

# COUNTY OF BUTTE

State of California

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED

JUNE 30, 2018



HONEY RUN COVERED BRIDGE PHOTO BY: PEGGY MOAK

Prepared Under the Supervision of:  
DAVID A. HOUSER, COUNTY AUDITOR-CONTROLLER



Butte County

• CALIFORNIA •

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## INTRODUCTORY SECTION



Butte County

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# Butte County

CALIFORNIA

25 COUNTY CENTER DRIVE

December 22, 2018

To the Citizens of Butte County, California

The Comprehensive Annual Financial Report (CAFR) of the County of Butte (County) for the fiscal year ended June 30, 2018, 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 is 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, 2018, 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 13 through 23 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 226,404 with approximately 36% 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 the 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 nonelected 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 public safety; 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](http://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**

- **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 was 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 \$4.445 million in County funds. The jail construction is slated to begin in the spring of 2019 with completion anticipated in fiscal year 2020-2021.
- **Neal Road Recycling and Waste Facility Module Expansion**  
This project includes the management, design, construction, and quality assurance for the development of four waste modules (5A-5D). Modules (5A-5C) are expected to be developed over the next 6 years. The build-out of the base liner system is anticipated to create the foundation for the remainder of the landfill's life (estimated to end in 2048). Funding will come from Neal Road Landfill Enterprise Fund balance and landfill facility fees. The total project cost is estimated at \$10,500,000.
- **Neal Road Recycling and Waste Facility Septage Receiving Station**  
This project is to acquire and construct additional land to provide for permanent septage receiving, treatment, and disposal facilities. The funding source of this estimated \$5,000,000 is the State Revolving Loan Fund for wastewater projects, Neal Road Landfill Enterprise Fund balance and landfill facility fees. The project began this fiscal year and is scheduled to be completed in fiscal year 2021-2022.

- **Government Campus Infrastructure Improvements**  
The Oroville Government Center Campus Master Plan Phase I, is expected to continue and anticipated to be completed in fiscal year 2018-2019. The project will improve road and utility infrastructure on the north side of the campus in order to meet the future needs of the Jail, Evidence Storage Building & Morgue, increased utilization of the Day Reporting Center and Probation Administration Offices. The project will rely on debt financing and be funded by facility reserve in the Capital Projects Fund. Additional phases of the Government Campus Infrastructure will be required in the future.

## **FACTORS AFFECTING FINANCIAL CONDITION**

### **Economic Challenges**

In the 2018 fiscal year, the County is close to the completion of the Oroville Dam Spillways that should be done by the end of the coming year. Overall the fiscal position of the county for 2018 was improved and continued to show some improvement as the unemployment rate in the County has continued to drop. As the unemployment rate continues to show improvement the new challenge becomes retention. The County is continuing to experienced retention issues.

In November of 2018, the County experienced the most devastating event. the Camp Fire, which literally destroyed the Town of Paradise. The fire consumed over 13,972 residences, 527 commercial sites and 4,293 other structures, which has pushed the County resources to the limit. Coordinated efforts with FEMA (Federal Emergency Management Agency) and the State will continue through the coming year.

Pension and healthcare costs continue to dominate the conversation about future costs. The County has proactively taken steps over the 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 unfunded pension liability continues to grow for the local governmental agencies including the County. The County continues to explore options of funding this growing debt.

The County must continue to be prudent when utilizing our limited resources in tackling the challenges previously identified: disaster recovery, 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 includes the Schedule of Expenditures of Federal Awards, Schedule of Findings and Questioned Costs, and the Independent Auditors' 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's Division internal audit staff. The 2017-2018 Single Audit will be issued under a separate cover and will be available by contacting the Auditor-Controller's office after March 31, 2019.

## **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**

The County continues to maintain its credit rating of 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 CliftonlarsenAllen 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, 2018, 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 unmodified (clean) opinion that the County's basic financial statements for the fiscal year ended June 30, 2018, 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, 2017. This achievement represents the County's 12th 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's 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,



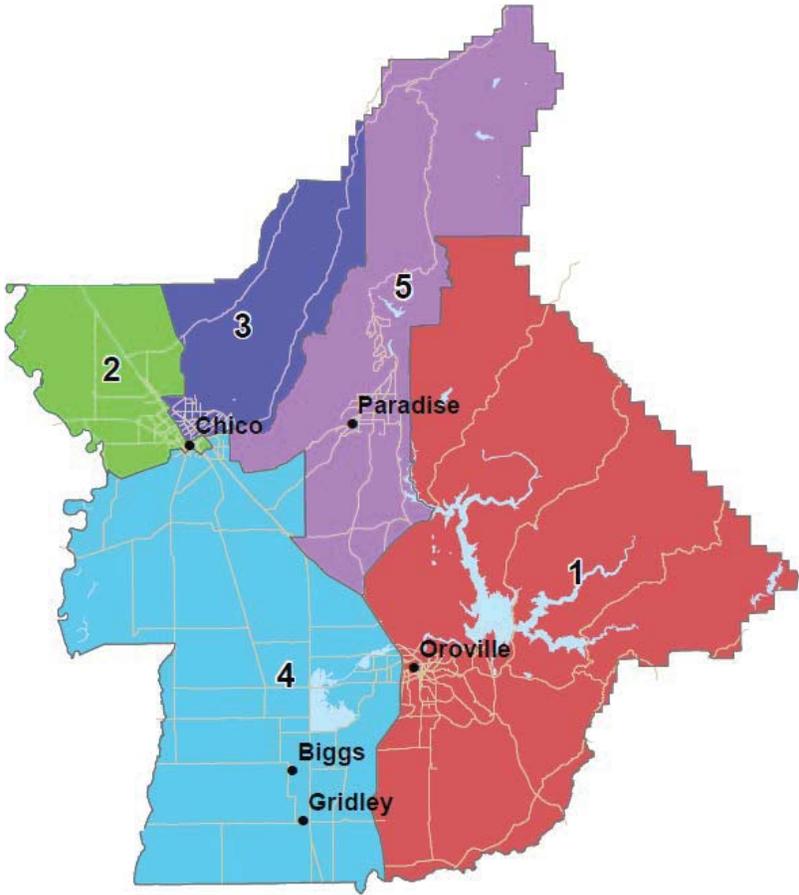
David A. Houser  
County Auditor-Controller

**COUNTY OF BUTTE, CALIFORNIA  
BOARD OF SUPERVISORS  
JUNE 30, 2018**

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

\*Chosen annually at the first meeting in January.



**COUNTY OF BUTTE, CALIFORNIA  
PRINCIPAL COUNTY OFFICIALS  
JUNE 30, 2018**

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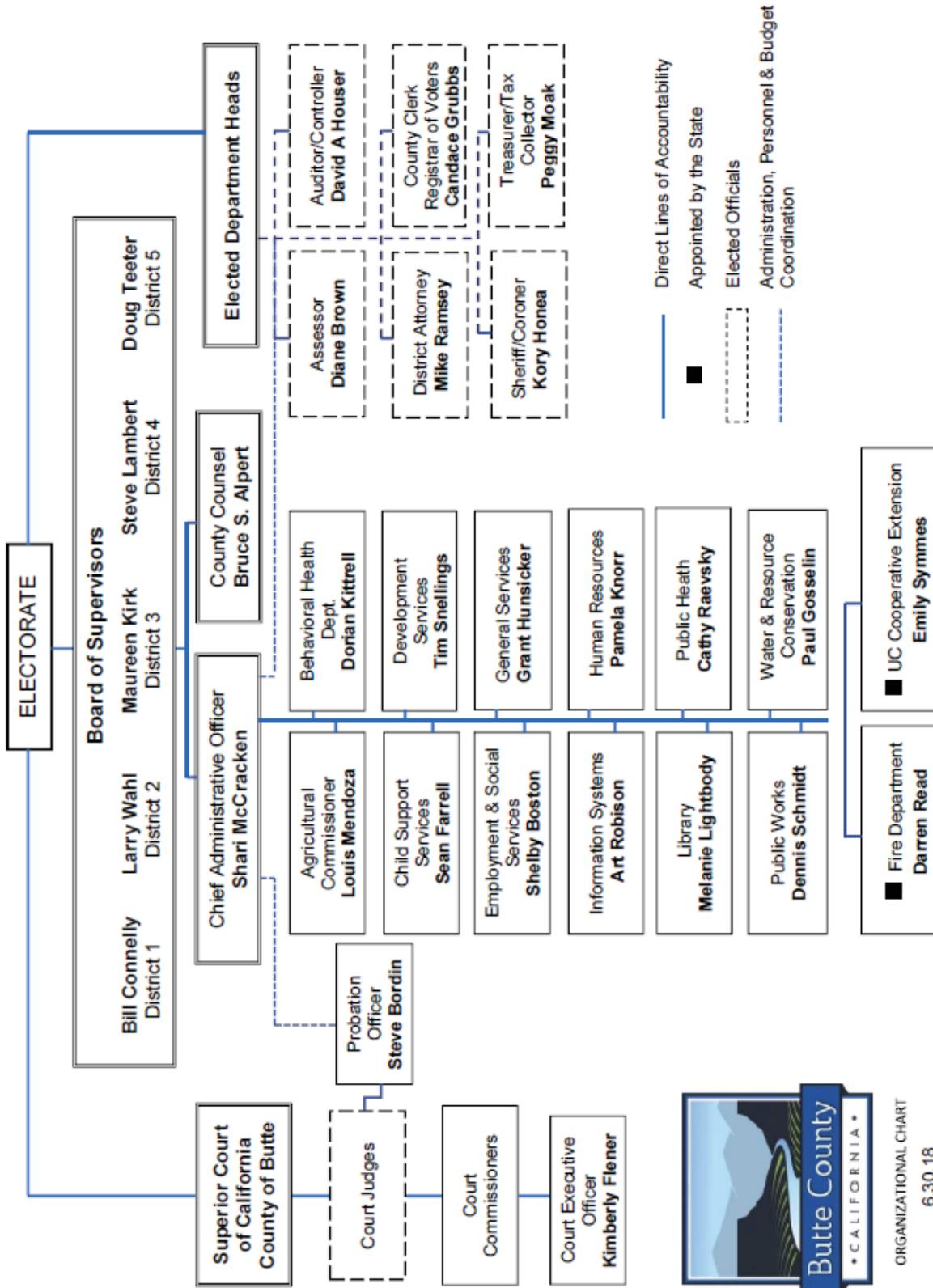
***Elected Officials***

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.....	Louie Mendoza
Behavioral Health Director.....	Dorian Kittrell
Chief Administrative Officer.....	Shari McCracken
Chief Probation Officer.....	Steve Bordin
Child Support Services Director.....	Sean Farrell
County Counsel.....	Bruce Alpert
Development Services Director.....	Tim Snellings
Employment and Social Services Director.....	Shelby Boston
Farm, Home & 4-H Advisor.....	Emily Symmes
Fire Chief.....	Darren Read
General Services Director.....	Grant Hunsicker
Human Resources Director.....	Pamela Knorr
Information Systems Director.....	Art Robison
Library Director.....	Melanie Lightbody
Public Health Director.....	Cathy Raevsky
Public Works Director.....	Dennis Schmidt
Water & Resource Conservation Director.....	Paul Gosselin

**COUNTY OF BUTTE, CALIFORNIA  
ORGANIZATION CHART  
JUNE 30, 2018**



ORGANIZATIONAL CHART  
6.30.18

COUNTY OF BUTTE, CALIFORNIA  
GFOA CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN REPORTING  
JUNE 30, 2018

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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, 2017**

*Christopher P. Morill*

Executive Director/CEO



Butte County

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**FINANCIAL SECTION**



Butte County

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## INDEPENDENT AUDITORS' REPORT

Board of Supervisors  
County of Butte, California

### **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, 2018, 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.

### ***Auditors' 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, 2018, 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 Standards*

As disclosed in Note 11 of the financial statements, the County implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, during fiscal year 2018. 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, schedule of plan contributions for the County's employees' retirement plan, the schedule of changes in County's other postemployment benefits (OPEB) plan and related ratios, schedule of plan contributions for the County's 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.

Board of Supervisors  
County of Butte, California

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2018 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

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

**CliftonLarsonAllen LLP**

Roseville, California  
December 20, 2018



## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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

**COUNTY OF BUTTE, CALIFORNIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2018**

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, 2018. 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.

**FINANCIAL HIGHLIGHTS**

<b>Net Position- Government Wide</b>	\$ (14 million)	Change in Net Position from the previous year was a decrease of \$70 million or 125% due to the increase in pension and OPEB liability as well as the COLA increase.
<b>Fund Balance- Governmental</b>	\$144 million	Change in Governmental Fund balance from the previous year was an increase of \$40 million or 38% due to increased revenues and operating efficiencies.
<b>General Fund</b>	\$49 million	Change in General Fund balance from the previous year was a decrease of \$2 million or 4% due to increased spending on payroll and public protection in response to the Wall and Ponderosa fires.
<b>Expenses</b>	\$429 million	Change in Expenses for Governmental Activities from the previous year was an increase of \$18 million or 4%.
<b>Revenues</b>	\$396 million	Change in Revenues for Governmental Activities from the previous year was an increase of \$4 million or 1%.
<b>Long Term Liabilities</b>	\$385 million	Change in Long Term Liabilities for Governmental Activities from the previous year was an increase of \$65 million or 20% due to an increase in the OPEB and Pension liabilities.

**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.

**COUNTY OF BUTTE, CALIFORNIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2018**

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**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.

**COUNTY OF BUTTE, CALIFORNIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2018**

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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 four major funds: the General Fund, the Social Services 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.

**COUNTY OF BUTTE, CALIFORNIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2018**

**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 Postemployment 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.

**GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS**

**Table 1  
The County's Net Position**

	Governmental Activities (in Thousands)		Business-Type Activities (in Thousands)		Total (in Thousands)		Total	
	2018	2017	2018	2017	2018	2017	\$ Change 2017 to 2016	% Change 2017 to 2016
	Current and Other Assets	\$ 171,804	\$ 182,532	\$ 16,251	\$ 20,044	\$ 188,055	\$ 202,576	\$ (14,521)
Capital Assets	129,427	148,635	27,572	24,670	156,999	173,305	(16,306)	(9.41)
Total Assets	301,231	331,167	43,823	44,714	345,054	375,881	(30,827)	(8.20)
Deferred Outflow of Resources	65,935	51,617	429	397	66,364	52,014	14,350	27.59
Total Assets and Deferred Outflow s	367,166	382,784	44,252	45,111	411,418	427,895	(16,477)	(3.85)
Current and Other Liabilities	\$ 12,001	24,413	\$ 702	2,366	12,703	26,779	(14,076)	(52.56)
Long-Term Liabilities	385,821	320,293	13,927	14,295	399,748	334,588	65,160	19.47
Total Liabilities	397,822	344,706	14,629	16,661	412,451	361,367	51,084	14.14
Deferred Inflow of Resources	13,353	10,051	111	78	13,464	10,129	3,335	32.93
Total Liabilities and Deferred Inflow s	411,175	354,757	14,740	16,739	425,915	371,496	54,419	14.65
Net Position:								
Net Investment in Capital Assets	111,633	132,252	23,616	19,313	135,249	151,565	(16,316)	(10.77)
Restricted	123,419	122,023	-	-	123,419	122,023	1,396	1.14
Unrestricted	(279,061)	(226,249)	5,896	9,059	(273,165)	(217,190)	(55,975)	25.77
Total Net Position	<u>\$ (44,009)</u>	<u>\$ 28,026</u>	<u>\$ 29,512</u>	<u>\$ 28,372</u>	<u>\$ (14,497)</u>	<u>\$ 56,398</u>	<u>\$ (70,895)</u>	(125.70)

The largest portion of the County's net position, \$111,633 in governmental activities and \$23,616 in business-type activities, 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 \$123,419 for governmental activities is the net position subject to external restrictions on how they may be used.

**COUNTY OF BUTTE, CALIFORNIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2018**

The remaining deficit balance of (\$279,061) in governmental activities is the result of the County's unfunded Pension and Other Postemployment Benefits obligations.

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

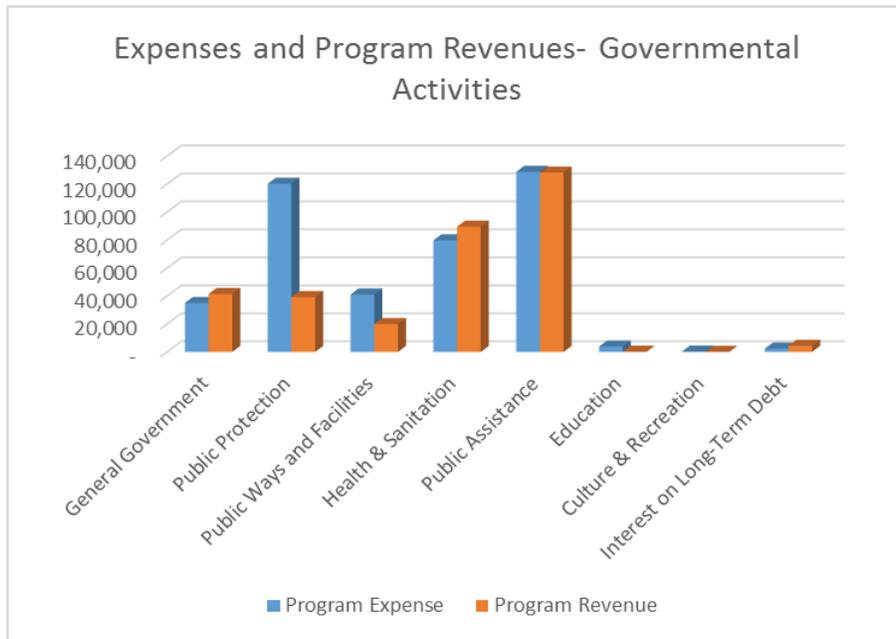
- Governmental Activities accounted for a decrease in net position of \$33,073 primarily due to increased retirement costs.
- Business-Type Activities accounted for an increase in net position of \$1,855 primarily due to increased revenues.

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

**Table 2  
Changes in Net Position**

	Governmental Activities (in Thousands)		Business-Type Activities (in Thousands)		Total (in Thousands)		Total	
	2018	2017	2018	2017	2018	2017	\$ Change 2017 to 2016	% Change 2017 to 2016
<b>Revenues:</b>								
Program Revenues:								
Charges for Service	\$ 41,943	\$ 42,748	\$ 8,365	\$ 8,756	\$ 50,308	\$ 51,504	(1,196)	(2.32)%
Operating Grants and Contribution	271,803	270,058	99	207	271,902	270,265	1,637	0.61
Capital Grants and Contributions	4,593	5,734	-	-	4,593	5,734	(1,141)	(19.90)
General Revenues:								
Property Taxes	63,166	59,713	-	-	63,166	59,713	3,453	5.78
Sales Taxes	5,499	5,035	-	-	5,499	5,035	464	9.22
Other Taxes and Related Revenues	598	474	-	-	598	474	124	26.16
Unrestricted Investment Income	4,887	4,375	86	42	4,973	4,417	556	12.59
Miscellaneous Revenues	3,865	3,584	246	116	4,111	3,700	411	11.11
Total Revenues	<u>396,354</u>	<u>391,721</u>	<u>8,796</u>	<u>9,121</u>	<u>405,150</u>	<u>400,842</u>	<u>4,308</u>	<u>1.07</u>
<b>Program Expenses:</b>								
General Government	34,696	34,998	-	-	34,696	34,998	(302)	(0.86)
Public Protection	129,535	120,176	-	-	129,535	120,176	9,359	7.79
Public Ways and Facilities	39,026	41,036	-	-	39,026	41,036	(2,010)	(4.90)
Health and Sanitation	88,135	79,781	-	-	88,135	79,781	8,354	10.47
Public Assistance	131,541	128,712	-	-	131,541	128,712	2,829	2.20
Education	3,788	3,827	-	-	3,788	3,827	(39)	(1.02)
Culture and Recreation Services	349	329	-	-	349	329	20	6.08
Interest on Long-Term Debt	2,357	2,371	-	-	2,357	2,371	(14)	(0.59)
Sanitation	-	-	6,941	7,583	6,941	7,583	(642)	(8.47)
Total Expenses	<u>429,427</u>	<u>411,230</u>	<u>6,941</u>	<u>7,583</u>	<u>436,368</u>	<u>418,813</u>	<u>17,555</u>	<u>4.19</u>
Change in Net Position	(33,073)	(19,509)	1,855	1,538	(31,218)	(17,971)	(13,247)	73.71
Net Position - Beginning, Restated	(10,936)	47,535	27,657	26,834	16,721	74,369	(57,648)	(77.52)
Net Position - Ending	<u>\$ (44,009)</u>	<u>\$ 28,026</u>	<u>\$ 29,512</u>	<u>\$ 28,372</u>	<u>\$ (14,497)</u>	<u>\$ 56,398</u>	<u>\$ (70,895)</u>	<u>(125.70)</u>

**COUNTY OF BUTTE, CALIFORNIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2018**



**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, Permanent, 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, 2018, the County’s governmental funds reported combined ending fund balances of \$143,935. The components of total fund balance are as follows:

- Nonspendable fund balance – \$976 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 – \$122,354 consists of amounts with constraints put on their use by externally imposed creditors, grantors, contributions, laws, regulations or enabling legislation.
- Committed fund balance – \$8,000 has been established by the Board as an emergency reserve.
- Assigned fund balance – \$25 are amounts intended to be used for specific purposes by the Board of Supervisors.
- Unassigned fund balance – \$12,580 represents the residual classification for the County’s General Fund.

**COUNTY OF BUTTE, CALIFORNIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2018**

Approximately 99.32% or, \$142,959 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 decreased by \$2,157 or 4.2% during the current fiscal year due to increased spending on payroll and public protection in response to the Wall and Ponderosa fires.

The social services fund has a total fund balance of \$8,041 of which all is restricted. The overall fund balance increased by \$1,830 primarily due to increased revenue recognition for program advances and building of a "reserve" in order to address countercyclical mandates.

The behavioral health fund has a total fund balance of \$17,964 of which \$1 is nonspendable and the rest is restricted. The overall fund balance decreased by \$462 primarily resulting from reduced one-time revenues and increased expenditures.

The road fund has a total fund balance of \$3,437 of which \$3,190 is restricted. The overall fund balance increased by \$147 primarily resulting from new funding from SB1 Road Repair & Accountability Act of 2017.

