital assets:		
Nondepreciable:		
Land	420,932	-
Construction in progress	68,595	-
Depreciable:		
Structures	19,871,848	-
Equipment	4,684,985	45,461
Less: Accumulated depreciation	<u>(5,690,074)</u>	<u>(34,371)</u>
Total capital assets, net	<u>19,356,286</u>	<u>11,090</u>
Total noncurrent assets	<u>19,356,286</u>	<u>11,090</u>
Total assets	<u>40,295,651</u>	<u>15,047,549</u>
Deferred outflows of resources-pension	<u>144,578</u>	-

continued

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

COUNTY OF BUTTE, CALIFORNIA

**STATEMENT OF NET POSITION
 PROPRIETARY FUNDS (continued)
 JUNE 30, 2015**

	Business Type Activities	Governmental Activities
	Neal Road Landfill	Internal Service Funds
LIABILITIES		
Current liabilities:		
Interest payable	\$ 149,950	\$ -
Accounts payable	148,304	96,940
Accrued salaries and benefits	69,101	-
Capital lease payable, current portion	212,092	-
COP payable, current portion	915,000	-
Claims and judgments, current portion	-	2,600,000
Compensated absences, current portion	20,000	-
Loans payable, current portion	50,000	-
Total current liabilities	<u>1,564,447</u>	<u>2,696,940</u>
Noncurrent liabilities:		
Capital lease payable	532,370	-
COP payable, less current portion	6,401,269	-
Claims and judgments, less current portion	-	4,452,000
Compensated absences, less current portion	192,781	-
Landfill closure/post-closure care costs	4,155,848	-
Net pension liability	1,460,366	-
Total noncurrent liabilities	<u>12,742,634</u>	<u>4,452,000</u>
Total liabilities	<u>14,307,081</u>	<u>7,148,940</u>
Deferred inflow of resources-pension	<u>433,190</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	11,295,555	11,090
Unrestricted	14,404,403	7,887,520
Total net position	<u>\$ 25,699,958</u>	<u>\$ 7,898,610</u>

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

COUNTY OF BUTTE, CALIFORNIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Business Type Activities	Governmental Activities
	Neal Road Landfill	Internal Service Funds
OPERATING REVENUES		
Charges for services	\$ 7,335,407	\$ 6,500,159
Other revenue	212,838	-
Total operating revenues	<u>7,548,245</u>	<u>6,500,159</u>
OPERATING EXPENSES		
Salaries and employee benefits	1,483,219	340,072
Service and supplies	1,969,663	3,484,366
Claims and judgments	-	4,511,473
Operation and maintenance	1,551,257	-
Depreciation	682,762	6,481
Landfill closure/post-closure care cost	239,557	-
Total operating expenses	<u>5,926,458</u>	<u>8,342,392</u>
Operating income (loss)	<u>1,621,787</u>	<u>(1,842,233)</u>
NONOPERATING REVENUES (EXPENSES)		
Interest income	199,250	158,666
Interest expense	(302,561)	-
Gain (loss) on sale of assets	77,749	-
Total nonoperating revenues (expenses)	<u>(25,562)</u>	<u>158,666</u>
Change in net position	<u>1,596,225</u>	<u>(1,683,567)</u>
Net position, beginning of year	25,862,732	9,582,177
Prior period adjustments	(1,758,999)	-
Net position - beginning, restated	<u>24,103,733</u>	<u>9,582,177</u>
Net position, end of year	<u>\$ 25,699,958</u>	<u>\$ 7,898,610</u>

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

COUNTY OF BUTTE, CALIFORNIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Business Type Activities	Governmental Activities
	Neal Road Landfill	Internal Service Funds
CASH FLOWS FROM		
OPERATING ACTIVITIES:		
Cash received from customers	\$ 7,452,173	\$ 6,517,999
Cash paid to suppliers for goods and services	(3,848,108)	(7,913,234)
Cash paid to employees for services	(1,468,107)	(340,072)
Net cash provided (used) by operating activities	<u>2,135,958</u>	<u>(1,735,307)</u>
CASH FLOWS FROM NONCAPITAL		
FINANCING ACTIVITIES:		
Principal repayment on loans payable	(50,000)	-
Net cash provided (used) by noncapital financing activities	<u>(50,000)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND		
RELATED FINANCING ACTIVITIES:		
Payments related to the acquisition of capital assets	(106,484)	-
Sale of capital assets	77,749	-
Principal repayment on long term debt	(880,000)	-
Principal repayment on capital lease payable	(220,117)	-
Interest paid	(320,161)	-
Net cash provided (used) by capital and related financing activities	<u>\$ (1,449,013)</u>	<u>\$ -</u>

continued

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

COUNTY OF BUTTE, CALIFORNIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Business Type Activities	Governmental Activities
	Neal Road Landfill	Internal Service Funds
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received (paid)	232,584	158,666
Net cash provided (used) by investing activities	232,584	158,666
Net increase (decrease) in cash and cash equivalents	869,529	(1,576,641)
Cash and cash equivalents, beginning	19,583,391	16,589,823
Cash and cash equivalents, ending	20,452,920	15,013,182
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION:		
Cash and investments	18,177,419	14,848,513
Cash and investments with fiscal agent	2,272,701	164,669
Imprest cash	2,800	-
Total cash and investments	\$ 20,452,920	\$ 15,013,182

continued

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

COUNTY OF BUTTE, CALIFORNIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Business Type Activities</u>	<u>Governmental Activities</u>
	<u>Neal Road Landfill</u>	<u>Internal Service Funds</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating income (loss)	\$ 1,621,787	\$ (1,842,233)
Adjustment to reconcile operating income (loss) operating activities:		
Depreciation	682,762	6,481
Changes in assets, liabilities deferred inflows of resources and deferred outflows or resources:		
(Increase) decrease in:		
Accounts receivable	(118,429)	17,840
Due from other governments	22,357	-
Increase (decrease) in:		
Accounts payable	(327,188)	(190,395)
Accrued salaries and benefits	29,597	-
Compensated absences	(4,464)	-
Landfill closure/post-closure cost	239,557	-
Claims and judgments	-	273,000
Net pension liability	(443,211)	-
Deferred inflow	433,190	-
Net cash provided (used) by operating activities	<u>\$ 2,135,958</u>	<u>\$ (1,735,307)</u>

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

COUNTY OF BUTTE, CALIFORNIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2015

	<u>Investment Trust</u>	<u>Agency Funds</u>
ASSETS		
Cash and investments	\$ 243,467,550	\$ 21,065,600
Due from other governments	-	23,167
Property tax receivable	-	12,000,498
	<u>243,467,550</u>	<u>33,089,265</u>
Total assets	<u>243,467,550</u>	<u>33,089,265</u>
LIABILITIES		
Agency funds held for others	-	33,089,265
	<u>-</u>	<u>\$ 33,089,265</u>
Total liabilities	<u>-</u>	<u>\$ 33,089,265</u>
NET POSITION		
Held in trust for pool participants	<u>243,467,550</u>	
Total net position	<u>\$ 243,467,550</u>	

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

COUNTY OF BUTTE, CALIFORNIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
INVESTMENT TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Additions:	
Contributions to pooled investments	\$ 1,483,783,681
Interest and investment income	<u>2,083,841</u>
Total additions	<u>1,485,867,522</u>
Deductions:	
Distributions from investment pool	<u>(1,465,121,968)</u>
Total deductions	<u>(1,465,121,968)</u>
Net increase	20,745,554
Net position, beginning	<u>222,721,996</u>
Net position, ending	<u>\$ 243,467,550</u>

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





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

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

1. Summary of Significant Accounting Policies

A. The Financial Reporting Entity

The County of Butte, 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, 2015 fiscal year-end.

Discretely presented component units, also legally separate entities are separately stated from the County in the financial report. These component units are financially accountable to the County but for all practical purposes, function on their own.

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

CSA – Sewer **CSA – Lighting and Maintenance**

CSA #21 Oakridge	CSA #68 Crestwood
CSA #69 Lindo Gardens	CSA #82 Stirling City
CSA #71 Joshua Tree #2	CSA #141 Mountain Oaks Subdivision

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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 #96 Silvertree Subdivision
 CSA #97 Stoney Brook
 CSA #101 Carriage Estates Subdivision
 CSA #102 Meadowlark Acres
 CSA #116 Pistachio Grove Estates
 CSA #125 Willow Bend Subdivision
 CSA #129 Orchard House Estates
 CSA #177 Blossom Estates

CSA – Drainage

CSA #4 Sierra Del Oro
 CSA #23 Pleasant Valley
 CSA #24 Chico – Mud Creek
 CSA #25 Shasta Union
 CSA #87 Keefer Road/Rock Creek
 CSA #95 Copley Acres
 CSA #98 Oro Monte Estates
 CSA #119 South Fork Estates
 CSA #128 Wildflower Ests Subdivision
 CSA #169 Sierra Moon Subdivision

CSA – Other

CSA #26 Thermalito Sewer and Drainage
 CSA #31 Biggs (Schohr’s) Swimming Pool – Recreation
 CSA #34 Gridley Swimming Pool – Recreation
 CSA #37 Gridley – Biggs Ambulance
 CSA #90 Southgate Acres Drainage and Fire Protection
 CSA #94 Sycamore Valley Sewer, Lighting, and Drainage
 CSA #114 County of Butte – Nitrate Study Plan
 CSA #131 Walnut Manor – Lighting, Drainage, and Landscape
 CSA #135 Keefer Creek Estates – Lighting, Drainage, and Sewer
 CSA #137 Durham-Dayton Industrial Partners for Extended Structural Fire Protection
 CSA #149 Biggers Subdivision – Lighting, Drainage, and Snow removal

PRD – Permanent Road Divisions

Tonriha Subdivision – Street lighting, Drainage and Road maintenance
 Siskiyou Grove Estate – Street lighting, Drainage and Road maintenance

The County has created the Public Facilities Financing Corporation (Corporation) for the purposes of facilitating the financing of public projects within the County. The Board of Supervisors appoints the governing board of the Corporation and it is responsible for the fiscal and administrative activities of the entity. For financial reporting purposes capitalized leases between the County and the Corporation have been eliminated and the financial data of the entity has been included within the County’s reporting entity and is accounted for in a debt service fund.

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

1. Summary of Significant Accounting Policies (continued)

A. The Financial Reporting Entity (continued)

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:

Protection to Persons & Property

El Medio Fire District

Recreation

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

Drainage

Butte Creek Drainage
Drainage District #1
Drainage District #2
Drainage District #100
Drainage District #200

Cemetery

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

Health & Sanitation

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

Other Districts

Butte County Association of Governments
Butte County Resource Conservation
Butte County Office of Education
 Representing County School Districts
Butte County Fair

Buzztail Community Services
Children's and Families Commission
Reclamation District #833
Rock Creek Reclamation District
Sacramento River Reclamation District

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

1. Summary of Significant Accounting Policies (continued)

A. The Financial Reporting Entity (continued)

Certain 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.

B. Basis of Presentation

New Accounting Pronouncements

The following Governmental Accounting Standards Board (GASB) Statements have been implemented:

Statement 68 – Accounting and Financial Reporting for Pensions. (Applies to employers) The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement is effective for fiscal years beginning after June 15, 2014 and replaces the requirements of Statement 27 and 50. Statement 68 and Statement 67 establish a definition of a pension plan that reflects the primary activities associated with the pension arrangement—determining pensions, accumulating and managing assets dedicated for pensions, and paying benefits to plan members as they come due.

The adoption of GASB 68 has no impact on the County’s governmental funds financial statements, which continue to report expenditures in the amount of the actuarially determined contributions, as required by State law. The calculation of pension contributions is unaffected by the change. However, the adoption has resulted in the restatement of the County’s Fiscal Year 2014 government wide financial statements to reflect the reporting of net pension liabilities and deferred inflows of resources and deferred outflows of resources for each of its qualified pension plans, and the recognition of pension expense in accordance with the provisions of the Statement.

Footnote 15 Change in Accounting summarizes the impact to the County’s Financial Statements as a result of implementation of Statement No. 68.

Statement 69 – Government Combinations and Disposals of Government Operations. This Statement improves financial reporting by addressing accounting and financial reporting for government combinations and disposals of government operations. The term “government exchange of significant consideration. Government acquisitions are transactions in which

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

1. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

combinations are used to refer to a variety of arrangements, including mergers and acquisitions. Mergers include combinations of legally separate entities in which the government acquires another entity, or its operations, in exchange for insignificant consideration. Government combinations also include transfers of operations that do not constitute entire legally separate entities in which no significant consideration is exchanged. Transfers of operations may be present in shared service arrangements, reorganizations, redistricting, annexations, and arrangements in which an operation is transferred to a new government agency created to provide those services. There was no impact to the County's Financial Statements as a result of implementation of Statement 69.

Statement 70 – Accounting and Financial Reporting for Nonexchange Financial Guarantees. This Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data indicate that it is more likely than not that the government will be required to make a payment on the guarantee. The Statement requires a government that is required to repay a guarantor for making a payment on a guaranteed obligation, or legally assuming the guaranteed obligation, to continue to recognize a liability until legally released as an obligor. When a government is released as an obligor, the government should recognize revenue as a result of being relieved of the obligation. This Statement also provides additional guidance for intra-entity nonexchange financial guarantees involving blended component units. There was no impact on the County's Financial Statements as a result of the implementation of Statement 70.

Statement 71 –Pension Transition for Contributions Made Subsequent to the Measurement Date. This Statement amends Statement No. 68 to require that, at the transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to measurement date of the beginning net pension liability. Adoption of this Statement resulted in a deferred outflow of resources of \$15,174,176 for the governmental funds and \$144,578 for business type activities at June 30, 2015.

Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

The statement of activities presents a comparison between program expenses and program revenues for each segment of the business-type activities of the County and for each function of the County's governmental activities. Program expenses include direct expenses, which are clearly identifiable with a specific function, and allocated indirect

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

1. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

expenses. Program revenues include 1) 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.

The County has no discretely presented component units to present at this time but will continue to assess any potential component units. While they may not be considered as a major component unit, they would nevertheless be shown in a separate column in the government-wide financial statements.

Fund Financial Statements

The fund financial statements provide information about the government's funds, including its fiduciary funds and blended component units. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the County's enterprise funds and internal services funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administration expenses, and depreciation or capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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 that are funded primarily by state and federal grants.

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

1. **Summary of Significant Accounting Policies (continued)**

B. Basis of Presentation (continued)

- 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. Revenue sources consist primarily of state and federal grants and charges for services.
- 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. Revenue sources are primarily sales tax revenue and state grants.
- The **Road Fund** provides for planning, design, construction, maintenance, and administration of County transportation activities. Revenue sources consist primarily of the County's share of state highway user taxes and federal grants.

The County reports the following major enterprise fund:

- 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 risk management, unemployment insurance and utilities 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 position 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.
- 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.

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The

Basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the fiscal year for which the taxes are levied. Operating revenues are those that result from providing services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Grants and similar items are recognized in the fiscal year in which all eligible requirements have been satisfied.

The governmental fund financial statements are reported using the current financial resources measurement focus and modified accrual basis of accounting. Under this method, revenues are recognized 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 inflows. 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.

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

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

1. Summary of Significant Accounting Policies (continued)

D. Cash and Cash Equivalents (continued)

The County maintains a Cash and Investment Pool that holds deposits for all County funds, Butte County Schools and Special Districts, and certain other local agency depositors. For some entities, participation is mandatory. Some of the outside agencies under mandatory

participation in the Investment Pool are Superior Court, Autonomous Special Districts, Schools and Community College Districts. Other local agencies may qualify to participate on a voluntary basis, such as the Butte County Association of Governments, the Natural Resource Conservation Service, Thermalito Water & Power and the Butte County Fair, to name a few.

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. The Treasurer's Statement of Investment Policy is prepared in accordance with California Government Code, and approved annually by the County's Treasury Oversight Committee, and the Board of Supervisors.

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, 2015 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.

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 may be assigned to other funds based upon legal or contractual provisions.

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

1. Summary of Significant Accounting Policies (continued)

D. Cash and Cash Equivalents (continued)

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 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.

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 three percent of the total amount of taxes and assessments levied on the secured roll for the year to establish its tax loss reserve.

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

1. Summary of Significant Accounting Policies (continued)

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 reported as a nonspendable component of fund balance since they do not constitute available spendable resources. No amount has been provided as an allowance for doubtful accounts because all material amounts are 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 \$25,000 for machinery, equipment and computer software; more than \$125,000 for infrastructure, buildings and land improvements; 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.

The estimated useful lives are as follows:

Infrastructure	20 to 50 years
Land Improvements	20 years
Buildings and Building Improvements	50 years
Machinery & Equipment	5 to 20 years
Vehicles	5 to 15 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 net of related depreciation.

I. Deferred outflow/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period (s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has only one type of item, from pension activities.

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

1. Summary of Significant Accounting Policies (continued)

I. Deferred outflow/inflows of resources (continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period (s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the government funds balance sheet. The governmental funds report unavailable revenues from one source, unavailable revenue received subsequent to the County's accounts receivable policy for booking revenue. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available

J. 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.

K. 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.

All interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

L. 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, 2015

1. Summary of Significant Accounting Policies (continued)

M. 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.

N. Net Position

The government-wide financial statements and proprietary fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted, or unrestricted. *Net investment in Capital Assets* – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category. *Restricted*– 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*– This category represents net position of the County, not restricted for any project or other purpose.

O. Fund Equity

In the fund financial statements, governmental funds report fund balance as nonspendable, restricted, committed, assigned or unassigned based primarily on the extent to which the County is bound to honor constraints on how specific amounts can be spent.

- *Nonspendable Fund Balance* - amounts that are not in a spendable form or are legally or contractually required to be maintained intact (such as inventories or prepaid amounts).

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

1. Summary of Significant Accounting Policies (continued)

O. Fund Equity (continued)

- *Restricted Fund Balance* - amounts that can be spent only for specific purposes stipulated by external parties (such as creditors, grant providers or contributors) or by law.
- *Committed Fund Balance* - amounts that can be used only for the specific purpose determined by a resolution approved by the Board of Supervisors. Commitments remain binding unless changed or lifted only by the Board of Supervisors taking the same formal action that imposed the constraint originally. The formal action must occur prior to the end of the reporting period. The amount which will be subject to the constraint may be determined in the subsequent period.
- *Assigned Fund Balance* - amounts intended to be used by the government entity for specific purposes that are neither restricted nor committed. Intent can be expressed by the Board of Supervisors or by an official or body to which the Board delegates the authority. Assigned fund balance can also be used to eliminate a projected budgetary deficit in the subsequent year's budget.
- *Unassigned Fund Balance* - the residual classification for the General Fund, including all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose.
- *Fund Balance Policy* - based on the County's policy regarding the fund balance classification that was approved by the Board of Supervisors, when both restricted and unrestricted funds are available for expenditure, restricted funds should be spent first unless legal requirements disallow it. When expenditures are incurred for purposes for which amounts in any unrestricted fund balance classification could be used, committed funds are to be spent first, assigned funds second, and unassigned funds last.

Only the Board of Supervisors has the authority to assign unassigned fund balance amounts where the County's intent is for those amounts to be used for specific purposes.

P. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

2. Cash and Investments

Cash and investments as of June 30, 2015 are classified in the accompanying financial statements as follows:

Statement of Net Position

Primary Government:	
Cash and investments	157,206,938
Cash with fiscal agents	2,976,465
Imprest Cash	44,495
Fiduciary Funds:	
Cash and investments	<u>264,533,150</u>
Total cash and investments	<u><u>424,761,048</u></u>

Cash and investments as of June 30, 2015 consist of the following:

Cash on hand	142,698
Deposits with financial institutions	13,088,287
Investments	427,281,024
Outstanding warrants	<u>(15,750,961)</u>
Total cash and investments	<u><u>424,761,048</u></u>

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

2. Cash and Investments (continued)

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	20%	None
Reverse Repurchase Agreements	92 days	20% of base value	None
Medium-Term Notes	5 years	30%	None
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.

Investments Authorized by Debt Agreements

Investments 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
Local Agency Investment Fund (LAIF)	None	None	None
Butte County Treasurer's Pooled Portfolio	None	None	None

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

2. Cash and Investments (continued)

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:

Investment Type	<u>Remaining Maturity By Fair Value*</u>					
	<u>Total Fair Value</u>	<u>Less than One year</u>	<u>One to Two years</u>	<u>Two to Three years</u>	<u>Three to Four years</u>	<u>Four to Five years</u>
<u>WITH TREASURER:</u>						
FAMCA	\$ 47,985,342	\$ 3,405,538.00	\$ -	\$ 26,437,364	\$ -	\$ 18,142,440
FFCB	60,630,153	-	7,634,962	32,964,003	-	20,031,189
FHLB	59,059,855	-	-	25,032,415	14,791,702	19,235,738
FHLMC	50,922,789	-	5,031,085	27,422,869	-	18,468,835
FNMA	47,986,938	-	-	24,156,065	-	23,830,873
TVA	5,304,495	-	5,304,495	-	-	-
IBRD	3,009,540	-	-	3,009,540	-	-
BANK CD	5,500,000	5,000,000	500,000	-	-	-
MUNICIPAL BONDS	15,003,920	-	2,003,380	-	8,045,040	4,955,500
US TREASURY NOTE	13,975,549	-	-	-	5,043,360	8,932,189
NEGOTIABLE CD	3,251,295	502,531	750,000	500,000	750,000	748,764
CAL TRUST	4,519	4,519	-	-	-	-
LAIF	66,119,768	66,119,768	-	-	-	-
CORPORATE NOTES	37,603,677	18,325,952	4,511,003	4,983,135	-	9,783,588
MMF**	7,946,905	7,946,905	-	-	-	-
<u>TOTAL WITH TREASURER</u>	<u>424,304,745</u>	<u>101,305,212</u>	<u>25,734,924</u>	<u>144,505,390</u>	<u>28,630,102</u>	<u>124,129,116</u>
<u>WITH FISCAL AGENTS:</u>						
MONEY MARKET	\$ 1,571,526	\$ 1,571,526	\$ -	\$ -	\$ -	\$ -
BUSINESS CHECKING	164,669	164,669	-	-	-	-
DISCOVERY BENEFITS***	37,432	37,432	-	-	-	-
FHLMC	1,201,020	-	-	1,201,020	-	-
LAIF	1,632	1,632	-	-	-	-
<u>TOTAL WITH FISCAL AGENTS</u>	<u>2,976,279</u>	<u>1,775,259</u>	<u>-</u>	<u>1,201,020</u>	<u>-</u>	<u>-</u>
<u>TOTAL INVESTMENTS</u>	<u>\$ 427,281,024</u>	<u>\$ 103,080,471</u>	<u>\$ 25,734,924</u>	<u>\$ 145,706,410</u>	<u>\$ 28,630,102</u>	<u>\$ 124,129,116</u>

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

2. Cash and Investments (continued)

Disclosures Relating to Credit Risk (continued)

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.

Investment Type	Fair Value	Minimum Legal Rating	Rating as of Fiscal Year End		
			Moody's / S&P Aaa/AA+	AA-/A+/A1	Not Rated
FAMCA	\$ 47,985,342	N/A	\$ -	\$ -	\$ 47,985,342
FFCB	60,630,153	N/A	60,630,153	-	-
FHLB	59,059,855	N/A	59,059,855	-	-
FHLMC	50,922,789	N/A	50,922,789	-	-
FNMA	47,986,938	N/A	47,986,938	-	-
TVA	5,304,495	N/A	5,304,495	-	-
Bank CD	5,500,000	N/A	-	-	5,500,000
IBRD	3,009,540	N/A	3,009,540	-	-
Municipal Bonds	15,003,920	N/A	5,004,900	9,999,020	-
US Treasury Note	13,975,549	N/A	13,975,549	-	-
Negotiable CD	3,251,295	N/A	-	-	3,251,295
CAL TRUST	4,519	N/A	-	-	4,519
LAIF	66,119,768	N/A	-	-	66,119,768
Corporate Notes	37,603,677	A	8,233,577	29,370,100	-
Bank MMF	7,946,905	A	-	-	7,946,905
Held with fiscal agents:			-		
Money Market	1,571,526	A	1,571,526	-	-
Business Checking	164,669	N/A	-	-	164,669
Discovery	37,432	N/A	-	-	37,432
FNMA	1,201,020	N/A	1,201,020	-	-
LAIF	1,632	N/A	-	-	1,632
Total	\$ 427,281,024		\$ 256,900,342	\$ 39,369,120	\$ 131,011,562

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

2. Cash and Investments (continued)

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 Agricultural Mortgage Corp.	Federal agency securities	\$ 47,985,342
Federal Farm Credit Bank	Federal agency securities	60,630,153
Federal Home Loan Bank	Federal agency securities	59,059,855
Federal Home Loan Mortgage Corp.	Federal agency securities	50,922,789
Federal National Mortgage Assoc.	Federal agency securities	47,986,938

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. It is the County’s practice to disallow first trust deed mortgage notes as collateral for the County’s secured 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 OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

2. Cash and Investments (continued)

Investment in State Investment Pool (continued)

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.

Treasury Investment Pool

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, 2015:

Statement of Net Position	
Net Position held for pool participants	<u>\$ 421,740,088</u>
Equity of internal pool participants	178,272,538
Equity of external pool participants (voluntary and involuntary)	<u>243,467,550</u>
Total Equity	<u><u>421,740,088</u></u>
Statement of Changes in Net Position	
Net Position held for pool participants at July 1, 2014	383,842,279
Net change in investments by pool participants	<u>37,897,809</u>
Net Position held for pool participants at June 30, 2015	<u><u>\$ 421,740,088</u></u>

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

3. Interfund Transactions

Interfund Receivables/Payables

The interfund balances as of June 30, 2015 are as follows:

Balances due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
County General Fund	Nonmajor Governmental Funds	3,770
Road Operation Fund	County General Fund	1,391
Road Operations Fund	Nonmajor Governmental Funds	<u>2,795,307</u>
Total		<u>\$ 2,800,468</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, 2015

3. 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:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Behavioral Health Fund	286,929	Transfer for maintenance of effort
	Public Health Fund	741,489	Transfer for maintenance of efforts
	Road Fund	852,606	Transfer for vehicle maintenance and support services
	Welfare Fund	593,681	Transfer for county share of costs
	Nonmajor Governmental Funds	5,300	Transfer for support services
	Nonmajor Governmental Funds	123,431	Transfer for debt service
	Nonmajor Governmental Funds	450,719	Transfer for capital projects
	Nonmajor Governmental Funds	1,269,375	Transfer for equipment replacement
	Nonmajor Governmental Funds	<u>1,411,522</u>	Transfer for debt service - POB
		<u>5,735,052</u>	
Welfare Fund	Behavioral Health Fund	1,557,467	Transfer for services
	General Fund	4,602,341	Transfer for public safety services and support services
	Public Health Fund	472,630	Transfer for public health services
	Road Fund	36,522	Transfer for vehicle maintenance and support services
	Nonmajor Governmental Funds	239,401	Transfer for capital projects
	Nonmajor Governmental Funds	3,963	Transfer for equipment replacement
	Nonmajor Governmental Funds	<u>571,939</u>	Transfer for debt service - POB
		<u>7,484,263</u>	
Public Health Fund	General Fund	950,923	Transfer for support services
	Road Fund	56,366	Transfer for vehicle maintenance and support services
	Nonmajor Governmental Funds	71,160	Transfer for support services
	Nonmajor Governmental Funds	7,970	Transfer for equipment
	Nonmajor Governmental Funds	<u>156,882</u>	Transfer for debt service - POB
		<u>1,243,301</u>	

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

3. Interfund Transactions (continued)

Transfers to/ from other funds:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Reason</u>
Behavioral Health Fund	General Fund	2,265,430	Transfer for support services
	Public Health Fund	46	Transfer for public health services
	Road Fund	98,664	Transfer for vehicle maintenance and support
	Welfare Fund	23,501	Transfer for support services
	Nonmajor Governmental Funds	98,724	Transfer for capital projects
	Nonmajor Governmental Funds	1,979	Transfer for equipment
	Nonmajor Governmental Funds	<u>333,786</u>	Transfer for debt service - POB
		<u>2,822,130</u>	
Road Fund	General Fund	1,023,372	Transfer for support services
	Public Health Fund	2,646	Transfer for support services
	Nonmajor Governmental Funds	1,805,354	Transfer for capital projects
	Nonmajor Governmental Funds	<u>103,578</u>	Transfer for debt service - POB
		<u>2,934,950</u>	
Nonmajor Governmental Funds	General Fund	1,517,453	Transfer for support services
	Public Health fund	219,203	Transfer for support services
	Road	4,784,401	Transfer for facility services
	Nonmajor Governmental Funds	95,615	Transfer for capital projects
	Nonmajor Governmental Funds	58,400	Transfer for debt service
	Nonmajor Governmental Funds	<u>84,104</u>	Transfer for debt service - POB
		<u>6,759,176</u>	
Total		<u>\$ 26,978,872</u>	

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

4. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2015 was as follows:

	Balance July 1, 2014	Additions	Retirements	Transfers and Adjustments	Balance June 30, 2015
Governmental Activities					
Capital assets, not being depreciated:					
Land	\$ 2,616,291	\$ -	\$ -	\$ -	\$ 2,616,291
Construction in progress	4,326,544	8,949,587	-	(5,833,439)	7,442,692
Total capital assets, not being depreciated	6,942,835	8,949,587	-	(5,833,439)	10,058,983
Capital assets, being depreciated:					
Infrastructure	589,846,100	87,035	(846,267)	-	589,086,868
Structures and improvements	68,007,964	-	(11,638,558)	5,665,341	62,034,747
Equipment	60,504,440	4,640,197	(3,052,235)	168,098	62,260,500
Total capital assets, being depreciated	718,358,504	4,727,232	(15,537,060)	5,833,439	713,382,115
Less: accumulated depreciation for:					
Infrastructure	(458,623,960)	(19,526,160)	846,267	1,450	(477,302,403)
Structures and improvements	(25,070,279)	(1,315,028)	3,161,177	(30,866)	(23,254,996)
Equipment	(44,976,454)	(3,926,858)	3,087,246	47,969	(45,768,097)
Total accumulated depreciation	(528,670,693)	(24,768,046)	7,094,690	18,553	(546,325,496)
Total capital assets, being depreciated, net	189,687,811	(20,040,814)	(8,442,370)	5,851,992	167,056,619
Governmental activities capital assets, net	<u>\$ 196,630,646</u>	<u>\$ (11,091,227)</u>	<u>\$ (8,442,370)</u>	<u>\$ 18,553</u>	<u>\$ 177,115,602</u>
Business-Type Activities:					
Capital assets, not being depreciated:					
Land	\$ 420,932	\$ -	\$ -	\$ -	\$ 420,932
Construction in progress	81,742	43,323	-	(56,470)	68,595
Total capital assets, not being depreciated	502,674	43,323	-	(56,470)	489,527
Capital assets, being depreciated:					
Infrastructure	19,708,542	6,147	-	56,470	19,771,159
Structures and improvements	100,690	-	-	-	100,690
Equipment	4,697,432	57,014	(117,894)	48,434	4,684,986
Total capital assets, being depreciated	24,506,664	63,161	(117,894)	104,904	24,556,835
Less: accumulated depreciation for:					
Infrastructure	(1,937,757)	(427,491)	-	-	(2,365,248)
Structures and improvements	(49,457)	(2,450)	-	-	(51,907)
Equipment	(3,089,560)	(252,821)	117,894	(48,343)	(3,272,921)
Total accumulated depreciation	(5,076,774)	(682,762)	117,894	(48,343)	(5,690,076)
Total capital assets, being depreciated, net	19,429,890	(619,601)	-	56,561	18,866,759
Business-type activities capital assets, net	<u>\$ 19,932,564</u>	<u>\$ (576,278)</u>	<u>\$ -</u>	<u>\$ 91</u>	<u>\$ 19,356,286</u>

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

4. Capital Assets (continued)

Depreciation expense was allocated to functions as follows:

Governmental Activities:

General government	\$ 1,341,094
Public protection	2,567,277
Public ways	19,636,266
Health and sanitation	659,870
Public assistance	297,188
Education	104,685
Recreation and cultural services	155,182
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of assets	6,484
	24,768,046

Business-Type Activities:

Landfill	682,762
	\$ 682,762

Construction Commitments

As of June 30, 2015 major outstanding construction commitments (in excess of \$1.0 million) were as follows:

Hall of Records	<u>\$1,040,585</u>
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COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

5. Long-Term Obligations

Type of Indebtedness (Purpose)	Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2015
Governmental Activities:					
Pension Obligation Bonds					
Series A	6/30/14-6/30/34	5.408%-6.076%	\$55,000-\$3,440,000	\$ 28,020,000	\$ 27,840,000
Series B	6/30/14-6/30/34	Variable	\$295,000-\$2,105,000	21,875,000	21,235,000
Total Pension Obligation Bonds				<u>49,895,000</u>	<u>49,075,000</u>
Capital Lease Obligations					
Chico Memorial Hall - 492 Rio Lindo	4/10/20	7.40%	\$32,166-\$56,943	583,400	248,090
Chico Memorial Hall - 554 Rio Lindo	4/10/20	5.20%	\$39,461-\$59,196	670,900	268,132
En Pointe Technologies	12/15/16	0.00%	\$767,313-\$772,570	1,539,884	767,313
Total Capital Lease Obligations				<u>2,794,184</u>	<u>1,283,535</u>
Certificates of Participation					
Hall of Records COP	7/1/2054	3.50%	\$100,000-\$362,000	8,000,000	4,796,195
2010 Bangor Fire Station #55 COP	8/1/50	4%	\$12,000-\$52,000	1,100,000	994,333
Total Certificates of Participation				<u>9,100,000</u>	<u>5,790,528</u>
Notes Payable					
California Energy Commission					
Solar Project - phase 1	12/22/18	3.95%	\$63,794-\$263,961	2,777,000	897,712
Solar Project - phase 2	6/22/20	3.95%	\$8,057-\$34,750	390,000	160,914
Total Notes Payable				<u>3,167,000</u>	<u>1,058,626</u>
Total Governmental Activities				<u>64,956,184</u>	<u>57,207,689</u>
Business-type Activities:					
Capital Lease Obligations					
JP Morgan Chase-Dozer	12/24/17	1.774%	\$108,802-\$115,750	558,924	341,233
JP Morgan Chase-Compactor	2/20/19	1.641%	\$96,771-\$103,282	500,000	403,228
				<u>1,058,924</u>	<u>744,461</u>
Certificates of Participation					
2006 Certificates of Participation	7/1/09-7/1/21	3.4%-4.5%	\$725,000-\$1,165,000	12,025,000	7,235,000
Notes Payable					
	6/1/16	0%	\$50,000	500,000	50,000
Total Business-type Activities				<u>\$14,083,924</u>	<u>\$8,029,461</u>

Long-term obligations of the County consist of capital lease obligations, bonds, and 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 \$242,924,744.

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

5. Long-Term Obligations (continued)

Summary of Changes in Long-Term Obligations :

	Balance 7/1/2014	Additions	Retirements	Balance 6/30/2015	Amounts Due Within One Year	
Governmental Activities:						
Pension obligation bonds	\$ 49,545,000	\$ -	\$ 470,000	\$ 49,075,000	\$ 595,000	Capital Lease The County leases
Capital lease obligations	2,150,420	-	866,884	1,283,536	858,442	
Certificates of Participation	1,422,333	4,796,195	428,000	5,790,528	114,000	
Claims and judgements	6,779,000	4,173,547	3,900,547	7,052,000	2,600,000	
Compensated absences	14,902,845	19,481,393	19,422,309	14,961,929	14,961,929	
Notes Payable	1,321,944	-	263,318	1,058,626	273,721	
Total governmental activities	76,121,542	28,451,135	25,351,058	79,221,619	19,403,092	
Business Type Activities:						
Capital lease obligations	951,035	-	206,573	744,462	212,092	equipment, buildings and Microsoft software licensing as capital leases. On December 16, 2013 the County entered
Certificates of Participation	8,115,000	-	880,000	7,235,000	915,000	
Premium on debt	94,813	-	13,544	81,269	-	
Compensated absences	217,245	223,336	227,800	212,781	20,000	
Landfill closure, post closure care costs	3,916,291	239,557	-	4,155,848	-	
Loan Payable	100,000	-	50,000	50,000	50,000	
Total business activities	\$ 13,394,384	\$ 462,893	\$ 1,377,917	\$ 12,479,360	\$ 1,197,092	

into a Microsoft Enterprise Licensing Agreement for current software. The total cost to acquire the licensing was \$2,313,309; \$1,539,884 was financed and is payable over two years at 0% interest.

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, 2015:

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

5. Long-Term Obligations (continued)

Fiscal Year Ending June 30,	Governmental Activities	Business Type Activities
2016	\$ 890,744	\$ 222,780
2017	123,431	222,780
2018	123,431	222,780
2019	123,431	104,976
2020	123,431	-
Total minimum lease payments	1,384,468	773,316
Less: Amount representing interest	100,933	28,855
Present value of minimum lease payments	<u>\$ 1,283,535</u>	<u>\$ 744,461</u>

The following is a schedule of net remaining property leased under capital leases at June 30, 2015:

Capital Lease

	Acquisition Value	Accumulated Depreciation	Net Remaining
Governmental Activities:			
Chico Memorial Halls	1,254,300	159,095	\$ 1,095,205
2012 Ford F-350	34,563	27,651	6,912
Microsoft Enterprise Agreement	2,313,309	655,438	1,657,871
			<u>\$ 2,759,988</u>
Business type Activities:			
2013 Caterpillar Model D8T Dozer	678,924	169,731	\$ 509,193
2014 Advantage 500 Landfill Compactor	664,809	87,095	577,714
			<u>\$ 1,086,907</u>

Business-Type Activities

On December 24, 2012, the County entered into a Lease Purchase agreement to finance the purchase of a 2013 Caterpillar D8T Track Type Tractor for the Neal Road Recycling and Waste Facility. Commencing on December 24, 2013, principal and interest payments are due annually on the 24th day of each December. The final payment is due on December 24, 2017. The interest rate is fixed at 1.7740%.

On February 20, 2015, the County entered into a Lease Purchase agreement to finance the purchase of a 2014 Advantage 500 Landfill Compactor for the Neal Road Recycling and Waste Facility. Commencing on February 20, 2015, principal and interest payments are due annually on the 20th day of each February. The final payment is due on February 20, 2019. The interest rate is fixed at 1.6410%.

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

5. Long-Term Obligations (continued)

Operating Leases

The County is committed under various noncancelable operating leases for office buildings and equipment. The minimum future lease commitments on these leases are as follows:

Year Ended <u>June 30,</u>	<u>Payments</u>
2016	\$5,179,137
2017	5,405,983
2018	5,730,342
2019	5,993,938
2020	<u>6,251,678</u>
Total five year commitment	<u>\$ 28,561,078</u>

Rental expense was \$4,996,321 for all funds for the year ended June 30, 2015.

Bonds Payable

At June 30, 2015, bonds outstanding consist of the following:

Pension Obligation Bonds:

The pension obligation bonds were issued in three series (A, B, and C) in 2004. These bonds were issued to save future interest costs associated with the County's pension obligations. Series A is comprised of serial and term bonds with fixed interest rates. The average coupon rate is 5.925% over the remaining life of the bonds. Series B has a variable rate derived from the one month LIBOR index plus a margin of .30%. (The County elected to exercise its option to prepay Series C on September 1, 2007). For fiscal year 2014/2015, the average rate paid for Series B was .46536%. The next payment of interest for Series A is due December 1, 2015. 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 annually through maturity in fiscal year 2034.

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

5. Long-Term Obligations (continued)

As of June 30, 2015, the estimated (Series B is a variable rate) annual debt service requirements to maturity for the Pension Obligation Bonds are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2016	\$ 595,000	\$ 2,742,882	\$ 3,337,882
2017	735,000	2,711,956	3,446,956
2018	880,000	2,672,698	3,552,698
2019	1,045,000	2,625,382	3,670,382
2020	1,215,000	2,568,921	3,783,921
2021-2025	9,170,000	11,636,579	20,806,579
2026-2030	15,945,000	8,385,798	24,330,798
2031-2035	19,490,000	2,882,376	22,372,376
Total	<u>\$ 49,075,000</u>	<u>\$ 36,226,592</u>	<u>\$ 85,301,592</u>

Notes Payable

At June 30, 2015, 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, 2015, annual debt service requirements to maturity are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2016	\$ 273,721	\$ 39,247	\$ 312,968
2017	284,740	28,228	312,968
2018	296,099	16,868	312,967
2019	169,318	5,058	174,376
2020	34,748	1,036	35,784
Total	<u>\$ 1,058,626</u>	<u>\$ 90,437</u>	<u>\$ 1,149,063</u>

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

5. Long-Term Obligations (continued)

Certificates of Participation

Governmental Activities

2003 Certificates of Participation

On June 30, 2003, the County issued \$5,150,000 in Certificates of Participation (COPs). The proceeds of the COP's, together with funds available in the 1993 COP Reserve Fund, refunded the outstanding lease obligations for fire trucks. Commencing January 1, 2004, interest ranging from 2.0% to 3.4% was payable semiannually on January 1 and July 1 of each year. The average rate of interest for the COPs is 2.57%. Beginning on July 1, 2004, principal payments were due on July 1 of each year, with the final payment made July 1, 2014.

2010 Bangor Fire Station Certificates of Participation

On August 11, 2010, the County issued \$1,100,000 in Certificates of Participation. The proceeds, which have been paid in installments, have funded the majority of the costs associated with the construction of improvements to Bangor Fire Station #55. Commencing with the interest only payment on February 1, 2011, a payment of interest only is due on February 1 of each year and a payment comprised of principal and interest is due on August 1 of each year. The interest rate is fixed at 4.0% per year. The final principal payment is due on August 1, 2050.

Fiscal Year Ending	Principal	Interest	Total
June 30,			
2016	\$ 14,000	\$ 41,720	\$ 55,720
2017	14,000	41,160	55,160
2018	15,000	40,580	55,580
2019	15,000	39,980	54,980
2020	16,000	39,360	55,360
2021-2025	90,000	186,440	276,440
2026-2030	110,000	166,600	276,600
2031-2035	135,000	142,100	277,100
2036-2040	162,000	112,520	274,520
2041-2045	197,000	76,780	273,780
2046-2050	226,333	34,040	260,373
Total	\$ 994,333	\$ 921,280	\$ 1,915,613

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

5. Long-Term Obligations (continued)

Certificates of Participation (continued)

Hall of Records Certificates of Participation

On July 17, 2014, the County issued \$8,000,000 in Certificates of Participation with funds borrowed from USDA Rural Housing. The proceeds, which have been drawn in installments beginning in July 2014, have funded the construction costs for the Hall of Records. Through the year end, \$4,796,195 has been drawn from the available funds. The structure will be completed in December 2015 funded with the remaining balance available. Payments are due annually with a fixed interest rate of 3% per annum. The final principal payment is due July 1, 2054.

Fiscal Year Ending June 30,	Principal	Interest	Total
2016	\$ 100,000	\$ 57,605	\$ 157,605
2017	98,000	237,000	335,000
2018	102,000	234,060	336,060
2019	105,000	231,000	336,000
2020	109,000	227,850	336,850
2021-2026	739,000	1,294,230	2,033,230
2027-2031	741,000	969,150	1,710,150
2032-2036	881,000	849,900	1,730,900
2037-2041	1,046,000	708,150	1,754,150
2042-2046	1,243,000	539,820	1,782,820
2047-2051	1,476,000	339,900	1,815,900
2052-2054	1,360,000	102,990	1,462,990
Total	\$ 8,000,000	\$ 5,791,655	\$ 13,791,655

Funding Schedule

Advances through June 30, 2015	\$ 4,796,195
Available for future withdrawals	<u>3,203,805</u>
COP issued	<u>\$ 8,000,000</u>

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

5. Long-Term Obligations (continued)

Business-Type Activities

On November 1, 2006, the County issued \$12,025,000 in Certificates of Participation (COPs), to finance certain capital improvements for the expansion of the Neal Road Recycling and Waste Facility. The improvements include module closures and environmental mitigation. Commencing July 1, 2008, interest ranging from 3.4% to 4.5% is payable semiannually on January 1 and July 1 of each year. The average rate of interest for the certificates is 3.995%. Beginning on July 1, 2009, principal payments are due on July 1 of each year.

Fiscal Year Ending June 30,	Principal	Interest	Total
2016	915,000	281,600	1,196,600
2017	950,000	244,300	1,194,300
2018	985,000	205,600	1,190,600
2019	1,025,000	162,837	1,187,837
2020	1,075,000	115,587	1,190,587
2021-2022	2,285,000	92,300	2,377,300
	<u>\$ 7,235,000</u>	<u>\$ 1,102,224</u>	<u>\$ 8,337,224</u>
Total			

Loan Payable

Business-Type Activities

In 2006, the County received a zero interest loan from the California Integrated Waste Management Board in the amount of \$500,000 for operations at the Neal Road Recycling and Waste Facility. Principal payments of \$50,000 are due annually beginning June 1, 2007 and ending June 1, 2016.

As of June 30, 2015, annual debt service requirements to maturity are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2016	50,000	-	50,000
Total	<u>\$ 50,000</u>	<u>\$ -</u>	<u>\$ 50,000</u>

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

5. 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. Employees other than non-represented groups hired after June 30, 2010 will not be eligible for sick-leave buyout nor will they receive one year of County-paid health benefits after retirement. Retirees other than non-represented groups who retired on or after January 1, 2010 will be subject to a limit on County reimbursements equal to the sum of the Blue Shield HMO premium, Delta DPO and vision premiums. 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 expense is allocated to each function based on usage.

The compensated absences liability attributable to the governmental activities will be liquidated as follows: General Fund 54%, Welfare Fund 17%, Public Health Fund 6%, Behavioral Health Fund 14%, Road Fund 5%, and Nonmajor Funds 4%.

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 \$4,155,848 reported as landfill closure and post-closure care liability at June 30, 2015, represents the cumulative amount reported to date based on the use of 23.39 percent of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and post-closure care of \$13,585,980 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 2015. 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, 2015, investments of \$4,925,751 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.

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

5. Long-Term Obligations (continued)

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 \$17,502,221 at June 30, 2014 to \$17,764,755 at June 30, 2015. The remaining capacity of the landfill decreased from 77.63 percent to 76.61 percent at June 30, 2014 and 2015, respectively. These changes resulted in an increase to the landfill closure and post-closure care liability and caused an increase in expense of \$239,557 at June 30, 2015.

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

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.

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, 2015 does not expect to incur a liability.

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

6. Restricted Net Position/Fund Balances

Fund Balances

Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned and unassigned. A detailed schedule of fund balances at June 30, 2015 is as follows:

	General	Welfare	Public Health	Behavioral Health	Road	Other Governmental Funds	Total Governmental Funds
Nonspendable:							
Prepaid items	\$ 555,606	\$ -	\$ 3,978	\$ 3,950	\$ 3,837	\$ -	\$ 567,371
Inventory	51,854	-	-	-	302,436	-	354,290
	607,460	-	3,978	3,950	306,273	-	921,661
Restricted:							
Purpose of fund	-	6,426,943	12,139,874	7,589,451	8,361,446	41,070,101	75,587,815
Public Safety HHS Realign.	6,995,178	-	-	-	-	-	6,995,178
Inmate Welfare	884,738	-	-	-	-	-	884,738
DNA-ID Local Share	112,401	-	-	-	-	-	112,401
Env Impact Review	88,606	-	-	-	-	-	88,606
Sheriff - Civil Equipment	305,248	-	-	-	-	-	305,248
Criminal Justice Facility	1,104,311	-	-	-	-	-	1,104,311
Sheriff Veh & Equip Maint.	221,307	-	-	-	-	-	221,307
DA RL Est Fraud Prosecut.	355,910	-	-	-	-	-	355,910
Rock Creek Flood Project	124,812	-	-	-	-	-	124,812
Planning 2nd Dwelling	252,423	-	-	-	-	-	252,423
Drug & Gang Activity	278,766	-	-	-	-	-	278,766
Fed Forfeitures to DA	280,087	-	-	-	-	-	280,087
Asset Seizure - Sheriff	382,893	-	-	-	-	-	382,893
Juv Ed/Rec/Special Proj.	163,695	-	-	-	-	-	163,695
Sheriff-Fed Revenue Sh.	1,521,069	-	-	-	-	-	1,521,069
Recorder Micrographics	323,237	-	-	-	-	-	323,237
Recording System	2,625,236	-	-	-	-	-	2,625,236
GC27585 Survey Monum.	235,023	-	-	-	-	-	235,023
Fire - Water Tender	780,032	-	-	-	-	-	780,032
Fire - County Cost Share	896,750	-	-	-	-	-	896,750
Sheriff Rural rest. Cash	277,971	-	-	-	-	-	277,971
DWR IRWM Cash	150	-	-	-	-	-	150
Prob. - CCPIA SB678	458,412	-	-	-	-	-	458,412
Prob. - YOBG Rest. Cash	935,074	-	-	-	-	-	935,074
Other	1,696,425	-	-	-	-	-	1,696,425
Imprest cash	37,995	-	-	-	-	-	37,995
Deposits from others	2,500	-	-	-	-	-	2,500
General reserve	5,500,000	-	-	-	-	-	5,500,000
	26,840,249	6,426,943	12,139,874	7,589,451	8,361,446	41,070,101	102,428,064
Assigned:							
Secure Rural Schools	28,259	-	-	-	-	-	28,259
	28,259	-	-	-	-	-	28,259
Unassigned fund balance:							
	23,993,723	-	-	-	-	-	23,993,723
Total Fund Balances	\$ 51,469,691	\$ 6,426,943	\$ 12,143,852	\$ 7,593,401	\$ 8,667,719	\$ 41,070,101	\$ 127,371,707

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

6. Restricted Net Position/Fund Balances (continued)

The restricted component of net position are assets that are subject to constraints either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

The Board of Supervisors adopted the Fund Balance Reserve Policy in January 2010. The policy was created to allow the County to respond strategically and responsibly to legally declared emergencies as defined in Government Code § 29086. This policy sets forth the parameters and funding methods the County may utilize to establish and maintain an adequate General Fund reserve.

General Reserve requirements are classified as follows:

- *Appropriation for Contingencies* – during the annual public hearing on the Recommended Budget, the Board will consider maintaining an amount equal to or greater than five percent (5%) of the proposed budget for the General Fund.
- *General Fund Reserve* – should be maintained at an amount equivalent to two months operating expenses for all County governmental funds.
- *Excess Fund Balance Available* – when the Fund Balance Available is less than estimated the Auditor-Controller will be directed to reduce the Appropriation for Contingencies. When the Fund Balance Available is greater than estimated the direction will be to, in order of priority, ensure the Appropriation for Contingencies is at the five percent (5%) level, increase the General Fund Reserve to maintain the two months of operating expenses, designate for known and quantified unfunded liabilities, such as Employee pension plan, other Post-Employment benefits or accrued Employee leave.
- *Unreserved Fund Balance* – should be maintained to provide adequate working capital and accommodate required adjustments to other reserve accounts, including advances to other funds.
- *Other Designations of the General Fund* – establishment of these policies do not preclude the Board of Supervisors from setting aside additional funds for a specific project, program or capital item.