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

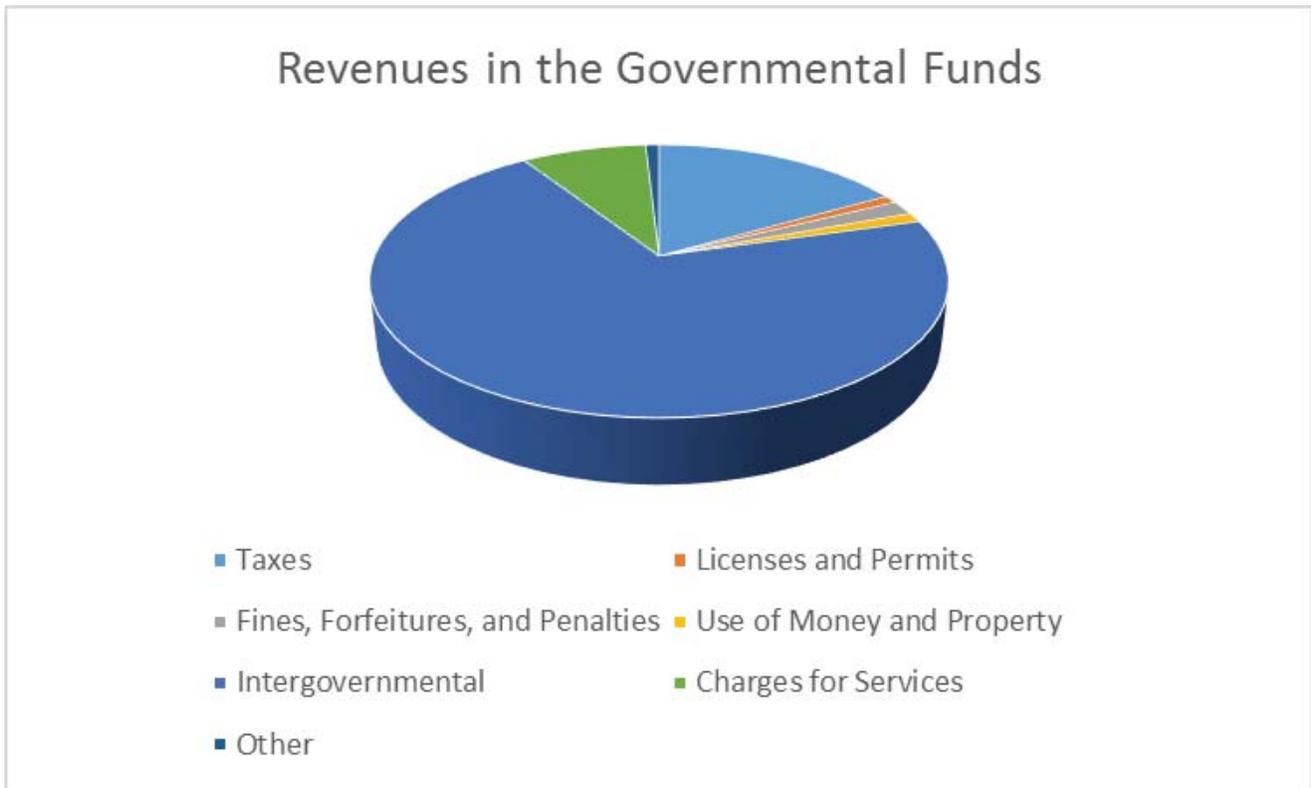
**Table 3  
Revenues in the Governmental Funds**

Revenue Sources	2018		2017		Change	
	Amount (in Thousands)	Percent of Total	Amount (in Thousands)	Percent of Total	Amount (in Thousands)	Percent of Total
Taxes	\$ 69,263	17.3 %	\$ 65,223	16.8 %	\$ 4,040	36.7 %
Licenses and Permits	3,975	1.0	3,614	0.9	361	3.3
Fines, Forfeitures, and Penalties	6,267	1.6	6,655	1.7	(388)	(3.5)
Use of Money and Property	4,848	1.2	4,364	1.1	484	4.4
Intergovernmental	279,422	70.0	272,627	70.2	6,795	61.7
Charges for Services	31,701	7.9	32,349	8.3	(648)	(5.9)
Other	3,837	1.0	3,463	0.9	374	3.4
Total	<u>\$ 399,313</u>	100.0	<u>\$ 388,295</u>	100.0	<u>\$ 11,018</u>	100.0

Significant changes for major revenue sources are explained below.

- Intergovernmental – increase due to increased timing of federal and state payments such as the Federal Share of Medi-Cal and Prop 172 payments.

**COUNTY OF BUTTE, CALIFORNIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2018**



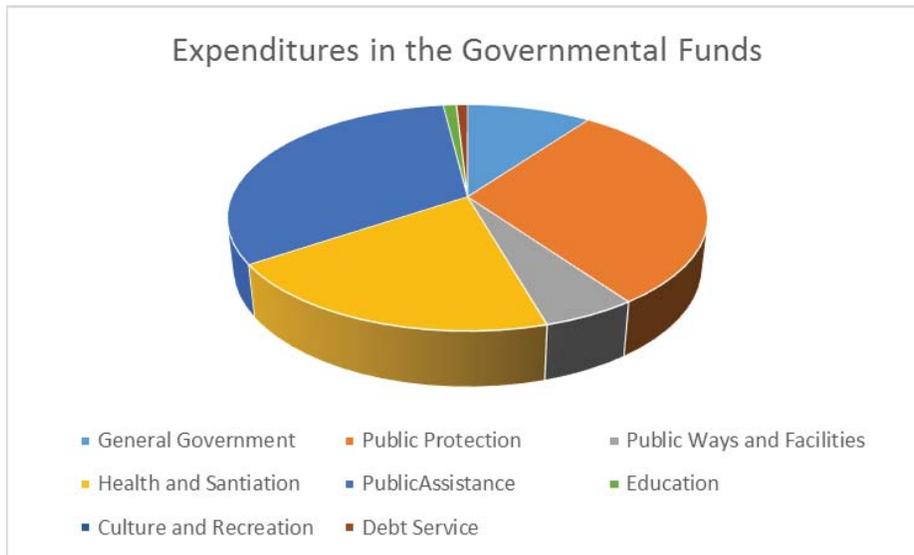
The following table presents expenditures by function compared to prior fiscal year's amounts in the governmental funds.

**Table 4  
Expenditures in the Governmental Funds**

Function	2018		2017		Change	
	Amount (in Thousands)	Percent of Total	Amount (in Thousands)	Percent of Total	Amount (in Thousands)	Percent of Total
General Government	33,487	8.4 %	\$ 39,249	10.0 %	\$ (5,762)	(101.5)%
Public Protection	123,331	31.0	118,494	30.2	4,837	85.2
Public Ways and Facilities	19,404	4.9	21,030	5.4	(1,626)	(28.7)
Health and Sanitation	85,081	21.4	78,742	20.1	6,339	111.7
Public Assistance	128,617	32.3	127,459	32.5	1,158	20.4
Education	3,631	0.9	4,056	1.0	(425)	(7.5)
Culture and Recreation	154	-	158	-	(4)	(0.1)
Debt Service	4,587	1.2	3,429	0.9	1,158	20.4
<b>Total</b>	<b>\$ 398,292</b>	<b>100.0</b>	<b>\$ 392,617</b>	<b>100.0</b>	<b>\$ 5,675</b>	<b>100.0</b>

**COUNTY OF BUTTE, CALIFORNIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2018**

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Significant changes for major functions are explained below.

- There has been an increase across many of the functions primarily due to increased payroll costs.
- Public Protection – In addition to increased payroll costs, public protection experienced an increase due to the Wall and Ponderosa fires.

**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 \$29,512. Of this amount, \$23,616 is investment in capital assets, and the balance of \$5,896 is unrestricted. Overall net position increased by \$1,854 due to an increase in revenue landfill services. The County's internal service funds have an aggregate net position of \$3,842. Of this amount, \$3,810 is unrestricted.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

Differences between the original budget and the final amended budget for revenues were an increase of \$3,292. Aid from Other Government revenues outperformed revenue estimates primarily due to better than expected estimates. Differences between the original budget and the final amended budget for expenditures were an increase of \$1,063.

During the fiscal year, actual revenues were more than budgetary estimates by \$1,413. The primary reason for the increase was additional Other Governmental revenues. Differences in actual expenditures to budgetary estimates were a decrease of \$14,090. The primary reason for the decrease was efficiencies in services and supplies, cost savings in salaries and the reduction in contingency usage.

**COUNTY OF BUTTE, CALIFORNIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2018**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

The County's investment in capital assets for its governmental and business-type activities as of June 30, 2018 amounts to \$157,000 (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 9.4%.

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 increased for Business-Type Activities.
- 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.

**Table 5  
Capital Assets (Net of Depreciation)**

	Governmental Activities (in Thousands)		Business-Type Activities (in Thousands)		Total (in Thousands)	
	2018	2017	2018	2017	2018	2017
	Land	\$ 2,840	\$ 2,740	\$ 421	\$ 421	\$ 3,261
Structures and Improvements	46,595	44,849	46	47	46,641	44,896
Equipment	14,715	15,644	1,585	1,809	16,300	17,453
Infrastructure	60,433	80,379	23,275	16,548	83,708	96,927
Construction in Progress	4,845	5,023	2,245	5,845	7,090	10,868
Total	<u>\$ 129,428</u>	<u>\$ 148,635</u>	<u>\$ 27,572</u>	<u>\$ 24,670</u>	<u>\$ 157,000</u>	<u>\$ 173,305</u>

**Long-Term Debt**

At June 30, 2018, the County had total long-term debt obligations outstanding of \$64,659 consisting of \$8,354 in Certificates of Participation, capital lease obligations of \$9,304, bonds payable of \$46,865, and notes payable of \$136.

Business activities had total long-term debt obligations of \$3,956 consisting of \$761 of capital lease obligations and \$3,195 of Certificates of Participation.

Additional information on the County's long-term liabilities can be found in the Notes to the Financial Statements section of this report, Note 5 – Long-Term Obligations.

**COUNTY OF BUTTE, CALIFORNIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2018**

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**FISCAL OUTLOOK**

The County adopted its fiscal year 2017-2018 Final Budget in the total amount of \$535,910, with a General Fund overall emergency reserve level of \$8,000. 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 of the State of California. The newly elected administration will need to address its own fiscal problems, including fire safety, the California Department of Water Resources and the continued construction on the Emergency Spillway, the Camp Fire Incident and recovery, and health and human services IHSS.

**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](http://www.buttecounty.net).



**BASIC FINANCIAL STATEMENTS  
GOVERNMENT-WIDE FINANCIAL STATEMENT**

**COUNTY OF BUTTE, CALIFORNIA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2018**

	Primary Government		
	Governmental Activities	Business-Type Activities	Totals
<b>ASSETS</b>			
Current Assets:			
Cash and Investments	\$ 130,850,323	\$ 15,670,626	\$ 146,520,949
Cash and Investments with Fiscal Agent	430,612	-	430,612
Imprest Cash	22,305	2,800	25,105
Interest Receivable	708,772	63,804	772,576
Accounts Receivables, Net	2,355,936	487,518	2,843,454
Due from Other Government Agencies	32,334,687	-	32,334,687
Prepaid Items	607,561	26,105	633,666
Inventories	246,045	-	246,045
Loans Receivable	4,247,426	-	4,247,426
Noncurrent Assets:			
Capital Assets:			
Nondepreciable	7,684,850	2,666,079	10,350,929
Depreciable, Net	121,742,412	24,906,366	146,648,778
<b>Total Assets</b>	<b>301,230,929</b>	<b>43,823,298</b>	<b>345,054,227</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Pension	65,911,870	428,768	66,340,638
Deferred OPEB	23,322	240	23,562
<b>Total Deferred Outflows of Resources</b>	<b>65,935,192</b>	<b>429,008</b>	<b>66,364,200</b>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	9,067,932	666,055	9,733,987
Salaries and Benefits Payable	-	-	-
Due to Other Governments	-	-	-
Deposits Payable	8,680	-	8,680
Unearned Revenue	2,729,000	-	2,729,000
Accrued Interest	195,565	35,650	231,215
Long-Term Liabilities:			
Due within One Year	21,754,619	1,444,389	23,199,008
Due in More than One Year	68,549,134	10,273,035	78,822,169
OPEB	64,654,103	666,268	65,320,371
Net Pension Liability	230,863,224	1,543,488	232,406,712
<b>Total liabilities</b>	<b>397,822,257</b>	<b>14,628,885</b>	<b>412,451,142</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Pension	8,622,935	62,348	8,685,283
Deferred OPEB	4,730,337	48,747	4,779,084
<b>Total Deferred Inflows of Resources</b>	<b>13,353,272</b>	<b>111,095</b>	<b>13,464,367</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	111,632,904	23,616,009	135,248,913
Restricted for:			
Health and Sanitation	34,280,679	-	34,280,679
Public Safety	28,994,649	-	28,994,649
Public Ways and Facilities	4,021,297	-	4,021,297
Social Services	6,721,814	-	6,721,814
Debt Service	13,608,485	-	13,608,485
Capital Projects	6,643,628	-	6,643,628
Other Government Programs	29,148,512	-	29,148,512
Unrestricted	(279,061,376)	5,896,317	(273,165,059)
<b>Total Net Position</b>	<b>\$ (44,009,408)</b>	<b>\$ 29,512,326</b>	<b>\$ (14,497,082)</b>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF BUTTE, CALIFORNIA  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2018**

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business- Type Activities	Total
<b>PRIMARY GOVERNMENT</b>							
Governmental Activities:							
General Government	\$ 34,695,913	\$ 19,375,841	\$ 21,723,905	\$ -	\$ 6,403,833	\$ -	\$ 6,403,833
Public Safety	129,534,878	11,677,921	31,611,222	-	(86,245,735)	-	(86,245,735)
Public Ways and Facilities	39,025,897	3,878,290	9,659,516	4,593,476	(20,894,615)	-	(20,894,615)
Health and Sanitation	88,135,027	6,480,191	77,408,609	-	(4,246,227)	-	(4,246,227)
Public Assistance	131,541,506	391,865	131,317,452	-	167,811	-	167,811
Education	3,788,074	76,665	80,713	-	(3,630,696)	-	(3,630,696)
Recreation and Cultural Services	349,295	62,476	1,053	-	(285,766)	-	(285,766)
Debt Service:							
Interest on Long-Term Debt	2,356,586	-	-	-	(2,356,586)	-	(2,356,586)
Total Governmental Activities	429,427,176	41,943,249	271,802,470	4,593,476	(111,087,981)	-	(111,087,981)
Business-Type Activities:							
Sanitation	6,940,598	8,364,653	99,386	-	-	1,523,441	1,523,441
Total Primary Government	<u>\$ 436,367,774</u>	<u>\$ 50,307,902</u>	<u>\$ 271,901,856</u>	<u>\$ 4,593,476</u>	<u>(111,087,981)</u>	<u>1,523,441</u>	<u>(109,564,540)</u>
General Revenues:							
Taxes:							
Property Taxes					63,166,249	-	63,166,249
Sales and Use Taxes					5,498,556	-	5,498,556
Other Taxes and Related Revenues					598,373	-	598,373
Unrestricted Interest and Investment Earnings					4,886,590	85,816	4,972,406
Miscellaneous					3,836,818	273,389	4,110,207
Transfers					27,743	(27,743)	-
Total General Revenues and Transfers					<u>78,014,329</u>	<u>331,462</u>	<u>78,345,791</u>
<b>CHANGE IN NET POSITION</b>					(33,073,652)	1,854,903	(31,218,749)
Net Position - Beginning, Restated					(10,935,756)	27,657,423	16,721,667
<b>NET POSITION - ENDING</b>					<u>\$ (44,009,408)</u>	<u>\$ 29,512,326</u>	<u>\$ (14,497,082)</u>

See accompanying Notes to Basic Financial Statements.

**BASIC FINANCIAL STATEMENTS  
FUND FINANCIAL STATEMENT**



Butte County

• CALIFORNIA •

**COUNTY OF BUTTE, CALIFORNIA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2018**

	General Fund	Social Services	Behavioral Health Fund	Road Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and Investments	\$ 43,931,683	\$ 170,121	\$ 10,107,795	\$ 2,750,779	\$ 61,175,288	\$ 118,135,666
Restricted Assets:						
Cash with Fiscal Agent	32,841	-	-	-	341,118	373,959
Imprest Cash	18,605	-	1,000	50	2,650	22,305
Due from Other Funds	193,024	-	-	521,131	124,700	838,855
Interest Receivable	356,468	14,061	44,210	9,994	233,163	657,896
Accounts Receivable	1,367,800	858,981	92,496	5,211	31,448	2,355,936
Due from Other Governments	6,415,844	8,917,282	14,278,217	1,330,023	1,379,776	32,321,142
Prepaid Items	607,561	-	-	-	-	607,561
Inventory	-	-	-	246,045	-	246,045
Long-Term Receivables	-	-	-	-	4,247,426	4,247,426
	<u>\$ 52,923,826</u>	<u>\$ 9,960,445</u>	<u>\$ 24,523,718</u>	<u>\$ 4,863,233</u>	<u>\$ 67,535,569</u>	<u>\$ 159,806,791</u>
<b>LIABILITIES</b>						
Liabilities:						
Accounts Payable	\$ 2,685,134	\$ 59,907	\$ 3,448,216	\$ 1,384,467	\$ 1,114,485	\$ 8,692,209
Accrued Payroll	-	-	-	-	-	-
Due to Other Funds	229,092	-	-	-	705,104	934,196
Unearned Revenue	868,399	1,845,856	-	13,904	841	2,729,000
Deposits Payable	8,680	-	-	-	-	8,680
Total Liabilities	<u>3,791,305</u>	<u>1,905,763</u>	<u>3,448,216</u>	<u>1,398,371</u>	<u>1,820,430</u>	<u>12,364,085</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable Revenue	348,909	13,827	3,111,652	27,820	5,765	3,507,973
Total Deferred Inflows of Resources	<u>348,909</u>	<u>13,827</u>	<u>3,111,652</u>	<u>27,820</u>	<u>5,765</u>	<u>3,507,973</u>
<b>FUND BALANCES</b>						
Nonspendable	726,166	-	1,000	246,095	2,650	975,911
Restricted	27,452,833	8,040,855	17,962,850	3,190,947	65,706,724	122,354,209
Committed	8,000,000	-	-	-	-	8,000,000
Assigned	24,978	-	-	-	-	24,978
Unassigned	12,579,635	-	-	-	-	12,579,635
Total Fund Balances	<u>48,783,612</u>	<u>8,040,855</u>	<u>17,963,850</u>	<u>3,437,042</u>	<u>65,709,374</u>	<u>143,934,733</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 52,923,826</u>	<u>\$ 9,960,445</u>	<u>\$ 24,523,718</u>	<u>\$ 4,863,233</u>	<u>\$ 67,535,569</u>	<u>\$ 159,806,791</u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF BUTTE, CALIFORNIA  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION  
JUNE 30, 2018**

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**Fund Balance - Total Governmental Funds** \$ 143,934,733

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

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

These assets consist of:

Land	\$ 2,840,002	
Construction in Progress	4,844,848	
Infrastructure	592,823,826	
Structures and Improvements	74,827,074	
Equipment	66,478,982	
Less: Accumulated Depreciation	<u>(612,419,687)</u>	
Total Capital Assets		129,395,045

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. 3,507,973

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. (195,565)

Internal service funds are used by the County to charge the cost of insurance and utilities to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position. 3,842,566

Deferred outflows of resources for pension and OPEB in governmental activities are not financial resources and therefore, are not reported in the governmental funds 65,935,192

Deferred inflows of resources for pension and OPEB in governmental activities does not require the use of financial resources and therefore, are not reported in the governmental funds (13,353,272)

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 position.

Certificates of Participation	(8,354,287)	
Bonds Payable	(46,865,000)	
Notes Payable	(135,897)	
Capital Leases	(9,304,174)	
Compensated Absences	(16,899,395)	
Net Pension Liability	(230,863,224)	
Other Post-Employment Benefits	<u>(64,654,103)</u>	
Total Long-Term Liabilities		<u>(377,076,080)</u>

**Net Position of Governmental Activities** \$ (44,009,408)

See accompanying Notes to Basic Financial Statements.

**COUNTY OF BUTTE, CALIFORNIA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2018**

	General Fund	Social Services	Behavioral Health Fund	Road Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Taxes	\$ 68,379,686	\$ -	\$ -	\$ -	\$ 883,492	\$ 69,263,178
Licenses and Permits	3,761,638	33,580	-	94,748	85,089	3,975,055
Fines, Forfeits, and Penalties	5,855,102	8,862	139,299	5,635	258,526	6,267,424
Use of Money and Property	4,393,305	107,718	126,000	35,585	185,354	4,847,962
Aid from Other Governments	45,087,122	130,716,048	64,016,052	13,110,809	26,491,709	279,421,740
Charges for Services	20,288,093	349,423	2,491,495	2,901,115	5,670,644	31,700,770
Other	3,403,389	144,505	38,106	80,225	170,593	3,836,818
Total Revenues	<u>151,168,335</u>	<u>131,360,136</u>	<u>66,810,952</u>	<u>16,228,117</u>	<u>33,745,407</u>	<u>399,312,947</u>
<b>EXPENDITURES</b>						
Current:						
General Government	29,345,291	-	-	-	4,141,259	33,486,550
Public Protection	113,680,585	449,897	-	-	9,200,131	123,330,613
Public Ways and Facilities	-	-	-	17,634,874	1,768,856	19,403,730
Health and Sanitation	-	-	67,081,265	-	17,999,509	85,080,774
Public Assistance	-	127,975,722	-	-	640,962	128,616,684
Education	3,631,215	-	-	-	-	3,631,215
Recreation and Cultural Services	3,487	-	-	-	150,691	154,178
Debt Service:						
Principal	8,266	-	-	-	2,118,186	2,126,452
Interest	969	-	-	-	2,459,393	2,460,362
Total Expenditures	<u>146,669,813</u>	<u>128,425,619</u>	<u>67,081,265</u>	<u>17,634,874</u>	<u>38,478,987</u>	<u>398,290,558</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>4,498,522</u>	<u>2,934,517</u>	<u>(270,313)</u>	<u>(1,406,757)</u>	<u>(4,733,580)</u>	<u>1,022,389</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Capital Leases	-	-	-	-	2,658,000	2,658,000
Transfers in	868,790	223,820	570,208	1,710,993	10,990,036	14,363,847
Transfers out	(7,523,886)	(1,328,195)	(762,347)	(156,902)	(4,320,106)	(14,091,436)
Total Other Financing Sources (Uses)	<u>(6,655,096)</u>	<u>(1,104,375)</u>	<u>(192,139)</u>	<u>1,554,091</u>	<u>9,327,930</u>	<u>2,930,411</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(2,156,574)</u>	<u>1,830,142</u>	<u>(462,452)</u>	<u>147,334</u>	<u>4,594,350</u>	<u>3,952,800</u>
Fund Balance - Beginning	<u>50,940,186</u>	<u>6,210,713</u>	<u>18,426,302</u>	<u>3,289,708</u>	<u>61,115,024</u>	<u>139,981,933</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 48,783,612</u>	<u>\$ 8,040,855</u>	<u>\$ 17,963,850</u>	<u>\$ 3,437,042</u>	<u>\$ 65,709,374</u>	<u>\$ 143,934,733</u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF BUTTE, CALIFORNIA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE  
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2018**

**Net Change to Fund Balance - Total Governmental Funds** \$ 3,952,800

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

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the fund statements. (3,025,794)

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense.

Capital Outlay Expenditures	\$ 6,620,123	
Depreciation Expense Not Reported in Governmental Funds	(25,748,002)	
Capital Assets Acquired Under Capital Leases	-	
Capital Asset Retirements and Other Capital Asset Adjustments	<u>(108,418)</u>	(19,236,297)

Debt proceeds provide current financial resources to governmental funds; however, issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditures in the governmental funds, but in the statement of net position the repayment reduces long-term liabilities.

Principal Payments on Long-term Debt	2,126,453	
Capital Lease	<u>(2,658,000)</u>	(531,547)

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.