Net Position

The government-wide statement of net position reports \$96 million of restricted net position. Net investment in capital assets, was comprised of the following:

	Governmental Activities	Business-Type Activities
Capital assets, net of accumulated depreciation	\$ 177,115,602	\$ 19,356,284
Outstanding principal of capital-related debt	(8,132,689)	(8,060,729)
Net investment in capital assets	\$ 168,982,913	\$ 11,295,555

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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

A. General Information about the Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Butte County's separate Safety and Miscellaneous Plans, agent multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plan are established by State statute and Butte County Resolution. CalPERS issues publicly available reports that include a full description of the pension plans including benefit provisions, actuarial assumptions and membership information that may be viewed on their website: <http://www.calpers.ca.gov>

Benefits Provided

CalPERS provides service retirement disability and death benefits, annual cost of living adjustments to plan members, who must be public employees and/or beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 20 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The contribution requirements of plan members and the County are established and may be amended by the Board of Supervisors in accordance with union contracts and plan provisions.

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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

The Plans' provisions and benefits in effect at June 30, 2015, are summarized as follows

	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire Date		
Benefit formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payment	monthly for life	monthly for life
Retirement age	50 - 55	52 - 67
Monthly benefits, as a % of eligible compensation	2.00%	2.00%
Required employee contribution rates	7%	6.25%
Required employer contribution rates	12.447%	12.447%

	Safety	
	Prior to January 1, 2013	On or after January 1, 2013
Hire Date		
Benefit formula	2%-3% @ 50	2.7% @ 57
Benefit vesting schedule	5 years of service	5 years of service
Benefit payment	monthly for life	monthly for life
Retirement age	50	50 - 57
Monthly benefits, as a % of eligible compensation	2.00%	2.00%
Required employee contribution rates	9%	11%
Required employer contribution rates	21.621%	21.621%

Employees Covered:

	<u>Miscellaneous</u>	<u>Safety</u>
Inactive employees or beneficiaries receiving benefits	1,731	247
Inactive employees entitled to but not yet receiving benefits	1,239	156
Active employees	1,895	305
Total	<u>4,865</u>	<u>708</u>

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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

Contributions:

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of the employees. For the measurement period ended June 30, 2014 (the measurement date), the average active employee contribution rate is 6.757 percent of the annual pay for the Miscellaneous Plan, and 8.778 percent of annual pay for the Safety Plan. The employer's contribution rate is 11.652 percent of the annual payroll for the Miscellaneous Plan, and 19.837 percent for the Safety Plan. Employer contribution rates may change if plan contracts are amended. It is the responsibility of the employer to make necessary accounting adjustments to reflect the impact due to any Employer Paid Member Contributions or situations where members are paying a portion of the employer contribution.

B. Net Pension Liability

Butte County's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2014 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

	Miscellaneous	Safety
Valuation Date	June 30, 2013	June 30, 2013
Measurement Date	June 30, 2014	June 30, 2014
Actuarial cost Method	Entry-Age Normal Cost Method	
Actuarial Assumptions		
Discount Rate	7.50%	7.50%
Inflation	2.75%	2.75%
Payroll Growth ₁	Varies	Varies
Investment Rate of Return ₂	7.50%	7.50%
Mortality Rate Table ₃	Derived using CalPERS' Membership Data	
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power applies, 2.75% thereafter	

1 Varies by Entry Age and Service

2 Net of pension plan investment and administrative expenses, includes inflation

3 The mortality table used was based on CalPERS' specific data. The table include 20 years of mortality improvement using the Society of Actuaries Scale BB.

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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

Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 7.50 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

According to Paragraph 30 of Statement 68 the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. This difference was deemed immaterial to the agent multiple-employer plan.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability management review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time there is a change in methodology.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the fund asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11 – 60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumption applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Pension	New Strategic Allocation	Real Return Years 1 - 10₁	Real Return Years 11+₂
Global Equity	47.0%	5.25%	5.71%
Global Fixed Income	19.0	0.99	2.43
Inflation Sensitive	6.0	0.45	3.36
Private Equity	12.0	6.83	6.95
Real Estate	11.0	4.50	5.13
Infrastructure and Forestland	3.0	4.50	5.09
Liquidity	2.0	(0.55)	(1.05)

1 An expected inflation of 2.5% used for this period

2 An expected inflation of 3.0% used for this period

C. Changes in the Net Pension Liability

The changes in the Net Pension Liability for each Plan follows:

Miscellaneous Plan:	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) - (b)
Balance at: 6/30/2013 (valuation date)₁	534,324,265	396,578,477	137,745,788
Changes Recognized for the Measurement Period			
Service Cost	13,670,476		13,670,476
Interest on Total Pension Liability	39,645,470		39,645,470
Contributions from the Employer		10,461,906	(10,461,906)
Contributions from Employees		6,408,769	(6,408,769)
Net Investment Income ₂		68,516,706	(68,516,706)
Benefit Payments, including Refunds of Employee Contribution	(25,106,484)	(25,106,484)	-
Net Change during 2013-14	28,209,462	60,280,897	(32,071,435)
Balance at: 6/30/2014 (measurement date)	562,533,727	456,859,374	105,674,353

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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

Neal Road Landfill-Miscellaneous Plan:	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) - (b)
Balance at: 6/30/2013 (valuation date) ₁	7,384,092	5,480,515	1,903,577
Changes Recognized for the Measurement Period			
Service Cost	188,919		188,919
Interest on Total Pension Liability	547,880		547,880
Contributions from the Employer		144,578	(144,578)
Contributions from Employees		88,566	(88,566)
Net Investment Income ₂		946,866	(946,866)
Benefit Payments, including Refunds of Employee Contribution	(346,959)	(346,959)	-
Net Change during 2013-14	389,840	833,051	(443,211)
Balance at: 6/30/2014 (measurement date)	7,773,932	6,313,566	1,460,366

Safety Plan:	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) - (b)
Balance at: 6/30/2013 (valuation date) ₁	148,149,398	106,096,442	42,052,956
Changes Recognized for the Measurement Period			
Service Cost	4,896,054		4,896,054
Interest on Total Pension Liability	11,071,603		11,071,603
Contributions from the Employer		3,736,119	(3,736,119)
Contributions from Employees		1,692,897	(1,692,897)
Net Investment Income ₂		18,471,003	(18,471,003)
Benefit Payments, including Refunds of Employee Contribution	(5,952,108)	(5,952,108)	-
Net Change during 2013-14	10,015,549	17,947,911	(7,932,362)
Balance at: 6/30/2014 (measurement date)	158,164,947	124,044,353	34,120,594

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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

Sensitivity of Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.50 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.50 percent) or 1 percentage point higher (8.50 percent) than the current rate:

	<u>Miscellaneous</u>	<u>Safety</u>	<u>Neal Road Landfill</u>
1% Decrease	6.50%	6.50%	6.50%
Net Pension Liability	188,431,915	56,372,832	1,533,417
Current Discount Rate	7.50%	7.50%	7.50%
Net Pension Liability	112,335,870	34,120,594	1,460,366
1% Increase	8.50%	8.50%	8.50%
Net Pension Liability	48,758,780	15,789,638	1,387,315

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

D. Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2015, Butte County recognized pension expense of (\$1,194,965). At June 30, 2015, Butte County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflow of Resources</u>	
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Pension contributions subsequent to measurement date	15,174,176	144,578	-	-
Changes in assumptions on plan investments	-	-	39,784,983	433,190
Total	15,174,176	144,578	39,784,983	433,190

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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

Deferred outflows of resources of \$15,174,176 for governmental activities, and \$144,578 for business-type activities related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Deferred Inflow of Resources

Year Ended	Governmental	Business-type
June 30		
2016	(9,946,246)	(108,297)
2017	(9,946,246)	(108,297)
2018	(9,946,246)	(108,297)
2019	(9,946,246)	(108,297)
2020	-	-

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

8. Other Post-Employment Benefits (OPEB)

Plan Description

The County sponsor's 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 \$119.00 per employee per month for 2014. The \$119.00 per month increased by law to \$122.00 on January 1, 2015, and will be indexed with medical inflation (CPI) for years 2016 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.

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.)

Employees other than non-represented groups hired after June 30, 2010 will not be eligible for sick-leave buyout nor will they receive one year of County-paid health benefits after retirement. Retirees other than non-represented groups who retired on or after January 1, 2010 will be subject to a limit on County reimbursements equal to the sum of the Blue Shield HMO premium, Delta DPO and vision premiums.

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

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

8. Other Post-Employment Benefits (OPEB) (continued)

- 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 pays the full premium 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.

For 2014, the monthly County contributions are \$119.00 and \$119.00 for Unequal and Equal Contribution Methods, respectively. For 2015, those amounts increased to \$122.00 and \$122.00, respectively.

Changes in Eligibility for Sick-Leave Buy-out

Employees other than non-represented groups hired after June 30, 2010 will not be eligible for sick-leave buyout nor will they receive one year of County-paid health benefits after retirement. Retirees other than non-represented groups who retired on or after January 1, 2010 will be subject to a limit on County reimbursements equal to the sum of the Blue Shield HMO premium, Delta DPO and vision premiums.

Healthcare Premiums

The following table shows January 1, 2015 monthly PERS Health (PEMHCA) premiums for retirees within the Other Northern California region (Bay Area/Sacramento for Kaiser). Dental and vision rates in effect for 2014-15 are also included.

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

8. Other Post-Employment Benefits (OPEB) (continued)

	Anthem HMO	Kaiser HMO	PERS Choice PPO	PERS Care PPO	Delta Premier Dental	Delta Dental PPO	Vision
<u>Basic Plan</u>							
Retiree	\$ 804.34	\$ 716.98	\$ 656.08	\$ 725.54	\$34.58	\$ 31.82	\$ 14.15
Retiree+1	1,608.68	1,433.96	1,312.16	1,451.08	74.71	69.37	14.15
Family	2,091.28	1,864.15	1,705.81	1,886.40	110.96	108.94	14.15
<u>Medicare Supplement</u>							
Retiree	353.63	295.51	339.47	339.47	N/A	N/A	N/A
Retiree+1	705.26	591.02	678.94	678.94	N/A	N/A	N/A
Family	1,057.89	886.53	1,018.41	1,018.41	N/A	N/A	N/A

Funding Policy

As required by GASB 45, an actuary will determine the County's Annual Required Contributions (ARC) at least once every two fiscal years. The ARC is calculated in accordance with certain parameters, and includes (1) the Normal Cost for one year, and (2) a component for amortization of the total unfunded actuarial accrued liability (UAL) over a period not to exceed 30 years.

GASB 45 does not require pre-funding of OPEB benefits. Therefore, the County's funding policy is to continue to pay healthcare premiums for retirees as they fall due. The County elected to establish a trust for the Post-Employment Benefits in April 2015. The first contribution of \$229,250 was made to the trust on June 18, 2015

The Board of Supervisors reserves the authority to review and amend this funding policy from time to time, in order to ensure that the funding policy continues to best suit the circumstances of the County.

Annual OPEB Cost and Net OPEB Obligation/ (Asset)

The following table shows the components of the County's Annual OPEB Cost for the fiscal year ended June 30, 2015, the amount actually contributed to the plan, and changes in the County's Net OPEB Obligation/(Asset):

Annual required contribution	\$ 5,446,007
Interest on net OPEB obligation	835,549
Adjustment of annual required contribution	<u>(1,207,997)</u>
Annual OPEB cost	5,073,559
Contributions made	<u>(2,403,577)</u>
Change in net OPEB obligation (Asset)	2,669,982
Net OPEB obligation (Asset) - beginning of year	20,888,733
Net OPEB obligation (Asset) - end of year	<u>\$ 23,558,715</u>

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

8. Other Post-Employment Benefits (OPEB) (continued)

The County's Annual OPEB Cost, the percentage of Annual OPEB Cost contributed to the plan, and the Net OPEB Obligation/ (Asset) for the fiscal years ended June 30, 2013, 2014 and 2015 are as follows:

Fiscal Year Ended	Annual OPEB Cost	Actual Employer Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
6/30/2013	\$ 4,712,040	\$ 1,877,208	39.84%	\$ 17,820,129
6/30/2014	\$ 5,128,273	\$ 2,059,669	40.16%	\$ 20,888,733
6/30/2015	\$ 5,073,559	\$ 2,403,577	47.37%	\$ 23,558,715

Schedule of Funding Progress

The funded status of the plan as of the most recent three actuarial valuations was as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Projected Unit Credit Actuarial Accrued Liability	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
July 1, 2009	\$0	\$33,471,811	\$33,471,811	0.00%	105,638,908	31.69%
July 1, 2011	\$0	\$38,478,208	\$38,478,208	0.00%	106,227,594	36.22%
July 1, 2013	\$0	\$47,629,292	\$47,629,292	0.00%	110,918,547	42.94%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the Annual Required Contributions of the County are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear 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.

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

8. Other Post-Employment Benefits (OPEB) (continued)

Actuarial Methods and Assumptions

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

The plan's most recent actuarial valuation was performed as of July 1, 2013. In that valuation, the Projected Unit Credit (PUC) Cost Method was used. The actuarial assumptions included a 5 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 8 percent initially, reduced by decrements to an ultimate rate of 5 percent after 3 years. These assumptions reflect an implicit 3 percent general inflation assumption. The County's unfunded actuarial accrued liability is being amortized as a level dollar amount on an open basis over 30 years. The remaining amortization period as of June 30, 2015 was 29 years. The County's plan is considered a single-employer plan under GASB 45.

9. 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:

- General Liability Insurance
- Unemployment Insurance
- Workers' 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 the 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.

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

8. Risk Management (continued)

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, 2015. The claims liability includes all allocated loss adjustment expenses as well as non-incremental claims adjustment expenses. Changes in the insurance funds' claims liability amount during the fiscal years ended June 30, 2014 and 2015 were as follows:

<u>Fiscal Year</u>	<u>Claims Liability July 1</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Current Year Claims</u>	<u>Claims Liability June 30</u>
2013-2014	\$ 6,418,000	\$ (3,987,110)	\$ 4,348,110	\$ 6,779,000
2014-2015	\$ 6,779,000	\$ (3,900,547)	\$ 4,173,547	\$ 7,052,000

10. 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, 2015, are presented below:

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

9. Affiliated Organization (continued)

	<u>Amount</u>
Statement of Net Position	
Assets	\$ 1,065,457
Liabilities	562,416
Net Position	\$ 503,041
Revenue and Expenses	
Revenues	\$ 2,382,323
Expenses	2,131,784
Net Income	\$ 250,539

11. 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, 2015, 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, 2015 financial statements.

12. Subsequent Events

California State Budget

The State is the source for a significant amount of Butte County's revenues. The State has adopted a balanced budget for the 2015-2016 fiscal year and the County doesn't anticipate additional state cuts. However, as in the past, if State revenue is cut midyear the County will make the necessary adjustments to address the reductions.

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

13. Change in Accounting Principle

Net position as of July 1, 2014, has been restated as follows for the implementation of GASB Statement 68 *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement 71 *Pension Transition for Contributions Made Subsequent to Measurement Date*.

	Governmental Activities	Business-type Activities
Net Position as previously reported at June 30, 2014	276,491,979	25,862,732
Prior period adjustment- implementation of GASB 68:		
Net pension asset at measurement date June 30, 2013	(52,311,543)	-
Net pension liability at measurement date June 30, 2013	(179,798,744)	(1,903,577)
Deferred outflows- contributions made during fiscal year 2014	14,198,025	144,578
Total prior period adjustment	(217,912,262)	(1,758,999)
Net position as restated July 1, 2014	<u>58,579,717</u>	<u>24,103,733</u>





Required Supplementary Information

COUNTY OF BUTTE, CALIFORNIA

County Employee's Retirement Plan (Defined Benefit Pension Plan)

Schedule of Changes in Net Pension Liability and Related Ratios

For the Fiscal Year Ended June 30, 2015

	<u>MISCELLANEOUS PLAN</u>	<u>SAFETY PLAN</u>
Total Pension Liability:		
Service cost	\$ 13,859,395	\$ 4,896,054
Interest	40,193,350	11,071,603
Benefit payments including refunds of employee contribuitons	(25,453,443)	(5,952,108)
Net Change in Total Pension Liability	28,599,302	10,015,549
Total Pension Liability - Beginning	541,708,357	148,149,398
Total Pension Liability - Ending (A)	<u>570,307,659</u>	<u>158,164,947</u>
Plan Fiduciary Net Position:		
Contributions - Employer	10,606,484	3,736,119
Contributions - Employee	6,497,335	1,692,897
Net investment income	69,463,572	18,471,003
Benefit payments including refunds of employee contribuitons	(25,106,484)	(5,952,108)
Other changes in fiduciary net position	(346,959)	-
Net Change in Fiduciary Net Position	61,113,948	17,947,911
Plan Fiduciary Net Position - Beginning	402,058,992	106,096,442
Plan Fiduciary Net Position - Ending (B)	<u>463,172,940</u>	<u>124,044,353</u>
Plan Net Pension Liability/(Asset)-Ending (A-B)	\$ 107,134,719	\$ 34,120,594
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.21%	78.43%
Covered Employee Payroll	95,493,743	18,752,360
Plan Net Pension Liability/(Asset) as a Percentage of covered Employee Payroll	<u>112.19%</u>	<u>181.95%</u>

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2013. this applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.d.a. Golden Handshakes).

Changes in Assumptions: There were no changes in assumptions.

COUNTY OF BUTTE, CALIFORNIA

County Employee's Retirement Plan (Defined Benefit Pension Plan) Schedule of Plan Contributions For the Fiscal Year Ended June 30, 2015

	Actuarially Determined Contributions	Contributions in Relation to Actually Required Contribution	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2015				
Miscellaneous Plan	\$ 11,121,405	\$ (11,121,405)	\$ 95,493,743	11.65%
Safety Plan	3,736,119	(3,736,119)	18,752,360	19.92%
Total	14,857,524	(14,857,524)	114,246,103	13.00%

Notes to Required Supplementary Information For the Fiscal Year Ended June 30, 2015

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2013 – 2014 were from the June 30, 2013 public agency valuations.

Actuarial Cost Method	For entry age normal
Amortization Method/Period	For details, see June 30, 2013 Funding Valuation Report.
Asset Valuation Method	Actuarial Value of Assets. For details see June 30, 2013 Funding Valuation Report.
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Payroll Growth	3.00%
Investment Rate of Return	7.50% Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Retirement Age	The probabilities of Retirement are based on the 2010 CalPERS Experience Study for the period of 1997 to 2007
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period of 1997 to 2007. Pre-retirement And Post-retirement mortality rates include 5 years of projected mortality improvements using Scale AA published by the Society of Actuaries

COUNTY OF BUTTE, CALIFORNIA

Other Post-Employment Benefits (OPEB) Plan Schedule of Funding Progress For the Fiscal Year Ended June 30, 2015

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)
7/1/2009	-	\$ 33,471,811	0.00%	\$ 33,471,811	\$ 105,638,908	31.69%
7/1/2011	-	38,478,208	0.00%	38,478,208	106,227,594	36.22%
7/1/2013	-	47,629,292	0.00%	47,629,292	110,918,547	42.94%

Notes to Required Supplementary Information For the Fiscal Year Ended June 30, 2015

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.



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, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
RESOURCES (inflows):				
Taxes	\$ 55,679,622	\$ 55,679,622	\$ 67,018,249	\$ 11,338,627
Licenses and permits	3,173,301	3,173,301	3,715,786	542,485
Fines, forfeitures, and penalties	1,666,109	1,666,109	1,976,804	310,695
Revenues from uses of money and property	2,653,700	2,828,700	3,156,233	327,533
Aid from other governments	27,471,748	29,647,592	40,488,672	10,841,080
Charges for services	22,250,475	22,397,950	21,361,141	(1,036,809)
Other	3,242,900	3,242,900	2,761,744	(481,156)
Other financing sources	10,452,562	10,993,476	256,123	(10,737,353)
Amounts available for appropriation	126,590,417	129,629,650	140,734,752	11,105,102
CHARGES TO APPROPRIATIONS (outflows):				
General Government:				
Administrative Office:				
Salaries and employee benefits	2,916,933	2,916,933	2,682,519	234,414
Services and supplies	1,124,074	1,100,873	602,161	498,712
Other charges	15,502	15,502	15,502	-
Other financing uses	(483,447)	(440,246)	(499,974)	59,728
Total Administrative Office	3,573,062	3,593,062	2,800,208	792,854
Assessor:				
Salaries and employee benefits	2,973,876	2,973,876	2,746,270	227,606
Services and supplies	219,118	219,118	208,350	10,768
Other charges	64,994	31,294	26,204	5,090
Other financing uses	371,275	404,975	339,689	65,286
Total Assessor	3,629,263	3,629,263	3,320,513	308,750
Auditor-Controller:				
Salaries and employee benefits	1,743,615	1,723,615	1,698,559	25,056
Services and supplies	127,963	147,963	140,736	7,227
Other charges	7,610	7,610	7,610	-
Other financing uses	(91,427)	(91,427)	(110,768)	19,341
Total Auditor-Controller	1,787,761	1,787,761	1,736,137	51,624

(continued)

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE-GENERAL FUND - BUDGETARY BASIS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
General Government (continued):				
Board of Supervisors:				
Salaries and employee benefits	\$ 719,197	\$ 719,197	\$ 704,792	\$ 14,405
Services and supplies	197,511	197,511	128,959	68,552
Other charges	4,399	4,399	4,399	-
Other financing uses	693,110	693,110	680,130	12,980
Total Board of Supervisors	<u>1,614,217</u>	<u>1,614,217</u>	<u>1,518,280</u>	<u>95,937</u>
County Counsel:				
Salaries and employee benefits	1,373,017	1,373,017	1,299,581	73,436
Services and supplies	779,210	1,013,159	786,494	226,665
Other charges	10,820	10,820	10,820	-
Other financing uses	<u>(1,390,769)</u>	<u>(1,390,769)</u>	<u>(1,405,625)</u>	<u>14,856</u>
Total County Counsel	<u>772,278</u>	<u>1,006,227</u>	<u>691,270</u>	<u>314,957</u>
Elections:				
Salaries and employee benefits	844,009	844,009	726,129	117,880
Services and supplies	1,236,570	1,198,381	766,627	431,754
Other charges	6,305	6,305	6,305	-
Capital assets	34,075	314,677	280,079	34,598
Other financing uses	<u>295,122</u>	<u>295,122</u>	<u>275,540</u>	<u>19,582</u>
Total Elections	<u>2,416,081</u>	<u>2,658,494</u>	<u>2,054,680</u>	<u>603,814</u>
General Revenue and Transfers:				
Other financing uses	<u>1,979,333</u>	<u>1,968,451</u>	<u>1,943,298</u>	<u>25,153</u>
Total General Revenue and Transfers	<u>1,979,333</u>	<u>1,968,451</u>	<u>1,943,298</u>	<u>25,153</u>
General Services:				
Salaries and employee benefits	4,134,320	3,993,282	3,688,746	304,536
Services and supplies	3,574,840	3,436,762	2,598,703	838,059
Other charges	99,407	152,881	145,359	7,522
Other financing uses	<u>(3,638,643)</u>	<u>(3,343,001)</u>	<u>(3,376,104)</u>	<u>33,103</u>
Total General Services	<u>4,169,924</u>	<u>4,239,924</u>	<u>3,056,704</u>	<u>1,183,220</u>
Human Resources:				
Salaries and employee benefits	1,667,813	1,706,288	1,624,522	81,766
Services and supplies	320,172	320,172	237,544	82,628
Other charges	180	180	180	-
Other financing uses	<u>(529,132)</u>	<u>(529,132)</u>	<u>(529,139)</u>	<u>7</u>
Total Human Resources	<u>1,459,033</u>	<u>1,497,508</u>	<u>1,333,107</u>	<u>164,401</u>

(continued)

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE-GENERAL FUND - BUDGETARY BASIS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
General Government (continued):				
Information Systems:				
Salaries and employee benefits	\$ 2,796,498	\$ 2,796,498	\$ 2,608,629	\$ 187,869
Services and supplies	1,146,642	1,199,642	1,062,430	137,212
Other charges	665,994	691,994	530,820	161,174
Other financing uses	(1,462,665)	(1,541,665)	(1,587,745)	46,080
Total Information Systems	<u>3,146,469</u>	<u>3,146,469</u>	<u>2,614,134</u>	<u>532,335</u>
Public Works General Services:				
Services and supplies	10,201	10,200	10,200	-
Other charges	93,326	93,327	93,326	1
Other financing uses	607	607	600	7
Total Public Works General Services	<u>104,134</u>	<u>104,134</u>	<u>104,126</u>	<u>8</u>
Table A Water:				
Services and supplies	1,398,000	1,573,000	1,571,451	1,549
Total Table A Water	<u>1,398,000</u>	<u>1,573,000</u>	<u>1,571,451</u>	<u>1,549</u>
Tax and Revenue Anticipation Notes:				
Other financing uses	-	-	(3,084)	3,084
Total Tax and Rev Anticipation Notes	<u>-</u>	<u>-</u>	<u>(3,084)</u>	<u>3,084</u>
Treasurer-Tax Collector:				
Salaries and employee benefits	1,928,991	1,928,991	1,720,272	208,719
Services and supplies	1,109,373	1,108,861	908,633	200,228
Other charges	6,639	7,151	7,151	-
Other financing uses	79,768	79,768	25,641	54,127
Total Treasurer-Tax Collector	<u>3,124,771</u>	<u>3,124,771</u>	<u>2,661,697</u>	<u>463,074</u>
Unallocated A-87:				
Services and supplies	35,776	35,776	43,093	(7,317)
Other charges	25,673	25,673	25,673	-
Other financing uses	335,290	338,376	338,364	12
Total Unallocated A-87	<u>396,739</u>	<u>399,825</u>	<u>407,130</u>	<u>(7,305)</u>
Total General Government	<u>\$ 29,571,065</u>	<u>\$ 30,343,106</u>	<u>\$ 25,809,651</u>	<u>\$ 4,533,455</u>

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE-GENERAL FUND - BUDGETARY BASIS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Public Protection:				
Administration Emergency Management:				
Salaries and employee benefits	\$ 192,928	\$ 192,928	\$ 202,027	\$ (9,099)
Services and supplies	55,752	366,469	141,791	224,678
Other charges	1,941	3,661	3,661	-
Capital Assets	-	46,054	27,816	18,238
Other financing uses	136,960	177,645	129,814	47,831
Total Admin Emergency Management	<u>387,581</u>	<u>786,757</u>	<u>505,109</u>	<u>281,648</u>
Agriculture General Services:				
Salaries and employee benefits	1,752,859	1,706,607	1,589,188	117,419
Services and supplies	235,519	246,264	209,002	37,262
Other charges	28,651	28,651	19,995	8,656
Capital Assets	-	35,500	27,582	7,918
Other financing uses	180,521	180,528	180,528	-
Total Agriculture General Services	<u>2,197,550</u>	<u>2,197,550</u>	<u>2,026,295</u>	<u>171,255</u>
Criminal Justice Construction:				
Services and supplies	-	-	9,830	(9,830)
Other charges	424,905	424,905	422,055	2,850
Other financing uses	150,000	150,000	150,000	-
Total Criminal Justice Construction	<u>574,905</u>	<u>574,905</u>	<u>581,885</u>	<u>(6,980)</u>
County Share Trial Courts:				
Services and supplies	20,178	20,178	21,259	(1,081)
Other charges	1,826,989	1,743,798	1,303,099	440,699
Other financing uses	40,695	40,695	40,692	3
Total County Share Trial Courts	<u>1,887,862</u>	<u>1,804,671</u>	<u>1,365,050</u>	<u>439,621</u>
Development Services:				
Salaries and employee benefits	2,714,984	2,908,358	2,611,239	297,119
Services and supplies	1,377,004	1,470,204	373,556	1,096,648
Other charges	24,850	37,476	37,475	1
Capital Assets	26,979	138,979	119,709	19,270
Other financing uses	360,035	395,335	379,922	15,413
Total Development Services	<u>4,503,852</u>	<u>4,950,352</u>	<u>3,521,901</u>	<u>1,428,451</u>
District Attorney - Child Abduction Unit:				
Salaries and employee benefits	\$ 169,299	\$ 169,299	\$ 163,655	\$ 5,644
Services and supplies	4,445	4,445	3,522	923
Other financing uses	50,807	50,807	50,804	3
Total DA - Child Abduction Unit	<u>224,551</u>	<u>224,551</u>	<u>217,981</u>	<u>6,570</u>

(continued)

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE-GENERAL FUND - BUDGETARY BASIS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Public Protection (continued):				
District Attorney - Criminal:				
Salaries and employee benefits	\$ 8,319,267	\$ 8,366,954	\$ 8,192,989	\$ 173,965
Services and supplies	908,953	908,953	842,165	66,788
Other charges	102,221	111,868	111,867	1
Other financing uses	296,152	297,848	241,162	56,686
Total District Attorney - Criminal	<u>9,626,593</u>	<u>9,685,623</u>	<u>9,388,183</u>	<u>297,440</u>
District Attorney - COPS:				
Services and supplies	63,809	25,809	25,065	744
Other financing uses	591	38,591	16,388	22,203
Total District Attorney COPS	<u>64,400</u>	<u>64,400</u>	<u>41,453</u>	<u>22,947</u>
District Attorney - Victim Witness:				
Salaries and employee benefits	583,649	583,615	533,318	50,297
Services and supplies	90,488	90,488	68,001	22,487
Other financing uses	141,205	141,239	141,239	-
Total DA - Victim Witness	<u>815,342</u>	<u>815,342</u>	<u>742,558</u>	<u>72,784</u>
District Attorney - Welfare Fraud Investigaton				
Salaries and employee benefits	523,843	523,829	470,430	53,399
Services and supplies	21,106	21,106	12,791	8,315
Other financing uses	156,707	156,721	156,721	-
Total DA - Welfare Fraud Investgn	<u>701,656</u>	<u>701,656</u>	<u>639,942</u>	<u>61,714</u>
Fire Protection - Ancillary Services:				
Services and supplies	1,792,953	1,713,265	218,276	1,494,989
Other financing uses	470	470	468	2
Total Fire Protection - Ancillary Svc	<u>1,793,423</u>	<u>1,713,735</u>	<u>218,744</u>	<u>1,494,991</u>
Fire Protection - Regular Services:				
Services and supplies	14,764,378	14,709,878	14,296,919	412,959
Other charges	63,175	63,625	66,606	(2,981)
Other financing uses	877,322	979,248	979,448	(200)
Total Fire Prot - Regular Services	<u>15,704,875</u>	<u>15,752,751</u>	<u>15,342,973</u>	<u>409,778</u>
Fire Protection - Voluntary Program:				
Salaries and employee benefits	30,783	32,203	32,203	-
Services and supplies	558,270	547,061	493,694	53,367
Other charges	4,196	15,405	12,424	2,981
Capital assets	44,472	1,066,247	483,298	582,949
Other financing uses	13,473	13,473	13,274	199
Total Fire Prot - Voluntary Program	<u>651,194</u>	<u>1,674,389</u>	<u>1,034,893</u>	<u>639,496</u>

(continued)

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE-GENERAL FUND - BUDGETARY BASIS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Public Protection (continued):				
Grand Jury:				
Services and supplies	\$ 114,221	\$ 114,221	\$ 58,737	\$ 55,484
Other financing uses	(5,479)	(5,479)	(5,484)	5
Total Grand Jury	<u>108,742</u>	<u>108,742</u>	<u>53,253</u>	<u>55,489</u>
Juvenile Hall General:				
Salaries and employee benefits	4,007,830	4,004,033	3,990,004	14,029
Services and supplies	828,377	988,377	868,763	119,614
Other charges	9,518	13,015	13,015	-
Other financing uses	276,666	276,666	269,748	6,918
Total Juvenile Hall General	<u>5,122,391</u>	<u>5,282,091</u>	<u>5,141,530</u>	<u>140,561</u>
LAFCO Contribution:				
Other charges	<u>251,423</u>	<u>251,423</u>	<u>251,423</u>	-
Total LAFCO Contribution	<u>251,423</u>	<u>251,423</u>	<u>251,423</u>	-
Probation General Services:				
Salaries and employee benefits	8,918,135	9,061,577	8,513,559	548,018
Services and supplies	2,040,306	1,998,756	1,575,413	423,343
Other charges	88,198	293,798	222,274	71,524
Capital assets	-	71,389	68,264	3,125
Other financing uses	638,243	696,692	573,020	123,672
Total Probation General Services	<u>11,684,882</u>	<u>12,122,212</u>	<u>10,952,530</u>	<u>1,169,682</u>
Public Defender:				
Services and supplies	3,172,514	3,252,619	3,240,062	12,557
Other charges	-	-	1,740	(1,740)
Other financing uses	91,529	91,529	91,536	(7)
Total Public Defender	<u>3,264,043</u>	<u>3,344,148</u>	<u>3,333,338</u>	<u>10,810</u>
Recorder:				
Salaries and employee benefits	968,640	868,087	868,086	1
Services and supplies	585,425	685,522	422,149	263,373
Other charges	8,706	9,162	9,161	1
Other financing uses	286,707	286,707	260,762	25,945
Total Recorder	<u>1,849,478</u>	<u>1,849,478</u>	<u>1,560,158</u>	<u>289,320</u>

(continued)

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE-GENERAL FUND - BUDGETARY BASIS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Amounts	Final Budget
	Original	Final		
Public Protection (continued):				
Sheriff - Coroner:				
Salaries and employee benefits	\$ 27,868,932	\$ 27,949,999	\$ 27,061,030	\$ 888,969
Services and supplies	10,032,106	10,597,429	9,819,810	777,619
Other charges	619,400	762,613	754,336	8,277
Capital assets	384,871	773,035	486,090	286,945
Other financing uses	2,342,523	2,395,110	2,395,109	1
Total Sheriff - Coroner	<u>41,247,832</u>	<u>42,478,186</u>	<u>40,516,375</u>	<u>1,961,811</u>
Subdivision Inspection:				
Salaries and employee benefits	453,531	467,806	467,806	-
Services and supplies	93,663	79,376	30,593	48,783
Other charges	90,753	90,753	60,055	30,698
Other financing uses	48,420	48,432	48,432	-
Total Subdivision Inspection	<u>686,367</u>	<u>686,367</u>	<u>606,886</u>	<u>79,481</u>
Sutter-Butte Flood Control				
Services and supplies	8,200	8,200	4,078	4,122
Other financing uses	196	196	204	(8)
Total Sutter-Butte Flood Control	<u>8,396</u>	<u>8,396</u>	<u>4,282</u>	<u>(8)</u>
Water Services:				
Salaries and employee benefits	494,907	508,371	508,371	-
Services and supplies	234,816	236,747	236,747	-
Other charges	-	775	774	1
Other financing uses	46,176	46,188	46,188	-
Total Water Services	<u>775,899</u>	<u>792,081</u>	<u>792,080</u>	<u>1</u>
Total Public Protection	<u>\$ 104,133,237</u>	<u>\$ 107,869,806</u>	<u>\$ 98,838,822</u>	<u>\$ 9,026,862</u>
Public Assistance:				
Children's' Trust Fund - AB2994:				
Services and supplies	42,000	42,000	42,000	-
Other financing uses	1,536	1,536	1,536	-
Total Children's' Trust Fund - AB2994	<u>43,536</u>	<u>43,536</u>	<u>43,536</u>	<u>-</u>
Institutional/ Correction:				
Services and supplies	350,634	281,425	98,505	182,920
Other charges	40,211	40,211	-	40,211
Capital assets	-	43,000	41,408	1,592
Other financing uses	252,323	278,532	278,532	-
Total Institutional/ Correction	<u>643,168</u>	<u>643,168</u>	<u>418,445</u>	<u>224,723</u>
Juvenile Court Wards:				
Other charges	500	500	-	500
Total Juvenile Court Wards	<u>500</u>	<u>500</u>	<u>-</u>	<u>500</u>

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE-GENERAL FUND - BUDGETARY BASIS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Public Assistance (continued):				
Veteran's Service Officer:				
Salaries and employee benefits	\$ 245,453	\$ 245,448	\$ 233,736	\$ 11,712
Services and supplies	19,224	19,224	13,652	5,572
Other financing uses	5,899	5,904	5,904	-
Total Veteran's Service Officer	<u>270,576</u>	<u>270,576</u>	<u>253,292</u>	<u>17,284</u>
Welfare Domestic Violence:				
Services and supplies	40,000	40,000	40,000	-
Total Welfare Domestic Violence	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>-</u>
Total Public Assistance	<u>\$ 997,780</u>	<u>\$ 997,780</u>	<u>\$ 755,273</u>	<u>\$ 242,507</u>
Education:				
Farm, Home and 4-H Department:				
Salaries and employee benefits	185,085	183,447	177,761	5,686
Services and supplies	72,280	72,280	58,084	14,196
Other charges	6,000	7,631	7,630	1
Other financing uses	81,845	81,852	81,852	-
Total Farm, Home, and 4H Dept	<u>345,210</u>	<u>345,210</u>	<u>325,327</u>	<u>19,883</u>
Libraries:				
Salaries and employee benefits	1,605,111	1,605,111	1,635,895	(30,784)
Services and supplies	441,078	452,961	410,068	42,893
Other charges	70,477	70,477	70,477	-
Other financing uses	650,430	650,430	642,957	7,473
Total Libraries	<u>2,767,096</u>	<u>2,778,979</u>	<u>2,759,397</u>	<u>19,582</u>
Libraries - Literacy Grant:				
Salaries and employee benefits	203,208	278,505	205,757	72,748
Services and supplies	24,224	97,357	55,361	41,996
Other charges	-	9,393	9,393	-
Other financing uses	9,871	9,871	12,456	(2,585)
Total Libraries - Literacy Grant	<u>237,303</u>	<u>395,126</u>	<u>282,967</u>	<u>112,159</u>
Total Education	<u>\$ 3,349,609</u>	<u>\$ 3,519,315</u>	<u>\$ 3,367,691</u>	<u>\$ 151,624</u>
Recreation and cultural services:				
Butte Meadows Recreation Grant:				
Services and supplies	60,082	191,526	103,034	88,492
Other charges	-	10,200	10,095	105
Other financing uses	291	291	288	3
Total Butte Meadows Rec Grant	<u>60,373</u>	<u>202,017</u>	<u>113,417</u>	<u>88,600</u>

(continued)

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE-GENERAL FUND - BUDGETARY BASIS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Recreation and cultural services (continued):				
Recreational Halls				
Salaries and employee benefits	\$ -	\$ -	\$ 5,892	\$ (5,892)
Services and supplies	137,815	137,815	132,388	5,427
Other charges	28,277	28,277	28,277	-
Other financing uses	79,000	79,000	112,104	(33,104)
Total Recreation Halls	<u>245,092</u>	<u>245,092</u>	<u>278,661</u>	<u>(33,569)</u>
 Total Recreational and cultural svc	 <u>\$ 305,465</u>	 <u>\$ 447,109</u>	 <u>\$ 392,078</u>	 <u>\$ 55,031</u>
Provisions for Contingencies:				
Appropriation Contingencies	<u>5,500,000</u>	<u>3,810,903</u>	<u>-</u>	<u>3,810,903</u>
Total Charges to appropriations	<u>143,857,156</u>	<u>146,988,019</u>	<u>129,163,515</u>	<u>17,824,504</u>
Budgetary fund balance, Beginning of year	<u>39,898,454</u>	<u>39,898,454</u>	<u>39,898,454</u>	<u>-</u>
Budgetary Fund balances, ending	<u>\$ 22,631,715</u>	<u>\$ 22,540,085</u>	<u>\$ 51,469,691</u>	<u>\$ 28,929,606</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 \$140,734,752

Differences - budget to USGAAP:
Transfers in are inflows of budgetary resources
but are not revenues for financial reporting purposes (10,428,950)

Total revenues as reported on the statement of revenues, expenditures, and
changes in fund balance - general fund \$130,305,802

Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations"
from the budgetary comparison schedule \$129,163,515

Differences - budget to USGAAP:
Transfers to other funds are outflows of budgetary resources
but are not expenditures for financial reporting purposes (5,735,052)

Total expenditures as reported on the statement of revenues, expenditures, and
changes in fund balance - general fund \$123,428,463

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, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
RESOURCES (inflows):				
Revenues from uses of money and property	\$ 41,000	\$ 41,000	\$ 98,136	\$ 57,136
Aid from other governments	106,372,416	108,029,433	119,567,908	11,538,475
Charges for services	327,276	327,276	258,537	(68,739)
Other	804,000	814,000	993,782	179,782
Other financing sources	17,335,803	17,501,085	553,865	(16,947,220)
Amounts available for appropriation	124,880,495	126,712,794	121,472,228	(5,240,566)
CHARGES TO APPROPRIATIONS (outflows):				
Public Protection:				
Welfare - Public Guardian:				
Salaries and employee benefits	454,078	454,078	400,215	53,863
Services and supplies	27,000	27,000	1,498	25,502
Other charges	271,719	271,719	148,781	122,938
Other financing uses	273,710	273,710	267,541	6,169
Total Welfare - Public Guardian	1,026,507	1,026,507	818,035	208,472
Total Public Protection	1,026,507	1,026,507	818,035	208,472
Public Assistance:				
Welfare Administration:				
Salaries and employee benefits	12,544,386	11,570,839	11,570,839	-
Services and supplies	5,802,319	5,597,764	5,551,142	46,622
Other charges	4,211,203	3,882,060	3,882,060	-
Capital assets	211,231	223,718	223,718	-
Other financing uses	(22,728,139)	(21,007,658)	(21,007,658)	-
Total Welfare Administration	41,000	266,723	220,101	46,622
Welfare - Eligibility:				
Salaries and employee benefits	16,044,710	15,888,977	15,699,808	189,169
Services and supplies	742,241	1,098,991	827,955	271,036
Other charges	261,000	261,000	218,868	42,132
Other financing uses	7,481,638	7,481,638	6,472,586	1,009,052
Total Welfare - Eligibility	24,529,589	24,730,606	23,219,217	1,511,389
Welfare Protective Services:				
Salaries and employee benefits	10,224,775	9,777,870	9,363,323	414,547
Services and supplies	2,726,892	2,922,692	2,488,354	434,338
Other charges	1,478,132	1,481,144	1,364,468	116,676
Other financing uses	7,388,761	7,452,511	6,826,000	626,511
Total Welfare Protective Services	\$ 21,818,560	\$ 21,634,217	\$ 20,042,145	\$ 1,592,072

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE-WELFARE FUND-BUDGETARY BASIS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Welfare CALWORKS Program:				
Salaries and employee benefits	\$ 4,303,308	\$ 4,222,594	\$ 4,194,798	\$ 27,796
Services and supplies	4,561,708	5,819,252	4,735,591	1,083,661
Other charges	1,668,068	1,672,568	1,414,117	258,451
Other financing uses	7,584,031	7,584,031	7,441,539	142,492
Total Welfare CALWORKS Program	18,117,115	19,298,445	17,786,045	1,512,400
Welfare Aids:				
Services and supplies	5,000	5,000	-	5,000
Other charges	59,350,385	59,781,363	59,707,936	73,427
Other financing uses	-	-	(8)	8
Total Welfare Aids	59,355,385	59,786,363	59,707,928	78,435
Total Public Assistance	123,861,649	125,716,354	120,975,436	4,740,918
Total Charges to appropriations	124,888,156	126,742,861	121,793,471	4,949,390
Budgetary fund balance, Beginning of year	6,748,186	6,748,186	6,748,186	-
Budgetary Fund balances, ending	<u>\$ 6,740,525</u>	<u>\$ 6,718,120</u>	<u>\$ 6,426,943</u>	<u>\$ (291,176)</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 \$121,472,228

Differences - budget to USGAAP:

Transfers in are inflows of budgetary resources
but are not revenues for financial reporting purposes (617,182)

Total revenues as reported on the statement of revenues, expenditures, and
changes in fund balance \$120,855,046

Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations"
from the budgetary comparison schedule \$121,793,471

Differences - budget to USGAAP:

Transfers to other funds are outflows of budgetary resources
but are not expenditures for financial reporting purposes (7,484,263)

Total expenditures as reported on the statement of revenues, expenditures, and
changes in fund balance \$114,309,208



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, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
RESOURCES (inflows):				
Licenses and permits	\$ 136,000	\$ 136,000	\$ 136,485	\$ 485
Fines, forfeitures, and penalties	280,000	280,000	246,046	(33,954)
Revenues from uses of money and property	127,400	127,400	102,964	(24,436)
Aid from other governments	13,145,634	13,297,047	12,709,583	(587,464)
Charges for services	3,354,016	3,354,016	3,195,114	(158,902)
Other	24,745	24,745	16,841	(7,904)
Other financing sources	724,304	724,304	845,021	120,717
Amounts available for appropriation	<u>17,792,099</u>	<u>17,943,512</u>	<u>17,252,054</u>	<u>(691,458)</u>
CHARGES TO APPROPRIATIONS (outflows):				
Health and Sanitation:				
Public Health General Services:				
Salaries and employee benefits	12,954,035	12,954,035	10,983,436	1,970,599
Services and supplies	5,672,768	5,824,181	4,006,145	1,818,036
Other charges	1,530,803	1,530,803	1,247,352	283,451
Capital assets	310,000	310,000	141,804	168,196
Total Public Health General Services	<u>20,467,606</u>	<u>20,619,019</u>	<u>16,378,737</u>	<u>4,240,282</u>
Total Health and Sanitation	<u>20,467,606</u>	<u>20,619,019</u>	<u>16,378,737</u>	<u>4,240,282</u>
Total Charges to appropriations	<u>20,467,606</u>	<u>20,619,019</u>	<u>16,378,737</u>	<u>4,240,282</u>
Budgetary fund balance, Beginning of year	<u>11,270,535</u>	<u>11,270,535</u>	<u>11,270,535</u>	<u>-</u>
Budgetary Fund balances, ending	<u><u>\$ 8,595,028</u></u>	<u><u>\$ 8,595,028</u></u>	<u><u>\$ 12,143,852</u></u>	<u><u>\$ 3,548,824</u></u>

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE-PUBLIC HEALTH FUND-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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	\$ 17,252,054
Differences - budget to USGAAP: Transfers in are inflows of budgetary resources but are not revenues for financial reporting purposes	<u>(1,436,014)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance	<u>\$ 15,816,040</u>

Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 16,378,737
Differences - budget to USGAAP: Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(1,243,301)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance	<u>\$ 15,135,436</u>



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, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
RESOURCES (inflows):				
Fines, forfeitures, and penalties	\$ -	\$ -	\$ 76,223	\$ 76,223
Revenues from uses of money and property	16,114	16,114	(961)	(17,075)
Aid from other governments	42,135,364	44,568,188	56,365,642	11,797,454
Charges for services	2,514,913	2,559,913	2,503,553	(56,360)
Other	-	-	34,757	34,757
Other financing sources	13,278,904	13,278,904	285,189	(12,993,715)
Amounts available for appropriation	<u>57,945,295</u>	<u>60,423,119</u>	<u>59,264,403</u>	<u>(1,158,716)</u>
CHARGES TO APPROPRIATIONS (outflows):				
Health and Sanitation:				
Behavioral Health General Services:				
Salaries and employee benefits	26,058,346	25,293,671	23,122,711	2,170,960
Services and supplies	23,103,752	24,225,923	19,876,996	4,348,927
Other charges	2,794,524	3,286,750	2,684,672	602,078
Capital assets	328,272	878,525	845,033	33,492
Total Behavioral Health General Svcs	<u>52,284,894</u>	<u>53,684,869</u>	<u>46,529,412</u>	<u>7,155,457</u>
Mental Health Substance Abuse:				
Salaries and employee benefits	2,598,352	2,545,352	2,322,612	222,740
Services and supplies	2,237,024	3,297,808	2,806,177	491,631
Other charges	324,524	341,589	314,599	26,990
Capital assets	-	53,000	25,135	27,865
Total Mental Health Substance Abuse	<u>5,159,900</u>	<u>6,237,749</u>	<u>5,468,523</u>	<u>769,226</u>
Total Health and Sanitation	<u>57,444,794</u>	<u>59,922,618</u>	<u>51,997,935</u>	<u>7,924,683</u>
Total Charges to appropriations	<u>57,444,794</u>	<u>59,922,618</u>	<u>51,997,935</u>	<u>7,924,683</u>
Budgetary fund balance, Beginning of year	<u>326,933</u>	<u>326,933</u>	<u>326,933</u>	<u>-</u>
Budgetary Fund balances, ending	<u>\$ 827,434</u>	<u>\$ 827,434</u>	<u>\$ 7,593,401</u>	<u>\$ 6,765,967</u>

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BEHAVIORAL HEALTH FUND-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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	\$ 59,264,403
Differences - budget to USGAAP: Transfers in are inflows of budgetary resources but are not revenues for financial reporting purposes	<u>(1,844,396)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance	<u>\$ 57,420,007</u>

Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 51,997,935
Differences - budget to USGAAP: Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(2,822,130)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance	<u>\$ 49,175,805</u>



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, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
RESOURCES (inflows):				
Licenses and permits	\$ 85,000.00	\$ 85,000.00	\$ 44,101.00	\$ (40,899)
Fines forfeitures and penalties	-	-	8,575	8,575
Revenues from uses of money and property	94,000	94,000	91,157	(2,843)
Aid from other governments	16,024,105	16,024,105	11,470,125	(4,553,980)
Charges for services	5,290,879	5,290,879	5,225,097	(65,782)
Other	73,510	73,510	65,561	(7,949)
Other financing sources	1,420,000	1,420,000	1,568,875	148,875
Amounts available for appropriation	<u>22,987,494</u>	<u>22,987,494</u>	<u>18,473,491</u>	<u>(4,514,003)</u>
CHARGES TO APPROPRIATIONS (outflows):				
Public Ways and Facilities:				
Road Operations:				
Salaries and employee benefits	7,730,851	7,730,851	7,461,188	269,663
Services and supplies	16,741,010	16,916,010	9,341,479	7,574,531
Capital assets	950,000	1,144,632	749,972	394,660
Other financing uses	3,924,380	3,924,380	3,036,228	888,152
Total Road Operations	<u>33,270,621</u>	<u>29,715,873</u>	<u>20,588,867</u>	<u>9,127,006</u>
Total Public Ways and Facilities	<u>33,270,621</u>	<u>29,715,873</u>	<u>20,588,867</u>	<u>9,127,006</u>
Provisions for Contingencies:				
Appropriation Contingencies	<u>1,000,000</u>	<u>740,368</u>	<u>-</u>	<u>740,368</u>
Total Charges to appropriations	<u>34,270,621</u>	<u>30,456,241</u>	<u>20,588,867</u>	<u>9,867,374</u>
Budgetary fund balance, Beginning of year	<u>10,783,095</u>	<u>10,783,095</u>	<u>10,783,095</u>	<u>-</u>
Budgetary Fund balances, ending	<u>\$ (500,032)</u>	<u>\$ 3,314,348</u>	<u>\$ 8,667,719</u>	<u>\$ 5,353,371</u>

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - ROAD FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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	\$ 18,473,491
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Differences - budget to USGAAP:

Transfers in are inflows of budgetary resources but are not revenues for financial reporting purposes	<u>(5,828,559)</u>
--	--------------------

Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance	<u><u>\$ 12,610,625</u></u>
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Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 20,588,867
--	---------------

Differences - budget to USGAAP:

Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(2,934,950)</u>
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Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance	<u><u>\$ 17,653,917</u></u>
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COUNTY OF BUTTE, CALIFORNIA

Note to Required Supplementary Information For the Fiscal Year Ended June 30, 2015

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 (Joint Powers Financing Authority). 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 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 Fund Statements

COUNTY OF BUTTE

Nonmajor Governmental Funds

CAPITAL PROJECTS FUND

The Capital Projects 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.

EQUIPMENT REPLACEMENT FUND

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

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 *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.