Interest Payable	103,775	
OPEB and Related Deferred Inflows/Outflows of Resources	19,972	
Net pension Liability and Related Deferred Inflows/Outflows of Resources	(14,427,599)	
Compensated Absences	<u>(661,503)</u>	(14,965,355)

Internal service funds are used by the County to charge the costs of insurance and utilities to individual funds. The net revenue/expense of internal service funds is reported with governmental activities. 732,541

**Change in Net Position of Governmental Activities** \$ (33,073,652)

**COUNTY OF BUTTE, CALIFORNIA  
STATEMENT OF NET POSITION  
PROPRIETARY FUND  
JUNE 30, 2018**

	Business-Type Activities	Governmental Activities
	Neal Road Landfill	Internal Service Funds
<b>ASSETS</b>		
Current Assets:		
Cash and Investments	\$ 15,670,626	\$ 12,714,657
Cash with Fiscal Agent	-	56,653
Imprest Cash	2,800	-
Accounts Receivable	487,518	-
Interest Receivable	63,804	50,876
Due from Other Governments	-	13,545
Prepaid Items	26,105	-
Total Current Assets	16,250,853	12,835,731
Noncurrent Assets:		
Capital Assets:		
Nondepreciable:		
Land	420,932	-
Construction in Progress	2,245,147	-
Depreciable:		
Structures and Improvements	27,064,763	-
Equipment	5,002,675	75,011
Accumulated Depreciation	(7,161,072)	(42,794)
Total Noncurrent Assets	27,572,445	32,217
Total Assets	43,823,298	12,867,948
Deferred Outflows of Resources - Pension	428,768	-
Deferred Outflows of Resources - OPEB	240	-
Total Deferred Outflows	429,008	-

See accompanying Notes to Basic Financial Statements.

**COUNTY OF BUTTE, CALIFORNIA**  
**STATEMENT OF NET POSITION (CONTINUED)**  
**PROPRIETARY FUND**  
**JUNE 30, 2018**

	Business-Type Activities	Governmental Activities
	Neal Road Landfill	Internal Service Funds
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	666,055	280,382
Accrued Salaries and Benefits	-	-
Interest Payable	35,650	-
Due to Other Funds	-	-
Capital Lease	264,001	-
COP Payable, Current Portion	1,045,000	-
Compensates Absences, Current Portion	135,388	-
Claims and Judgments, Current Portion	-	2,600,000
Loans Payable, Current Portion	-	-
Total Current Liabilities	<u>2,146,094</u>	<u>2,880,382</u>
Noncurrent Liabilities:		
Capital Lease Payable	497,435	-
COP Payable, Less Current Portion	2,150,000	-
Claims and Judgments	-	6,145,000
Compensates Absences, Less Current Portion	-	-
Loans Payable, Less Current Portion	-	-
Net OPEB Liability	666,268	-
Net Pension Liability	1,543,488	-
Landfill Closure/Postclosure Care Costs	7,625,600	-
Total Noncurrent Liabilities	<u>12,482,791</u>	<u>6,145,000</u>
Total Liabilities	<u>14,628,885</u>	<u>9,025,382</u>
Deferred Inflows of Resources - Pension	62,348	-
Deferred Inflows of Resources - OPEB	48,747	-
Total Deferred Inflows of Resources	<u>111,095</u>	<u>-</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	23,616,009	32,217
Unrestricted	5,896,317	3,810,349
Total Net Position	<u>\$ 29,512,326</u>	<u>\$ 3,842,566</u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF BUTTE, CALIFORNIA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUND**  
**YEAR ENDED JUNE 30, 2018**

	Business-Type Activities	Governmental Activities
	Neal Road Landfill	Internal Service Funds
<b>OPERATING REVENUES</b>		
Charges for Services	\$ 8,364,653	\$ 9,866,486
Miscellaneous	273,389	-
Total Operating Revenues	<u>8,638,042</u>	<u>9,866,486</u>
<b>OPERATING EXPENSES</b>		
Salaries and Employee Benefits	1,230,688	320,474
Services and Supplies	4,445,979	4,498,242
Premiums, Claims, and Judgments	-	4,108,181
Depreciation and Amortization	732,088	1,008
Landfill Closure/Postclosure Care Costs	450,244	-
Total Operating Expenses	<u>6,858,999</u>	<u>8,927,905</u>
<b>OPERATING INCOME (LOSS)</b>	<u>1,779,043</u>	<u>938,581</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Intergovernmental	99,386	-
Interest Income	85,816	38,628
Interest Expense	(81,599)	-
Gain (Loss) on Sale of Capital Assets	-	-
Total Nonoperating Revenues (Expenses)	<u>103,603</u>	<u>38,628</u>
<b>NET INCOME BEFORE TRANSFERS</b>	1,882,646	977,209
Transfers in	177,168	38,570
Transfers out	<u>(204,911)</u>	<u>(283,238)</u>
<b>CHANGE IN NET POSITION</b>	1,854,903	732,541
Net Position - Beginning of Year, Restated	<u>27,657,423</u>	<u>3,110,025</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 29,512,326</u>	<u>\$ 3,842,566</u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF BUTTE, CALIFORNIA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
YEAR ENDED JUNE 30, 2018**

	Business-Type Activities	Governmental Activities
	Landfill	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVATES</b>		
Cash Received from Customers	\$ 8,809,136	\$ 9,852,941
Cash Paid to Suppliers for Goods and Services	(6,051,197)	(8,511,979)
Cash Paid to Employees for Services	(1,419,061)	(320,474)
Net Cash Provided (Used) by Operating Activities	1,338,878	1,020,488
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Grant Proceeds Not Restricted for Capital Purposes	99,386	-
Payments from Other County Funds	177,168	38,570
Payments to Other County Funds	(204,911)	(284,595)
Net Cash Provided (Used) by Noncapital Financing Activities	71,643	(246,025)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Payments Related to the Acquisition of Capital Assets	(3,634,052)	(29,549)
Principal Payment on Long-Term Debt	(1,400,603)	-
Interest Paid	(83,718)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(5,118,373)	(29,549)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest Received	74,390	19,790
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		
	(3,633,462)	764,704
Cash and Cash Equivalents - Beginning	19,306,888	12,006,606
<b>CASH AND CASH EQUIVALENTS - ENDING</b>		
	\$ 15,673,426	\$ 12,771,310
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION</b>		
Cash and Investments	\$ 15,670,626	\$ 12,714,657
Cash with Fiscal Agent	-	56,653
Imprest Cash	2,800	-
Total	\$ 15,673,426	\$ 12,771,310

See accompanying Notes to Basic Financial Statements.

**COUNTY OF BUTTE, CALIFORNIA  
STATEMENT OF CASH FLOWS (CONTINUED)  
PROPRIETARY FUND  
YEAR ENDED JUNE 30, 2018**

	Business-Type Activities	Governmental Activities
	Landfill	Internal Service Funds
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating Income (Loss)	\$ 1,779,043	\$ 938,581
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation	732,088	1,008
Changes in Assets and Liabilities:		
(Increase) Decrease in:		
Accounts Receivable	171,094	(13,545)
Prepaid Expenses and Other Assets	263	-
Increase (Decrease) in:		
Accounts Payable	(1,605,480)	145,444
Accrued Salaries	(57,058)	-
Compensated Absences	(58,496)	-
Claims and Judgements	-	(51,000)
Net Pension Liability and Related Deferrals	(72,614)	-
Net OPEB Liability and Related Deferrals	(205)	-
Landfill Closure/Post-Closure Cost	450,243	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,338,878</u>	<u>\$ 1,020,488</u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF BUTTE, CALIFORNIA  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2018**

	Investment Trust	Agency Funds
<b>ASSETS</b>		
Cash and investments	\$ 353,885,054	\$ 25,260,124
Interest Receivable	1,121,637	223,928
Due from Other Funds	-	95,341
Property Tax Receivable	-	10,585,742
Total Assets	355,006,691	36,165,135
<b>LIABILITIES</b>		
Due to Other Funds	-	-
Agency Funds Held for Others	-	36,165,135
Total Liabilities	-	\$ 36,165,135
<b>NET ASSETS</b>		
Held in Trust for Pool Participants	355,006,691	
Total Net Position	355,006,691	
Total Liabilities and Net Position	\$ 355,006,691	

See accompanying Notes to Basic Financial Statements.

**COUNTY OF BUTTE, CALIFORNIA  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
INVESTMENT TRUST FUNDS  
YEAR ENDED JUNE 30, 2018**

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**Additions:**

Contributions to Investment Pool	\$ 1,435,587,600
Interest and Investment Income	<u>228,392</u>
Total Additions	<u>1,435,815,992</u>

**Deductions:**

Distributions from Investment Pool	<u>1,415,289,113</u>
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**CHANGE IN NET POSITION** 20,526,879

Net Position - Beginning 334,479,812

**NET POSITION - ENDING** \$ 355,006,691



Butte County

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**BASIC FINANCIAL STATEMENTS  
NOTES TO BASIC FINANCIAL STATEMENTS**

**COUNTY OF BUTTE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. The Financial Reporting Entity**

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

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*.

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. Financial accountability is primarily demonstrated by the County's Board acting as, or appointing, the governing board for each of the component units and its ability to impose its will. Because of their relationship with the County and the nature of their operations, component units are, in substance, part of the County's operations and, accordingly, the activities of these component units are combined, or blended with the activities of the County for purposes of reporting in the accompanying basic financial statements. Each blended component unit has a June 30, 2018 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.

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. The following County Service Areas and Permanent Road Divisions are blended and included in the reporting entity because the component unit's board is the same as the board of the County and 2) County management has operational responsibility for the agency.

**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

**COUNTY OF BUTTE, CALIFORNIA  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2018**

CSA #75 North Park  
 CSA #85 Carriage Manor  
 CSA #103 Morris Subdivision

CSA #78 Woodside  
 CSA #92 Rosewood Subdivision  
 CSA #161 Mullberry Street

**CSA – Sewer**

CSA #21 Oakridge  
 CSA #69 Lindo Gardens  
 CSA #71 Joshua Tree #2

**CSA – Lighting and Maintenance**

CSA #68 Crestwood  
 CSA #82 Stirling City  
 CSA #141 Mountain Oaks Subdivision

**CSA – Drainage and 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

**COUNTY OF BUTTE, CALIFORNIA  
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**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.

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 and 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  
Kimshew 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

**COUNTY OF BUTTE, CALIFORNIA**  
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Excluded from the Reporting Entity (Continued)

**Other Districts**

Butte County Association of Governments	Buzztail Community Services
Butte County Resource Conservation	Children's and Families Commission
Butte County Office of Education	Reclamation District #833
Representing County School Districts	Rock Creek Reclamation District
Butte County Fair	Sacramento River Reclamation District

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**

**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 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.

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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 of 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 **Social Services 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.
- 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 planning activities. Revenues consist primarily of the County's share of state highway user taxes and are supplemented by federal funds.

The County reports the following major enterprise 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.

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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.

**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.

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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 positions are available, unrestricted resources are used only after the restricted resources are depleted.

**D. Cash and Cash Equivalents**

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.

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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, 2018 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.

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 expenditures when items are consumed, rather than when purchased. Payments made for services that will benefit future accounting periods are recorded as prepaid items. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased. The inventories and prepaid items recorded in the governmental funds do not reflect current appropriable resources and, thus, an equivalent portion of fund balance is reported as nonspendable.

**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.

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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.

Alternative Method of Distribution of Tax Levies

The County is required to create a tax loss reserve fund (an agency fund) under one of two alternative methods: 1) 1% of the total amount of taxes and assessments levied on the secured roll for the year or 2) 25% of the total delinquent secured taxes and assessments as calculated at the end of the fiscal year. The County is using 3% of the total amount of taxes and assessments levied on the secured roll for the year to establish its tax loss reserve.

**G. Loans Receivable**

Loans receivable relate to the Housing and Community Development Program funded by federal and state monies. Loans receivable are collateralized by deeds of trust. Proceeds from the collection of the loans receivable and resale of assets held for sale are restricted by the terms of the grant and, accordingly, are 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 cost if actual historical cost is not available. Contributed capital assets such as works of art of similar items, and capital assets received in a service arrangement should be reported at acquisition value rather than fair value. 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.

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The estimated useful lives are as follows:

Infrastructure	20 to 50 Years
Land Improvements	20 Years
Buildings and Building Improvements	50 Years
Machinery and 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 outflows/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 reports deferred outflows of resources for both pension and OPEB activities.

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 County has deferred inflows of resources related to unavailable revenues reported under the modified actual basis of accounting in the governmental funds balance sheet and related to pensions and OPEB in its proprietary and government-wide statements. The governmental funds report unavailable revenues from amounts due from the Federal and State, and other sources as appropriate. These amounts are deferred and recognized as revenues in the period 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.

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**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.

**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.

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**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 Balance**

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).
- *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.

**COUNTY OF BUTTE, CALIFORNIA**  
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- *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. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.
- *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.

**NOTE 2 CASH AND INVESTMENTS**

Cash and investments as of June 30, 2018 are classified in the accompanying financial statements as follows:

**Statement of Net Position**

Primary Government:

Cash and Investments	\$ 146,520,949
Cash with Fiscal Agents	430,612
Imprest Cash	25,105

Fiduciary Funds:

Cash and Investments	379,145,178
Total Cash and Investments	<u>\$ 526,121,844</u>

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Cash and investments as of June 30, 2018 consisted of the following:

Cash on Hand	\$ 88,427
Deposits with Financial Institutions	13,656,438
Investments	536,649,672
Outstanding Warrants	(24,272,693)
Total Cash and Investments	\$ 526,121,844

**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.

**COUNTY OF BUTTE, CALIFORNIA  
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**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

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**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	Total Fair Value	Remaining Maturity by Fair Value*				
		Less than One Year	One to Two Years	Two to Three Years	Three to Four Years	Four to Five Years
<b>With Treasurer:</b>						
FAMCA	\$ 14,770,995	\$ -	\$ 9,917,205	\$ -	\$ 4,853,790	\$ -
FFCB	33,954,978	4,947,410	4,954,640	-	14,113,333	9,939,595
FHLB	44,319,782	-	10,000,492	14,740,455	9,613,305	9,965,530
FHLMC	12,899,207	-	-	2,938,068	-	9,961,139
FNMA	14,620,880	-	4,912,765	9,708,115	-	-
IBRD	63,997,803	7,451,310	14,766,280	17,463,510	14,604,488	9,712,215
Tenn Valley Authority	4,995,100	4,995,100	-	-	-	-
Municipal Bonds	43,179,940	7,979,830	15,420,525	12,612,030	5,092,115	2,075,440
U.S. Treasury Note	77,181,141	24,963,360	8,825,391	9,680,665	9,598,635	24,113,090
Negotiable CD	10,500,000	1,000,000	1,250,000	2,750,000	3,000,000	2,500,000
Cal Trust	4,645	4,645	-	-	-	-
CAMP	50,168,321	50,168,321	-	-	-	-
LAIF	122,736,696	122,736,696	-	-	-	-
Corporate Notes	37,822,683	17,199,468	4,138,231	4,919,440	4,796,135	6,769,409
MMF*	5,066,889	5,066,889	-	-	-	-
Total with Treasurer	<u>536,219,060</u>	<u>246,513,029</u>	<u>74,185,529</u>	<u>74,812,283</u>	<u>65,671,801</u>	<u>75,036,418</u>
<b>With Fiscal Agents:</b>						
Investment under Mgmt of Trustees	341,118	341,118	-	-	-	-
Discovery Benefits**	32,841	32,841	-	-	-	-
York Fiscal Agent	56,653	56,653	-	-	-	-
Total with Fiscal Agents	<u>430,612</u>	<u>430,612</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Investments	<u>\$ 536,649,672</u>	<u>\$ 246,943,641</u>	<u>\$ 74,185,529</u>	<u>\$ 74,812,283</u>	<u>\$ 65,671,801</u>	<u>\$ 75,036,418</u>

**COUNTY OF BUTTE, CALIFORNIA  
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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 S&P \ Moody's										
			AAA/Aaa	AAA/Aa1	AA+/Aaa	NR/Aaa	AA+ AA-/A1	AA+/NR	AA+ AA-/Aa1	AA /Aa2	AA-/Aa3	Not Rated	
<b>With Treasurer:</b>													
FAMCA	\$ 14,770,995	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,770,995
FFCB	33,954,978	N/A	-	-	33,954,978	-	-	-	-	-	-	-	-
FHLB	44,319,782	N/A	-	-	44,319,782	-	-	-	-	-	-	-	-
FHLMC	12,899,207	N/A	-	-	9,961,139	-	-	2,938,068	-	-	-	-	-
FNMA	14,620,880	N/A	-	-	14,620,880	-	-	-	-	-	-	-	-
IBRD	63,997,803	N/A	36,735,153	-	-	14,568,565	-	-	-	-	-	-	12,694,085
Tenn Valley Authority	4,995,100	N/A	-	-	4,995,100	-	-	-	-	-	-	-	-
Municipal Bonds	43,179,940	N/A	10,103,835	4,983,850	-	-	-	-	2,548,515	9,818,600	15,725,140	-	-
U.S. Treasury Note	77,181,141	N/A	-	-	77,181,141	-	-	-	-	-	-	-	-
Negotiable CD	10,500,000	N/A	-	-	-	-	-	-	-	-	-	-	10,500,000
Cal Trust	4,645	N/A	-	-	-	-	-	-	-	-	-	-	4,645
CAMP	50,168,321	N/A	-	-	-	-	-	-	-	-	-	-	50,168,321
LAIF	122,736,696	N/A	-	-	-	-	-	-	-	-	-	-	122,736,696
Corporate Notes	37,822,683	A	12,253,900	-	3,141,534	-	6,345,754	-	4,138,231	1,956,004	9,987,260	-	-
MMF	5,066,889	A	-	-	-	-	-	-	-	-	-	-	5,066,889
Money Market	341,118	A	-	-	341,118	-	-	-	-	-	-	-	-
Business Checking	-	N/A	-	-	-	-	-	-	-	-	-	-	-
Discovery Benefits	32,841	N/A	-	-	-	-	-	-	-	-	-	-	32,841
Cash	56,653	N/A	-	-	-	-	-	-	-	-	-	-	56,653
LAIF	-	N/A	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>\$ 536,649,672</b>		<b>\$ 59,092,888</b>	<b>\$ 4,983,850</b>	<b>\$ 188,515,672</b>	<b>\$ 14,568,565</b>	<b>\$ 6,345,754</b>	<b>\$ 2,938,068</b>	<b>\$ 6,686,746</b>	<b>\$ 11,774,604</b>	<b>\$ 25,712,400</b>	<b>\$ 216,031,125</b>	

**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:

Issuer	Investment Type	Reported Amount
International Bank Recon & Develop	Federal Agency Securities	\$ 63,997,803
Federal Farm Credit Bank	Federal Agency Securities	33,954,978
Federal Home Loan Bank	Federal Agency Securities	44,319,782

**COUNTY OF BUTTE, CALIFORNIA**  
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**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's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

**Investment Trust of California Joint Powers Authority Pool**

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

**COUNTY OF BUTTE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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**Fair Value Measurements**

GASB Statement 72, *Fair Value Measurements and Application*, sets for the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under GASB 72 are described as follows:

*Level 1* – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the County has the ability to access.

*Level 2* – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

*Level 3* – Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Unobservable inputs reflect the County's own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the County's own data.

The asset's level within the hierarchy is based on the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The determination of what constitutes observable requires judgment by the County's management. County management considers observable data to be that market data which is readily available, regularly distributed or updated, reliable, and verifiable not proprietary, and provided by multiple independent sources that are actively involved in the relevant market.

The categorization of an investment within the hierarchy is based upon the relative observability of the inputs to its fair value measurement and does not necessarily correspond to County management's perceived risk of that investment.

**COUNTY OF BUTTE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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**Fair Value Measurements (Continued)**

The following is a description of the valuation methods and assumptions used by the County to estimate the fair value of its investments. There have been no changes in the methods and assumptions used for the previous year-end. The methods described may produce a fair value calculation that may not be indicative of the realizable value or reflective of future fair values. County management believes its valuation methods are appropriate and consistent with other market participants. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

When available, quoted prices are used to determine fair value. When quoted prices in active markets are available, investments are classified within Level 1 of the fair value hierarchy. The County's Level 1 investments primarily consist of investments in corporate debt securities, and mutual funds. When quoted prices in active markets are not available, fair values are based on evaluated prices received from the County's custodian of investments.

For the large portion of the County's portfolio, the County's custodians generally use a multi-dimensional relational model. Inputs to their pricing models are based on observable markets inputs in active markets. The inputs to the pricing models are typically benchmark yields, reported trades, broker-dealer quotes, issuer spreads, and benchmark securities, among others. The County owns no Level 3 investments

**COUNTY OF BUTTE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

	June 30, 2018	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Investments by Fair Value Level:</b>				
Debt Securities:				
FAMCA	\$ 14,770,995	\$ -	\$ 14,770,995	\$ -
FFCB	33,954,978	-	33,954,978	-
FHLB	44,319,782	-	44,319,782	-
FHLMC	12,899,207	-	12,899,207	-
FNMA	14,620,880	-	14,620,880	-
Supranationals	63,997,803	-	63,997,803	-
Tennessee Valley Authority	4,995,100	-	4,995,100	-
Municipal Bonds	43,179,941	-	43,179,941	-
U.S. Treasury Notes	77,181,140	77,181,140	-	-
Negotiable CD	10,500,000	-	10,500,000	-
Cal Trust	4,645	-	4,645	-
Corporate Notes	37,822,683	-	37,822,683	-
MMF	5,066,889	-	5,066,889	-
Business Checking	397,771	-	397,771	-
Discovery Benefits	32,841	-	32,841	-
Total Investments by Fair Value Level	\$ 363,744,655	\$ 77,181,140	\$ 286,563,515	\$ -
<b>Investments Measured at Amortized Costs:</b>				
CAMP	50,168,321			
LAIF	122,736,696			
Total Investments Measured at Fair Value	\$ 536,649,672			

**COUNTY OF BUTTE, CALIFORNIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018**

**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, 2018:

Statement of Net Position:

Net Position Held for Pool Participants	<u>\$ 525,666,127</u>
Equity of Internal Pool Participants	\$ 146,520,949
Equity of External Pool Participants (Voluntary and Involuntary)	<u>379,145,178</u>
Total Equity	<u>\$ 525,666,127</u>

Statement of Changes in Net Position:

Net Position Held for Pool Participants at July 1, 2017	\$ 505,372,745
Net Change in Investments by Pool Participants	<u>20,293,382</u>
Net Position Held for Pool Participants at June 30, 2018	<u>\$ 525,666,127</u>

**NOTE 3 INTERFUND TRANSACTIONS**

**Interfund Receivables/Payables**

The interfund balances as of June 30, 2018 are as follows:

**Balances due to/from other funds:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 193,024
Road Fund	General Fund	104,392
Road Fund	Nonmajor Governmental Funds	416,739
Nonmajor Governmental Funds	General Fund	124,700
Agency Funds	Nonmajor Governmental Funds	<u>95,341</u>
Total		<u>\$ 934,196</u>

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

**COUNTY OF BUTTE, CALIFORNIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**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>
General Fund	Behavioral Health Fund	\$ 570,208
	Social Services Fund	223,820
	Nonmajor Governmental Funds	<u>6,729,858</u>
	Subtotal	<u>7,523,886</u>
Behavioral Health Fund	Nonmajor Governmental Funds	<u>762,347</u>
	Subtotal	<u>762,347</u>
Road Fund	Nonmajor Governmental Funds	<u>156,902</u>
	Subtotal	<u>156,902</u>
Social Services Fund	General Fund	46,890
	Nonmajor Governmental Funds	<u>1,281,305</u>
	Subtotal	<u>1,328,195</u>
Enterprise Funds	Nonmajor Governmental Funds	<u>204,911</u>
	Subtotal	<u>204,911</u>
Internal Service Funds	Nonmajor Governmental Funds	<u>283,238</u>
	Subtotal	<u>283,238</u>
Nonmajor Funds	General Fund	821,900
	Road Fund	1,710,993
	Internal Service Funds	38,570
	Enterprise Funds	177,168
	Nonmajor Governmental Funds	<u>1,571,475</u>
	Subtotal	<u>4,320,106</u>
	Total Transfers	<u>\$ 14,579,585</u>

**COUNTY OF BUTTE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 4 CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2018 was as follows:

	Beginning Balance	Additions	Retirements	Transfers and Adjustments	Ending Balance
<b>Governmental Activities</b>					
Capital Assets, Not Being Depreciated:					
Land	\$ 2,740,002	\$ 100,000	\$ -	\$ -	\$ 2,840,002
Construction in Progress	5,022,991	4,042,651	-	(4,220,794)	4,844,848
Total Capital Assets, Not Being Depreciated	<u>7,762,993</u>	<u>4,142,651</u>	<u>-</u>	<u>(4,220,794)</u>	<u>7,684,850</u>
Capital Assets, Being Depreciated:					
Infrastructure	593,076,871	150,000	(403,045)	-	592,823,826
Structures and Improvements	71,489,967	-	(91,226)	3,428,333	74,827,074
Equipment	64,538,981	2,355,672	(1,133,121)	792,461	66,553,993
Total Capital Assets, Being Depreciated	<u>729,105,819</u>	<u>2,505,672</u>	<u>(1,627,392)</u>	<u>4,220,794</u>	<u>734,204,893</u>
Accumulated Depreciation for:					
Infrastructure	(512,697,386)	(20,096,457)	403,045	-	(532,390,798)
Structures and Improvements	(26,641,018)	(1,627,372)	36,110	-	(28,232,280)
Equipment	(48,895,390)	(4,025,182)	1,079,819	1,350	(51,839,403)
Total Accumulated Depreciation	<u>(588,233,794)</u>	<u>(25,749,011)</u>	<u>1,518,974</u>	<u>1,350</u>	<u>(612,462,481)</u>
Total Capital Assets, Being Depreciated, Net	<u>140,872,025</u>	<u>(23,243,339)</u>	<u>(108,418)</u>	<u>4,222,144</u>	<u>121,742,412</u>
Governmental Activities Capital Assets, Net	<u>\$ 148,635,018</u>	<u>\$ (19,100,688)</u>	<u>\$ (108,418)</u>	<u>\$ 1,350</u>	<u>\$ 129,427,262</u>
<b>Business-Type Activities</b>					
Capital Assets, Not Being Depreciated:					
Land	\$ 420,932	\$ -	\$ -	\$ -	\$ 420,932
Construction in Progress	5,845,376	3,592,686	-	(7,192,915)	2,245,147
Total Capital Assets, Not Being Depreciated	<u>6,266,308</u>	<u>3,592,686</u>	<u>-</u>	<u>(7,192,915)</u>	<u>2,666,079</u>
Capital Assets, Being Depreciated:					
Infrastructure	19,771,159	-	-	7,192,915	26,964,074
Structures and Improvements	100,690	-	-	-	100,690
Equipment	5,467,739	38,916	(503,981)	-	5,002,674
Total Capital Assets, Being Depreciated	<u>25,339,588</u>	<u>38,916</u>	<u>(503,981)</u>	<u>7,192,915</u>	<u>32,067,438</u>
Accumulated Depreciation for:					
Infrastructure	(3,222,682)	(466,188)	-	-	(3,688,870)
Structures and Improvements	(54,357)	-	-	-	(54,357)
Equipment	(3,658,376)	(265,900)	506,431	-	(3,417,845)
Total Accumulated Depreciation	<u>(6,935,415)</u>	<u>(732,088)</u>	<u>506,431</u>	<u>-</u>	<u>(7,161,072)</u>
Total Capital Assets, Being Depreciated, Net	<u>18,404,173</u>	<u>(693,172)</u>	<u>2,450</u>	<u>7,192,915</u>	<u>24,906,366</u>
Business-Type Activities Capital Assets, Net	<u>\$ 24,670,481</u>	<u>\$ 2,899,514</u>	<u>\$ 2,450</u>	<u>\$ -</u>	<u>\$ 27,572,445</u>

**COUNTY OF BUTTE, CALIFORNIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018**

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Depreciation expense was allocated to functions as follows:

**Governmental Activities:**

General Government	\$ 2,079,192
Public Protection	2,932,020
Public Ways	19,645,743
Health and Sanitation	596,894
Public Assistance	220,780
Education	82,605
Recreation and Cultural Services	190,769
Capital Assets Held by the Government's Internal Service Funds are Charged to the Various Functions based on their Usage of Assets	<u>1,008</u>
Total Government Activities	<u><u>\$ 25,749,011</u></u>

**Business-Type Activities:**

Landfill	<u><u>\$ 732,088</u></u>
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**COUNTY OF BUTTE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 5 LONG-TERM OBLIGATIONS**

Type of Indebtedness (Purpose)	Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2018
<b>Governmental Activities:</b>					
<b>Pension Obligation Bonds:</b>					
Series A	6/30/1934	5.896%-6.076%	\$370,000-\$3,440,000	\$ 28,020,000	\$ 26,990,000
Series B	6/30/1934	Variable	\$510,000-\$2,105,000	21,875,000	19,875,000
Total Pension Obligation Bonds				<u>49,895,000</u>	<u>46,865,000</u>
<b>Capital Lease Obligations:</b>					
Chico Memorial Hall - 492 Rio Lindo	4/10/20	7.40%	\$22,510-\$61,156	583,400	109,960
Chico Memorial Hall - 554 Rio Lindo	4/10/20	5.20%	\$30,626-\$62,275	670,900	115,465
Ford Motor Credit	2/22/19	5.70%	\$8,266-\$9,235	34,059	8,737
Motorola Solutions, Inc. -Equipment	12/15/26	1.02%	\$684,356-\$749,805	7,166,380	6,482,025
Government Campus Infrastructure	10/1/32	2.99%	\$70,015-\$213,217	2,658,000	2,587,985
Total Capital Lease Obligations				<u>11,112,739</u>	<u>9,304,172</u>
<b>Certificates of Participation:</b>					
Hall of Records COP	7/1/54	3.50%	\$100,000-\$350,000	8,000,000	7,402,954
2010 Bangor Fire Station #55 COP	8/1/50	4.00%	\$12,000-\$50,000	1,100,000	951,333
Total Certificates of Participation				<u>9,100,000</u>	<u>8,354,287</u>
<b>Notes Payable:</b>					
California Energy Commission Solar Project - Phase 1	12/22/18	3.95%	\$63,794-\$263,961	2,777,000	135,899
Total Governmental Activities				<u>\$ 72,884,739</u>	<u>\$ 64,659,358</u>
<b>Business-Type Activities:</b>					
<b>Capital Lease Obligations:</b>					
JP Morgan Chase - Compactor	2/20/01	1.641%	\$96,771-\$103,282	\$ 500,000	\$ 103,281
JP Morgan Chase-Loader & Haul Truck	11/15/21	1.568%	\$158,238-\$168,398	816,393	658,155
Total Capital Lease Obligations				<u>1,316,393</u>	<u>761,436</u>
<b>Certificates of Participation:</b>					
Refunded 2006 COP	9/1/2020	1.790%	\$1,025,000-\$1,085,000	4,220,000	3,195,000
				<u>4,220,000</u>	<u>3,195,000</u>
Total Business-Type Activities				<u>\$ 5,536,393</u>	<u>\$ 3,956,436</u>

Long-term obligations of the County consist of capital lease obligations, bonds, certificates of participation, notes, and other liabilities, which are payable from the General, Debt Service, Capital Projects, Enterprise, and Internal Service Funds. The calculated legal debt limit for the County is \$279,269,170.

**COUNTY OF BUTTE, CALIFORNIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018**

**Summary of Changes in Long-Term Obligations**

	Beginning Balance	Additions	Retirements	Ending Balance	Amounts Due Within One Year
<b>Governmental Activities:</b>					
Pension Obligation Bonds	\$ 47,745,000	\$ -	\$ 880,000	\$ 46,865,000	\$ 1,045,000
Capital Lease Obligations	7,511,666	2,658,000	865,492	9,304,174	954,327
Certificates of Participation	8,471,287	-	117,000	8,354,287	120,000
Claims and Judgments	8,796,000	4,244,555	4,295,555	8,745,000	2,600,000
Compensated Absences	16,237,892	22,382,693	21,721,190	16,899,395	16,899,395
Notes Payable	399,858	-	263,961	135,897	135,897
Total Government Activities	<u>\$ 89,161,703</u>	<u>\$ 29,285,248</u>	<u>\$ 28,143,198</u>	<u>\$ 90,303,753</u>	<u>\$ 21,754,619</u>
<b>Business-Type Activities:</b>					
Capital Lease Obligations	\$ 1,137,039	\$ -	\$ 375,603	\$ 761,436	\$ 264,001
Certificates of Participation	4,220,000	-	1,025,000	3,195,000	1,045,000
Compensated Absences	193,887	161,108	219,607	135,388	135,388
Landfill Closure, Post-Closure Care Costs	7,175,357	450,243	-	7,625,600	-
Total Business-Type Activities	<u>\$ 12,726,283</u>	<u>\$ 611,351</u>	<u>\$ 1,620,210</u>	<u>\$ 11,717,424</u>	<u>\$ 1,444,389</u>

**Capital Leases**

The following is a summary, by year, of future minimum lease payments, together with the present value of the minimum lease payments, as of June 30, 2018:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
2019	\$ 1,111,387	\$ 276,015
2020	1,102,154	171,039
2021	978,723	171,039
2022	978,723	171,039
2023	978,723	-
2024-2028	4,136,160	-
2029-2033	995,715	-
Total Minimum Lease Payments	<u>10,281,585</u>	<u>789,132</u>
Less: Amount Representing Interest	<u>977,413</u>	<u>27,696</u>
Present Value of Minimum Lease Payments	<u>\$ 9,304,172</u>	<u>\$ 761,436</u>

**COUNTY OF BUTTE, CALIFORNIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018**

The following is a schedule of net remaining property leased under capital leases at June 30, 2018:

**Capital Leases**

	<u>Acquisition Value</u>	<u>Accumulated Depreciation</u>	<u>Net Remaining</u>
<b>Governmental Activities:</b>			
Structures and Improvements	\$ 880,019	\$ 202,249	\$ 677,770
Land	374,281	-	374,281
Equipment	7,200,439	1,149,202	6,051,237
Total			<u>\$ 7,103,288</u>
<b>Business-Type Activities:</b>			
Equipment	\$ 2,160,125	\$ 743,253	\$ 1,416,872
Total			<u>\$ 1,416,872</u>

**Operating Leases**

The County is committed under various noncancellable operating leases for office buildings and equipment. The minimum future lease commitments on the real estate leases are as follows:

<u>Year Ending June 30,</u>	<u>Payments</u>
2019	\$ 5,955,448
2020	5,129,518
2021	4,831,229
2022	4,281,514
2023	4,046,908
2024-2028	18,255,438
2029-2033	16,526,736
2034-2038	12,758,499
2039-2043	168,458
Total Commitment	<u>\$ 71,953,748</u>

Rental expense was \$4,485,210 for all funds for the year ended June 30, 2018.

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**Bonds Payable**

At June 30, 2018, 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 6.002% 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 2017/2018, the average rate paid for Series B was .101034%. The next payment of interest for Series A is due December 1, 2017. The interest payments for Series B are 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.

As of June 30, 2018, the estimated (Series B is a variable rate) annual debt service requirements to maturity for the Pension Obligation Bonds are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	1,045,000	2,625,382	3,670,382
2020	1,215,000	2,568,921	3,783,921
2021	1,405,000	2,503,019	3,908,019
2022	1,600,000	2,426,587	4,026,587
2023	1,815,000	2,339,284	4,154,284
2024-2028	12,945,000	9,916,649	22,861,649
2029-2033	21,295,000	5,404,950	26,699,950
2034-2035	5,545,000	314,266	5,859,266
Total	<u>\$ 46,865,000</u>	<u>\$ 28,099,058</u>	<u>\$ 74,964,058</u>

**Notes Payable**

At June 30, 2018, 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 2005, in part, through notes from the California Energy Commission totaling \$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, 2018, annual debt service requirements to maturity are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	135,897	2,691	138,591
Total	<u>\$ 135,897</u>	<u>\$ 2,691</u>	<u>\$ 138,588</u>

**COUNTY OF BUTTE, CALIFORNIA  
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**Certificates of Participation**

Governmental Activities

2010 Bangor Fire Station Certificates of Participation

On August 11, 2010, the County issued \$1,100,000 in Certificates of Participation. The proceeds, 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.

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	15,000	37,753	52,753
2020	16,000	37,133	53,133
2021	17,000	36,473	53,473
2022	17,000	35,793	52,793
2023	18,000	35,093	53,093
2024-2028	101,000	163,886	264,886
2029-2033	125,000	141,366	266,366
2034-2038	150,000	113,866	263,866
2039-2043	182,000	80,786	262,786
2044-2048	222,000	40,546	262,546
2049-2051	88,333	3,304	91,637
Total	<u>\$ 951,333</u>	<u>\$ 725,999</u>	<u>\$ 1,677,332</u>

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**Certificates of Participation (Continued)**

Governmental Activities (Continued)

Hall of Records Certificates of Participation

On July 17, 2014, the County issued \$8,000,000 in Certificates of Participation to the United States Department of Agriculture Rural Development to finance the construction of a Hall of Records. Commencing on July 1, 2015, a principal and interest payment is due on July 1 of each year and an interest only payment is due on January 1 of each year. The interest rate is fixed at 3.5% per annum. The final principal payment is due July 1, 2054.

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	105,000	257,266	362,266
2020	109,000	253,521	362,521
2021	113,000	249,636	362,636
2022	117,000	245,611	362,611
2023	121,000	241,446	362,446
2024-2029	669,000	1,139,679	1,808,679
2030-2034	794,000	1,012,017	1,806,017
2035-2039	944,000	860,292	1,804,292
2040-2044	1,121,000	680,059	1,801,059
2045-2049	1,331,000	465,999	1,796,999
2050-2052	1,581,000	211,759	1,792,759
2052-2055	397,954	8,643	406,597
Total	<u>\$ 7,402,954</u>	<u>\$ 5,625,928</u>	<u>\$ 13,028,882</u>

**Debt Refunding**

Business-Type Activities

In July of 2016, the County entered into a lease financing with Capital One Public Funding for \$4,220,000. The proceeds were used for a current refunding of the 2006 Certificates of Participation (COPs) for Neal Road Recycling and Waste Facility improvements. The refunding was undertaken to reduce total debt service payments by, approximately \$345,000 over four (4) year term and resulted in an economic gain of \$320,675.

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	1,045,000	57,191	1,102,191
2020	1,065,000	38,485	1,103,485
2021	1,085,000	19,422	1,104,422
Total	<u>\$ 3,195,000</u>	<u>\$ 115,098</u>	<u>\$ 3,310,098</u>

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**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 nonrepresented 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 nonrepresented 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%, Social Services 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 operator 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 to or after the date 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 County Neal Road Landfill Joint Technical Document (JTD) was revised in May 2016, resulting in change of available landfill capacity from the original design in 2002. The new calculated capacity for the Landfill is smaller compared with the original design, which resulted in a greater percent of capacity filled. According to the revised JTD document, as of August 31, 2016, with the annual inflation factor, the estimated highest closure costs, highest correction costs and highest post-closure costs are \$12,175,165, \$1,842,113, and \$10,271,138, respectively.

Annually, the Landfill adjusts estimated closure and correction costs due to changes in inflation and capacity. Such changes resulted in an increase to the Landfill closure, correction care and post-closure liability and caused an increase in expense. Based upon new estimated capacity, 30.841% capacity is reported to date as the cumulative usage as of June 30, 2018. The \$7,625,600, reported as landfill closure and corrective action and post-closure liability at June 30, 2018, represents the 30.841% of the estimated closure and corrective action and post-closure costs.

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The County will recognize the remaining estimated closure costs of \$17,100,007 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure, corrective actions and post-closure maintenance in 2018. The County expects to close the landfill in the fiscal year 2031. Actual costs may be higher due to changes resulting from inflation, deflation, technology, or changes in applicable laws or regulations.

In addition, the County Board established a Pledge of Revenue in 2005 to demonstrate financial responsibility for post-closure maintenance of the Neal Road Landfill. The amount of \$348,534 Pledge Revenue per year in 2018 dollars for the thirty years period of post-closure maintenance, representing the most recent post-closure maintenance cost estimate of \$10,456,018.

**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, 2018 does not expect to incur a liability.

**COUNTY OF BUTTE, CALIFORNIA  
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**NOTE 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, 2018 is as follows:

	General	Social Services	Behavioral Health Fund	Road Fund	Other Governmental Funds	Total Governmental Funds
<b>Nonspendable:</b>						
Prepaid Items	\$ 607,561	\$ -	\$ -	\$ -	\$ -	\$ 607,561
Revolving loan	100,000	-	-	-	-	100,000
Imprest Cash Reserve	18,605	-	1,000	50	2,650	22,305
Inventory	-	-	-	246,045	-	246,045
Total Nonspendable	<u>726,166</u>	<u>-</u>	<u>1,000</u>	<u>246,095</u>	<u>2,650</u>	<u>975,911</u>
<b>Restricted:</b>						
Purpose of Fund	-	6,721,814	17,962,850	3,190,947	65,706,724	93,582,335
Clerk Recorder	2,211,165	-	-	-	-	2,211,165
Public Ways and Facilities	320,593	-	-	-	-	320,593
District Attorney	1,161,389	-	-	-	-	1,161,389
Administration	2,341,495	-	-	-	-	2,341,495
Probation	2,026,262	-	-	-	-	2,026,262
Sheriff	2,197,972	-	-	-	-	2,197,972
Fire	2,073,058	-	-	-	-	2,073,058
Library	136,783	-	-	-	-	136,783
2011 Realignment	14,984,116	1,319,041	-	-	-	16,303,157
Total Restricted	<u>27,452,833</u>	<u>8,040,855</u>	<u>17,962,850</u>	<u>3,190,947</u>	<u>65,706,724</u>	<u>122,354,209</u>
<b>Committed:</b>						
General Reserve	<u>8,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,000,000</u>
<b>Assigned:</b>						
Forest Reserve	<u>24,978</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,978</u>
<b>Unassigned Fund Balance</b>	<u>12,579,635</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,579,635</u>
Total Fund Balances	<u>\$ 48,783,612</u>	<u>\$ 8,040,855</u>	<u>\$ 17,963,850</u>	<u>\$ 3,437,042</u>	<u>\$ 65,709,374</u>	<u>\$ 143,934,733</u>

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 revised the General Fund Reserve Policy originally adopted in 2010 on 5/9/2017. 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.

**COUNTY OF BUTTE, CALIFORNIA**  
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General Reserve requirements are classified as follows:

- *Appropriation for Contingencies* – if the combined General Fund Reserve and Appropriation for Contingencies for the upcoming budget year is less than fifteen percent (15%) of the prior year’s actual General Fund operating expenditures, the Board of Supervisors will consider increasing the General Fund Reserve and/or Appropriation for Contingencies during the public hearing on the Recommended Budget in the following circumstances:
  - When projected General Fund tax revenue receipts for the upcoming fiscal year are expected to increase by more than four percent (4%) over the current (closing) fiscal year.
  - When one-time, unanticipated, discretionary revenues exceeding \$500,000 with no offsetting expenditures were received over the current (closing) fiscal year.
  - When the County Auditor-Controller and the Chief Administrative Officer determine additional working capital is needed in the General Fund for cash flow of the County, the Board of Supervisors will consider contributing the calculated amount needed to cover cash flow demands to the General Fund Appropriation for Contingencies.
- *General Fund Reserve* – during the public hearing on the Recommended Budget, in response to a fiscal emergency or as part of a multiyear plan to adjust to revenue losses, the Board of Supervisors may consider reducing the amount set aside in the General Fund Reserve.
- *Excess Fund Balance Available* – when the Fund Balance Available is less than estimated the Auditor-Controller may be directed to reduce the Appropriation for Contingencies.
  - The first priority for Excess General Fund Balance Available at the beginning of each fiscal year, if any, is to increase the General Fund Reserve and/or the General Fund Appropriation for Contingencies to ensure it is maintained within the recommended range of ten to fifteen percent (10-15%) of the prior year’s General Fund operating expenditures.
  - The second priority for Excess General Fund Balance Available at the beginning of each fiscal year, if any, is to dedicate excess fund balance for known and quantified unfunded liabilities or one-time unmet needs, including but not limited to the following:
    - Employee pension plan contributions and pension obligation bond debt service
    - Other postemployment benefits (retiree health)
    - Unmet building or maintenance needs
    - Accrued employee needs
- *Unreserved Fund Balance* – should be maintained to provide adequate working capital and accommodate required adjustments to other reserve accounts, including advances to other funds. Appropriations or use of funds from Unreserved Fund Balances will require approval by the Board of Supervisors.

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- *Other Assignments or Commitments 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 \$122 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	\$ 129,427,262	\$ 27,572,445
Outstanding Principal of Capital-Related Debt	(17,794,358)	(3,956,436)
Net Investment in Capital Assets	\$ 111,632,904	\$ 23,616,009

**NOTE 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 provide 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 nonduty 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.

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Benefits Provided (Continued)

The Plan's provisions and benefits in effect at June 30, 2018 are summarized as follows:

	<u>Miscellaneous</u>	
	<u>Prior to January 1, 2013</u>	<u>On or After January 1, 2013</u>
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%

	<u>Safety</u>	
	<u>Prior to January 1, 2013</u>	<u>On or After January 1, 2013</u>
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	52 - 67
Monthly Benefits, as a % of Eligible Compensation	2.00%	2.00%
Required Employee Contribution Rates	9%	11.00%
Required Employer Contribution Rates	21.621%	21.621%

Employees Covered

	<u>Miscellaneous</u>	<u>Safety</u>
Inactive Employees or Beneficiaries		
Receiving Benefits	1,711	268
Inactive Employees Entitled to but Not Yet		
Receiving Benefits	1,318	153
Active Employees	1,915	299
Total	<u>4,944</u>	<u>720</u>

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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, 2017 (the measurement date), the average active employee contribution rate is 6.757% of the annual pay for the Miscellaneous Plan, and 8.778% of annual pay for the Safety Plan. The employer's contribution rate is 11.652% of the annual payroll for the Miscellaneous Plan, and 19.837% 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, 2017 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, 2016	June 30, 2016
Measurement Date	June 30, 2017	June 30, 2017
Actuarial Cost Method	Entry-Age Normal Cost Method	
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.75%	2.75%
Payroll Growth	3.00%	3.00%
Salary Increases <sup>1</sup>	Varies	Varies
Investment Rate of Return <sup>2</sup>	7.50%	7.50%
Mortality Rate Table <sup>3</sup>	Derived using CalPERS' Membership Data	
Postretirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Applies, 2.75% Thereafter	

**COUNTY OF BUTTE, CALIFORNIA**  
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- 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 includes 20 years of mortality improvement using the Society of Actuaries Scale BB.