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

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

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 Funds* account 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, 2015

	Capital Projects Fund	Equipment Replacement	Equipment	State COPS
ASSETS				
Cash and investments	\$ 5,968,130	\$ 3,445,742	\$ 1,157,774	\$ -
Cash and investments with fiscal agent	-	-	-	-
Imprest cash	-	-	-	-
Accounts receivable	-	-	-	-
Due from other governments	-	-	-	-
Loans receivable	-	-	-	-
Total assets	<u>\$ 5,968,130</u>	<u>\$ 3,445,742</u>	<u>\$ 1,157,774</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Accounts payable	919,721	29,556	-	-
Salaries and benefits payable	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	<u>919,721</u>	<u>29,556</u>	<u>-</u>	<u>-</u>
Fund balances:				
Restricted	5,048,409	3,416,186	1,157,774	-
Total fund balances	<u>5,048,409</u>	<u>3,416,186</u>	<u>1,157,774</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 5,968,130</u>	<u>\$ 3,445,742</u>	<u>\$ 1,157,774</u>	<u>\$ -</u>

COUNTY OF BUTTE, CALIFORNIA
COMBINING BALANCE SHEET (Continued)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

	Special Revenue Funds				
	Transit	Housing and Community Development	Fish and Game	Child Support Services	County Service Areas
ASSETS					
Cash and investments	\$ 11,056	41,800	\$ 115,079	\$ 793,965	\$ 8,288,488
Cash and investments with fiscal agent	-	-	-	-	-
Imprest cash	-	-	-	2,000	-
Accounts receivable	-	-	-	-	153
Due from other governments	-	2,745,092	-	-	-
Loans receivable	-	4,676,238	-	-	-
Total assets	<u>\$ 11,056</u>	<u>7,463,130</u>	<u>\$ 115,079</u>	<u>\$ 795,965</u>	<u>\$ 8,288,641</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Due to other funds	\$ -	\$ 2,795,307	\$ -	\$ -	\$ -
Accounts payable	68	-	4,578	2,507	36,262
Salaries and benefits payable	-	-	-	201,885	-
Unearned revenue	-	-	-	524,583	-
Total liabilities	<u>68</u>	<u>2,795,307</u>	<u>4,578</u>	<u>728,975</u>	<u>36,262</u>
Fund balances:					
Restricted	10,988	4,667,822	110,502	66,990	8,252,379
Total fund balances	<u>10,988</u>	<u>4,667,822</u>	<u>110,502</u>	<u>66,990</u>	<u>8,252,379</u>
Total liabilities and fund balances	<u>\$ 11,056</u>	<u>\$ 7,463,129</u>	<u>\$ 115,080</u>	<u>\$ 795,965</u>	<u>\$ 8,288,641</u>

COUNTY OF BUTTE, CALIFORNIA
COMBINING BALANCE SHEET (Continued)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

	<u>Special Revenue Funds</u>			<u>Total</u>
	<u>IHSS Public Authority</u>	<u>Impact Fees</u>	<u>Debt Service Fund</u>	
ASSETS				
Cash and investments	\$ 160,451	\$ 8,181,637	\$ 9,443,740	\$ 37,607,862
Cash and investments with fiscal agent	-	-	501,663	501,663
Imprest cash	-	-	-	2,000
Accounts receivable	-	-	-	153
Due from other governments	66,738	-	-	2,811,830
Loans receivable	-	-	-	4,676,238
Total assets	<u>\$ 227,189</u>	<u>\$ 8,181,637</u>	<u>\$ 9,945,403</u>	<u>45,599,746</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Due to other funds	\$ -	\$ 3,770	\$ -	\$ 2,799,077
Accounts payable	30	-	5,000	997,722
Salaries and benefits payable	6,378	-	-	208,263
Unearned revenue	-	-	-	524,583
Total liabilities	<u>6,408</u>	<u>3,770</u>	<u>5,000</u>	<u>4,529,645</u>
Fund balances:				
Restricted	<u>220,781</u>	<u>8,177,867</u>	<u>9,940,403</u>	<u>41,070,101</u>
Total fund balances	<u>220,781</u>	<u>8,177,867</u>	<u>9,940,403</u>	<u>41,070,101</u>
Total liabilities and fund balances	<u>\$ 227,189</u>	<u>\$ 8,181,637</u>	<u>\$ 9,945,403</u>	<u>\$ 45,599,746</u>

COUNTY OF BUTTE, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Capital Projects Fund	Equipment Replacement	Equipment	State COPS
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Fines, forfeitures, and penalties	-	-	-	-
Revenues from uses of money and property	18,680	28,335	15,498	1,978
Aid from other governments	156,410	-	-	-
Charges for services	221,509	-	553,488	-
Other	353,959	(1,968)	-	-
Total revenues	<u>750,558</u>	<u>26,367</u>	<u>568,986</u>	<u>1,978</u>
EXPENDITURES:				
Current:				
General government	8,248,730	28,137	1,140,559	-
Public protection	-	771,556	-	-
Public ways and facilities	-	-	-	-
Health and sanitation	-	-	-	-
Public assistance	-	-	-	-
Recreation and cultural services	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>8,248,730</u>	<u>799,693</u>	<u>1,140,559</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(7,498,172)</u>	<u>(773,326)</u>	<u>(571,573)</u>	<u>1,978</u>
OTHER FINANCING SOURCES (USES):				
Sale of capital assets	-	1,968	-	-
Issuance of debt	4,796,195	-	-	-
Transfers in	2,689,813	1,255,367	27,920	-
Transfer out	(443,213)	(24,936)	(18,767)	(378,224)
Total other financing sources (uses)	<u>7,042,795</u>	<u>1,232,399</u>	<u>9,153</u>	<u>(378,224)</u>
Net change in fund balances	<u>(455,377)</u>	<u>459,073</u>	<u>(562,420)</u>	<u>(376,246)</u>
Fund balances, beginning	<u>5,503,786</u>	<u>2,957,113</u>	<u>1,720,194</u>	<u>376,246</u>
Fund balances, ending	<u>\$ 5,048,409</u>	<u>\$ 3,416,186</u>	<u>\$ 1,157,774</u>	<u>\$ -</u>

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, 2015

	Special Revenue Funds				
	Transit	Housing and Community Development	Fish and Game	Child Support Services	County Service Areas
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 935,657
Fines, forfeitures, and penalties	-	-	22,434	-	-
Revenues from uses of money and property	8,653	2,408	1,077	15,062	74,847
Aid from other governments	2,845,961	4,448,967	-	6,982,489	113,396
Charges for services	-	-	-	35,163	370,920
Other	-	19,649	2,000	2,515	108
Total revenues	<u>2,854,614</u>	<u>4,471,024</u>	<u>25,511</u>	<u>7,035,229</u>	<u>1,494,928</u>
EXPENDITURES:					
Current:					
General government	-	541,742	-	-	-
Public protection	-	-	22,861	-	55,394
Public ways and facilities	1,372,705	-	-	-	55,520
Health and sanitation	-	-	-	-	131,520
Public assistance	-	-	-	6,354,781	-
Recreation and cultural services	-	-	-	-	109,763
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>1,372,705</u>	<u>541,742</u>	<u>22,861</u>	<u>6,354,781</u>	<u>352,197</u>
Excess (deficiency) of revenues over expenditures	<u>1,481,909</u>	<u>3,929,282</u>	<u>2,650</u>	<u>680,448</u>	<u>1,142,731</u>
OTHER FINANCING SOURCES (USES):					
Sale of capital assets	-	-	-	-	-
Issuance of debt	-	-	-	-	-
Transfers in	-	-	-	-	5,300
Transfer out	(1,516,597)	(2,963,355)	(4,416)	(713,593)	(614,295)
Total other financing sources (uses)	<u>(1,516,597)</u>	<u>(2,963,355)</u>	<u>(4,416)</u>	<u>(713,593)</u>	<u>(608,995)</u>
Net change in fund balances	<u>(34,688)</u>	<u>965,927</u>	<u>(1,766)</u>	<u>(33,145)</u>	<u>533,736</u>
Fund balances, beginning	<u>45,676</u>	<u>3,701,896</u>	<u>112,267</u>	<u>100,135</u>	<u>7,718,643</u>
Fund balances, ending	<u>\$ 10,988</u>	<u>\$ 4,667,823</u>	<u>\$ 110,501</u>	<u>\$ 66,990</u>	<u>\$ 8,252,379</u>

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, 2015

	<u>Special Revenue Funds</u>			<u>Total</u>
	<u>IHSS Public Authority</u>	<u>Impact Fees</u>	<u>Debt Service Fund</u>	
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 935,657
Fines, forfeitures, and penalties	-	817,531	-	839,965
Revenues from uses of money and property	1,092	104,828	81,909	354,367
Aid from other governments	306,368	-	89,676	14,943,267
Charges for services	45,000	-	-	1,226,080
Other	91	-	340,429	716,783
Total revenues	<u>352,551</u>	<u>922,359</u>	<u>512,014</u>	<u>19,016,119</u>
EXPENDITURES:				
Current:				
General government	-	-	14,195	9,973,363
Public protection	-	-	-	849,811
Public ways and facilities	-	-	-	1,428,225
Health and sanitation	-	-	-	131,520
Public assistance	244,744	-	-	6,599,525
Recreation and cultural services	-	-	-	109,763
Debt service				
Principal	-	-	832,109	832,109
Interest	-	-	1,916,260	1,916,260
Total expenditures	<u>244,744</u>	<u>-</u>	<u>2,762,564</u>	<u>21,840,576</u>
Excess (deficiency) of revenues over expenditures	<u>107,807</u>	<u>922,359</u>	<u>(2,250,550)</u>	<u>(2,824,457)</u>
OTHER FINANCING SOURCES (USES):				
Sale of capital assets	-	-	-	1,968
Issuance of debt	-	-	-	4,796,195
Transfers in	1,729	-	2,843,642	6,823,771
Transfer out	-	(73,728)	(8,052)	(6,759,176)
Total other financing sources (uses)	<u>1,729</u>	<u>(73,728)</u>	<u>2,835,590</u>	<u>4,862,758</u>
Net change in fund balances	<u>109,536</u>	<u>848,631</u>	<u>585,040</u>	<u>2,038,301</u>
Fund balances, beginning	<u>111,245</u>	<u>7,329,236</u>	<u>9,355,363</u>	<u>39,031,800</u>
Fund balances, ending	<u>\$ 220,781</u>	<u>\$ 8,177,867</u>	<u>\$ 9,940,403</u>	<u>\$ 41,070,101</u>

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
RESOURCES (inflows):				
Revenues from uses of money and property	\$ -	\$ -	\$ 18,680	\$ 18,680
Aid from other governments	60,000	114,299	156,410	42,111
Charges for services	3,381,215	3,881,215	2,814,562	(1,066,653)
Other financing sources	8,270,000	8,270,000	5,246,914	(3,023,086)
Amounts available for appropriation	<u>11,711,215</u>	<u>12,265,514</u>	<u>8,236,566</u>	<u>(4,028,948)</u>
CHARGES TO APPROPRIATIONS (outflows):				
General Government:				
Capital Projects Administration				
Other charges	-	35,671	35,671	-
Total Capital Projects Administration	<u>-</u>	<u>35,671</u>	<u>35,671</u>	<u>-</u>
Chico Public Works Yard:				
Other charges	56,200	56,200	30,073	26,127
Capital Assets	2,200,800	2,200,800	1,713,040	487,760
Total Chico Public Works Yard	<u>2,257,000</u>	<u>2,257,000</u>	<u>1,743,113</u>	<u>513,887</u>
Debt Service Transfer:				
Other charges	54,214	59,814	58,400	1,414
Total Debt Service Transfer	<u>54,214</u>	<u>59,814</u>	<u>58,400</u>	<u>1,414</u>
Hall of Records:				
Other charges	80,000	120,000	115,515	4,485
Capital assets	7,920,000	7,880,000	5,869,766	2,010,234
Total Hall of Records	<u>8,000,000</u>	<u>8,000,000</u>	<u>5,985,281</u>	<u>2,014,719</u>
Campus Infrastructure Improvement:				
Other charges	20,000	20,000	8,970	11,030
Capital assets	580,000	580,000	19,413	560,587
Total Hall of Records	<u>600,000</u>	<u>600,000</u>	<u>28,383</u>	<u>571,617</u>
33 County Center Ped Walkway:				
Other charges	7,000	35,182	32,078	3,104
Capital assets	263,000	234,818	196,441	38,377
Total 33 County Center Ped Walkway	<u>270,000</u>	<u>270,000</u>	<u>228,519</u>	<u>41,481</u>
Total General Government	<u>11,181,214</u>	<u>11,222,485</u>	<u>8,079,367</u>	<u>3,143,118</u>

(continued)

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS
CAPITAL PROJECTS FUND (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Public Protection:				
South Chico Station 44 Relocation:				
Other charges	\$ 15,000	\$ 15,000	\$ -	\$ 15,000
Capital assets	485,000	485,000	-	485,000
Total So Chico Station 44 Relocation	500,000	500,000		500,000
Jail Project:				
Other financing uses	-	2,690	2,690	\$ -
Total Pub Safety Fac Modification		2,690	2,690	
Public Safety Facilities Modification:				
Supplies and services	235,000	135,000	110,849	24,151
Other charges	15,000	115,000	105,257	9,743
Total Pub Safety Fac Modification	250,000	250,000	216,106	33,894
Total Public Protection	750,000	752,690	218,796	533,894
Public Ways and Facilities				
BC Oroville Park & Ride:				
Other charges	10,000	21,667	18,477	3,190
Capital assets	50,000	92,632	47,168	45,464
Total BC Oroville Park & Ride	60,000	114,299	65,645	48,654
Total Public Ways and Facilities	60,000	114,299	65,645	48,654
Public Assistance:				
DESS 205 Mira Loma Sutie 10:				
Other charges	75,967	37,967	13,792	24,175
Capital assets	197,333	235,333	225,612	9,721
Total DESS 205 Mira Loma Suite 10	273,300	273,300	239,404	33,896
Total Public Assistance	273,300	273,300	239,404	33,896

(continued)

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS
CAPITAL PROJECTS FUND (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Health and Sanitation:				
Behavioral Health - Crisis Residential Facility:				
Other charges	\$ -	\$ 75,000	\$ 12,028	\$ 62,972
Capital assets	-	425,000	27,116	397,884
Total BH -Crisis Residential Facility	-	500,000	39,144	460,856
Behavioral Health - Cohasset Remodel:				
Other charges	12,000	12,000	10,263	1,737
Capital assets	164,500	164,500	39,324	125,176
Total BH -Cohasset Remodel	176,500	176,500	49,587	126,913
Total Health and Sanitation	176,500	676,500	88,731	587,769
Total Charges to appropriations	12,441,014	13,039,274	8,691,943	4,347,331
Budgetary fund balance, Beginning of year	5,503,786	5,503,786	5,503,786	-
Budgetary Fund balances, ending	<u>\$ 4,773,987</u>	<u>\$ 4,730,026</u>	<u>\$ 5,048,409</u>	<u>\$ 318,383</u>

(continued)

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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	\$ 8,236,566
Proceeds from borrowing are reported as financing sources in governmental funds	(4,796,195)
Differences - budget to USGAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	<u>(2,689,813)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance	<u>\$ 750,558</u>

Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 8,691,943
Differences - budget to USGAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(443,213)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance	<u>\$ 8,248,730</u>

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS
EQUIPMENT REPLACEMENT SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
RESOURCES (inflows):				
Revenues from uses of money and property	\$ -	\$ -	\$ 28,335	\$ 28,335
Charges for services	124,690	124,690	30,000	(94,690)
Other financing sources	1,161,114	1,161,114	1,225,367	64,253
Amounts available for appropriation	<u>1,285,804</u>	<u>1,285,804</u>	<u>1,283,702</u>	<u>(2,102)</u>
CHARGES TO APPROPRIATIONS (outflows):				
Public Protection:				
Sheriff Equipment Replacement:				
Other charges	305	305	300	5
Capital assets	623,349	623,349	402,131	221,218
Total Sheriff Equipment Replacement	<u>623,654</u>	<u>623,654</u>	<u>402,431</u>	<u>221,223</u>
Fire Equipment Replacement:				
Other charges	17,434	17,436	17,436	-
Capital assets	900,000	899,998	351,714	548,284
Total Fire Equipment Replacement	<u>917,434</u>	<u>917,434</u>	<u>369,150</u>	<u>548,284</u>
District Attorney Equipment Replacement:				
Capital assets	30,000	30,000	24,516	5,484
Total District Attorney Equip Replacement	<u>30,000</u>	<u>30,000</u>	<u>24,516</u>	<u>5,484</u>
Juvenile Hall				
Capital assets	-	300	273	27
Total Juvenile Hall	<u>-</u>	<u>300</u>	<u>273</u>	<u>27</u>
Assessor Equipment Replacement:				
Capital assets	27,000	29,500	28,259	1,241
Total Probation Equipment Replacement	<u>27,000</u>	<u>29,500</u>	<u>28,259</u>	<u>1,241</u>
Total Charges to appropriations	<u>1,598,088</u>	<u>1,600,888</u>	<u>824,629</u>	<u>776,259</u>
Budgetary fund balance, Beginning of year	<u>2,957,113</u>	<u>2,957,113</u>	<u>2,957,113</u>	<u>-</u>
Budgetary Fund balances, ending	<u>\$ 2,644,829</u>	<u>\$ 2,642,029</u>	<u>\$ 3,416,186</u>	<u>\$ (778,361)</u>

(continued)

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS
EQUIPMENT REPLACEMENT SPECIAL REVENUE FUND (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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	\$ 1,283,702
Differences - budget to USGAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	(1,255,367)
Proceeds from sale of capital assets are inflows of budgetary resources but are not revenues for financial reporting purposes	<u>(1,968)</u>

Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance	<u><u>\$ 26,367</u></u>
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Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 824,629
Differences - budget to USGAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(24,936)</u>

Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance	<u><u>\$ 799,693</u></u>
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COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS
EQUIPMENT SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
RESOURCES (inflows):				
Revenues from uses of money and property	\$ -	\$ -	\$ 15,498	\$ 15,498
Charges for services	736,233	765,707	581,408	(184,299)
Other financing sources	-	-	-	-
Amounts available for appropriation	736,233	765,707	596,906	(168,801)
CHARGES TO APPROPRIATIONS (outflows):				
General Government:				
ISF Equipment Replacement:				
Other charges	775,175	776,651	776,651	-
Capital assets	645,150	840,374	382,675	457,699
Other financing uses	69,200	69,200	-	69,200
Total ISF Equipment Replacement	1,489,525	1,686,225	1,159,326	526,899
Total General Government	1,489,525	1,686,225	1,159,326	526,899
Total Charges to appropriations	1,489,525	1,686,225	1,159,326	526,899
Budgetary fund balance, beginning of year	1,720,194	1,720,194	1,720,194	1,720,194
Budgetary Fund balances, ending	\$ 966,902	\$ 799,676	\$ 1,157,774	\$ 2,078,292

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	\$ 596,906
Differences - budget to USGAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	(27,920)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance	\$ 568,986

Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 1,159,326
Differences - budget to USGAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(18,767)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance	\$ 1,140,559

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS
STATE COPS SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
RESOURCES (inflows):				
Revenues from uses of money and property	\$ -	\$ -	\$ 1,978	\$ 1,978
Amounts available for appropriation	-	-	1,978	1,978
CHARGES TO APPROPRIATIONS (outflows):				
Public Protection:				
District Attorney-State COPS				
Other financing uses	-	6	6	-
Total Sheriff-State-COPS	-	6	6	-
Sheriff-State COPS:				
Other financing uses	-	155,125	155,125	-
Total Sheriff-State-COPS	-	155,125	155,125	-
Probation Juvenile Justice Plan:				
Other financing uses	-	223,093	223,093	-
Total Probation Juvenile Justice Plan	-	223,093	223,093	-
Total Public Protection	-	378,224	378,224	-
Total Charges to appropriations	-	378,224	378,224	-
Budgetary fund balance, Beginning of year	376,246	376,246	376,246	-
Budgetary Fund balances, ending	\$ 376,246	\$ (1,978)	\$ -	\$ 1,978

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS
TRANSIT SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
RESOURCES (inflows):				
Revenues from uses of money and property	\$ 5,000	\$ 5,000	\$ 8,653	\$ 3,653
Aid from other governments	2,854,653	2,854,653	2,845,961	(8,692)
Amounts available for appropriation	2,859,653	2,859,653	2,854,614	(5,039)
CHARGES TO APPROPRIATIONS (outflows):				
Public Ways and Facilities:				
Transit - System Operations				
Other charges	1,609,830	1,510,933	1,390,405	120,528
Other financing uses	1,400,000	1,498,897	1,498,897	-
Total Transit - System Operations	3,009,830	3,009,830	2,889,302	120,528
Total Public Ways and Facilities	3,009,830	3,009,830	2,889,302	120,528
Total Charges to appropriations	3,009,830	3,009,830	2,889,302	120,528
Budgetary fund balance, beginning of year	45,676	45,676	45,676	-
Budgetary Fund balances, ending	<u>\$ (104,501)</u>	<u>\$ (104,501)</u>	<u>\$ 10,988</u>	<u>\$ 115,489</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	\$ 2,889,302
Differences - budget to USGAAP: Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(1,516,597)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance	<u>\$ 1,372,705</u>

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS
HOUSING AND COMMUNITY DEVELOPMENT SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
RESOURCES (inflows):				
Revenues from uses of money and property	\$ 196	\$ 196	\$ 2,408	\$ 2,212
Aid from other governments	4,502,269	4,739,269	4,448,967	(290,302)
Other	83,846	83,846	7,797	(76,049)
Other financing sources	-	102,303	11,852	(90,451)
Amounts available for appropriation	4,586,311	4,925,614	4,471,024	(454,590)
CHARGES TO APPROPRIATIONS (outflows):				
General Government:				
CDBG Administration:				
Other charges	25,965	25,965	25,956	9
Other financing uses	-	-	(25,956)	25,956
Total CDBG Administration	25,965	25,965	-	25,965
12-CDBG-8374:				
Services and supplies	-	-	37,298	(37,298)
Other charges	34,925	34,925	-	34,925
Total 12-CDBG-8374	34,925	34,925	37,298	(2,373)
DRI 2008 Fires:				
Services and supplies	1,735,094	683,246	307,412	375,834
Other charges	2,732,250	2,884,098	2,918,040	(33,942)
Other financing uses	-	900,000	6,445	893,555
Total DRI 2008 Fires	4,467,344	4,467,344	3,231,897	1,235,447
HCD - Revolving Loan:				
Services and supplies	69,300	37,566	37,566	-
Other charges	14,742	156,462	156,462	-
Other financing uses	-	57,317	-	57,317
Total HCD - Revolving Loan	84,042	251,345	194,028	57,317
14-CBDG-9888:				
Other charges	-	-	3,125	(3,125)
Other financing uses	-	-	10,025	(10,025)
Total 11-PTEC-7614	-	-	13,150	(13,150)

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS
HOUSING AND COMMUNITY DEVELOPMENT SPECIAL REVENUE FUND (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
General Government (continued):				
Home OOR 13-Home 8994:				
Services and supplies	\$ -	\$ 228,000	\$ 9,902	\$ 218,098
Other charges	-	9,000	6,866	2,134
Other financing uses	-	-	11,956	(11,956)
Total 11-PTEC-7614	-	237,000	28,724	208,276
 Total General Government	 4,612,276	 5,016,579	 3,505,097	 1,511,482
 Total Charges to appropriations	 4,612,276	 5,016,579	 3,505,097	 1,511,482
 Budgetary fund balance, Beginning of year	 3,701,896	 3,701,896	 3,701,896	 -
 Budgetary Fund balances, ending	 <u>\$ 3,675,931</u>	 <u>\$ 3,610,931</u>	 <u>\$ 4,667,823</u>	 <u>\$ 1,056,892</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

\$ 3,505,097

Differences - budget to USGAAP:

Transfers to other funds are outflows of budgetary resources
but are not expenditures for financial reporting purposes

(2,963,355)

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

\$ 541,742

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS
FISH AND GAME SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
RESOURCES (inflows):				
Fines, forfeitures, and penalties	\$ 25,100	\$ 25,100	\$ 22,434	\$ (2,666)
Revenues from uses of money and property	1,030	1,030	1,077	47
Miscellaneous revenues	-	-	2,000	-
Amounts available for appropriation	26,130	26,130	25,511	(2,619)
CHARGES TO APPROPRIATIONS (outflows):				
Public Protection:				
Fish and Game:				
Services and supplies	35,400	33,068	22,861	10,207
Other charges	2,084	4,416	4,416	
Total Fish and Game	37,484	37,484	27,277	10,207
Total Public Protection	37,484	37,484	27,277	10,207
Total Charges to appropriations	37,484	37,484	27,277	10,207
Budgetary fund balance, Beginning of year	112,267	112,267	112,267	-
Budgetary Fund balances, ending	\$ 100,913	\$ 100,913	\$ 110,501	\$ 7,588

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	\$ 27,277
Differences - budget to USGAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(4,416)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance	\$ 22,861

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS
CHILD SUPPORT SERVICES SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
RESOURCES (inflows):				
Revenues from uses of money and property	\$ 20,000	\$ 20,000	\$ 15,062	\$ (4,938)
Aid from other governments	9,155,141	9,155,141	6,982,489	(2,172,652)
Charges for services	29,000	29,000	35,163	6,163
Other	50	50	2,515	2,465
Amounts available for appropriation	<u>9,204,191</u>	<u>9,204,191</u>	<u>7,035,229</u>	<u>(2,168,962)</u>
CHARGES TO APPROPRIATIONS (outflows):				
Public Assistance:				
Child Support Services:				
Salaries and employee benefits	7,912,852	7,810,942	5,925,412	1,885,530
Services and supplies	648,466	661,431	479,168	182,263
Other charges	642,873	697,818	630,137	67,681
Capital assets	-	34,000	33,657	343
Total Child Support Services	<u>9,204,191</u>	<u>9,204,191</u>	<u>7,068,374</u>	<u>2,135,817</u>
Total Public Assistance	<u>9,204,191</u>	<u>9,204,191</u>	<u>7,068,374</u>	<u>2,135,817</u>
Total Charges to appropriations	<u>9,204,191</u>	<u>9,204,191</u>	<u>7,068,374</u>	<u>2,135,817</u>
Budgetary fund balance, Beginning of year	<u>100,135</u>	<u>100,135</u>	<u>100,135</u>	<u>-</u>
Budgetary Fund balances, ending	<u>\$ 100,135</u>	<u>\$ 100,135</u>	<u>\$ 66,990</u>	<u>\$ (33,145)</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	\$ 7,068,374
Differences - budget to USGAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(713,593)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance	<u>\$ 6,354,781</u>

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS
COUNTY SERVICE AREAS SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
RESOURCES (inflows):				
Taxes	\$ 951,579	\$ 951,579	\$ 935,657	\$ (15,922)
Revenues from uses of money and property	69,591	69,591	74,847	5,256
Aid from other governments	11,834	11,834	113,396	101,562
Charges for services	358,257	358,257	370,920	12,663
Other	-	5,300	5,408	108
Amounts available for appropriation	<u>1,391,261</u>	<u>1,396,561</u>	<u>1,500,228</u>	<u>103,667</u>
CHARGES TO APPROPRIATIONS (outflows):				
Public protection	160,076	169,030	74,929	94,101
Public ways and facilities	765,412	770,412	426,345	344,067
Health and sanitation	375,598	381,763	354,314	27,449
Recreation and cultural services	175,858	175,858	110,904	64,954
Total Charges to appropriations	<u>1,476,944</u>	<u>1,497,063</u>	<u>966,492</u>	<u>530,571</u>
Budgetary fund balance,				
Beginning of year	<u>7,718,643</u>	<u>7,718,643</u>	<u>7,718,643</u>	<u>-</u>
Budgetary Fund balances, ending	<u>\$ 7,632,960</u>	<u>\$ 7,618,141</u>	<u>\$ 8,252,379</u>	<u>\$ 634,238</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

\$ 1,500,228

Differences - budget to USGAAP:

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

(5,300)

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

\$ 1,494,928

Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations"
from the budgetary comparison schedule

\$ 966,492

Differences - budget to USGAAP:

Transfers to other funds are outflows of budgetary resources
but are not expenditures for financial reporting purposes

(614,295)

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

\$ 352,197

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS
IHSS PUBLIC AUTHORITY SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
RESOURCES (inflows):				
Revenues from uses of money and property	\$ -	\$ -	\$ 1,092	\$ 1,092
Aid from other governments	-	218,010	306,368	88,358
Charges for services	-	45,000	45,000	-
Other financing sources	-	-	1,820	1,820
Amounts available for appropriation	-	263,010	354,280	91,270
CHARGES TO APPROPRIATIONS (outflows):				
Public Assistance:				
IHSS Public Authority:				
Salaries and employee benefits	978	225,457	206,865	18,592
Services and supplies	-	38,527	38,526	1
Other charges	(2,380)	(2,376)	(647)	(1,729)
Total IHSS Public Authority	(1,402)	261,608	244,744	16,864
Total Public Assistance	(1,402)	261,608	244,744	16,864
Total Charges to appropriations	(1,402)	261,608	244,744	16,864
Budgetary fund balance, Beginning of year	111,245	111,245	111,245	-
Budgetary Fund balances, ending	\$ 112,647	\$ 112,647	\$ 220,781	\$ 108,134
<i>Explanation of Differences between Budgetary Inflows and Outflows and USGAAP Revenues and Expenditures:</i>				
Sources/inflows of resources:				
Actual amounts (budgetary basis) "total resources" from the budgetary comparison schedule			\$ 354,280	
Differences - budget to USGAAP: Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes			(1,729)	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance			\$ 352,551	

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS
IMPACT FEES SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
RESOURCES (inflows):				
Revenues from uses of money and property	\$ -	\$ -	\$ 104,828	\$ 104,828
Charges for service	622,000	622,000	817,531	195,531
Amounts available for appropriation	<u>622,000</u>	<u>622,000</u>	<u>922,359</u>	<u>300,359</u>
CHARGES TO APPROPRIATIONS (outflows):				
General Government:				
Impact Fee Special Revenue				
Other charges	270,167	270,167	73,728	196,439
Other financing uses	10,000	10,000	-	10,000
Total Impact Fee Special Revenue	<u>280,167</u>	<u>280,167</u>	<u>73,728</u>	<u>206,439</u>
Total General Government	<u>280,167</u>	<u>280,167</u>	<u>73,728</u>	<u>206,439</u>
Total Charges to appropriations	<u>280,167</u>	<u>280,167</u>	<u>73,728</u>	<u>206,439</u>
Budgetary fund balance, Beginning of year restated	<u>7,329,236</u>	<u>7,329,236</u>	<u>7,329,236</u>	<u>-</u>
Budgetary Fund balances, ending	<u>\$ 7,671,069</u>	<u>\$ 7,671,069</u>	<u>\$ 8,177,867</u>	<u>\$ 93,920</u>

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
RESOURCES (inflows):				
Revenues from uses of money and property	\$ -	\$ -	\$ 81,909	\$ 81,909
Aid from other governments	-	-	89,676	89,676
Charge for services	234,167	234,167	-	(234,167)
Other financing sources	3,171,654	3,177,254	3,184,071	6,817
Amounts available for appropriation	3,405,821	3,411,421	3,355,656	(55,765)
CHARGES TO APPROPRIATIONS (outflows):				
General Government:				
CEC Solar:				
Other charges	312,341	311,968	311,959	9
Total CEC Solar	312,341	311,968	311,959	9
Chico Memorial Hall 492 Rio Lindo:				
Other charges	61,132	61,118	61,132	(14)
Total Chico Memorial Hall 492 Rio L.	61,132	61,118	61,132	(14)
Chico Memorial Hall 554 Rio Lindo:				
Other charges	62,163	62,227	62,167	60
Total Chico Memorial Hall 554 Rio L.	62,163	62,227	62,167	60
Hall of Records				
Other charges	234,167	234,167	-	234,167
Total Hall of Records	234,167	234,167	-	234,167
POB Series A:				
Services and supplies	9,195	6,703	9,195	(2,492)
Other charges	1,821,333	1,821,343	1,821,333	10
Total POB Series A	1,830,528	1,828,046	1,830,528	(2,482)
POB Series B:				
Services and supplies	2,500	5,000	5,000	-
Other charges	851,645	846,634	446,376	400,258
Total POB Series B	854,145	851,634	451,376	400,258
Total General Government	\$ 3,354,476	\$ 3,349,160	\$ 2,717,162	\$ 631,998

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS (continued)
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Protection:				
Bangor Fire Station				
Other charges	\$ 54,214	\$ 59,814	\$ 53,454	\$ 6,360
Total Bangor Fire Station	54,214	59,814	53,454	6,360
Total Public Protection	54,214	59,814	53,454	6,360
Total Charges to appropriations	3,408,690	3,408,974	2,770,616	638,358
Budgetary fund balance, Beginning of year	9,355,363	9,355,363	9,355,363	-
Budgetary Fund balances, ending	\$ 9,352,494	\$ 9,357,810	\$ 9,940,403	\$ 582,593

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 \$ 3,355,656

Differences - budget to USGAAP:

Transfers from other funds are inflows of budgetary resources
but are not revenues for financial reporting purposes (2,843,642)

Total revenues as reported on the statement of revenues, expenditures, and
changes in fund balance \$ 512,014

Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations"
from the budgetary comparison schedule \$ 2,770,616

Differences - budget to USGAAP:

Transfers to other funds are outflows of budgetary resources
but are not expenditures for financial reporting purposes (8,052)

Total expenditures as reported on the statement of revenues, expenditures, and
changes in fund balance \$ 2,762,564



Internal Service Funds

COUNTY OF BUTTE

Internal Service Funds

Internal Service 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 *Self-Insurance Fund* accounts for 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 disability, medical, and rehabilitation expenses and related costs associated with on-the-job injuries.

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

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

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

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

COUNTY OF BUTTE, CALIFORNIA
COMBINING STATEMENT OF FUND NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2015

	Self Insurance	Worker's Compensation	Unemployment Insurance
ASSETS			
Current assets:			
Cash and investments	\$ 3,324,240	\$ 10,085,468	\$ 581,863
Cash with fiscal agent	-	164,669	-
Accounts receivable	-	23,277	-
Total current assets	<u>3,324,240</u>	<u>10,273,414</u>	<u>581,863</u>
Noncurrent assets:			
Capital assets:			
Depreciable:			
Equipment	10,671	34,790	-
Less: Accumulated depreciation	(5,869)	(28,502)	-
Total capital assets, net	<u>4,802</u>	<u>6,288</u>	<u>-</u>
Total noncurrent assets	<u>4,802</u>	<u>6,288</u>	<u>-</u>
Total assets	<u>3,329,042</u>	<u>10,279,702</u>	<u>581,863</u>
LIABILITIES			
Current liabilities:			
Accounts payable	53,523	2,718	418
Claims and judgments, current portion	600,000	2,000,000	-
Total current liabilities	<u>653,523</u>	<u>2,002,718</u>	<u>418</u>
Noncurrent liabilities:			
Claims and judgments, less current portion	702,000	3,750,000	-
Total noncurrent liabilities	<u>702,000</u>	<u>3,750,000</u>	<u>-</u>
Total liabilities	<u>1,355,523</u>	<u>5,752,718</u>	<u>418</u>
NET POSITION			
Net investment in capital assets	4,802	6,288	-
Unrestricted	1,968,717	4,520,696	581,445
Total net position	<u>\$ 1,973,519</u>	<u>\$ 4,526,984</u>	<u>\$ 581,445</u>

COUNTY OF BUTTE, CALIFORNIA
COMBINING STATEMENT OF FUND NET POSITION
INTERNAL SERVICE FUNDS (CONTINUED)
JUNE 30, 2015

	Medical Liability	Miscellaneous Insurance	Utilities Clearing	Total
ASSETS				
Current assets:				
Cash and investments	\$ 3,490	\$ 37,174	\$ 816,278	\$ 14,848,513
Cash with fiscal agent	-	-	-	164,669
Accounts receivable	-	-	-	23,277
Total current assets	<u>3,490</u>	<u>37,174</u>	<u>816,278</u>	<u>15,036,459</u>
Noncurrent assets:				
Capital assets:				
Depreciable:				
Equipment	-	-	-	45,461
Less: Accumulated depreciation	-	-	-	(34,371)
Total capital assets, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,090</u>
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,090</u>
Total assets	<u>3,490</u>	<u>37,174</u>	<u>816,278</u>	<u>15,047,549</u>
LIABILITIES				
Current liabilities:				
Accounts payable	-	-	40,281	96,940
Claims and judgments, current portion	-	-	-	2,600,000
Total current liabilities	<u>-</u>	<u>-</u>	<u>40,281</u>	<u>2,696,940</u>
Noncurrent liabilities:				
Claims and judgments, less current portion	-	-	-	4,452,000
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,452,000</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>40,281</u>	<u>7,148,940</u>
NET POSITION				
Net investment in capital assets	-	-	-	11,090
Unrestricted	3,490	37,174	775,997	7,887,520
Total net position	<u>\$ 3,490</u>	<u>\$ 37,174</u>	<u>\$ 775,997</u>	<u>\$ 7,898,610</u>

COUNTY OF BUTTE, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Self Insurance	Worker's Compensation	Unemployment Insurance
OPERATING REVENUES			
Charges for services	\$ 1,104,996	\$ 2,810,016	\$ -
Total operating revenue	<u>1,104,996</u>	<u>2,810,016</u>	<u>-</u>
OPERATING EXPENSES			
Salaries and employee benefits		-	340,072
Service and supplies	717,502	510,380	2,547
Claims and judgments	1,011,173	3,230,362	-
Depreciation and amortization	711	5,770	-
Total operating expenses	<u>1,729,386</u>	<u>3,746,512</u>	<u>342,619</u>
Operating income (loss)	<u>(624,390)</u>	<u>(936,496)</u>	<u>(342,619)</u>
Nonoperating revenues (expenses)			
Interest received (paid)	<u>35,869</u>	<u>107,861</u>	<u>7,085</u>
Total nonoperating revenue (expense)	<u>35,869</u>	<u>107,861</u>	<u>7,085</u>
Net Income (Loss) Before Transfers	(588,521)	(828,635)	(335,534)
Net position, beginning	<u>2,562,040</u>	<u>5,355,619</u>	<u>916,980</u>
Total net position, ending	<u>\$ 1,973,519</u>	<u>\$ 4,526,984</u>	<u>\$ 581,445</u>

(continued)

COUNTY OF BUTTE, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Medical Liability	Miscellaneous Insurance	Utilities Clearing	Total
OPERATING REVENUES				
Charges for services	\$ 127,156	\$ 159,231	\$ 2,298,760	\$ 6,500,159
Total operating revenue	<u>127,156</u>	<u>159,231</u>	<u>2,298,760</u>	<u>6,500,159</u>
OPERATING EXPENSES				
Salaries and employee benefits	-	-	-	340,072
Service and supplies	2,916	2,940	2,248,081	3,484,366
Claims and judgments	127,156	142,782	-	4,511,473
Depreciation and amortization	-	-	-	6,481
Total operating expenses	<u>130,072</u>	<u>145,722</u>	<u>2,248,081</u>	<u>8,342,392</u>
Operating income (loss)	<u>(2,916)</u>	<u>13,509</u>	<u>50,679</u>	<u>(1,842,233)</u>
Nonoperating revenues (expenses)				
Interest received (paid)	106	430	7,315	158,666
Total nonoperating revenue (expense)	<u>106</u>	<u>430</u>	<u>7,315</u>	<u>158,666</u>
Net Income (Loss) Before Transfers	(2,810)	13,939	57,994	(1,683,567)
Net position, beginning	<u>6,300</u>	<u>23,235</u>	<u>718,003</u>	<u>9,582,177</u>
Total net position, ending	<u>\$ 3,490</u>	<u>\$ 37,174</u>	<u>\$ 775,997</u>	<u>\$ 7,898,610</u>

COUNTY OF BUTTE, CALIFORNIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Self Insurance</u>	<u>Worker's Compensation</u>	<u>Unemployment Insurance</u>
CASH FLOWS FROM			
OPERATING ACTIVITIES:			
Cash received from customers	\$ 1,113,507	\$ 2,816,212	\$ 1,611
Cash paid to suppliers for goods and services	(1,733,331)	(3,513,942)	(2,584)
Cash paid to employees for services	-	-	(340,072)
Net cash provided (used) by operating activities	<u>(619,824)</u>	<u>(697,730)</u>	<u>(341,045)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received (paid)	<u>35,869</u>	<u>107,861</u>	<u>7,085</u>
Net cash provided by investing activities	<u>35,869</u>	<u>107,861</u>	<u>7,085</u>
Net increase (decrease) in cash and cash equivalents	(583,955)	(589,869)	(333,960)
Cash and cash equivalents, beginning	<u>3,908,195</u>	<u>10,840,006</u>	<u>915,824</u>
Cash and cash equivalents, ending	<u><u>3,324,240</u></u>	<u><u>10,250,137</u></u>	<u><u>581,863</u></u>
RECONCILIATION OF CASH AND CASH			
EQUIVALENTS TO STATEMENT OF NET POSITION:			
Cash and investments	3,324,240	10,085,468	581,863
Cash with fiscal agent	<u>-</u>	<u>164,669</u>	<u>-</u>
Total cash and investments	<u><u>\$ 3,324,240</u></u>	<u><u>\$ 10,250,137</u></u>	<u><u>\$ 581,863</u></u>

(continued)

COUNTY OF BUTTE, CALIFORNIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Medical Liability	Miscellaneous Insurance	Utilities Clearing	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers	\$ 127,167	\$ 159,271	\$ 2,300,231	\$ 6,517,999
Cash paid to suppliers for goods and service	(130,072)	(145,722)	(2,387,583)	(7,913,234)
Cash paid to employees for services	-	-	-	(340,072)
Net cash provided (used) by operating activities	<u>(2,905)</u>	<u>13,549</u>	<u>(87,352)</u>	<u>(1,735,307)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received	<u>106</u>	<u>430</u>	<u>7,315</u>	<u>158,666</u>
Net cash provided by investing activities	<u>106</u>	<u>430</u>	<u>7,315</u>	<u>158,666</u>
Net increase (decrease) in cash and cash equivalents	(2,799)	13,979	(80,037)	(1,576,641)
Cash and cash equivalents, beginning	<u>6,289</u>	<u>23,195</u>	<u>896,315</u>	<u>16,589,823</u>
Cash and cash equivalents, ending	<u><u>3,490</u></u>	<u><u>37,174</u></u>	<u><u>816,278</u></u>	<u><u>15,013,182</u></u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION:				
Cash and investments	3,490	37,174	816,278	14,848,513
Cash with fiscal agent	-	-	-	164,669
Total cash and investments	<u><u>\$ 3,490</u></u>	<u><u>\$ 37,174</u></u>	<u><u>\$ 816,278</u></u>	<u><u>\$ 15,013,182</u></u>

COUNTY OF BUTTE, CALIFORNIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Self Insurance</u>	<u>Worker's Compensation</u>	<u>Unemployment Insurance</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ (624,390)	\$ (936,496)	\$ (342,619)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	711	5,770	-
Changes in assets and liabilities:			
(Increase) decrease in:			
Decrease in deposits held			
Accounts receivable	8,511	6,196	1,611
Increase (decrease) in:			
Accounts payable	31,344	(82,200)	(37)
Claims and judgments	<u>(36,000)</u>	<u>309,000</u>	<u>-</u>
 Net cash provided (used) by operating activities	 <u>\$ (619,824)</u>	 <u>\$ (697,730)</u>	 <u>\$ (341,045)</u>

(continued)

COUNTY OF BUTTE, CALIFORNIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Medical Liability</u>	<u>Miscellaneous Insurance</u>	<u>Utilities Clearing</u>	<u>Total</u>
Reconciliation of Operating Income (Loss)				
to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ (2,916)	\$ 13,509	\$ 50,679	\$ (1,842,233)
Adjustment to reconcile operating income (loss)				
to net cash provided (used) by				
operating activities:				
Depreciation	-	-	-	6,481
Changes in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	11	40	1,471	17,840
Increase (decrease) in:				
Accounts payable	-	-	(139,502)	(190,395)
Claims and judgments	-	-	-	273,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>273,000</u>
 Net cash provided (used) by operating activities	 <u>\$ (2,905)</u>	 <u>\$ 13,549</u>	 <u>\$ (87,352)</u>	 <u>\$ (1,735,307)</u>



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.

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 governmental agencies participating in the Teeter Plan.

COUNTY OF BUTTE, CALIFORNIA
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2015

	<u>Other Agency</u>	<u>Tax Resources</u>	<u>Total</u>
ASSETS			
Cash and investments	\$ 14,900,742	\$ 6,164,858	\$ 21,065,600
Due from other governments	23,167	-	23,167
Property tax receivable	-	12,000,498	12,000,498
Total assets	<u>14,923,909</u>	<u>18,165,356</u>	<u>33,089,265</u>
LIABILITIES			
Agency funds held for others	<u>14,923,909</u>	<u>18,165,356</u>	<u>33,089,265</u>
Total liabilities	<u>\$ 14,923,909</u>	<u>\$ 18,165,356</u>	<u>\$ 33,089,265</u>

COUNTY OF BUTTE, CALIFORNIA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Balance July 1, 2014	Additions	(Deductions)	Balance June 30, 2015
OTHER AGENCY				
ASSETS				
Cash and investments	\$ 16,312,171	\$ -	\$ (1,411,429)	\$ 14,900,742
Due from other governments	18,167	5,000	-	23,167
Total assets	<u>16,330,338</u>	<u>5,000</u>	<u>(1,411,429)</u>	<u>14,923,909</u>
LIABILITIES				
Agency funds held for others	<u>16,330,338</u>	-	<u>(1,406,429)</u>	<u>14,923,909</u>
Total liabilities	<u>16,330,338</u>	-	<u>(1,406,429)</u>	<u>14,923,909</u>
TAX RESOURCES				
ASSETS				
Cash and investments	14,873,905	-	(8,709,047)	6,164,858
Interest receivable	33,749	-	(33,749)	-
Property tax receivable	12,138,620	-	(138,122)	12,000,498
Total assets	<u>27,046,274</u>	-	<u>(8,880,918)</u>	<u>18,165,356</u>
LIABILITIES				
Agency funds held for others	<u>27,046,274</u>	-	<u>(8,880,918)</u>	<u>18,165,356</u>
Total liabilities	<u>27,046,274</u>	-	<u>(8,880,918)</u>	<u>18,165,356</u>
TOTAL AGENCY FUNDS				
ASSETS				
Cash and investments	31,186,076	-	(10,120,476)	21,065,600
Due from other governments	18,167	5,000	-	23,167
Interest receivable	33,749	-	(33,749)	-
Property tax receivable	12,138,620	-	(138,122)	12,000,498
Total assets	<u>43,376,612</u>	<u>5,000</u>	<u>(10,292,347)</u>	<u>33,089,265</u>
LIABILITIES				
Agency funds held for others	<u>43,376,612</u>	-	<u>(10,287,347)</u>	<u>33,089,265</u>
Total liabilities	<u>\$ 43,376,612</u>	<u>\$ -</u>	<u>\$ (10,287,347)</u>	<u>\$ 33,089,265</u>





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 reader 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, which is 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 reports relate 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.

COUNTY OF BUTTE, CALIFORNIA

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

(accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<u>Governmental activities:</u>										
Net investment in capital assets	\$ 313,955,354	\$ 299,087,057	\$ 280,126,245	\$ 269,571,545	\$ 263,205,332	\$ 243,321,441	\$ 209,052,322	\$ 209,080,492	\$ 191,735,949	\$ 168,982,913
Restricted	16,696,959	26,321,708	45,999,726	51,089,379	49,225,674	78,363,897	84,780,705	79,227,923	16,595,483	95,931,964
Unrestricted	45,147,228	44,293,530	19,565,376	29,823,697	35,430,215	7,959,935	(9,893,841)	588,586	389,388,834	(210,556,320)
Total government net position	375,799,541	369,702,295	345,691,347	350,484,621	347,861,221	329,645,273	283,939,186	288,897,001	597,720,266	54,358,557
<u>Business-type activities:</u>										
Net investment in capital assets	8,748,541	1,792,507	4,389,846	5,046,136	7,162,066	8,912,181	19,287,944	10,161,697	(9,160,848)	11,295,555
Restricted	6,691,502	4,083,228	4,300,259	4,421,316	5,547,422	4,753,072	3,685,767	0	0	0
Unrestricted	(753,677)	11,463,088	10,256,700	10,664,266	9,326,821	8,799,943	2,489,032	15,111,391	34,433,936	14,404,403
Total business net position	14,686,366	17,338,823	18,946,805	20,131,718	22,036,309	22,465,196	25,462,743	25,273,088	25,273,088	25,699,958
<u>Primary government:</u>										
Net investment in capital assets	322,703,895	300,879,564	284,516,091	274,617,681	270,367,398	252,233,622	228,340,266	219,242,189	182,575,101	180,278,468
Restricted	23,388,461	30,404,936	50,299,985	55,510,695	54,773,096	83,116,969	88,466,472	79,227,923	16,595,483	95,931,964
Unrestricted	44,393,551	55,756,618	29,822,076	40,487,963	44,757,037	16,759,878	(7,404,809)	15,699,977	423,822,770	(196,151,917)
Total primary government, net position	\$ 390,485,907	\$ 387,041,118	\$ 364,638,152	\$ 370,616,339	\$ 369,897,531	\$ 352,110,469	\$ 309,401,929	\$ 314,170,089	\$ 622,993,354	\$ 80,058,515