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. 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 7.15% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 7.65% 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% 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%. 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.

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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.

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 1-10 <sup>1</sup>	Real Return Years 11+ <sup>2</sup>
Global Equity	47.00 %	4.90 %	5.38 %
Global Fixed Income	19.00	0.80	2.27
Inflation Sensitive	6.00	0.60	1.39
Private Equity	12.00	6.60	6.63
Real Estate	11.00	2.80	5.21
Infrastructure and Forestland	3.00	3.90	5.36
Liquidity	2.00	(0.40)	(0.90)

1 An expected inflation of 2.5% used for the period

2 An expected inflation of 3.0% used for this period

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**C. Changes in Net Pension Liability**

The changes in the net pension liability for each Plan follow:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c)=(a)-(b)
<b>Miscellaneous Plan</b>			
<b>Balance at June 30, 2016 (Valuation Date)<sup>1</sup></b>	<b>\$ 600,922,777</b>	<b>\$ 447,252,150</b>	<b>\$ 153,670,627</b>
Changes Recognized for the Measurement Period:			
Service Cost	15,090,763	-	15,090,763
Interest on Total Pension Liability	44,666,846	-	44,666,846
Change of Assumptions	36,317,713	-	36,317,713
Differences between Expected and Actual Experience	(4,896,622)	-	(4,896,622)
Plan to Plan Resource Movement	-	11,367	(11,367)
Contributions from the Employer	-	14,523,234	(14,523,234)
Contributions from the Employees	-	6,892,067	(6,892,067)
Net Investment Income <sup>2</sup>	-	49,577,107	(49,577,107)
Benefit Payments, including Refunds of Employee Contribution	-	-	-
Administrative Expenses	-	(660,450)	660,450
Change of Allocation	102,238	76,093	26,145
<b>Net Change</b>	<b>60,720,247</b>	<b>39,858,727</b>	<b>20,861,520</b>
<b>Balance at June 30, 2017 (Measurement Date)</b>	<b>\$ 661,643,024</b>	<b>\$ 487,110,877</b>	<b>\$ 174,532,147</b>

**COUNTY OF BUTTE, CALIFORNIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
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<u>Safety Plan</u>	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c)=(a)-(b)
<b>Balance at June 30, 2016</b> <b>(Valuation Date)<sup>1</sup></b>	<u>\$ 174,519,608</u>	<u>\$ 125,908,900</u>	<u>\$ 48,610,708</u>
Changes Recognized for the Measurement Period:			
Service Cost	5,591,795	-	5,591,795
Interest on Total Pension Liability	13,280,416	-	13,280,416
Change of Assumptions	11,868,431	-	11,868,431
Differences between Expected and Actual Experience	143,288	-	143,288
Changes in Assumptions	-	(12,085)	12,085
Contributions from the Employer	-	5,787,085	(5,787,085)
Contributions from the Employees	-	2,035,009	(2,035,009)
Net Investment Income <sup>2</sup>	-	13,995,959	(13,995,959)
Benefit Payments, including Refunds of Employee	-	-	-
Contribution	(7,174,299)	(7,174,299)	-
Administrative Expenses	-	(185,895)	185,895
<b>Net Change</b>	<u>23,709,631</u>	<u>14,445,774</u>	<u>9,263,857</u>
<b>Balance at June 30, 2017</b> <b>(Measurement Date)</b>	<u>\$ 198,229,239</u>	<u>\$ 140,354,674</u>	<u>\$ 57,874,565</u>

**COUNTY OF BUTTE, CALIFORNIA**  
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**JUNE 30, 2018**

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 7.15%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15%) or 1 percentage point higher (8.15%) than the current rate.

	<u>Miscellaneous</u>	<u>Safety</u>
1% Decrease	6.15%	6.15%
Net Pension Liability	\$ 262,178,235	\$ 87,305,356
Current Discount Rate	7.15%	7.15%
Net Pension Liability	\$ 174,532,147	\$ 57,874,565
1% Increase	8.15%	8.15%
Net Pension Liability	\$ 101,867,706	\$ 33,833,551

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, 2018, Butte County recognized pension expense of \$36,185,170. At June 30, 2018, Butte County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Miscellaneous Plan</u>		<u>Safety Plan</u>	
	<u>Deferred Outflows Of Resources</u>	<u>Deferred Inflows Of Resources</u>	<u>Deferred Outflows Of Resources</u>	<u>Deferred Inflows Of Resources</u>
Pension Contributions Subsequent to Measurement Date	\$ 15,660,906	\$ -	\$ 6,189,986	\$ -
Differences Between Actual and Expected Experience	-	4,968,683	356,778	447,120
Changes in Assumptions on Plan Investments	26,229,458	2,081,407	9,343,233	1,188,073
Net Difference Between Projected and Actual Earnings	6,593,187	-	1,967,090	-
Total	<u>\$ 48,483,551</u>	<u>\$ 7,050,090</u>	<u>\$ 17,857,087</u>	<u>\$ 1,635,193</u>

**COUNTY OF BUTTE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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Deferred outflows of resources of \$15,660,906 and \$6,189,986 to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the miscellaneous and safety plans, respectively, in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ending June 30,</u>	<u>Miscellaneous</u>	<u>Safety</u>
2019	\$ 5,166,603	\$ 1,813,324
2020	16,178,979	4,009,067
2021	8,030,136	3,418,298
2022	(3,603,161)	791,219
Total	<u>\$ 25,772,557</u>	<u>\$ 10,031,908</u>

**NOTE 8 OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

**Plan Description**

The County provides health care benefits for retired employees and their beneficiaries through a single-employer plan. The County sponsors healthcare coverage under the California Public Employees Medical and Hospital Care Act (PEMHCA), commonly referred to as PERS Health. PEMHCA provides health insurance through a variety of Health Maintenance Organization (HMO) and Preferred Provider Organization (PPO) options. Participation in PEMHCA is financed in part by the County through a contribution to PEMHCA of \$122.00 per employee per month for 2015. The \$122.00 per month increased by law to \$125.00 on January 1, 2016, and will be changed by CAL-PERS and legislation for years 2017 and thereafter. Delta Dental (Premier and DPO), vision and life insurance are also available.

**Postretirement Coverage**

The County also offers medical, dental and vision coverage (but not life insurance) to its retirees who meet certain requirements per the County's agreement with the employee. The County makes the required statutory PEMHCA contribution as described above. 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 describe below.

**COUNTY OF BUTTE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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Retirees who have completed at least 10 cumulative years of service with the County, have accrued sick leave in excess of certain 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 nonrepresented 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 nonrepresented 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 Teamsters-General, Teamsters-SSW, BCMEA, BCCOA-General, BCCOA-Supervisory, PPOA, PPOA-Mgmt, Supervisor's Administrative Services Assistants, and Miscellaneous and Assistant Probation Officer positions within the "Assistant Department Heads and Nonrepresented" group, the retiree may make an irrevocable election at the time of retirement to receive one of the following benefit options in addition to 12 months of County-paid health insurance:

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

For DSA General, DSA Management, Under Sheriffs, and BCPEA, the retiree will receive 12 months of County-paid retiree-only health coverage. In addition, each one day of accrued sick leave is converted to one month of retiree-only health insurance premiums and credited to an account for the retiree. Premiums of 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.

**COUNTY OF BUTTE, CALIFORNIA  
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JUNE 30, 2018**

**Changes in Eligibility for Sick-Leave Buy-out**

Employees other than nonrepresented 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 nonrepresented 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, 2016 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 2015-16 are also included.

	Blue Shield HMO	Kaiser HMO	PERS Choice PPO	PERS Care PPO	PERS Select PPO	Delta Premier Dental	Delta Dental PPO	Vision
<b><u>Basic Plan</u></b>								
Retiree	\$ 964.91	\$ 755.27	\$ 795.57	\$ 886.15	\$ 727.47	\$ 32.50	\$ 29.90	\$ 14.15
Retiree + 1	1,929.82	1,510.54	1,591.14	1,772.30	1,454.94	70.20	65.10	14.15
Family	2,508.77	1,963.70	2,068.48	2,303.99	1,891.42	104.20	102.30	14.15
<b><u>Medicare Supplemental</u></b>								
Retiree	N/A	\$ 297.23	\$ 366.38	\$ 408.04	\$ 366.38	N/A	N/A	N/A
Retiree + 1	N/A	594.46	732.76	816.08	732.70	N/A	N/A	N/A
Family	N/A	891.69	1,099.14	1,224.12	1,018.41	N/A	N/A	N/A

**Actuarial Assumptions**

The Net OPEB Liability was determined using an actuarial valuation as of June 30, 2017, using the following actuarial assumptions:

Salary increases	3.00%
Investment rate of return	4.50%, net of OPEB plan investment expense
Healthcare Trend Rate	6.00% for 2017, 5.00% thereafter

**Employees Covered by Benefit Terms**

At June 30, 2018, the following employees were covered by the benefit terms:

Active employees	2,155
Inactive employees or beneficiaries	
currently receiving benefits	545
Inactive employees entitled to but not yet receiving benefits	-
Total	2,700

**COUNTY OF BUTTE, CALIFORNIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018**

**Changes in the Net OPEB Liability**

The table below shows the changes in the total OPEB liability, the Plan Fiduciary Net Position, and the net OPEB liability as of June 30, 2018.

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
<b>Balance at June 30, 2017</b> <b>(Valuation Date June 30, 2016)</b>	\$ 72,481,101	\$ 2,385,031	\$ 70,096,070
Changes Recognized for the Measurement Period:			
Service cost	3,705,783	-	3,705,783
Interest	2,658,706	-	2,658,706
Changes of assumptions	(5,503,188)	-	(5,503,188)
Difference between expected and actual experience	-	-	-
Contributions - employer	-	5,536,614	(5,536,614)
Contributions - employee	-	-	-
Net investment income	-	103,079	(103,079)
Benefit payments	(3,574,630)	(3,574,630)	-
Administrative expenses	-	(2,693)	2,693
<b>Net Changes</b>	<b>(2,713,329)</b>	<b>2,062,370</b>	<b>(4,775,699)</b>
<b>Balance at June 30, 2018</b> <b>(Measurement Date June 30, 2017)</b>	<b>\$ 69,767,772</b>	<b>\$ 4,447,401</b>	<b>\$ 65,320,371</b>

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate**

The following presents the net OPEB liability of the County, as well as what the County net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate.

	1% Decrease	Current Rate	1% Increase
	3.50%	4.50%	5.50%
Net OPEB Liability	\$ 72,913,741	\$ 65,320,371	\$ 58,804,668

**COUNTY OF BUTTE, CALIFORNIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018**

The following presents the net OPEB liability of the County, as well as what the County net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates.

	1% Decrease 4.00%	Current Rate 5.00%	1% Increase 6.00%
Net OPEB Liability	\$ 57,161,157	\$ 65,320,371	\$ 75,105,389

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2018, the County recognized OPEB expense of \$5,516,437. OPEB expense represents the change in the net OPEB liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, and actuarial assumptions or method. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ -	\$ -
Changes of assumptions	-	4,779,084
Differences between expected and actual experience	-	-
Net difference between projected and actual earnings on OPEB plan investments	23,562	-
Total	\$ 23,562	\$ 4,779,084

**COUNTY OF BUTTE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>Deferred Outflows (Inflows) of Resources</u>
2018	\$ (718,214)
2019	(718,214)
2020	(718,214)
2021	(718,214)
2022	(724,102)
Thereafter	(1,158,564)

**NOTE 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.

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.

**COUNTY OF BUTTE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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 Nos. 10 and 30 and include estimate claims incurred but not yet reported as of June 30, 2018. The claims liability includes all allocated loss adjustment expenses as well as nonincremental claims adjustment expenses. Changes in the insurance funds' claims liability amount during the fiscal years ended June 30, 2017 and 2018 were as follows:

Fiscal Year	Claims Liability July 1	Claims Incurred and Changes in Estimates	Claim Payments	Claims Liability June 30
2016-2017	\$ 7,833,000	\$ 6,080,102	\$ (5,117,102)	\$ 8,796,000
2017-2018	\$ 8,796,000	\$ 4,108,181	\$ (4,159,181)	\$ 8,745,000

**NOTE 10 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, 2018, 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, 2018 financial statements.

**COUNTY OF BUTTE, CALIFORNIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 11 PRIOR PERIOD ADJUSTMENTS**

Adjustments resulting from errors or changes to comply with provisions of the accounting standards are treated as adjustments to prior periods. Accordingly, the County reports these changes as restatements of beginning fund balance or net position.

The following restatements were made during the current year.

	Government-wide Statements	
	Governmental Activities	Business-type Activities
Net position as of June 30, 2017, as previously reported	\$ 28,026,284	\$ 28,372,403
<u>Implementation of New Accounting Standard</u>		
A prior period adjustment was made to the governmental and business-type activities' beginning net position to reflect the prior period costs related to the implementation of GASB Statement No. 75 "Accounting and Financial reporting for Postemployment Benefits Other than Pensions."	(38,962,040)	(714,980)
Total prior period adjustments	(38,962,040)	(714,980)
Net position as of July 1, 2017, restated	\$ (10,935,756)	\$ 27,657,423

**NOTE 12 SUBSEQUENT EVENTS**

California State Budget

The State is the source of a significant amount of Butte County's revenues. The State has adopted a balanced budget for the 2018-2019 fiscal year and the County doesn't anticipate additional state cuts. However, there is a new Administration with a newly elected Governor that may decide to make changes to the adopted budget. If the State revenue is cut midyear, the County will make the necessary adjustments to address the reductions.

Debt Issued

Commencing on April 13, 2019 a principal and interest payment of \$108,050 is due and payable each April 13 with a final payment of \$108,050 due on April 13, 2023 for a new lease-purchase agreement with U.S. Bancorp Government Leasing and Financing, Inc. This new debt is for the purchase of a 2018 Grader to be used for basic road maintenance operations and a 2018 Tractor Truck to haul large equipment used by road crews. The total financing in the amount of \$495,702 is for a term of 5 years at the fixed interest rate of 2.939%.

**COUNTY OF BUTTE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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Butte County's current voting system is 14-years old and needs to be replaced to provide for expanded access to balloting. The County entered into a contract with Dominion Voting Systems, Inc. for the purchase a State-certified voting system for a term of July 2018 through July 2025, at a cost not-to-exceed \$893,000.

Camp Fire Incident

On November 8, 2018, the Camp Fire erupted in Pulga, spreading rapidly through Concow and into the Town of Paradise and Magalia. Destroying nearly 14,000 residences, scorching over 153,000 acres, and claiming at least 85 lives, the Camp Fire became the largest and deadliest fire in California history. On November 8, 2018, the Chief Administrative Officer, Shari McCracken, declared a local emergency, which was ratified by the Board of Supervisors at the November 13, 2018 Special Meeting. On November 9, 2018, Governor Brown proclaimed a State of Emergency for Butte County and made available State resources. On November 12, 2018, President Trump declared the existence of a major disaster in the State of California and ordered federal aid to supplement the State and local recovery efforts.

The Camp Fire greatly affected Butte County and necessitated evacuation orders and warnings of all persons in the affected areas. Hundreds of County employees and residents were adversely impacted by the Camp Fire. Many employees lost personal property, possessions, and/or were evacuated from their homes for several days. The Camp Fire incident has created complex administrative and personnel issues that are currently being identified and assessed. The Fiscal year 2018-2019 estimated reduction in property tax revenue to the County General fund will be approximately \$2.2 million.



Butte County

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**REQUIRED SUPPLEMENTARY INFORMATION**

**COUNTY OF BUTTE, CALIFORNIA  
COUNTY EMPLOYEES' RETIREMENT PLAN  
(DEFINED BENEFIT PENSION PLAN)  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
YEAR ENDED JUNE 30, 2018**

Last 10 Fiscal Years*	MISCELLANEOUS PLAN			
	2017	2016	2015	2014
<b>TOTAL PLAN LIABILITY</b>				
Service Cost	\$ 15,090,763	\$ 13,394,007	\$ 13,400,002	\$ 13,859,395
Interest	44,666,846	43,273,635	41,926,195	40,193,350
Difference Between Expected and Actual Experience	(4,896,622)	(890,486)	(4,927,030)	-
Changes in Assumptions	36,317,713	-	(10,024,368)	-
Benefit Payments Including Refunds of Employee Contributions	(30,560,691)	(29,432,567)	(28,002,841)	(25,453,443)
Change in Allocation	102,238	(8,101,428)	-	-
Net Change in Total Pension Liability	60,720,247	18,243,161	12,371,958	28,599,302
Total Pension Liability - Beginning	600,922,778	582,679,617	570,307,659	541,708,357
Total Pension Liability - Ending (A)	<u>\$ 661,643,025</u>	<u>\$ 600,922,778</u>	<u>\$ 582,679,617</u>	<u>\$ 570,307,659</u>
<b>PLAN FIDUCIARY NET POSITION</b>				
Plan to Plan Resource Movement	\$ 11,367	\$ (640,888)	\$ -	\$ -
Contributions - Employer	14,523,234	12,439,191	11,234,311	10,606,484
Contributions - Employee	6,892,067	6,329,016	6,686,660	6,497,335
Net Investment Income	49,577,107	2,408,140	10,452,870	69,463,572
Benefit Payments Including Refunds of Employee Contributions	(30,560,691)	(29,432,567)	(28,002,841)	(25,106,484)
Administrative Expense	(660,450)	(278,169)	-	-
Change of Allocation	76,093	(6,596,372)	(520,140)	(346,959)
Net Change in Fiduciary Net Position	39,858,727	(15,771,649)	(149,140)	61,113,948
Plan Fiduciary Net Position - Beginning	447,252,151	463,023,800	463,172,940	402,058,992
Plan Fiduciary Net Position - Ending (B)	<u>\$ 487,110,878</u>	<u>\$ 447,252,151</u>	<u>\$ 463,023,800</u>	<u>\$ 463,172,940</u>
Plan Net Pension Liability/(Asset) - Ending (A-B)	<u>\$ 174,532,147</u>	<u>\$ 153,670,627</u>	<u>\$ 119,655,817</u>	<u>\$ 107,134,719</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	<u>73.62%</u>	<u>74.43%</u>	<u>79.46%</u>	<u>81.21%</u>
Covered Payroll	\$ 101,936,350	\$ 99,700,929	\$ 96,860,213	\$ 95,493,743
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	<u>171.22%</u>	<u>154.13%</u>	<u>129.72%</u>	<u>112.19%</u>

*\*Amounts presented above were determined as of 6/30. Additional years will be presented as they become available.*

**COUNTY OF BUTTE, CALIFORNIA  
COUNTY EMPLOYEES' RETIREMENT PLAN  
(DEFINED BENEFIT PENSION PLAN)  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
YEAR ENDED JUNE 30, 2018**

Last 10 Fiscal Years*	SAFETY PLAN			
	2017	2016	2015	2014
<b>TOTAL PLAN LIABILITY</b>				
Service Cost	\$ 5,591,795	\$ 4,747,270	\$ 4,630,445	\$ 4,896,054
Interest	13,280,416	12,479,374	11,705,847	11,071,603
Difference Between Expected and Actual Experience	143,288	424,701	(1,153,098)	-
Changes in Assumptions	11,868,431	-	(3,063,979)	-
Benefit Payments Including Refunds of				
Employee Contributions	(7,174,299)	(6,924,924)	(6,490,975)	(5,952,108)
Net Change in Total Pension Liability	23,709,631	10,726,421	5,628,240	10,015,549
Total Pension Liability - Beginning	174,519,608	163,793,187	158,164,947	148,149,398
Total Pension Liability - Ending (A)	<u>\$ 198,229,239</u>	<u>\$ 174,519,608</u>	<u>\$ 163,793,187</u>	<u>\$ 158,164,947</u>
<b>PLAN FIDUCIARY NET POSITION</b>				
Plan to Plan Resource Movement	\$ (12,085)	\$ (14,804)	\$ -	\$ -
Contributions - Employer	5,787,085	4,542,710	4,084,403	3,736,119
Contributions - Employee	2,035,009	1,806,428	1,717,710	1,692,897
Net Investment Income	13,995,959	610,779	2,751,766	18,471,003
Benefit Payments Including Refunds of				
Employee Contributions	(7,174,299)	(6,924,924)	(6,490,975)	(5,952,108)
Administrative Expense	(185,896)	(76,770)	(141,777)	-
Net Change in Fiduciary Net Position	14,445,773	(56,581)	1,921,127	17,947,911
Plan Fiduciary Net Position - Beginning	125,908,899	125,965,480	124,044,353	106,096,442
Plan Fiduciary Net Position - Ending (B)	<u>\$ 140,354,672</u>	<u>\$ 125,908,899</u>	<u>\$ 125,965,480</u>	<u>\$ 124,044,353</u>
Plan Net Pension Liability/(Asset) - Ending (A-B)	<u>\$ 57,874,567</u>	<u>\$ 48,610,709</u>	<u>\$ 37,827,707</u>	<u>\$ 34,120,594</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	<u>70.80%</u>	<u>72.15%</u>	<u>76.91%</u>	<u>78.43%</u>
Covered Payroll	\$ 20,437,848	\$ 19,250,893	\$ 18,457,545	\$ 18,752,360
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	<u>283.17%</u>	<u>252.51%</u>	<u>204.94%</u>	<u>181.95%</u>

*\*Amounts presented above were determined as of 6/30. Additional years will be presented as they become available.*

**COUNTY OF BUTTE, CALIFORNIA  
COUNTY EMPLOYEES' RETIREMENT PLAN  
(DEFINED BENEFIT PENSION PLAN)  
SCHEDULE OF PLAN CONTRIBUTIONS  
YEAR ENDED JUNE 30, 2018**

* Last 10 Fiscal Years	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contributions Deficiency (Excess)	Employer's Employee Payroll	Contributions as a % of Covered Employee Payroll
<b>2018</b>					
Miscellaneous Plan	\$ 15,660,906	\$ (15,660,906)	\$ -	\$103,975,077	15.06 %
Safety Plan	6,189,986	(6,189,986)	-	20,846,605	29.69 %
Total	<u>\$ 21,850,892</u>	<u>\$ (21,850,892)</u>	<u>\$ -</u>	<u>\$124,821,682</u>	17.51 %
<b>2017</b>					
Miscellaneous Plan	\$ 14,523,234	\$ (14,523,234)	\$ -	\$101,936,350	14.25 %
Safety Plan	5,787,085	(5,787,085)	-	20,437,848	28.32 %
Total	<u>\$ 20,310,319</u>	<u>\$ (20,310,319)</u>	<u>\$ -</u>	<u>\$122,374,198</u>	16.60 %
<b>2016</b>					
Miscellaneous Plan	\$ 12,439,191	\$ (12,439,191)	\$ -	\$ 99,700,929	12.48 %
Safety Plan	4,542,710	(4,542,710)	-	19,250,893	23.60 %
Total	<u>\$ 16,981,901</u>	<u>\$ (16,981,901)</u>	<u>\$ -</u>	<u>\$118,951,822</u>	14.28 %
<b>2015</b>					
Miscellaneous Plan	\$ 11,234,311	\$ (11,234,311)	\$ -	\$ 96,860,213	11.60 %
Safety Plan	4,084,403	(4,084,403)	-	18,457,545	22.13 %
Total	<u>\$ 15,318,714</u>	<u>\$ (15,318,714)</u>	<u>\$ -</u>	<u>\$115,317,758</u>	13.28 %
<b>2014</b>					
Miscellaneous Plan	\$ 10,606,484	\$ (11,121,405)	\$ (514,921)	\$ 95,493,743	11.11 %
Safety Plan	3,736,119	(3,736,119)	-	18,752,360	19.92 %
Total	<u>\$ 14,342,603</u>	<u>\$ (14,857,524)</u>	<u>\$ (514,921)</u>	<u>\$114,246,103</u>	12.55 %

\* Amounts presented above were determined as of 6/30. Additional years will be presented as they become available.