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities										
Expenses										
General government	\$ 28,108,571	\$ 16,617,793	\$ 19,086,835	\$ 20,865,771	\$ 20,710,290	\$ 25,025,047	\$ 29,168,334	\$ 30,060,660	\$ 28,890,588	\$ 33,284,793
Public protection	82,634,178	81,999,331	87,500,747	96,664,267	94,362,185	88,781,607	91,167,264	93,246,404	88,471,224	104,222,488
Public ways and facilities	17,520,672	31,531,708	34,623,721	39,999,631	34,975,071	30,108,420	36,686,173	37,081,727	41,001,623	34,940,310
Health and sanitation	56,395,525	58,593,884	64,268,283	72,458,490	67,582,300	72,502,065	72,015,960	75,317,142	70,530,585	63,592,673
Public assistance	130,935,568	130,966,814	135,871,668	142,125,227	142,615,875	143,688,838	148,220,091	141,998,777	136,125,651	121,695,661
Education	2,723,315	2,905,270	3,117,432	3,394,070	3,291,233	2,805,328	2,959,473	3,208,699	2,486,523	3,382,972
Culture and recreation services	499,967	658,741	604,386	374,615	524,852	512,353	530,319	583,937	166,481	274,130
Interest on long-term debt	3,608,601	4,183,940	4,315,186	3,696,005	2,659,630	2,499,474	2,701,482	2,488,759	1,999,865	1,921,981
Total	322,426,397	327,457,481	349,388,258	379,578,076	366,721,436	365,923,132	383,449,096	383,986,105	369,672,540	363,315,008
Program revenue										
Charges for services:										
General government	16,760,879	16,779,891	19,903,572	20,463,697	16,567,360	21,694,710	22,092,523	19,859,373	10,020,782	8,482,864
Public protection	6,461,794	5,581,142	5,285,862	6,000,509	9,180,534	10,708,534	10,398,936	9,364,760	7,597,320	9,345,835
Public ways and facilities	2,680,446	2,932,837	3,439,296	3,547,975	4,082,071	2,225,165	2,216,854	2,286,810	1,057,902	347,898
Health and sanitation	4,109,596	4,041,916	5,011,027	5,176,893	5,673,115	5,756,094	5,785,533	5,607,738	3,945,720	2,877,011
Public assistance	393,023	205,520	354,261	543,906	711,842	676,610	1,079,724	1,012,741	316,723	373,010
Education	72,532	118,108	101,360	89,362	113,684	146,212	146,391	146,391	0	120,413
Culture and recreation services	0	10,1775	115,716	120,209	0	0	0	0	0	317,359
Operating grants and contributions	184,501,125	194,629,899	206,381,946	214,119,802	222,937,925	222,575,034	227,348,490	238,623,299	231,245,236	227,391,828
Capital grants and contributions	14,939,327	11,982,196	13,136,901	12,981,464	16,299,993	20,924,224	10,465,668	13,263,837	17,867,527	15,754,932
Total governmental activities program revenues	229,918,722	236,373,284	253,729,941	263,043,817	275,566,524	284,706,583	279,534,119	290,164,949	272,051,210	265,011,150
Net expense	(92,507,675)	(91,084,197)	(95,658,317)	(116,534,259)	(91,154,912)	(81,216,549)	(103,914,977)	(93,821,156)	(97,621,330)	(98,303,858)
General revenue and transfers										
Taxes:										
Property taxes	34,260,317	41,656,548	45,641,947	47,928,940	49,534,039	49,822,100	47,576,400	46,504,613	47,223,804	62,251,988
Sales taxes	4,952,509	3,371,227	4,551,967	4,006,588	3,525,252	3,502,003	3,825,307	3,809,695	3,911,514	4,715,299
Other taxes and related revenues	1,935,715	1,624,332	1,356,479	989,470	1,031,960	1,010,109	942,242	1,022,342	1,311,434	986,621
Grants and contributions not restricted										
to specific programs	18,526,669	25,122,030	21,030,134	21,299,136	17,253,122	15,503,952	16,753,325	17,747,085	17,353,808	15,399,497
Unrestricted investment earnings	3,291,173	1,474,933	5,558,955	5,367,056	4,832,431	3,218,361	3,053,171	1,751,760	3,167,371	3,801,898
Gain (Loss) on sale of assets	(66,147)	19,610	0	0	0	0	0	0	0	0
Miscellaneous	19,507,815	8,327,670	11,430,359	12,932,121	11,688,662	4,521,606	4,886,259	3,934,721	5,044,991	6,927,395
Transfers	0	0	(8,770)	0	0	0	0	14,788	(24,770)	0
Total	82,408,051	81,596,350	89,561,071	92,523,311	87,865,466	77,578,131	77,036,704	74,785,004	77,988,152	94,082,698
Change in net assets-										
- governmental activities	\$ (10,099,624)	\$ (9,487,847)	\$ (6,097,246)	\$ (24,010,948)	\$ (3,289,446)	\$ (3,638,418)	\$ (26,878,273)	\$ (19,036,152)	\$ (19,633,178)	\$ (4,221,160)

COUNTY OF BUTTE, CALIFORNIA
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS

(accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Business- type activities										
Expenses										
Sanitation	\$ 5,129,527	\$ 4,664,895	\$ 4,680,195	\$ 4,403,172	\$ 5,486,248	\$ 5,804,049	\$ 4,855,077	\$ 5,281,891	\$ 5,867,934	\$ 6,151,270
Transit	2,243,837	2,528,381	23,907	388,537	0	0	0	0	0	0
Total business- type activities	7,373,364	7,193,276	4,704,102	4,791,709	5,486,248	5,804,049	4,855,077	5,281,891	5,867,934	6,151,270
Program revenue										
Charges for services:										
Sanitation	4,373,835	5,579,396	6,499,022	6,662,729	5,981,595	6,094,380	6,150,774	6,626,025	6,729,881	7,548,245
Transit	199,588	478,840	71,499	0	0	0	0	0	0	0
Operating grants and contributions	2,103,588	1,605,044	465,263	70,717	108,566	83,808	159,913	0	0	0
Total business- type activities program revenues	6,677,011	7,663,280	7,035,784	6,733,446	6,090,161	6,178,188	6,310,686	6,626,025	6,729,881	7,548,245
Net revenue (expense)	(696,353)	470,004	2,331,682	1,941,737	603,913	374,139	1,455,610	1,344,134	861,947	1,396,975
General revenues										
Unrestricted investment earnings	522,399	384,442	89,643	701,950	1,004,069	810,774	463,350	196,221	182,000	199,250
Gain (loss) on sale of assets	0	0	(2,528,082)	0	0	0	0	0	0	0
Miscellaneous	(11,506)	152,947	186,366	0	0	0	0	0	107,674	0
Transfers	0	0	0	8,770	0	0	0	(14,788)	24,770	0
Total general revenues	510,893	537,389	(2,252,073)	710,720	1,004,069	810,774	463,350	181,433	314,444	199,250
Change in net position - business- type activities	(185,460)	1,007,393	79,609	2,652,457	1,607,982	1,184,913	1,918,960	1,525,567	1,176,391	1,596,225
Primary Government										
Expenses										
Governmental activities	322,426,397	327,457,481	349,388,258	379,578,076	366,721,436	365,923,132	365,923,133	383,986,105	369,672,540	363,315,008
Business- type activities	7,373,364	7,193,276	4,704,102	4,791,709	5,486,248	5,804,049	4,855,077	5,281,891	5,867,934	6,151,270
Total	329,799,761	334,650,757	354,092,360	384,369,785	372,207,684	371,727,181	370,778,210	389,267,996	375,540,474	369,466,278
Program revenue										
Governmental activities	229,918,722	236,373,284	253,729,941	263,043,817	275,566,524	284,706,583	284,706,583	290,164,949	272,051,210	265,011,150
Business- type activities	6,677,011	7,663,280	7,035,784	6,733,446	6,090,161	6,178,188	6,310,686	6,626,025	6,729,881	7,548,245
Total	236,595,733	244,036,564	260,765,725	269,777,263	281,656,685	290,884,771	291,017,269	296,790,974	278,781,091	272,559,395
Net expense	(92,507,675)	(91,084,197)	(95,658,317)	(116,534,259)	(91,154,912)	(81,216,549)	(81,216,550)	(93,821,156)	(97,621,330)	(98,303,858)
Governmental activities	(92,507,675)	(91,084,197)	(95,658,317)	(116,534,259)	(91,154,912)	(81,216,549)	(81,216,550)	(93,821,156)	(97,621,330)	(98,303,858)
Business- type activities	(696,353)	470,004	2,331,682	1,941,737	603,913	374,139	1,455,610	1,344,134	861,947	1,396,975
Total	(93,204,028)	(90,614,193)	(93,326,635)	(114,592,522)	(90,550,999)	(80,842,410)	(79,760,940)	(92,477,022)	(96,759,383)	(96,906,883)
General revenue										
Governmental activities	82,408,051	81,596,350	89,561,071	92,523,311	87,865,466	77,578,131	77,578,131	74,785,004	77,988,152	94,082,698
Business- type activities	510,893	537,389	(2,252,073)	710,720	1,004,069	810,774	463,350	181,433	314,444	199,250
Total	82,918,944	82,133,739	87,308,998	93,234,031	88,869,535	78,388,905	78,041,481	74,966,437	78,302,596	94,281,948
Change in net position	(10,099,624)	(9,487,847)	(6,097,246)	(24,010,948)	(3,289,446)	(3,638,418)	(3,638,419)	(19,036,152)	(19,633,178)	(4,221,160)
Governmental activities	(10,099,624)	(9,487,847)	(6,097,246)	(24,010,948)	(3,289,446)	(3,638,418)	(3,638,419)	(19,036,152)	(19,633,178)	(4,221,160)
Business- type activities	(185,460)	1,007,393	79,609	2,652,457	1,607,982	1,184,913	1,918,960	1,525,567	1,176,391	1,596,225
Total primary government change in net position	\$ (10,285,084)	\$ (8,480,454)	\$ (6,017,637)	\$ (21,358,491)	\$ (1,681,464)	\$ (2,453,505)	\$ (1,719,459)	\$ (17,510,585)	\$ (18,456,787)	\$ (2,624,935)

COUNTY OF BUTTE, CALIFORNIA
FUND BALANCES, GOVERNMENTAL FUNDS

(accrual basis of accounting)

For the Fiscal Year Ended June 30,

	2006	2007	2008	2009	2010
General Fund					
Reserved for:					
Encumbrances	\$ 5,535,099	\$ 2,829,192	\$ 4,164,873	\$ 2,437,136	\$ 2,348,768
Imprest cash	45,095	45,595	44,095	44,245	84,345
Prepaid items	15,503	1,138	0	1,888	1,848
Deposits with others	2,500	2,500	2,500	2,500	2,500
General restrictions	5,196,551	5,586,824	10,611,120	11,560,087	13,844,851
Debt service	792,978	808,994	801,259	1,127,040	1,572,685
Inventory	0	0	0	0	154,369
Unreserved:					
Designated	19,626,639	3,894,494	918,266	232,510	115,000
Undesignated	15,813,037	16,857,031	10,160,457	9,059,057	16,710,645
Total general fund balance	47,027,402	30,025,768	25,876,130	24,464,463	34,835,011
All other Governmental Funds					
Reserved for:					
Encumbrances	2,988,183	10,563,974	17,850,098	11,526,534	10,662,956
Imprest cash	1,165	1,815	1,750	1,700	2,700
Prepaid items	945	1,766	0	4,088	8,945
Deposits with others	297	297	297	297	297
Long-term loans receivable	2,074,395	0	0	0	0
Legislative/ Grant restrictions	948,144	1,961,755	2,196,318	22,424,759	25,932,333
Debt service	7,684,891	8,970,613	5,522,525	7,943,619	7,875,805
Inventories	310,556	231,586	293,954	273,707	284,270
Unreserved:					
Designated, reported in:					
Special revenue funds	7,102,915	23,931,864	0	4,558,541	4,460,824
Undesignated, reported in:					
Special revenue funds	14,336,025	8,439,849	1,249,734	12,604,968	15,206,987
Capital projects funds	129,562	220,031	848,587	295,664	551,122
Total other governmental fund balances	35,577,078	54,323,550	47,730,263	59,633,877	64,986,239
General Fund					
Nonspendable	122,064	290,483	150,080	157,012	607,460
Restricted	13,842,210	18,714,771	15,812,903	19,171,026	26,840,249
Committed	2,628,878	808,712	5,709,505	5,831,455	0
Assigned	6,559,485	5,059,485	714,346	30,278	28,259
Unassigned	11,197,976	12,396,380	17,267,531	14,708,683	23,993,723
	34,350,613	37,269,831	39,654,365	39,898,454	51,469,691
All other Governmental Funds					
Nonspendable	323,212	364,031	340,758	322,391	314,201
Restricted	64,521,687	64,470,569	63,415,020	67,838,156	75,587,815
Assigned	0	0	0	0	0
Unassigned	0	(1,726,040)	(2,203,060)	0	0
	\$ 64,844,899	\$ 63,108,560	\$ 61,552,718	\$ 68,160,547	\$ 75,902,016

Source: Auditor-Controller, County of Butte

(1) Beginning in fiscal year 2011, governmental fund balances are required to be reported as nonspendable, restricted, committed, assigned and unassigned.

(2) Increase in General Fund balance due largely to transfer from the Tax Losses Reserve Fund to the General Fund in compliance with Board Action.

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
REVENUE										
Taxes	\$ 41,845,457	\$ 47,395,136	\$ 52,384,206	\$ 53,797,238	\$ 54,091,251	\$ 54,334,212	\$ 51,336,650	\$ 52,446,752	\$ 54,343,606	\$ 67,953,905
License and permits	5,143,170	4,322,084	4,861,476	4,604,498	3,720,735	3,123,312	3,120,393	3,316,514	3,808,020	3,896,371
Fines, forfeitures and penalties	1,829,081	2,446,572	2,728,930	3,139,816	3,307,221	3,835,387	3,233,042	3,138,357	2,173,480	3,147,613
Revenues from use of money	3,081,942	1,337,150	5,285,289	4,982,969	4,063,901	2,766,269	1,570,990	3,167,371	3,719,926	3,801,896
Aid from other governments	217,938,378	231,688,344	240,529,554	248,376,861	256,476,762	258,983,988	269,779,236	266,362,753	245,850,909	255,545,197
Charges for services	23,166,702	22,885,477	26,645,205	27,757,939	29,300,650	34,248,627	30,672,237	16,483,576	16,810,792	14,787,538
Other	19,506,239	8,327,670	11,430,359	12,932,121	11,688,660	4,521,606	3,934,721	5,041,631	4,459,273	6,891,119
Total revenue	312,510,969	318,402,433	343,865,019	355,591,442	362,649,180	361,813,401	363,647,269	349,956,954	331,166,006	356,023,639
EXPENDITURES										
Current										
General government	28,041,583	18,353,948	20,440,643	21,640,700	21,456,259	23,348,016	29,192,387	29,382,721	34,986,797	31,817,707
Public protection	80,974,652	80,525,118	89,379,218	97,512,700	93,854,161	84,903,509	92,590,332	89,451,403	87,074,775	97,118,079
Public ways and facilities	10,943,957	14,332,609	17,037,110	18,547,425	22,211,130	18,282,672	18,433,994	22,205,964	21,242,482	19,082,142
Health and sanitation	55,683,804	59,429,613	65,632,200	72,966,299	67,928,959	71,610,453	74,748,465	70,982,915	65,096,539	64,445,786
Public assistance	128,551,888	131,916,991	137,501,206	142,597,681	143,751,638	142,735,533	140,936,590	135,233,719	112,558,764	121,408,562
Education	2,604,840	2,819,417	3,056,164	3,397,317	3,227,903	2,714,077	3,149,286	2,407,061	2,508,004	3,255,644
Recreation and cultural services	356,178	540,284	475,794	574,995	538,899	344,806	363,065	76,733	252,717	463,469
Debt service (1)										
Principal	4,160,315	5,562,451	2,854,718	6,774,954	746,483	767,210	765,957	738,305	1,105,042	2,028,202
Interest	3,259,717	4,218,911	4,226,524	3,599,724	2,597,561	2,398,702	2,387,171	2,001,044	1,969,457	1,923,814
Cost of issuance	162,344	19,300	0	0	0	0	0	0	0	0
Total expenditures	314,739,278	317,718,642	340,603,577	367,611,795	356,312,993	347,104,978	362,567,247	352,479,865	326,794,577	341,543,405
Excess (deficiency) of revenues over expenditures	(2,228,309)	683,791	3,261,442	(12,020,353)	6,336,187	14,708,423	1,080,022	(2,522,911)	4,371,429	14,480,234
OTHER FINANCING SOURCES (USES)										
Sales of capital assets	184,210	22,973	24,014	463,507	72,392	68,894	169,364	96,457	238,595	36,275
Transfers in	20,333,417	23,387,710	19,802,941	24,328,799	20,862,960	21,674,746	7,814,774	23,917,358	31,781,697	26,978,872
Transfers out	(22,854,312)	(19,446,663)	(19,292,699)	(23,638,040)	(20,574,185)	(20,525,060)	(7,492,219)	(23,131,187)	(31,079,686)	(26,978,872)
Proceeds from issuance of debt	15,474,418	1,254,300	23,535	123,162	0	0	272,915	0	1,539,884	4,796,195
Total other financing sources	13,137,733	5,218,320	557,791	1,277,428	361,167	1218,580	764,834	882,628	2,480,490	4,832,470
Net change in fund balance	\$ 10,909,424	\$ 5,902,111	\$ 3,819,233	\$ (10,742,925)	\$ 6,697,354	\$ 15,927,003	\$ 1,844,856	\$ (1,640,283)	\$ 6,851,919	\$ 19,312,704
Debt service as a percentage of noncapital expenditures	n/a	2.5%	3.1%	2.1%	2.9%	10%	0.9%	0.8%	0.9%	12%

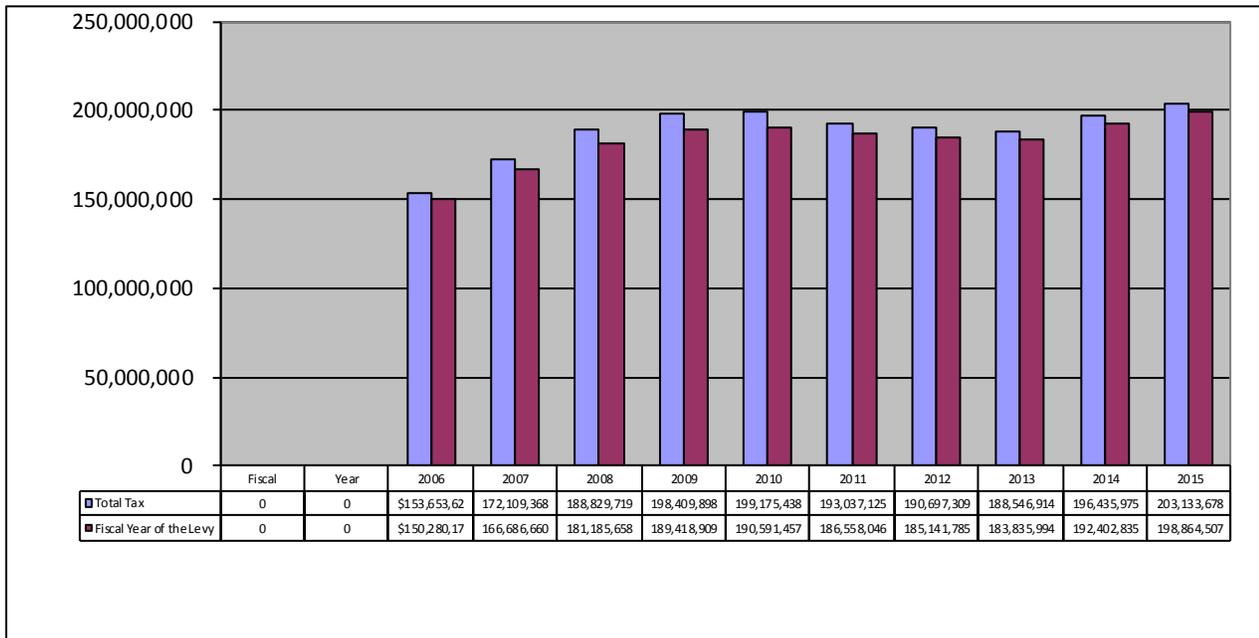
Source: Auditor-Controller, County of Butte

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 Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections of Delinquent Tax from Prior Years(1)	Total Collections to Date (2)	
		Amount Collected	Percentage of Levy		Amount Collected	Percentage of Levy
2007	172,109,368	166,686,660	96.85%	3,058,897	169,745,557	98.63%
2008	188,829,719	181,185,658	95.95%	4,143,155	185,328,813	98.15%
2009	198,409,898	189,418,909	95.47%	4,496,295	193,915,204	97.73%
2010	199,175,438	190,591,457	95.69%	4,447,409	195,038,866	97.92%
2011	193,037,125	186,558,046	96.64%	2,945,199	189,503,245	98.17%
2012	190,697,309	185,141,785	97.09%	2,537,452	187,679,237	98.42%
2013	188,546,914	183,835,994	97.50%	2,528,186	186,364,180	98.84%
2014	196,435,975	192,402,835	97.95%	-	192,402,835	97.95%
2015	203,133,678	198,864,507	97.90%	-	198,864,507	97.90%

Note 1: Includes current year collections of delinquent taxes. Taxes by levy year will be reported when information is available.

Note 2: Includes current and Teeter collections.



Source: Auditor-Controller, County of Butte

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

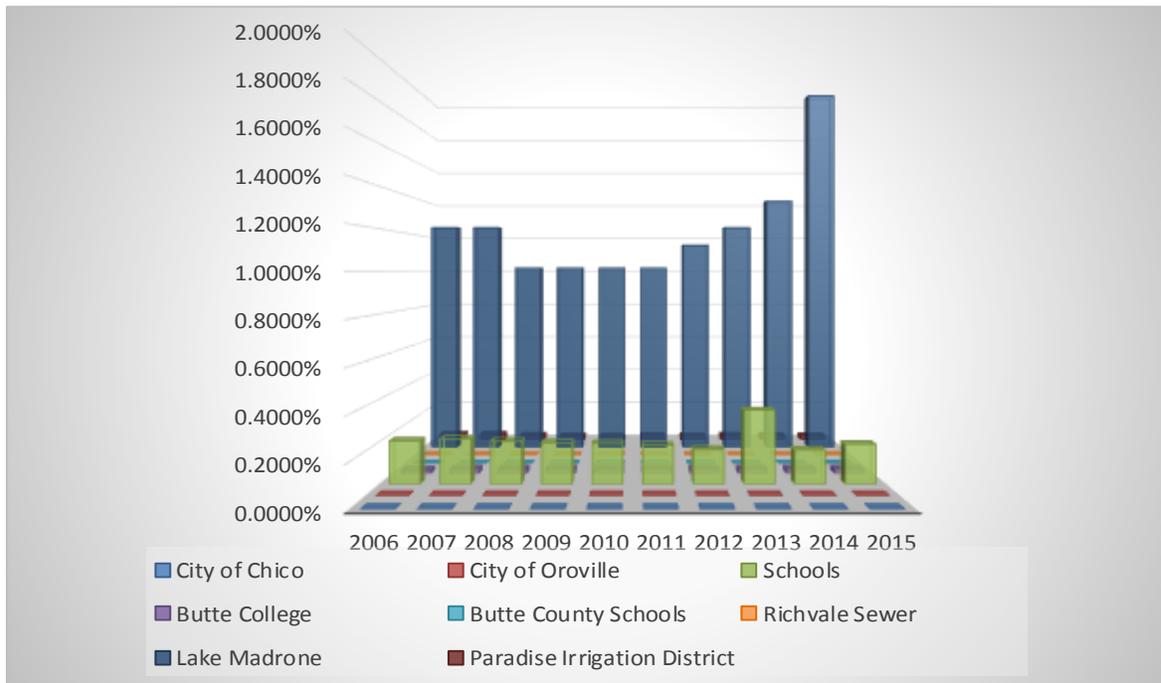
Fiscal Year	Secured Roll	Utility Roll	Unsecured Roll	Assessed Value
2006	15,151,263,794	19,279,234	728,715,203	15,899,258,231
2007	16,635,665,987	8,367,262	772,641,464	17,416,674,713
2008	17,533,281,603	7,930,798	836,615,856	18,377,828,257
2009	17,425,202,572	7,930,548	867,695,459	18,300,828,579
2010	17,072,831,203	5,152,377	867,854,918	17,945,838,498
2011	16,727,958,629	4,882,202	915,364,830	17,648,205,661
2012	16,485,706,992	4,857,082	905,984,882	17,396,548,956
2013	16,742,852,223	4,821,511	933,668,753	17,681,342,487
2014	17,332,622,639	6,270,694	986,767,326	18,325,660,659
2015	18,227,578,246	6,270,694	1,001,864,532	19,235,713,472

Due to the passage of Proposition 13 in 1978, the County does not track the estimated actual value of real and personal properties; therefore, assessed value as a percentage of actual value is not applicable. Under Prop 13, property is assessed at the 1978 market value with an annual increase limited to the lesser of 2% or the CPI on properties not involved in a change of ownership or properties that did not undergo new construction. Newly acquired property is assessed at its new market value (usually the purchase price) and the value of any new construction is added to the existing base value. Total direct tax rate is 1%

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

Fiscal Year	Basic				Butte			Paradise			Total
	Countywide Levy	City of Chico	City of Oroville	Schools	Butte College	County Schools	Richvale Sewer	Lake Madrone	Irrigation District		
2006	1.00%	0.000%	0.000%	0.2034%	0.0160%	0.000%	0.0000%	1.250%	0.034%	2.5034%	
2007	1.00%	0.000%	0.000%	0.2118%	0.0209%	0.000%	0.0000%	1.250%	0.033%	2.5157%	
2008	1.00%	0.000%	0.000%	0.1997%	0.0209%	0.000%	0.0000%	1.020%	0.027%	2.2676%	
2009	1.00%	0.000%	0.000%	0.1939%	0.0209%	0.000%	0.0000%	1.020%	0.024%	2.2588%	
2010	1.00%	0.000%	0.000%	0.1899%	0.0209%	0.000%	0.0000%	1.020%	0.022%	2.2528%	
2011	1.00%	0.000%	0.000%	0.1822%	0.0209%	0.000%	0.0000%	1.020%	0.026%	2.2491%	
2012	1.00%	0.000%	0.000%	0.1620%	0.0209%	0.000%	0.0000%	1.150%	0.024%	2.3569%	
2013	1.00%	0.000%	0.000%	0.3479%	0.0209%	0.000%	0.0000%	1.250%	0.028%	2.6468%	
2014	1.00%	0.000%	0.000%	0.1603%	0.0209%	0.000%	0.0000%	1.400%	0.026%	2.6072%	
2015	1.00%	0.000%	0.000%	0.1866%	0.0209%	0.000%	0.0000%	2.000%	0.025%	3.2325%	

Note: California voters, on June 6, 1978, approved a constitutional amendment to Article XIII A of the California Constitution, commonly known as Proposition 13, which limits the taxing power of the California public agencies. Legislation enacted by the California Legislature to implement Article XIII A (Statutes of 1978 Chapter 292, as amended) provides that notwithstanding any other law, local agencies may not levy property tax except to pay debt service on indebtedness approved by voters prior to July 1, 1978, and that each County will levy the maximum tax permitted by Article XIII A of \$1 per \$100 of full cash value. Assessed value is equal to full cash value, pursuant to Senate Bill 1656, Statutes of 1978. The rates shown above are percentages of assessed valuation.