**COUNTY OF BUTTE, CALIFORNIA  
OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN  
SCHEDULE OF CHANGES TO NET OPEB LIABILITY  
YEAR ENDED JUNE 30, 2018**

Last 10 Fiscal Years*	OPEB
	2018
<b>TOTAL OPEB LIABILITY</b>	
Service Cost	\$ 3,705,783
Interest on Total OPEB Liability	2,658,706
Difference Between Expected and Actual Experience	-
Changes in Assumptions	(5,503,188)
Benefit Payments Including Refunds of Employee Contributions	(3,574,630)
Net Change in Total OPEB Liability	(2,713,329)
Total OPEB Liability - Beginning	72,481,101
Total OPEB Liability - Ending (A)	\$ 69,767,772
 <b>PLAN FIDUCIARY NET POSITION</b>	
Contributions - Employer	5,536,614
Net Investment Income	103,079
Benefit Payments Including Refunds of Employee Contributions	(3,574,630)
Administrative Expense	(2,693)
Net Change in Fiduciary Net Position	2,062,370
Plan Fiduciary Net Position - Beginning	2,385,031
Plan Fiduciary Net Position - Ending (B)	\$ 4,447,401
 Net OPEB Liability - Ending (A-B)	\$ 65,320,371
 Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	6.37%
 Covered Payroll	\$ 137,970,100
 Plan Net OPEB Liability/(Asset) as a Percentage of Covered Payroll	47.34%

\* Amounts presented above were determined as of 6/30. Additional years will be presented as they become available.

**COUNTY OF BUTTE, CALIFORNIA  
OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN  
SCHEDULE OF PLAN CONTRIBUTIONS  
YEAR ENDED JUNE 30, 2018**

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* Last 10 Fiscal Years	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contributions Deficiency (Excess)	Employer's Employee Payroll	Contributions as a % of Covered Employee Payroll
<u>2018</u>					
OPEB Plan	\$ 6,003,319	\$ (5,536,614)	\$ 466,705	\$137,970,100	4.35 %

*\* Amounts presented above were determined as of 6/30. Additional years will be presented as they become available.*

**Notes to Required Supplementary Information**

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.



## MAJOR GOVERNMENTAL FUNDS

**COUNTY OF BUTTE, CALIFORNIA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 68,539,000	\$ 68,539,000	\$ 68,379,686	\$ (159,314)
Licenses and Permits	3,408,300	3,408,300	3,761,638	353,338
Fines, Forfeitures, and Penalties	5,634,139	5,634,139	5,855,102	220,963
Use of Money and Property	4,337,186	4,337,186	4,393,305	56,119
Aid from Other Governments	41,447,209	44,535,382	45,087,122	551,740
Charges for Services	20,484,209	20,687,908	20,288,093	(399,815)
Miscellaneous Revenue	2,613,857	2,613,857	3,403,389	789,532
Total Revenues	146,463,900	149,755,772	151,168,335	1,412,563
<b>EXPENDITURES</b>				
General Government:				
Assessor:				
Salaries and Benefits	3,119,066	3,119,066	3,090,473	(28,593)
Services and Supplies	236,705	236,705	244,219	7,514
Other Charges	31,471	31,471	29,100	(2,371)
Special Items	457,393	465,753	465,700	(53)
Auditor-Controller:				
Salaries and Benefits	1,842,873	1,842,873	1,744,013	(98,860)
Services and Supplies	190,840	190,840	190,381	(459)
Other Charges	9,819	9,819	9,819	-
Special Items	(210,730)	(209,928)	(209,504)	424
Board of Supervisors:				
Salaries and Benefits	736,951	736,951	687,678	(49,273)
Services and Supplies	139,331	139,331	117,912	(21,419)
Other Charges	4,467	4,467	4,467	-
Special Items	776,174	776,641	776,608	(33)
Clerk-Recorder:				
Salaries and Benefits	2,135,112	2,095,112	1,919,803	(175,309)
Services and Supplies	1,266,390	1,311,890	1,146,731	(165,159)
Other Charges	92,608	92,608	92,466	(142)
Special Items	649,564	726,067	709,149	(16,918)
County Administration:				
Salaries and Benefits	3,170,140	3,170,140	2,793,204	(376,936)
Services and Supplies	1,162,180	1,284,011	739,899	(544,112)
Other Charges	14,717	314,893	151,998	(162,895)
Capital Assets	-	169,827	-	(169,827)
Special Items	(412,833)	(371,534)	(396,913)	(25,379)
County Counsel:				
Salaries and Benefits	1,456,267	1,456,267	1,450,952	(5,315)
Services and Supplies	876,341	876,341	533,850	(342,491)
Other Charges	12,822	12,822	12,822	-
Special Items	(1,220,925)	(1,220,437)	(1,219,372)	1,065

**COUNTY OF BUTTE, CALIFORNIA  
BUDGETARY COMPARISON SCHEDULE (CONTINUED)  
GENERAL FUND  
YEAR ENDED JUNE 30, 2018**

EXPENDITURES	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
General Government (Continued)				
General Rev & Trsfrs:				
Other Charges	\$ -	\$ 9,010	\$ 9,008	\$ (2)
Special Items	-	1,040,990	989,733	(51,257)
General Services:				
Salaries and Benefits	4,543,628	4,532,628	4,192,171	(340,457)
Services and Supplies	5,442,228	6,136,051	4,800,818	(1,335,233)
Other Charges	113,472	127,472	125,794	(1,678)
Special Items	(5,296,156)	(5,592,030)	(4,982,334)	609,696
General Fund Contingencies:				
Appropriation for Contingencies	7,500,000	4,068,711	-	(4,068,711)
Human Resources:				
Salaries and Benefits	2,140,146	2,140,146	1,989,760	(150,386)
Services and Supplies	559,970	594,201	500,074	(94,127)
Other Charges	-	-	27	27
Special Items	(554,709)	(554,709)	(552,672)	2,037
Information Systems:				
Salaries and Benefits	2,830,966	2,830,966	2,708,811	(122,155)
Services and Supplies	2,079,186	2,107,686	2,026,936	(80,750)
Other Charges	19,879	23,379	23,602	223
Special Items	(1,746,506)	(1,787,262)	(1,818,134)	(30,872)
Treasurer-Tax Collector:				
Salaries and Benefits	2,086,151	2,086,151	1,918,877	(167,274)
Services and Supplies	1,034,792	1,044,042	950,065	(93,977)
Other Charges	8,551	9,301	8,798	(503)
Special Items	150,068	150,857	147,187	(3,670)
Nondepartmental:				
Services and Supplies	2,248,697	2,248,697	2,143,385	(105,312)
Other Charges	7,387	7,387	7,387	-
Special Items	(501,120)	(762,148)	(929,457)	(167,309)
Total General Government	<u>39,203,373</u>	<u>37,723,522</u>	<u>29,345,291</u>	<u>8,378,231</u>
Public Protection:				
Agriculture:				
Salaries and Benefits	1,969,892	1,969,892	1,845,936	(123,956)
Services and Supplies	281,227	281,227	242,057	(39,170)
Other Charges	28,224	28,224	36,183	7,959
Special Items	196,725	200,993	183,564	(17,429)
Development Services:				
Salaries and Benefits	3,475,852	3,475,852	3,138,602	(337,250)
Services and Supplies	957,345	903,845	702,005	(201,840)
Other Charges	3,890	16,390	20,479	4,089
Capital Assets	31,403	31,403	30,407	(996)
Special Items	1,149,364	1,195,878	1,122,865	(73,013)

**COUNTY OF BUTTE, CALIFORNIA  
BUDGETARY COMPARISON SCHEDULE (CONTINUED)  
GENERAL FUND  
YEAR ENDED JUNE 30, 2018**

EXPENDITURES	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Public Protection (Continued):				
District Attorney:				
Salaries and Benefits	\$ 10,595,795	\$ 10,595,795	\$ 10,197,589	\$ (398,206)
Services and Supplies	1,660,136	1,798,296	1,520,341	(277,955)
Other Charges	105,835	105,835	100,469	(5,366)
Special Items	824,971	857,555	856,989	(566)
Fire:				
Salaries and Benefits	162,775	162,775	122,421	(40,354)
Services and Supplies	17,503,708	17,338,258	16,905,584	(432,674)
Other Charges	87,857	95,084	95,182	98
Capital Assets	854,644	985,144	491,045	(494,099)
Special Items	726,568	918,789	875,906	(42,883)
Grand Jury:				
Services and Supplies	122,289	122,289	74,409	(47,880)
Special Items	(13,326)	(8,592)	(8,605)	(13)
Probation:				
Salaries and Benefits	15,034,123	15,142,440	14,493,268	(649,172)
Services and Supplies	3,233,815	3,362,690	3,061,689	(301,001)
Other Charges	883,162	1,297,962	1,245,996	(51,966)
Capital Assets	-	29,000	-	(29,000)
Special Items	1,285,165	1,330,242	1,321,792	(8,450)
PW - General Fund:				
Salaries and Benefits	511,828	511,828	521,466	9,638
Services and Supplies	190,834	304,010	110,652	(193,358)
Other Charges	166,339	618,950	618,283	(667)
Special Items	45,358	45,791	35,847	(9,944)
Sheriff-Coroner:				
Salaries and Benefits	31,496,131	32,050,043	31,910,825	(139,218)
Services and Supplies	11,885,448	12,466,022	11,667,949	(798,073)
Other Charges	705,844	705,844	932,248	226,404
Capital Assets	644,164	893,064	671,646	(221,418)
Special Items	2,659,183	2,771,762	2,590,792	(180,970)
Water and Resource Conservation:				
Salaries and Benefits	545,997	545,997	507,828	(38,169)
Services and Supplies	247,817	247,687	233,895	(13,792)
Other Charges	-	-	428	428
Special Items	61,656	64,336	64,691	355
Nondepartmental:				
Services and Supplies	3,857,340	3,857,339	3,565,528	(291,811)
Other Charges	1,561,457	1,561,457	1,488,850	(72,607)
Special Items	83,533	83,532	83,484	(48)
Total Public Protection	<u>115,824,368</u>	<u>118,964,928</u>	<u>113,680,585</u>	<u>5,284,343</u>

**COUNTY OF BUTTE, CALIFORNIA  
BUDGETARY COMPARISON SCHEDULE (CONTINUED)  
GENERAL FUND  
YEAR ENDED JUNE 30, 2018**

EXPENDITURES	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Education:				
Farm Home and 4 H:				
Salaries and Benefits	\$ 198,014	\$ 198,014	\$ 192,965	\$ 5,049
Services and Supplies	79,049	79,049	60,788	18,261
Other Charges	6,600	6,600	4,191	2,409
Special Items	71,659	78,249	78,203	46
Library:				
Salaries and Benefits	2,154,893	2,154,893	1,908,952	245,941
Services and Supplies	621,962	639,787	507,491	132,296
Other Charges	74,476	74,476	77,242	(2,766)
Capital Assets	-	-	-	-
Special Items	818,924	827,824	801,383	26,441
Total Education	<u>4,025,577</u>	<u>4,058,892</u>	<u>3,631,215</u>	<u>427,677</u>
Recreation and Culture:				
General Services:				
Services and Supplies	<u>3,487</u>	<u>3,487</u>	<u>3,487</u>	<u>-</u>
Total Recreation and Culture	<u>3,487</u>	<u>3,487</u>	<u>3,487</u>	<u>-</u>
Debt Service	<u>9,235</u>	<u>9,235</u>	<u>9,235</u>	<u>-</u>
Total Expenditures	<u>159,066,040</u>	<u>160,760,064</u>	<u>146,669,813</u>	<u>14,090,251</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(12,602,140)</u>	<u>(11,004,292)</u>	<u>4,498,522</u>	<u>15,502,814</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	16,203,650	17,760,857	868,790	(16,892,067)
Transfers Out	<u>(25,124,253)</u>	<u>(26,290,973)</u>	<u>(7,523,886)</u>	<u>18,767,087</u>
Total Other Financing Sources (Uses)	<u>(8,920,603)</u>	<u>(8,530,116)</u>	<u>(6,655,096)</u>	<u>1,875,020</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(21,522,743)</u>	<u>(19,534,408)</u>	<u>(2,156,574)</u>	<u>17,377,834</u>
Fund Balances - Beginning	<u>50,940,186</u>	<u>50,940,186</u>	<u>50,940,186</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 29,417,443</u>	<u>\$ 31,405,778</u>	<u>\$ 48,783,612</u>	<u>\$ 17,377,834</u>

**COUNTY OF BUTTE, CALIFORNIA  
BUDGETARY COMPARISON SCHEDULE  
SOCIAL SERVICES FUND  
YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	30,000	30,000	33,580	3,580
Fines, Forfeitures, and Penalties	19,400	19,400	8,862	(10,538)
Use of Money and Property	47,534	47,534	107,718	60,184
Aid from Other Governments	133,226,739	133,417,839	130,716,048	(2,701,791)
Charges for Services	351,189	351,189	349,423	(1,766)
Miscellaneous Revenue	13,000	13,000	144,505	131,505
Total Revenues	<u>133,687,862</u>	<u>133,878,962</u>	<u>131,360,136</u>	<u>(2,518,826)</u>
<b>EXPENDITURES</b>				
Public Protection:				
Salaries and Benefits	498,905	498,905	449,897	49,008
Public Assistance:				
Salaries and Benefits	47,518,230	46,682,759	43,051,016	3,631,743
Services and Supplies	10,646,713	10,591,713	9,207,169	1,384,544
Other Charges	76,981,447	78,063,018	75,717,537	2,345,481
Total Expenditures	<u>135,645,295</u>	<u>135,836,395</u>	<u>128,425,619</u>	<u>7,410,776</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,957,433)</u>	<u>(1,957,433)</u>	<u>2,934,517</u>	<u>4,891,950</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	21,895,428	21,895,428	223,820	(21,671,608)
Transfers Out	(21,153,887)	(21,973,887)	(1,328,195)	20,645,692
Total Other Financing Sources (Uses)	<u>741,541</u>	<u>(78,459)</u>	<u>(1,104,375)</u>	<u>(1,025,916)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(1,215,892)	(2,035,892)	1,830,142	3,866,034
Fund Balances - Beginning	<u>6,210,713</u>	<u>6,210,713</u>	<u>6,210,713</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 4,994,821</u>	<u>\$ 4,174,821</u>	<u>\$ 8,040,855</u>	<u>\$ 3,866,034</u>

**COUNTY OF BUTTE, CALIFORNIA  
BUDGETARY COMPARISON SCHEDULE  
BEHAVIORAL HEALTH FUND  
YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Fines, Forfeitures, and Penalties	116,408	116,408	139,299	22,891
Use of Money and Property	89,445	89,445	126,000	36,555
Aid from Other Governments	63,358,117	65,770,711	64,016,052	(1,754,659)
Charges for Services	2,643,684	2,643,684	2,491,495	(152,189)
Miscellaneous Revenue	134,700	164,700	38,106	(126,594)
Total Revenues	<u>66,342,354</u>	<u>68,784,948</u>	<u>66,810,952</u>	<u>(1,973,996)</u>
<b>EXPENDITURES</b>				
Health and Sanitation:				
Salaries and Benefits	34,431,734	33,090,946	32,097,522	993,424
Services and Supplies	29,663,197	34,157,973	31,832,500	2,325,473
Other Charges	3,150,901	3,111,977	3,055,751	56,226
Capital Assets	156,682	156,682	94,476	62,206
Special Items	-	2,000	1,016	984
Total Expenditures	<u>67,402,514</u>	<u>70,519,578</u>	<u>67,081,265</u>	<u>3,438,313</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>				
	<u>(1,060,160)</u>	<u>(1,734,630)</u>	<u>(270,313)</u>	<u>1,464,317</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	11,535,111	12,209,581	570,208	(11,639,373)
Transfers Out	<u>(10,408,008)</u>	<u>(11,147,478)</u>	<u>(762,347)</u>	<u>10,385,131</u>
Total Other Financing Sources (Uses)	<u>1,127,103</u>	<u>1,062,103</u>	<u>(192,139)</u>	<u>(1,254,242)</u>
<b>NET CHANGE IN FUND BALANCES</b>				
	66,943	(672,527)	(462,452)	210,075
Fund Balances - Beginning	<u>18,426,302</u>	<u>18,426,302</u>	<u>18,426,302</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 18,493,245</u>	<u>\$ 17,753,775</u>	<u>\$ 17,963,850</u>	<u>\$ 210,075</u>

**COUNTY OF BUTTE, CALIFORNIA  
BUDGETARY COMPARISON SCHEDULE  
ROAD FUND  
YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Licenses and Permits	\$ 33,000	\$ 33,000	\$ 94,748	\$ 61,748
Fines, Forfeitures, and Penalties	10,000	10,000	5,635	(4,365)
Use of Money and Property	104,000	104,000	35,585	(68,415)
Aid from Other Governments	27,611,101	31,636,101	13,110,809	(18,525,292)
Charges for Services	2,883,587	3,203,587	2,901,115	(302,472)
Miscellaneous Revenue	156,110	156,110	80,225	(75,885)
Total Revenues	<u>30,797,798</u>	<u>35,142,798</u>	<u>16,228,117</u>	<u>(18,914,681)</u>
<b>EXPENDITURES</b>				
Public Way and Facilities:				
Salaries and Benefits	8,469,345	8,469,345	7,854,227	615,118
Services and Supplies	23,036,959	26,866,959	8,277,205	18,589,754
Other Charges	1,530,926	1,530,926	1,119,221	411,705
Capital Assets	1,092,000	1,092,000	384,221	707,779
Appropriation for Contingencies	1,000,000	1,000,000	-	1,000,000
Total Expenditures	<u>35,129,230</u>	<u>38,959,230</u>	<u>17,634,874</u>	<u>21,324,356</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(4,331,432)</u>	<u>(3,816,432)</u>	<u>(1,406,757)</u>	<u>2,409,675</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	2,229,958	2,229,958	1,710,993	(518,965)
Transfers Out	-	-	(156,902)	(156,902)
Total Other Financing Sources (Uses)	<u>2,229,958</u>	<u>2,229,958</u>	<u>1,554,091</u>	<u>(675,867)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(2,101,474)	(1,586,474)	147,334	1,733,808
Fund Balances - Beginning	<u>3,289,708</u>	<u>3,289,708</u>	<u>3,289,708</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 1,188,234</u>	<u>\$ 1,703,234</u>	<u>\$ 3,437,042</u>	<u>\$ 1,733,808</u>

**COUNTY OF BUTTE, CALIFORNIA  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED JUNE 30, 2018**

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**BUDGETARY INFORMATION**

Budgets are prepared on the modified accrual basis of accounting consistent with GAAP. 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 Resolution. 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. 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).



Butte County

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**SUPPLEMENTARY INFORMATION**



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**NONMAJOR GOVERNMENTAL FUNDS**

## COUNTY OF BUTTE, CALIFORNIA

### NONMAJOR GOVERNMENTAL FUNDS

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

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

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 *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.

**COUNTY OF BUTTE, CALIFORNIA**

**NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**

**DEBT SERVICE FUND** is used to account for the accumulation of resources for, and the payment of, general long-term debt.

**CAPITAL PROJECTS FUND** is used to account for financial resources to be used for the acquisition of land or acquisition or construction of major facilities other than those financed by the proprietary fund types.

**PERMANENT FUND** is used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs, that is, for the benefit of the government or its citizenry.