Source: Auditor-Controller, County of Butte

COUNTY OF BUTTE, CALIFORNIA

**PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND TEN YEARS AGO**

Taxpayer	2015			2006		
	Rank	Assessed Valuation	Percentage of Total Assessed	Rank	Assessed Valuation	Percentage of Total Assessed
Pacific Gas and Electric Company	1	\$ 510,503,617	3.130%	1	\$ 353,157,582	2.146%
Wild Goose Storage LLC	2	185,381,328	1.137%	2	93,536,832	0.569%
Pacific Bell California	3	54,312,968	0.333%	3	47,466,021	0.288%
Chico Mall Investors LP	4	50,946,525	0.312%	4	37,389,566	0.227%
Pacific Realty Associates LP	5	45,764,369	0.281%		n/a	
Farmland Reserve, Inc.	6	45,358,345	0.278%	5	33,186,158	0.202%
Merle A Webb & Sons	7	42,221,734	0.259%		n/a	
Union Pacific Railroad Company	8	34,431,025	0.211%		n/a	
Chico Crossroads LP	9	33,235,000	0.204%		n/a	
Pacific Coast Producers	10	29,155,088	0.179%	9	22,726,586	0.138%
Largest Secured Property Valuation		1,031,309,999	17.400%		587,462,745	3.570%
Other Secured Taxpayers		<u>16,307,583,334</u>			<u>15,769,813,537</u>	
Total Secured Property Valuation - net of exemptions		<u>\$ 17,338,893,333</u>			<u>\$ 16,453,060,602</u>	
Total Secured Property Valuation - net of exemptions		<u>\$ 16,747,673,734</u>			<u>\$ 16,453,060,602</u>	
Other Secured Taxpayers		<u>\$ 17,338,893,333</u>			<u>\$ 16,453,060,602</u>	
Total Secured Property Valuation - net of exemptions		<u>\$ 17,338,893,333</u>			<u>\$ 16,453,060,602</u>	

Source: Auditor-Controller, County of Butte

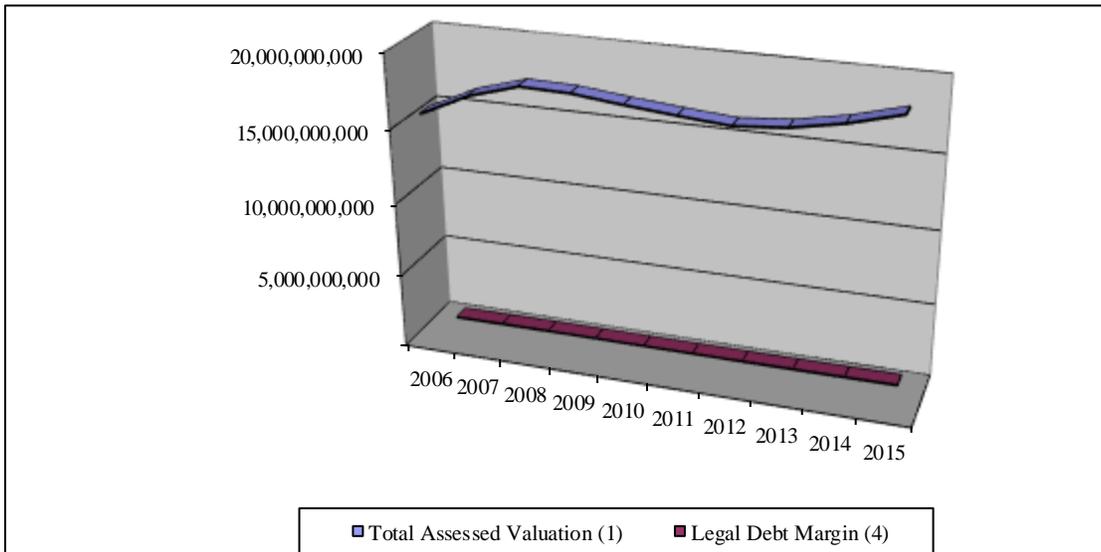
COUNTY OF BUTTE, CALIFORNIA

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
2006	15,899,258,231	198,740,728	-	198,740,728	100%
2007	17,416,674,713	217,708,434	-	217,708,434	100%
2008	18,377,828,257	229,722,853	-	229,722,853	100%
2009	18,300,828,579	228,760,357	-	228,760,357	100%
2010	17,945,838,498	224,322,981	-	224,322,981	100%
2011	17,648,205,661	220,602,571	-	220,602,571	100%
2012	17,396,548,956	217,456,862	-	217,456,862	100%
2013	17,681,342,487	221,016,781	-	221,016,781	100%
2014	18,325,660,659	229,070,758	-	229,070,758	100%
2015	19,235,713,472	240,446,418	-	240,446,418	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 (2)	Debt		Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
				Payable from Enterprise Revenue (2)	Net Debt		
2006	217,209	15,899,258,231					
2007	218,069	17,416,674,713					
2008	220,407	18,377,828,257					
2009	220,748	18,300,828,579					
2010	221,331	17,945,838,498					
2011	221,388	17,648,205,661					
2012	221,273	17,396,548,956					
2013	221,485	17,681,342,487					
2014	222,316	18,325,660,659					
2015	224,323	19,235,713,472					

Source:

- (1) State of California, Department of Finance
www.dof.ca.gov/research/demographic/reports/estimates/e-1/view.php
- (2) No general obligation bonds issued.

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	Percentage of Personal Income	Per Capita
	Certificates				Certificates						
	Bonds	of Participation	Loans/ Notes	Capital Leases	Loans	of Participation	Capital Leases				
2006	57,212	3,920	3,935	1,479	-	-	784	72,143	0.4894%	1.18%	332
2007	56,424	3,290	2,903	1,097	450	-	303	67,830	0.4123%	1.04%	311
2008	50,575	2,650	2,703	1,134	400	12,025	-	76,491	0.4649%	1.08%	351
2009	50,492	2,300	2,494	1,029	350	12,025	20	68,709	0.3854%	1.02%	310
2010	50,403	1,945	2,278	922	300	11,300	20	67,168	0.3743%	0.94%	303
2011	49,895	2,439	2,053	848	250	10,550	-	67,167	0.3806%	0.90%	304
2012	49,895	1,835	1,575	699	200	9,770	-	63,974	0.3677%	0.84%	289
2013	49,895	1,835	1,575	699	150	8,960	559	63,673	0.3601%	0.87%	287
2014	49,895	1,422	1,322	2,150	100	8,210	951	64,050	0.3495%	0.81%	288
2015	49,075	5,791	1,059	1,284	50	7,235	744	65,238	0.3392%	N/A (1)	291

(1) Personal income statistic for 2015 are not available as of the reporting date

COUNTY OF BUTTE, CALIFORNIA

OVERLAPPING BONDED DEBT

JUNE 30, 2015

2014-15 Assessed Valuation: \$19,433,979,543 (includes unitary utility valuation and railroad)

	Total Debt 6/30/15	% Applicable (1)	County's Share of Debt 6/30/15	
OVERLAPPING TAX AND ASSESSMENT DEBT:				
Butte-Glenn Community College District	\$ 66,088,079	87.735%	\$ 57,982,376	
Yuba Joint Community College District	153,425,904	0.163%	250,084	
Chico Unified School District	59,600,000	100.000%	59,600,000	
Marysville Joint Unified School District	67,053,777	1.196%	801,963	
Gridley Unified School District School Facilities Improvement District No. 1	2,455,000	100.000%	2,455,000	
Oroville Union High School District	16,771,385	100.000%	16,771,385	
Manzanita School District	570,000	100.000%	570,000	
Oroville School District	3,046,411	100.000%	3,046,411	
Thermalito Union School District	1,641,144	100.000%	1,641,144	
Sutter Butte Flood Control Agency Assessment District	88,105,000	7.011%	<u>6,177,042</u>	
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$149,295,405	
DIRECT AND OVERLAPPING GENERAL FUND DEBT:				
Butte County Certificates of Participation	\$13,025,528	100.000%	\$13,025,528	(2)
Butte County Pension Obligation Bonds	49,075,000	100.000%	49,075,000	
Butte-Glenn Community College District General Fund Obligations	2,020,000	87.735%	1,772,247	
Yuba Joint Community College District General Fund Obligations	16,455,709	0.163%	26,823	
Chico Unified School District Certificates of Participation	650,000	100.000%	650,000	
Paradise Unified School District Certificates of Participation	800,000	100.000%	800,000	
City of Oroville Pension Obligation Bonds	5,380,000	100.000%	5,380,000	
City of Paradise Pension Obligation Bonds	7,222,381	100.000%	<u>7,222,381</u>	
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT			77,951,979	
Less: Butte County Certificates of Participation supported by landfill revenues			<u>7,235,000</u>	
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$70,716,979	
OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):	\$122,660,000	100.000%	\$122,660,000	
TOTAL GROSS DIRECT DEBT			\$62,100,528	
TOTAL NET DIRECT DEBT			\$54,865,528	
TOTAL OVERLAPPING DEBT			\$287,806,856	
GROSS COMBINED TOTAL DEBT			\$349,907,384	(3)
NET COMBINED TOTAL DEBT			\$342,672,384	

- (1) The percentage of overlapping debt applicable to the county is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the county divided by the district's total taxable assessed value.
- (2) Includes \$4,796,195 disbursed proceeds of a total \$8,000,000 Hall of Records Certificates of Participation issuance.
- (3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2014-15 Assessed Valuation:

Total Overlapping Tax and Assessment Debt.....	0.77%
Total Gross Direct Debt (\$62,100,528).....	0.32%
Total Net Direct Debt (\$54,865,528).....	0.28%
Gross Combined Total Debt.....	1.80%
Net Combined Total Debt.....	1.76%

Ratios to Redevelopment Successor Agencies Incremental Valuation (\$3,281,538,477):

Total Overlapping Tax Increment Debt.....	3.74%
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Source: California Municipal Statistics, Inc.

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Obligation										
Bonds	\$ 57,212,322	\$ 56,423,916	\$ 50,575,340	\$ 50,491,664	\$ 50,402,721	\$ 49,895,000	\$ 49,895,000	\$ 49,895,000	\$ 49,545,000	\$ 49,075,000
Less:										
Amounts Available in Debt Service Fund (1):	7,257,602	8,536,527	5,385,967	7,805,458	7,732,755	8,788,635	8,802,439	8,844,215	8,844,215	9,940,403
Total Net Obligation										
Bonds Outstanding:	\$ 49,954,720	\$ 47,887,389	\$ 45,189,373	\$ 42,686,206	\$ 42,669,966	\$ 41,106,365	\$ 41,092,561	\$ 41,050,785	\$ 40,700,785	\$ 39,134,597
Percentage of Estimated Actual Taxable Value of Property	0.31%	0.27%	0.25%	0.23%	0.24%	0.23%	0.24%	0.23%	0.22%	0.20%
Per Capita	\$ 229.1	\$ 216.9	\$ 204.2	\$ 192.8	\$ 192.8	\$ 185.8	\$ 185.5	\$ 184.7	\$ 183.1	\$ 176.0

Note 1: Debt Service was not a separate fund prior to 2005.

Note 2: 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 (2)		
2006	217,209	\$ 6,099,731,000	\$ 28,082	33,192	6.7%
2007	218,069	6,494,706,000	29,783	32,827	4.9%
2008	220,748	7,100,740,000	32,167	32,559	6.1%
2009	221,331	6,752,580,000	30,509	32,069	8.2%
2010	221,388	7,163,944,000	32,359	31,539	13.2%
2011	221,273	7,496,950,513	33,881	31,226	13.1%
2012	221,273	7,650,977,840	34,577	31,255	13.1%
2013	221,485	7,347,286,000	33,173	31,262	12.6%
2014	222,316	7,907,991,000	35,571	31,069	12.2%
2015	224,323	Not Available (4)	Not Available (4)	31,002	8.3%

Detail of estimated population, as June, 2015:

Incorporated Cities/Towns:

City of Biggs	1,684
City of Chico	88,389
City of Gridley	6,739
City of Oroville	15,980
Town of Paradise	26,109
Total of incorporated	138,901
Total of unincorporated	83,415
Total Population	224,323

Note: Personal income and per capita income are based on the calendar year information ending during the fiscal year.

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) California Dept. of Education (<http://dq.cde.ca.gov/dataquest/Enrollment>)
- (4) Personal income statistic for 2015 are not available as reporting date.

COUNTY OF BUTTE, CALIFORNIA
MISCELLANEOUS STATISTICAL INFORMATION
JUNE 30, 2015

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

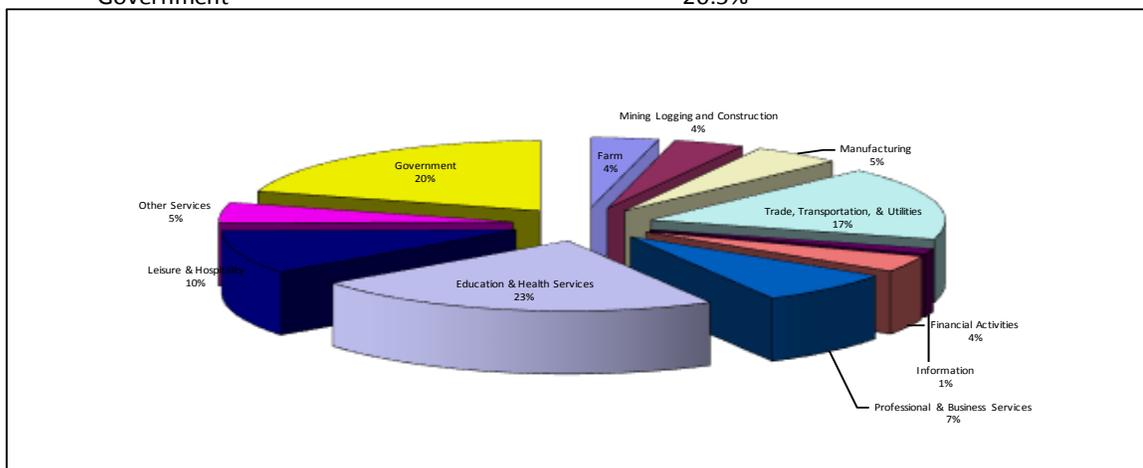
Form of Government: General Law County, governed by a five-member Board of Supervisors

Fiscal Year Begins: July 1

County Employees: as of June 30, 2015: 2,211

Employment Distribution (2014 Annual Average)(1):

Farm	3.7%
Mining Logging and Construction	3.9%
Manufacturing	4.9%
Trade, Transportation, & Utilities	16.9%
Information	1.3%
Financial Activities	3.7%
Professional & Business Services	7.6%
Education & Health Services	22.7%
Leisure & Hospitality	10.1%
Other Services	4.7%
Government	20.5%



Source: State of California, Employment Development Department, Labor Market Information Division, Snap Shot (<http://www.calmis.ca.gov/file/COsnaps/buttesnap.pdf>)

COUNTY OF BUTTE, CALIFORNIA
PRINCIPAL EMPLOYERS
JUNE 30, 2015 and Ten Years Ago

Major County Employers

Company	2015			2006		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Enloe Medical Center, Inc.	2,306	1	2.44%	n/a	n/a	n/a
Butte County	2,211	2	2.34%	n/a	n/a	n/a
California State University, Chico	1,634	3	1.73%	n/a	n/a	n/a
Chico Unified School District	2,159	4	2.28%	n/a	n/a	n/a
Pacific Coast Producers	1,140	5	1.21%	n/a	n/a	n/a
Feather River Hospital	1,160	6	1.23%	n/a	n/a	n/a
Butte County Office of Education	1,778	7	1.88%	n/a	n/a	n/a
Butte Glenn Community College	974	8	1.03%	n/a	n/a	n/a
Associated Students California	853	9	0.90%	n/a	n/a	n/a
Oroville Hospital	1,080	10	1.14%	n/a	n/a	n/a
Total	15,295		16.17%			

Note: June 30, 2006 complete information is not available.

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

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

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Sheriff										
Number of Bookings	13,543	13,920	12,693	14,241	13,487	12,792	13,285	12,597	13,009	11,613
Coroner Case Load	1,701	1,709	1,632	1,677	1,734	1,606	1,656	1,729	1,521	1,741
Calls for Services - Unincorp. Areas	43,261	56,131	64,121	63,871	63,787	60,499	58,843	63,664	62,065	63,239
Fire										
Medical Assistance	13,240	8,287	8,101	8,021	11,941	12,054	12,511	12,255	11,148	12,527
Fires Extinguished	740	753	1,311	1,089	2,169	2,022	2,311	2,426	2,167	2,713
Probation										
Juveniles in Detention (bed days)	20,987	21,484	19,242	17,949	17,564	17,789	17,593	17,086	12,466	11,877
Waste Management										
Landfill Tonnage	191,676	196,153	192,073	163,370	152,257	152,822	154,531	153,691	135,919	151,865
Recycling Tonnage	13,640	26,484	23,377	19,390	13,768	12,420	12,094	11,643	13,183	11,775
County Libraries										
Total Circulation	723,178	744,881	826,821	910,249	840,078	918,069	963,052	748,756	980,903	978,698
Reference Questions Answered	37,703	36,948	38,546	42,366	27,449	32,526	39,798	39,798	50,391	55,110
Patrons	96,049	90,702	93,616	94,574	79,326	74,057	80,135	87,954	103,439	105,479
Programs Offered	1,169	1,019	1,214	1,353	1,415	1,377	1,510	1,510	2,010	1,865
Program Attendance	22,510	23,439	30,916	34,764	28,395	32,943	36,751	6,036	27,554	36,146
Visitor Count	662,302	656,949	723,460	756,901	642,112	640,096	672,851	672,851	622,692	648,421
Clerk-Recorder										
Official Records Recorded	74,963	77,497	61,002	51,388	52,738	52,863	53,996	62,605	51,662	52,826
Vital Records Copies Issued	13,179	13,903	13,629	13,689	12,430	12,393	11,771	10,785	11,410	10,913
Official Records Copies Issued	6,665	6,442	6,172	5,408	4,272	5,431	5,161	4,954	4,347	4,276
Public Social Services										
CalWORKS Clients	115,616	121,734	105,953	103,947	102,663	103,267	101,884	100,669	97,567	94,415
Food Stamp Clients	209,550	221,324	228,513	251,732	290,417	311,695	339,557	356,989	365,153	377,296
Medi-Cal Clients	148,090	144,901	159,384	157,048	169,544	245,592	230,464	211,106	242,111	380,421
In-Home Support Services	30,927	36,416	35,951	37,593	36,322	33,376	33,660	33,749	31,952	33,747
Foster Care Placements	8,859	8,343	8,417	7,542	7,065	5,812	5,070	4,402	4,615	5,084
Child Welfare Services	12,019	11,130	12,282	11,237	10,150	9,800	8,936	7,441	6,581	7,802

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

Function/Program	2,006	2,007	2,008	2,009	2,010	2,011	2,012	2,013	2,014	2,015
Sheriff										
Patrol Stations	4	4	4	4	4	4	4	4	4	4
Patrol Vehicles	65	60	60	50	50	61	82	81	92	97
Fire										
Stations	26	26	26	26	26	26	26	26	12	26
Trucks	40	40	40	40	40	40	40	40	16	40
Waste Management										
Landfills	1	1	1	1	1	1	1	1	1	1
Capacity in Tons	12,427,121	12,257,452	12,088,756	11,931,691	11,793,202	11,652,343	11,509,906	11,367,858	11,233,172	11,081,307
County Libraries										
Branch Libraries	6	6	6	6	6	6	6	6	6	6
Book Mobiles	1	1	1	1	1	1	1	1	1	1
Books in Collection	299,262	309,681	306,155	321,799	302,828	243,280	256,893	246,731	222,150	214,510
Electronic Books	n/a	3,406	581	716						





Glossary

COUNTY OF BUTTE

Glossary for the Comprehensive Annual Report

ACCOUNTABILITY. The term used by the Government Accounting Standards Board (GASB) to describe a government's duty to justify the raising and spending of public resources. The GASB has identified accountability as the "paramount objective" of financial reporting "from which all other objectives must flow."

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 OF ACCOUNTING. Method of accounting that recognizes the financial effect of transactions, events, and interfund activity when they occur, regardless of the timing of related cash flow.

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 in a custodial capacity 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.

ASSIGNED FUND BALANCE. Amounts that are constrained by the County's intent to be used for specific purposes. The intent can be established at either the highest level of decision making, or by a body or an official designated for that purpose. This is also the classification for residual funds in the County's special revenue funds.

COUNTY OF BUTTE

Glossary for the Comprehensive Annual Report

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. 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. Land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period.

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

CAPITALIZATION THRESHOLD. 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 that are restricted, committed or assigned for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

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

COUNTY OF BUTTE

Glossary for the Comprehensive Annual Report

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.

COMMITTED FUND BALANCE, Amounts that can only be used for specific purposes determined by formal action of the County's highest level of decision-making authority (the Board of Supervisors) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.

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.

COMPONENT UNIT. A legally separate organization that must be included in the financial report of the primary government (primary government + component units = financial reporting entity).

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR). A financial report that contains, at a minimum, three sections: 1) introductory 2) financial, and 3) statistical, and whose financial section provides information on each individual fund and component unit.

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 counter-party to an investment will not fulfill its obligations.

COUNTY OF BUTTE

Glossary for the Comprehensive Annual Report

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 INFLOWS. An acquisition of net position by the government that is applicable to a future reporting period.

DEFERRED OUTFLOWS. A consumption of net position by the government that is applicable to a future reporting 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. A method of allocating the cost of an asset over its useful life. 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.

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 position. 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.

COUNTY OF BUTTE

Glossary for the Comprehensive Annual Report

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 (FDIC). 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.

COUNTY OF BUTTE

Glossary for the Comprehensive Annual Report

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

FISCAL ACCOUNTABILITY. Responsibility of governments to justify that their actions in the current period have complied with public decisions concerning the raising and spending of public moneys in the short term (usually one budgetary cycle or one year).

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

FOREIGN CURRENCY 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.

FUND BALANCE. Net position of a governmental fund (difference between assets, liabilities, deferred outflows of resources, deferred inflows of resources).

FUND FINANCIAL STATEMENTS. Basic financial statements presented for funds, in contrast with *government-wide* financial statements.

FUND TYPE. Any one of eleven categories into which all individual funds can be classified. Governmental fund types include the general fund, special revenue funds, debt service funds, capital projects funds, and permanent funds. Proprietary fund types include enterprise funds and internal service funds. Fiduciary fund types include pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds and agency funds.

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.

GENERAL REVENUES. All revenues not reported as program revenues in the government-wide statement of activities.

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.

COUNTY OF BUTTE

Glossary for the Comprehensive Annual Report

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 position 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 LOANS. 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. Proprietary fund type that may be used to report any activity that provides goods or services to other funds, departments or agencies of the primary government and its component units, or to other governments, on a cost-reimbursement basis.

JOINT VENTURE. A legal entity or other organization that results from a contractual arrangement and that is owned, operated or governed by two or more participants.

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 a government's management may not reallocate resources without special approval from the legislative body.

COUNTY OF BUTTE

Glossary for the Comprehensive Annual Report

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 and subject to a separate opinion in the independent auditor's report. 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. Is required supplementary information that introduces the basic financial statements and provides an analytical overview of the government's financial activities.

MEASUREMENT FOCUS. Types of balances (and related changes) reported in a given set of financial statements (economic resources, current financial resources, assets and liabilities resulting from cash transactions).

MODIFIED ACCRUAL BASIS. Basis of accounting used in conjunction with the current financial resources measurement focus that modifies the accrual basis of accounting in two important ways: 1) revenues are not recognized until they are measurable and available and 2) expenditures are recognized in the period in which governments in general normally liquidate the related liability rather than when that liability is first incurred (if earlier).

NONSPENDABLE FUND BALANCE. The portion of the net position of a governmental fund that cannot be spent either because the underlying resources are not in spendable form or because the government is legally or contractually required to maintain the resources intact.

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 SOURCES. An increase in the net position of a governmental fund other than revenues. Only items identified as other financing sources in authoritative accounting standards may be classified as such.

OTHER FINANCING USES. A decrease in the net position of a governmental fund other than expenditures. Only items identified as other financing uses in authoritative accounting standards may be classified as such.

COUNTY OF BUTTE

Glossary for the Comprehensive Annual Report

OVERLAPPING DEBT. In the context of the statistical section, the outstanding long-term debt instruments of governments that geographically overlap, at least in part, the government preparing the statistical section. That is, debt of another government that at least some of the reporting government's taxpayers will also have to pay in whole or part. Lower levels of government are not required to treat debt of the state as overlapping debt, even though it technically meets this definition. Furthermore, states, regional governments, and counties are exempted from the requirement to present overlapping debt, although counties are still encouraged to do so.

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 tax base directly related to the program. 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 position (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 requirement to remit to the federal government interest earnings in excess of interest costs when the proceeds from the sale of tax-exempt securities are reinvested in materially higher yielding taxable securities.

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

REQUIRED SUPPLEMENTARY INFORMATION. (RSI) One of two categories of supporting information: required supplementary information (RSI) and supplementary information (SI)

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.

RESTRICTED FUND BALANCE. The portion of the net position of a governmental fund that represents resources subject to externally enforceable constraints.

RESTRICTED NET POSITION. One of three components of net position that must be reported in both government-wide and proprietary fund financial statements. It consists of restricted assets reduced by liabilities or deferred inflows of resources related to those assets. Generally, a liability or deferred inflow of resources relates to restricted assets if the assets results from a resource flow that also results in the recognition of a liability/deferred inflow of resources or if the liability will be liquidated with the restricted assets reported.

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

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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 designed to meet the needs of all federal grantor agencies and performed in accordance with the Single Audit Act of 1984 (as amended) and Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments and Non-Profit Organizations.

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. Governmental fund type used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects and exclusive of resources held in trust for individuals, private organizations or other governments.

TAX AND REVENUE ANTICIPATION NOTES (TRANS). Notes issued in anticipation of the collection of taxes and revenues, usually retirable 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.

UNASSIGNED FUND BALANCE, The residual classification for the County's General fund that includes amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

UNDESIGNATED UNRESERVED FUND BALANCE. The difference between total fund balance in a governmental fund and its nonspendable, restricted, committed and assigned components.

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

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UNRESTRICTED NET POSITION. One of three components of net position that must be reported in both government-wide and proprietary fund financial statements. It is the difference between total net position and its two other components (net investment in capital assets and restricted net position).

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.