**COUNTY OF BUTTE, CALIFORNIA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2018**

	Special Revenue Funds			
	Public Health	Equipment Replacement	Transit	Housing and Community Development
<b>ASSETS</b>				
Cash and Investments	\$14,586,148	\$ 6,825,555	\$ 533,361	\$ 1,478
Cash with Fiscal Agent	-	-	-	-
Imprest Cash	650	-	-	-
Due from Other Funds	-	124,700	-	-
Interest Receivable	57,220	25,060	1,672	-
Accounts Receivable	20,418	-	-	-
Due from Other Governments	906,285	-	145,512	210,319
Inventory	-	-	-	-
Loans Receivable	-	-	-	4,247,426
	<u>\$15,570,721</u>	<u>\$ 6,975,315</u>	<u>\$ 680,545</u>	<u>\$ 4,459,223</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Due to Other Funds	\$ -	\$ -	\$ 416,739	\$ 193,024
Accounts Payable	260,011	7,675	94	13,833
Accrued Payroll	-	-	-	-
Unearned Revenue	841	-	-	-
Total Liabilities	<u>260,852</u>	<u>7,675</u>	<u>416,833</u>	<u>206,857</u>
Deferred Inflows of Resources:				
Unavailable Revenue	<u>5,765</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Nonspendable	650	-	-	-
Restricted	15,303,454	6,967,640	263,712	4,252,366
Total Fund Balances	<u>15,304,104</u>	<u>6,967,640</u>	<u>263,712</u>	<u>4,252,366</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$15,570,721</u>	<u>\$ 6,975,315</u>	<u>\$ 680,545</u>	<u>\$ 4,459,223</u>

**COUNTY OF BUTTE, CALIFORNIA  
COMBINING BALANCE SHEET (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2018**

	Special Revenue Funds				
	Fish and Game	Child Support Services	County Service Areas	IHSS Public Authority	Impact Fees
<b>ASSETS</b>					
Cash and Investments	\$ 109,001	\$ 576,539	\$9,188,510	\$ 152,434	\$ 8,483,502
Cash with Fiscal Agent	-	-	-	-	-
Imprest Cash	-	2,000	-	-	-
Due from Other Funds	-	-	-	-	-
Interest Receivable	432	4,849	36,785	-	35,482
Accounts Receivable	-	-	-	-	11,030
Due from Other Governments	-	-	-	-	-
Inventory	-	-	-	-	-
Loans Receivable	-	-	-	-	-
<b>Total Assets</b>	<b><u>\$ 109,433</u></b>	<b><u>\$ 583,388</u></b>	<b><u>\$9,225,295</u></b>	<b><u>\$ 152,434</u></b>	<b><u>\$ 8,530,014</u></b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Due to Other Funds	\$ -	\$ -	\$ 95,341	\$ -	\$ -
Accounts Payable	7,500	3,170	37,059	-	-
Accrued Payroll	-	-	-	-	-
Unearned Revenue	-	-	-	-	-
<b>Total Liabilities</b>	<b><u>7,500</u></b>	<b><u>3,170</u></b>	<b><u>132,400</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
Deferred Inflows of Resources:					
Unavailable Revenue	-	-	-	-	-
Fund Balances:					
Nonspendable	-	2,000	-	-	-
Restricted	101,933	578,218	9,092,895	152,434	8,530,014
<b>Total Fund Balances</b>	<b><u>101,933</u></b>	<b><u>580,218</u></b>	<b><u>9,092,895</u></b>	<b><u>152,434</u></b>	<b><u>8,530,014</u></b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b><u>\$ 109,433</u></b>	<b><u>\$ 583,388</u></b>	<b><u>\$9,225,295</u></b>	<b><u>\$ 152,434</u></b>	<b><u>\$ 8,530,014</u></b>

**COUNTY OF BUTTE, CALIFORNIA  
COMBINING BALANCE SHEET (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2018**

	Debt Service Fund	Capital Projects Fund	Permanent Fund	Total
<b>ASSETS</b>				
Cash and Investments	\$13,303,016	\$ 7,399,428	\$ 16,316	\$61,175,288
Cash with Fiscal Agent	341,118	-	-	341,118
Imprest Cash	-	-	-	2,650
Due from Other Funds	-	-	-	124,700
Interest Receivable	42,256	29,343	64	233,163
Accounts Receivable	-	-	-	31,448
Due from Other Governments	117,660	-	-	1,379,776
Inventory	-	-	-	-
Loans Receivable	-	-	-	4,247,426
<b>Total Assets</b>	<b><u>\$13,804,050</u></b>	<b><u>\$ 7,428,771</u></b>	<b><u>\$ 16,380</u></b>	<b><u>\$67,535,569</u></b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Due to Other Funds	\$ -	\$ -	\$ -	\$ 705,104
Accounts Payable	-	785,143	-	1,114,485
Accrued Payroll	-	-	-	-
Unearned Revenue	-	-	-	841
<b>Total Liabilities</b>	<b><u>-</u></b>	<b><u>785,143</u></b>	<b><u>-</u></b>	<b><u>1,820,430</u></b>
Deferred Inflows of Resources:				
Unavailable Revenue	-	-	-	5,765
Fund Balances:				
Nonspendable	-	-	-	2,650
Restricted	13,804,050	6,643,628	16,380	65,706,724
<b>Total Fund Balances</b>	<b><u>13,804,050</u></b>	<b><u>6,643,628</u></b>	<b><u>16,380</u></b>	<b><u>65,709,374</u></b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b><u>\$13,804,050</u></b>	<b><u>\$ 7,428,771</u></b>	<b><u>\$ 16,380</u></b>	<b><u>\$67,535,569</u></b>

**COUNTY OF BUTTE, CALIFORNIA  
COMBINING STATEMENT OF REVENUE, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
YEAR ENDED JUNE 30, 2018**

	Special Revenue Funds			
	Public Health	Equipment Replacement	Transit	Housing and Community Development
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	85,089	-	-	-
Fines, Forfeits, and Penalties	247,477	-	-	-
Revenue from Use of Money and Property	54,714	25,052	(1,351)	15,314
Aid from Other Governments	14,305,408	-	2,704,774	782,288
Charges for Services	3,432,625	-	-	-
Other	7,713	2,412	-	-
Total Revenues	<u>18,133,026</u>	<u>27,464</u>	<u>2,703,423</u>	<u>797,602</u>
<b>EXPENDITURES</b>				
Current:				
General Government	-	559,734	-	-
Public Protection	-	963,173	-	-
Public Ways and Facilities	-	-	1,145,863	-
Health and Sanitation	17,783,879	-	-	-
Public Assistance	-	-	-	453,860
Education	-	-	-	-
Recreation and Cultural Services	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>17,783,879</u>	<u>1,522,907</u>	<u>1,145,863</u>	<u>453,860</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>349,147</u>	<u>(1,495,443)</u>	<u>1,557,560</u>	<u>343,742</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Capital Asset	-	-	-	-
Capital Leases	-	-	-	-
Transfers in	724,304	2,392,225	-	-
Transfers out	(262,043)	(1,086,292)	(1,300,993)	(21,804)
Total Other Financing Sources (Uses)	<u>462,261</u>	<u>1,305,933</u>	<u>(1,300,993)</u>	<u>(21,804)</u>
<b>NET CHANGE IN FUND BALANCES</b>	811,408	(189,510)	256,567	321,938
Fund Balances - Beginning	<u>14,492,696</u>	<u>7,157,150</u>	<u>7,145</u>	<u>3,930,428</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 15,304,104</u>	<u>\$ 6,967,640</u>	<u>\$ 263,712</u>	<u>\$ 4,252,366</u>

**COUNTY OF BUTTE, CALIFORNIA  
COMBINING STATEMENT OF REVENUE, EXPENDITURES,  
AND CHANGES IN FUND BALANCE (CONTINUED)  
YEAR ENDED JUNE 30, 2018**

	Special Revenue Funds				
	Fish and Game	Child Support Services	County Service Areas	IHSS Public Authority	Impact Fees
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ 883,492	\$ -	\$ -
Licenses and Permits	-	-	-	-	-
Fines, Forfeits, and Penalties	11,049	-	-	-	-
Revenue from Use of Money and Property	571	12,164	36,190	(1,777)	1,886
Aid from Other Governments	-	8,443,231	10,939	124,959	-
Charges for Services	-	25,660	556,490	-	779,311
Other	-	1,718	-	-	-
Total Revenues	<u>11,620</u>	<u>8,482,773</u>	<u>1,487,111</u>	<u>123,182</u>	<u>781,197</u>
<b>EXPENDITURES</b>					
Current:					
General Government	-	-	-	-	-
Public Protection	31,325	7,761,377	444,256	-	-
Public Ways and Facilities	-	-	622,993	-	-
Health and Sanitation	-	-	215,630	-	-
Public Assistance	-	-	-	187,102	-
Education	-	-	-	-	-
Recreation and Cultural Services	-	-	150,691	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total Expenditures	<u>31,325</u>	<u>7,761,377</u>	<u>1,433,570</u>	<u>187,102</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(19,705)</u>	<u>721,396</u>	<u>53,541</u>	<u>(63,920)</u>	<u>781,197</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of Capital Asset	-	-	-	-	-
Capital Leases	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	(144,188)	-	-	(1,099,180)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(144,188)</u>	<u>-</u>	<u>-</u>	<u>(1,099,180)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(19,705)</u>	<u>577,208</u>	<u>53,541</u>	<u>(63,920)</u>	<u>(317,983)</u>
Fund Balances - Beginning	<u>121,638</u>	<u>3,010</u>	<u>9,039,354</u>	<u>216,354</u>	<u>8,847,997</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 101,933</u>	<u>\$ 580,218</u>	<u>\$ 9,092,895</u>	<u>\$ 152,434</u>	<u>\$ 8,530,014</u>

**COUNTY OF BUTTE, CALIFORNIA  
COMBINING STATEMENT OF REVENUE, EXPENDITURES,  
AND CHANGES IN FUND BALANCE (CONTINUED)  
YEAR ENDED JUNE 30, 2018**

	Debt Service Fund	Capital Projects Fund	Permanent Fund	Total
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ 883,492
Licenses and Permits	-	-	-	85,089
Fines, Forfeits, and Penalties	-	-	-	258,526
Revenue from Use of Money and Property	22,014	20,512	65	185,354
Aid from Other Governments	117,660	2,450	-	26,491,709
Charges for Services	-	876,558	-	5,670,644
Other	-	158,750	-	170,593
Total Revenues	<u>139,674</u>	<u>1,058,270</u>	<u>65</u>	<u>33,745,407</u>
<b>EXPENDITURES</b>				
Current:				
General Government	9,152	3,572,373	-	4,141,259
Public Protection	-	-	-	9,200,131
Public Ways and Facilities	-	-	-	1,768,856
Health and Sanitation	-	-	-	17,999,509
Public Assistance	-	-	-	640,962
Education	-	-	-	-
Recreation and Cultural Services	-	-	-	150,691
Debt Service:				
Principal	2,118,186	-	-	2,118,186
Interest	2,459,393	-	-	2,459,393
Total Expenditures	<u>4,586,731</u>	<u>3,572,373</u>	<u>-</u>	<u>38,478,987</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>				
	<u>(4,447,057)</u>	<u>(2,514,103)</u>	<u>65</u>	<u>(4,733,580)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Capital Asset	-	-	-	-
Capital Leases	-	2,658,000	-	2,658,000
Transfers in	6,347,934	1,525,573	-	10,990,036
Transfers out	-	(405,606)	-	(4,320,106)
Total Other Financing Sources (Uses)	<u>6,347,934</u>	<u>3,777,967</u>	<u>-</u>	<u>9,327,930</u>
<b>NET CHANGE IN FUND BALANCES</b>	1,900,877	1,263,864	65	4,594,350
Fund Balances - Beginning	<u>11,903,173</u>	<u>5,379,764</u>	<u>16,315</u>	<u>61,115,024</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 13,804,050</u>	<u>\$ 6,643,628</u>	<u>\$ 16,380</u>	<u>\$ 65,709,374</u>

**COUNTY OF BUTTE, CALIFORNIA  
BUDGETARY COMPARISON SCHEDULE  
PUBLIC HEALTH FUND  
YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Licenses and Permits	\$ 100,000	\$ 100,000	\$ 85,089	\$ (14,911)
Fines, Forfeitures, and Penalties	250,500	250,500	247,477	(3,023)
Use of Money and Property	132,500	132,500	54,714	(77,786)
Aid from Other Governments	15,511,288	15,882,076	14,305,408	(1,576,668)
Charges for Services	3,543,691	3,547,011	3,432,625	(114,386)
Miscellaneous Revenue	13,000	13,000	7,713	(5,287)
Total Revenues	<u>19,550,979</u>	<u>19,925,087</u>	<u>18,133,026</u>	<u>(1,792,061)</u>
<b>EXPENDITURES</b>				
Health and Sanitation:				
Salaries and Benefits	14,918,494	14,992,716	12,253,041	2,739,675
Services and Supplies	5,577,259	5,874,545	4,149,893	1,724,652
Other Charges	1,923,545	1,923,545	1,255,190	668,355
Capital Assets	325,000	327,600	125,755	201,845
Total Expenditures	<u>22,744,298</u>	<u>23,118,406</u>	<u>17,783,879</u>	<u>5,334,527</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(3,193,319)</u>	<u>(3,193,319)</u>	<u>349,147</u>	<u>3,542,466</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	1,904,035	1,904,035	724,304	(1,179,731)
Transfers Out	(1,179,731)	(1,179,731)	(262,043)	917,688
Total Other Financing Sources (Uses)	<u>724,304</u>	<u>724,304</u>	<u>462,261</u>	<u>(262,043)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(2,469,015)	(2,469,015)	811,408	3,280,423
Fund Balances - Beginning	<u>14,492,696</u>	<u>14,492,696</u>	<u>14,492,696</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 12,023,681</u>	<u>\$ 12,023,681</u>	<u>\$ 15,304,104</u>	<u>\$ 3,280,423</u>

**COUNTY OF BUTTE, CALIFORNIA  
BUDGETARY COMPARISON SCHEDULE  
CHILD SUPPORT SERVICES FUND  
YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Use of Money and Property	\$ 15,000	\$ 15,000	\$ 12,164	\$ (2,836)
Aid from Other Governments	9,138,313	9,138,313	8,443,231	(695,082)
Charges for Services	29,000	29,000	25,660	(3,340)
Miscellaneous Revenue	50	50	1,718	1,668
Total Revenues	<u>9,182,363</u>	<u>9,182,363</u>	<u>8,482,773</u>	<u>(699,590)</u>
<b>EXPENDITURES</b>				
Public Protection:				
Salaries and Benefits	7,905,112	7,905,112	6,645,930	1,259,182
Services and Supplies	809,932	809,932	647,300	162,632
Other Charges	467,319	467,319	468,147	(828)
Total Expenditures	<u>9,182,363</u>	<u>9,182,363</u>	<u>7,761,377</u>	<u>1,420,986</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>721,396</u>	<u>721,396</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	(144,188)	(144,188)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(144,188)</u>	<u>(144,188)</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	-	577,208	577,208
Fund Balances - Beginning	<u>3,010</u>	<u>3,010</u>	<u>3,010</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 3,010</u>	<u>\$ 3,010</u>	<u>\$ 580,218</u>	<u>\$ 577,208</u>

**COUNTY OF BUTTE, CALIFORNIA  
BUDGETARY COMPARISON SCHEDULE  
COUNTY SERVICE AREA FUND  
YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 762,216	\$ 762,216	\$ 883,492	\$ 121,276
Use of Money and Property	57,715	57,715	36,190	(21,525)
Aid from Other Governments	11,659	11,659	10,939	(720)
Charges for Services	538,616	541,936	556,490	14,554
Miscellaneous Revenue	8,000	8,000	-	(8,000)
Total Revenues	<u>1,378,206</u>	<u>1,381,526</u>	<u>1,487,111</u>	<u>105,585</u>
<b>EXPENDITURES</b>				
Public Protection:				
Salaries and Benefits	51,950	60,950	29,621	31,329
Other Charges	624,901	633,555	414,635	218,920
Appropriation for Contingencies	23,000	23,000	-	23,000
Public Way and Facilities:				
Salaries and Benefits	103,962	103,962	81,696	22,266
Other Charges	187,436	583,542	541,297	42,245
Appropriation for Contingencies	6,899	6,899	-	6,899
Health and Sanitation:				
Salaries and Benefits	270,315	279,315	173,730	105,585
Other Charges	93,724	98,724	41,900	56,824
Appropriation for Contingencies	2,650	2,650	-	2,650
Recreation and Culture:				
Salaries and Benefits	156,311	160,311	147,638	12,673
Other Charges	5,087	3,087	3,053	34
Appropriation for Contingencies	4,000	2,000	-	2,000
Debt Service	5,500	5,500	-	5,500
Total Expenditures	<u>1,535,735</u>	<u>1,963,495</u>	<u>1,433,570</u>	<u>529,925</u>
<b>NET CHANGE IN FUND BALANCES</b>	(157,529)	(581,969)	53,541	635,510
Fund Balances - Beginning	<u>9,039,354</u>	<u>9,039,354</u>	<u>9,039,354</u>	-
<b>FUND BALANCES - ENDING</b>	<u>\$ 8,881,825</u>	<u>\$ 8,457,385</u>	<u>\$ 9,092,895</u>	<u>\$ 635,510</u>

**COUNTY OF BUTTE, CALIFORNIA  
BUDGETARY COMPARISON SCHEDULE  
EQUIPMENT REPLACEMENT FUND  
YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Use of Money and Property	\$ -	\$ -	\$ 25,052	\$ 25,052
Miscellaneous Revenue	-	-	2,412	2,412
Total Revenues	-	-	27,464	27,464
<b>EXPENDITURES</b>				
General Government:				
Services and Supplies	-	95,000	86,719	8,281
Other Charges	388,250	438,250	419,611	18,639
Capital Assets	22,000	146,000	53,404	92,596
Public Protection:				
Other Charges	9,126	9,126	9,096	30
Capital Assets	1,269,000	1,299,000	954,077	344,923
Total Expenditures	1,688,376	1,987,376	1,522,907	464,469
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(1,688,376)	(1,987,376)	(1,495,443)	491,933
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	2,336,344	2,427,344	2,392,225	(35,119)
Transfers Out	(1,144,500)	(1,104,750)	(1,086,292)	18,458
Total Other Financing Sources (Uses)	1,191,844	1,322,594	1,305,933	(16,661)
<b>NET CHANGE IN FUND BALANCES</b>	(496,532)	(664,782)	(189,510)	475,272
Fund Balances - Beginning	7,157,150	7,157,150	7,157,150	-
<b>FUND BALANCES - ENDING</b>	<b>\$ 6,660,618</b>	<b>\$ 6,492,368</b>	<b>\$ 6,967,640</b>	<b>\$ 475,272</b>

**COUNTY OF BUTTE, CALIFORNIA  
 BUDGETARY COMPARISON SCHEDULE  
 FISH AND GAME FUND  
 YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Fines, Forfeitures, and Penalties	\$ 14,000	\$ 14,000	\$ 11,049	\$ (2,951)
Use of Money and Property	1,200	1,200	571	(629)
Total Revenues	<u>15,200</u>	<u>15,200</u>	<u>11,620</u>	<u>(3,580)</u>
<b>EXPENDITURES</b>				
Public Protection:				
Services and Supplies	31,387	31,387	24,269	7,118
Other Charges	7,098	7,098	7,056	42
Total Expenditures	<u>38,485</u>	<u>38,485</u>	<u>31,325</u>	<u>7,160</u>
<b>NET CHANGE IN FUND BALANCES</b>	(23,285)	(23,285)	(19,705)	3,580
Fund Balances - Beginning	<u>121,638</u>	<u>121,638</u>	<u>121,638</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 98,353</u>	<u>\$ 98,353</u>	<u>\$ 101,933</u>	<u>\$ 3,580</u>

**COUNTY OF BUTTE, CALIFORNIA  
BUDGETARY COMPARISON SCHEDULE  
HOUSING AND COMMUNITY DEVELOPMENT FUND  
YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Use of Money and Property	\$ 15,000	\$ 15,000	\$ 15,314	\$ 314
Aid from Other Governments	1,471,134	1,471,134	782,288	(688,846)
<b>Total Revenues</b>	<u>1,486,134</u>	<u>1,486,134</u>	<u>797,602</u>	<u>(688,532)</u>
<b>EXPENDITURES</b>				
Public Assistance:				
Services and Supplies	423,000	423,000	137,168	285,832
Other Charges	538,000	538,000	316,692	221,308
<b>Total Expenditures</b>	<u>961,000</u>	<u>961,000</u>	<u>453,860</u>	<u>507,140</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>525,134</u>	<u>525,134</u>	<u>343,742</u>	<u>(181,392)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	1,080,000	1,080,000	-	(1,080,000)
Transfers Out	(1,289,134)	(1,289,134)	(21,804)	1,267,330
<b>Total Other Financing Sources (Uses)</b>	<u>(209,134)</u>	<u>(209,134)</u>	<u>(21,804)</u>	<u>187,330</u>
<b>NET CHANGE IN FUND BALANCES</b>	316,000	316,000	321,938	5,938
Fund Balances - Beginning	<u>3,930,428</u>	<u>3,930,428</u>	<u>3,930,428</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 4,246,428</u>	<u>\$ 4,246,428</u>	<u>\$ 4,252,366</u>	<u>\$ 5,938</u>

**COUNTY OF BUTTE, CALIFORNIA  
 BUDGETARY COMPARISON SCHEDULE  
 IHSS PUBLIC AUTHORITY SPECIAL REVENUE FUND  
 YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Use of Money and Property	\$ -	\$ -	\$ (1,777)	\$ (1,777)
Aid from Other Governments	-	357,100	124,959	(232,141)
Total Revenues	-	357,100	123,182	(233,918)
<b>EXPENDITURES</b>				
Public Assistance:				
Salaries and Benefits	2,211	298,725	155,591	143,134
Services and Supplies	-	55,736	32,372	23,364
Other Charges	(5,361)	2,639	(861)	3,500
Total Expenditures	(3,150)	357,100	187,102	169,998
<b>NET CHANGE IN FUND BALANCES</b>	3,150	-	(63,920)	(63,920)
Fund Balances - Beginning	216,354	216,354	216,354	-
<b>FUND BALANCES - ENDING</b>	<u>\$ 219,504</u>	<u>\$ 216,354</u>	<u>\$ 152,434</u>	<u>\$ (63,920)</u>

**COUNTY OF BUTTE, CALIFORNIA  
 BUDGETARY COMPARISON SCHEDULE  
 IMPACT FEES SPECIAL REVENUE FUND  
 YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Use of Money and Property	\$ 34,000	\$ 34,000	\$ 1,886	\$ (32,114)
Charges for Services	802,203	802,203	779,311	(22,892)
Total Revenues	<u>836,203</u>	<u>836,203</u>	<u>781,197</u>	<u>(55,006)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>836,203</u>	<u>836,203</u>	<u>781,197</u>	<u>(55,006)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	40,000	40,000	-	(40,000)
Transfers Out	(692,800)	(1,150,075)	(1,099,180)	50,895
Total Other Financing Sources (Uses)	<u>(652,800)</u>	<u>(1,110,075)</u>	<u>(1,099,180)</u>	<u>10,895</u>
<b>NET CHANGE IN FUND BALANCES</b>	183,403	(273,872)	(317,983)	(44,111)
Fund Balances - Beginning	<u>8,847,997</u>	<u>8,847,997</u>	<u>8,847,997</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 9,031,400</u>	<u>\$ 8,574,125</u>	<u>\$ 8,530,014</u>	<u>\$ (44,111)</u>

**COUNTY OF BUTTE, CALIFORNIA  
BUDGETARY COMPARISON SCHEDULE  
TRANSIT SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Use of Money and Property	\$ 6,000	\$ 6,000	\$ (1,351)	\$ (7,351)
Aid from Other Governments	3,286,000	3,286,000	2,704,774	(581,226)
Total Revenues	<u>3,292,000</u>	<u>3,292,000</u>	<u>2,703,423</u>	<u>(588,577)</u>
<b>EXPENDITURES</b>				
Public Way and Facilities:				
Services and Supplies	1,465,453	1,465,453	1,143,307	322,146
Other Charges	2,573	2,573	2,556	17
Total Expenditures	<u>1,468,026</u>	<u>1,468,026</u>	<u>1,145,863</u>	<u>322,163</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>1,823,974</u>	<u>1,823,974</u>	<u>1,557,560</u>	<u>(266,414)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	(1,823,974)	(1,823,974)	(1,300,993)	522,981
Total Other Financing Sources (Uses)	<u>(1,823,974)</u>	<u>(1,823,974)</u>	<u>(1,300,993)</u>	<u>522,981</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	-	256,567	256,567
Fund Balances - Beginning	<u>7,145</u>	<u>7,145</u>	<u>7,145</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 7,145</u>	<u>\$ 7,145</u>	<u>\$ 263,712</u>	<u>\$ 256,567</u>

**COUNTY OF BUTTE, CALIFORNIA  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Use of Money and Property	\$ 35,000	\$ 35,000	\$ 22,014	\$ (12,986)
Aid from Other Governments	115,000	115,000	117,660	2,660
Total Revenues	<u>150,000</u>	<u>150,000</u>	<u>139,674</u>	<u>(10,326)</u>
<b>EXPENDITURES</b>				
General Government:				
Services and Supplies	10,000	10,000	9,104	896
Other Charges	63	63	48	15
Debt Service	4,633,674	4,744,310	4,577,579	166,731
Total Expenditures	<u>4,643,737</u>	<u>4,754,373</u>	<u>4,586,731</u>	<u>167,642</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(4,493,737)</u>	<u>(4,604,373)</u>	<u>(4,447,057)</u>	<u>157,316</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Capital Leases	-	-	-	-
Transfers In	4,684,982	4,795,618	6,347,934	1,552,316
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>4,684,982</u>	<u>4,795,618</u>	<u>6,347,934</u>	<u>1,552,316</u>
<b>NET CHANGE IN FUND BALANCES</b>	191,245	191,245	1,900,877	1,709,632
Fund Balances - Beginning	<u>11,903,173</u>	<u>11,903,173</u>	<u>11,903,173</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 12,094,418</u>	<u>\$ 12,094,418</u>	<u>\$ 13,804,050</u>	<u>\$ 1,709,632</u>

**COUNTY OF BUTTE, CALIFORNIA  
BUDGETARY COMPARISON SCHEDULE  
CAPITAL PROJECTS FUND  
YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Use of Money and Property	\$ 30,000	\$ 30,000	\$ 20,512	\$ (9,488)
Aid from Other Governments	2,377,450	2,377,450	2,450	(2,375,000)
Charges for Services	876,558	876,558	876,558	-
Miscellaneous Revenue	3,057,228	3,057,228	158,750	(2,898,478)
Total Revenues	<u>6,341,236</u>	<u>6,341,236</u>	<u>1,058,270</u>	<u>(5,282,966)</u>
<b>EXPENDITURES</b>				
General Government:				
Services and Supplies	-	1,013,239	241,323	771,916
Other Charges	544,900	559,300	287,788	271,512
Capital Assets	9,349,427	9,091,788	3,043,262	6,048,526
Total Expenditures	<u>9,894,327</u>	<u>10,664,327</u>	<u>3,572,373</u>	<u>7,091,954</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(3,553,091)</u>	<u>(4,323,091)</u>	<u>(2,514,103)</u>	<u>1,808,988</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Capital Leases	-	-	2,658,000	2,658,000
Transfers In	2,269,099	3,039,099	1,525,573	(1,513,526)
Transfers Out	(402,549)	(513,185)	(405,606)	107,579
Total Other Financing Sources (Uses)	<u>1,866,550</u>	<u>2,525,914</u>	<u>3,777,967</u>	<u>1,252,053</u>
<b>NET CHANGE IN FUND BALANCES</b>	(1,686,541)	(1,797,177)	1,263,864	3,061,041
Fund Balances - Beginning	<u>5,379,764</u>	<u>5,379,764</u>	<u>5,379,764</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 3,693,223</u>	<u>\$ 3,582,587</u>	<u>\$ 6,643,628</u>	<u>\$ 3,061,041</u>

**COUNTY OF BUTTE, CALIFORNIA  
 BUDGETARY COMPARISON SCHEDULE  
 PERMANENT FUND  
 YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Use of Money and Property	\$ 160	\$ 160	\$ 65	\$ (95)
Total Revenues	<u>160</u>	<u>160</u>	<u>65</u>	<u>(95)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>				
	<u>160</u>	<u>160</u>	<u>65</u>	<u>(95)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>				
	160	160	65	(95)
Fund Balances - Beginning	<u>16,315</u>	<u>16,315</u>	<u>16,315</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 16,475</u>	<u>\$ 16,475</u>	<u>\$ 16,380</u>	<u>\$ (95)</u>



## INTERNAL SERVICE FUNDS

## COUNTY OF BUTTE, CALIFORNIA

### 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 NET POSITION  
INTERNAL SERVICE FUNDS  
JUNE 30, 2018**

	<u>Self Insurance</u>	<u>Workers' Compensation</u>	<u>Unemployment Insurance</u>
<b>ASSETS</b>			
Current Assets:			
Cash and Investments	\$ 2,681,770	\$ 9,644,039	\$ 104,730
Cash and Investments with Fiscal Agent	-	56,653	-
Interest Receivable	9,922	38,867	564
Due from other governments	-	13,545	-
Total Current Assets	<u>2,691,692</u>	<u>9,753,104</u>	<u>105,294</u>
Noncurrent Assets:			
Capital Assets:			
Depreciable:			
Equipment	25,446	49,565	-
Accumulated Depreciation	<u>(8,004)</u>	<u>(34,790)</u>	<u>-</u>
Total Capital Assets, Net	<u>25,446</u>	<u>49,565</u>	<u>-</u>
Total Noncurrent Assets	<u>17,442</u>	<u>14,775</u>	<u>-</u>
Total Assets	<u>2,709,134</u>	<u>9,767,879</u>	<u>105,294</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Due to Other Funds	-	-	-
Accounts Payable	63,270	16,393	1,672
Accrued Salaries and Benefits	-	-	-
Claims and Judgments, Current Portion	<u>600,000</u>	<u>2,000,000</u>	<u>-</u>
Total Current Liabilities	<u>663,270</u>	<u>2,016,393</u>	<u>1,672</u>
Long-Term Liabilities:			
Claims and Judgments, Less Current Portion	<u>694,000</u>	<u>5,451,000</u>	<u>-</u>
Total Liabilities	<u>1,357,270</u>	<u>7,467,393</u>	<u>1,672</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	17,442	14,775	-
Unrestricted	<u>1,334,422</u>	<u>2,285,711</u>	<u>103,622</u>
Total Net Position	<u>\$ 1,351,864</u>	<u>\$ 2,300,486</u>	<u>\$ 103,622</u>

**COUNTY OF BUTTE, CALIFORNIA  
COMBINING STATEMENT OF NET POSITION (CONTINUED)  
INTERNAL SERVICE FUNDS  
JUNE 30, 2018**

	Medical Liability	Miscellaneous Insurance	Utilities Clearing	Total
<b>ASSETS</b>				
Current Assets:				
Cash and Investments	\$ 12,092	\$ 37,989	\$ 234,037	\$12,714,657
Cash and Investments with Fiscal Agent	-	-	-	56,653
Interest Receivable	48	150	1,325	50,876
Due from other governments	-	-	-	13,545
Total Current Assets	<u>12,140</u>	<u>38,139</u>	<u>235,362</u>	<u>12,835,731</u>
Noncurrent Assets:				
Capital Assets:				
Depreciable:				
Equipment	-	-	-	75,011
Accumulated Depreciation	-	-	-	(42,794)
Total Capital Assets, Net	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,011</u>
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,217</u>
Total Assets	<u>12,140</u>	<u>38,139</u>	<u>235,362</u>	<u>12,867,948</u>
<b>LIABILITIES</b>				
Current Liabilities:				
Due to Other Funds	-	-	-	-
Accounts Payable	-	-	199,047	280,382
Accrued Salaries and Benefits	-	-	-	-
Claims and Judgments, Current Portion	-	-	-	2,600,000
Total Current Liabilities	<u>-</u>	<u>-</u>	<u>199,047</u>	<u>2,880,382</u>
Long-Term Liabilities:				
Claims and Judgments, Less Current Portion	-	-	-	6,145,000
Total Liabilities	<u>-</u>	<u>-</u>	<u>199,047</u>	<u>9,025,382</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	-	-	-	32,217
Unrestricted	12,140	38,139	36,315	3,810,349
Total Net Position	<u>\$ 12,140</u>	<u>\$ 38,139</u>	<u>\$ 36,315</u>	<u>\$ 3,842,566</u>

**COUNTY OF BUTTE, CALIFORNIA  
COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN FUND NET POSITION  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2018**

	Self Insurance	Workers' Compensation	Unemployment Insurance
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 1,788,733	\$ 4,908,648	\$ 215,021
Total Operating Revenues	<u>1,788,733</u>	<u>4,908,648</u>	<u>215,021</u>
<b>OPERATING EXPENSES</b>			
Salaries and Employee Benefits	-	-	320,474
Services and Supplies	397,697	969,102	4,322
Premiums, Claims, and Judgments	1,012,061	3,096,120	-
Depreciation and Amortization	711	297	-
Total Operating Expenses	<u>1,410,469</u>	<u>4,065,519</u>	<u>324,796</u>
<b>OPERATING INCOME (LOSS)</b>	<u>378,264</u>	<u>843,129</u>	<u>(109,775)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Sale of Asset	-	-	-
Interest Income	2,889	30,658	967
Total Nonoperating Revenues (Expenses)	<u>2,889</u>	<u>30,658</u>	<u>967</u>
<b>NET INCOME BEFORE TRANSFERS</b>	381,153	873,787	(108,808)
Transfers in	4,871	33,699	-
Transfers out	<u>(711)</u>	<u>(5,346)</u>	<u>-</u>
<b>CHANGE IN NET POSITION</b>	385,313	902,140	(108,808)
Net Position - Beginning of Year	<u>966,551</u>	<u>1,398,346</u>	<u>212,430</u>
<b>NET POSITION - ENDING</b>	<u>\$ 1,351,864</u>	<u>\$ 2,300,486</u>	<u>\$ 103,622</u>

**COUNTY OF BUTTE, CALIFORNIA  
COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN FUND NET POSITION (CONTINUED)  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2018**

	Medical Liability	Miscellaneous Insurance	Utilities Clearing	Totals
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 163,000	\$ 138,702	\$ 2,652,382	\$ 9,866,486
Total Operating Revenues	<u>163,000</u>	<u>138,702</u>	<u>2,652,382</u>	<u>9,866,486</u>
<b>OPERATING EXPENSES</b>				
Salaries and Employee Benefits	-	-	-	320,474
Services and Supplies	164,500	126,892	2,835,729	4,498,242
Premiums, Claims, and Judgments	-	-	-	4,108,181
Depreciation and Amortization	-	-	-	1,008
Total Operating Expenses	<u>164,500</u>	<u>126,892</u>	<u>2,835,729</u>	<u>8,927,905</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(1,500)</u>	<u>11,810</u>	<u>(183,347)</u>	<u>938,581</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Sale of Asset	-	-	-	-
Interest Income	133	231	3,750	38,628
Total Nonoperating Revenues (Expenses)	<u>133</u>	<u>231</u>	<u>3,750</u>	<u>38,628</u>
<b>NET INCOME BEFORE TRANSFERS</b>	<u>(1,367)</u>	<u>12,041</u>	<u>(179,597)</u>	<u>977,209</u>
Transfers in	-	-	-	38,570
Transfers out	-	-	(277,181)	(283,238)
<b>CHANGE IN NET POSITION</b>	<u>(1,367)</u>	<u>12,041</u>	<u>(456,778)</u>	<u>732,541</u>
Net Position - Beginning of Year	<u>13,507</u>	<u>26,098</u>	<u>493,093</u>	<u>3,110,025</u>
<b>NET POSITION - ENDING</b>	<u>\$ 12,140</u>	<u>\$ 38,139</u>	<u>\$ 36,315</u>	<u>\$ 3,842,566</u>

**COUNTY OF BUTTE, CALIFORNIA  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2018**

	Self Insurance	Workers' Compensation	Unemployment Insurance
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Received from Customers	\$ 1,788,733	\$ 4,895,103	\$ 215,021
Cash Paid to Suppliers for Goods and Services	(1,562,940)	(3,987,481)	(2,650)
Cash Paid to Employees for Services	-	-	(320,474)
Net Cash Provided (Used) by Operating Activities	<u>225,793</u>	<u>907,622</u>	<u>(108,103)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers In	4,871	33,699	-
Transfers Out	(1,423)	(5,991)	-
Net Cash Provided (Used) by Noncapital Activities	<u>3,448</u>	<u>27,708</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>			
Payments Related to Acquisition of Capital Assets	(14,774)	(14,775)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest Received (Paid)	(439)	15,336	927
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	214,028	935,891	(107,176)
Cash and Cash Equivalents - Beginning	<u>2,467,742</u>	<u>8,764,801</u>	<u>211,906</u>
<b>CASH AND CASH EQUIVALENTS - ENDING</b>	<u>\$ 2,681,770</u>	<u>\$ 9,700,692</u>	<u>\$ 104,730</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION</b>			
Cash and Investments	\$ 2,681,770	\$ 9,644,039	\$ 104,730
Cash with Fiscal Agent	-	56,653	-
Total Cash and Investments	<u>\$ 2,681,770</u>	<u>\$ 9,700,692</u>	<u>\$ 104,730</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating Income (Loss)	\$ 378,264	\$ 843,129	\$ (109,775)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	711	297	-
(Increase) Decrease in Assets:			
Deposits With Others	-	-	-
Accounts Receivable	-	(13,545)	-
Increase (Decrease) in Liabilities:			
Accounts Payable	(24,182)	(259)	1,672
Claims and Judgments	(129,000)	78,000	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 225,793</u>	<u>\$ 907,622</u>	<u>\$ (108,103)</u>

**COUNTY OF BUTTE, CALIFORNIA  
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2018**

	Medical Liability	Miscellaneous Insurance	Utilities Clearing	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash Received from Customers	\$ 163,000	\$ 138,702	\$ 2,652,382	\$ 9,852,941
Cash Paid to Suppliers for Goods and Services	(164,500)	(126,892)	(2,667,516)	(8,511,979)
Cash Paid to Employees for Services	-	-	-	(320,474)
Net Cash Provided (Used) by Operating Activities	<u>(1,500)</u>	<u>11,810</u>	<u>(15,134)</u>	<u>1,020,488</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers In	-	-	-	38,570
Transfers Out	-	-	(277,181)	(284,595)
Net Cash Provided (Used) by Noncapital Activities	<u>-</u>	<u>-</u>	<u>(277,181)</u>	<u>(246,025)</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>				
Payments Related to Acquisition of Capital Assets	-	-	-	(29,549)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest Received (Paid)	<u>121</u>	<u>151</u>	<u>3,694</u>	<u>19,790</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(1,379)	11,961	(288,621)	764,704
Cash and Cash Equivalents - Beginning	<u>13,471</u>	<u>26,028</u>	<u>522,658</u>	<u>12,006,606</u>
<b>CASH AND CASH EQUIVALENTS - ENDING</b>	<u>\$ 12,092</u>	<u>\$ 37,989</u>	<u>\$ 234,037</u>	<u>\$12,771,310</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION</b>				
Cash and Investments	\$ 12,092	\$ 37,989	\$ 234,037	\$12,714,657
Cash with Fiscal Agent	-	-	-	56,653
Total Cash and Investments	<u>\$ 12,092</u>	<u>\$ 37,989</u>	<u>\$ 234,037</u>	<u>\$12,771,310</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating Income (Loss)	\$ (1,500)	\$ 11,810	\$ (183,347)	\$ 938,581
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	-	-	-	1,008
(Increase) Decrease in Assets:				
Deposits With Others	-	-	-	-
Accounts Receivable	-	-	-	(13,545)
Increase (Decrease) in Liabilities:				
Accounts Payable	-	-	168,213	145,444
Claims and Judgments	-	-	-	(51,000)
Net Cash Provided (Used) by Operating Activities	<u>\$ (1,500)</u>	<u>\$ 11,810</u>	<u>\$ (15,134)</u>	<u>\$ 1,020,488</u>



## FIDUCIARY FUND TYPES

## COUNTY OF BUTTE, CALIFORNIA

### FIDUCIARY FUNDS

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, 2018**

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	Other	Tax Resources	Total
<b>ASSETS</b>			
Cash and Investments	\$ 18,040,385	\$ 7,219,739	\$ 25,260,124
Due from Other Governments	-	-	-
Interest Receivable	19,500	204,428	223,928
Due from Other Funds	95,341	-	95,341
Property Tax Receivable	-	10,585,742	10,585,742
Total Assets	\$ 18,155,226	\$ 18,009,909	\$ 36,165,135
<b>LIABILITIES</b>			
Due to Other Funds	\$ -	\$ -	\$ -
Agency Funds Held for Others	18,155,226	18,009,909	36,165,135
Total Liabilities	\$ 18,155,226	\$ 18,009,909	\$ 36,165,135

**COUNTY OF BUTTE, CALIFORNIA**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**YEAR ENDED JUNE 30, 2018**

<u>OTHER</u>	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
<b>ASSETS</b>				
Cash and Investments	\$ 12,882,440	\$ 5,157,945	\$ -	\$ 18,040,385
Due from Other Governments	-	-	-	-
Interest Receivable	13,894	5,606	-	19,500
Due from Other Funds	376,306	-	280,965	95,341
Total Assets	<u>\$ 13,272,640</u>	<u>\$ 5,163,551</u>	<u>\$ 280,965</u>	<u>\$ 18,155,226</u>
<b>LIABILITIES</b>				
Due to Other Funds	\$ 110,907	\$ -	\$ 110,907	\$ -
Agency Funds Held for Others	13,161,733	5,163,551	170,058	18,155,226
Total Liabilities	<u>\$ 13,272,640</u>	<u>\$ 5,163,551</u>	<u>\$ 280,965</u>	<u>\$ 18,155,226</u>
 <b>TAX RESOURCES</b>				
<b>ASSETS</b>				
Cash and Investments	\$ 6,583,841	\$ 635,898	\$ -	\$ 7,219,739
Interest Receivable	109,268	95,160	-	204,428
Property Tax Receivable	10,479,303	106,439	-	10,585,742
Total Assets	<u>\$ 17,172,412</u>	<u>\$ 837,497</u>	<u>\$ -</u>	<u>\$ 18,009,909</u>
<b>LIABILITIES</b>				
Agency Funds Held for Others	<u>\$ 17,172,412</u>	<u>\$ 837,497</u>	<u>\$ -</u>	<u>\$ 18,009,909</u>
 <b>TOTAL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash and Investments	\$ 19,466,281	\$ 5,793,843	\$ -	\$ 25,260,124
Due from Other Governments	-	-	-	-
Interest Receivable	123,162	100,766	-	223,928
Due from Other Funds	376,306	-	280,965	95,341
Property Tax Receivable	10,479,303	106,439	-	10,585,742
Total Assets	<u>\$ 30,445,052</u>	<u>\$ 6,001,048</u>	<u>\$ 280,965</u>	<u>\$ 36,165,135</u>
<b>LIABILITIES</b>				
Due to Other Funds	\$ 110,907	\$ -	\$ 110,907	\$ -
Agency Funds Held for Others	30,334,145	6,001,048	170,058	36,165,135
Total Liabilities	<u>\$ 30,445,052</u>	<u>\$ 6,001,048</u>	<u>\$ 280,965</u>	<u>\$ 36,165,135</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 relates to the services the County provides and the activities it performs.

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

**COUNTY OF BUTTE, CALIFORNIA  
NET POSITION BY COMPONENT  
LAST TEN YEARS  
(ACCRUAL BASIS OF ACCOUNTING)**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Governmental activities:</b>										
Net investment in capital assets	\$ 269,571,545	\$ 263,205,332	\$ 243,321,441	\$ 209,052,322	\$ 209,080,492	\$ 191,735,949	\$ 168,982,913	\$ 151,756,436	\$ 132,252,207	\$ 111,632,904
Restricted	51,089,379	49,225,674	78,363,897	84,780,705	79,227,923	16,595,483	95,931,964	136,834,213	116,407,518	123,419,064
Unrestricted	29,823,697	35,430,215	7,959,935	(9,893,841)	588,586	389,388,834	(210,556,320)	(241,054,922)	(224,485,012)	(279,061,376)
Total government net position	350,484,621	347,861,221	329,645,273	283,939,186	288,897,001	597,720,266	54,358,557	47,535,727	24,174,713	(44,009,408)
<b>Business-type activities:</b>										
Net investment in capital assets	5,046,136	7,162,066	8,912,181	19,287,944	10,161,697	(9,160,848)	11,295,555	16,065,466	19,313,442	23,616,009
Restricted	4,421,316	5,547,422	4,753,072	3,685,767	-	-	-	-	-	-
Unrestricted	10,664,266	9,326,821	8,799,943	2,489,032	15,111,391	34,433,936	14,404,403	10,768,515	9,058,961	5,896,317
Total business net position	20,131,718	22,036,309	22,465,196	25,462,743	25,273,088	25,273,088	25,699,958	26,833,981	28,372,403	29,512,326
<b>Primary government:</b>										
Net investment in capital assets	274,617,681	270,367,398	252,233,622	228,340,266	219,242,189	182,575,101	180,278,468	167,821,902	151,565,649	135,248,913
Restricted	55,510,695	54,773,096	83,116,969	88,466,472	79,227,923	16,595,483	95,931,964	136,834,213	116,407,518	123,419,064
Unrestricted	40,487,963	44,757,037	16,759,878	(7,404,809)	15,699,977	423,822,770	(196,151,917)	(230,286,407)	(215,426,051)	(273,165,059)
Total primary government, net position	\$ 370,616,339	\$ 369,897,531	\$ 352,110,469	\$ 309,401,929	\$ 314,170,089	\$ 622,993,354	\$ 80,058,515	\$ 74,369,708	\$ 52,547,116	\$ (14,497,082)

Source: Auditor-Controller, County of Butte

**COUNTY OF BUTTE, CALIFORNIA  
CHANGES IN NET POSITION BY COMPONENT  
LAST TEN YEARS  
(ACCRUAL BASIS OF ACCOUNTING)**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Governmental activities</b>										
<b>Expenses</b>										
General government	\$ 20,865,771	\$ 20,710,290	\$ 25,025,047	\$ 29,168,334	\$ 30,060,660	\$ 28,890,588	\$ 33,284,793	\$ 19,494,479	\$ 34,998,187	\$ 34,695,913
Public protection	96,664,267	94,362,185	88,781,607	91,167,264	93,246,404	88,471,224	104,222,488	109,431,367	120,176,236	129,534,878
Public ways and facilities	39,999,631	34,975,071	30,108,420	36,686,173	37,081,727	41,001,623	34,940,310	33,073,748	41,036,447	39,025,897
Health and sanitation	72,458,490	67,582,300	72,502,065	72,015,960	75,317,142	70,530,585	63,592,673	68,462,617	79,780,776	88,135,027
Public assistance	142,125,227	142,615,875	143,688,838	148,220,091	141,998,777	136,125,651	121,695,661	129,102,977	128,712,112	131,541,506
Education	3,394,070	3,291,233	2,805,328	2,959,473	3,208,699	2,486,523	3,382,972	3,256,166	3,827,098	3,788,074
Culture and recreation services	374,615	524,852	512,353	530,319	583,937	166,481	274,130	270,721	328,803	349,295
Interest on long-term debt	3,696,005	2,659,630	2,499,474	2,701,482	2,488,759	1,999,865	1,921,981	2,090,317	2,370,509	2,356,586
<b>Total</b>	<b>379,578,076</b>	<b>366,721,436</b>	<b>365,923,132</b>	<b>383,449,096</b>	<b>383,986,105</b>	<b>369,672,540</b>	<b>363,315,008</b>	<b>365,182,392</b>	<b>411,230,168</b>	<b>429,427,176</b>
<b>Program revenue</b>										
Charges for services:										
General government	20,463,697	16,567,360	21,694,710	22,092,523	19,859,373	10,020,782	8,482,864	17,099,501	21,707,525	19,375,841
Public protection	6,000,509	9,180,534	10,708,534	10,398,936	9,364,760	7,597,320	9,345,835	8,176,255	9,160,994	11,677,921
Public ways and facilities	3,547,975	4,082,071	2,225,165	2,216,854	2,286,810	1,057,902	347,898	857,994	3,915,390	3,878,290
Health and sanitation	5,176,893	5,673,115	5,756,094	5,785,533	5,607,738	3,945,720	2,877,011	4,293,783	7,378,175	6,480,191
Public assistance	543,906	711,842	676,610	1,079,724	1,012,741	316,723	373,010	1,138,165	407,561	391,865
Education	89,362	113,684	146,212	146,391	146,391	-	120,413	171,464	112,870	76,665
Culture and recreation services	120,209	-	-	-	-	-	317,359	68,258	65,327	62,476
Operating grants and contributions	214,119,802	222,937,925	222,575,034	227,348,490	238,623,299	231,245,236	227,391,828	212,696,494	270,058,047	271,802,470
Capital grants and contributions	12,981,464	16,299,993	20,924,224	10,465,668	13,263,837	17,867,527	15,754,932	12,186,193	5,734,412	4,593,476
<b>Total governmental activities program revenues</b>	<b>263,043,817</b>	<b>275,566,524</b>	<b>284,706,583</b>	<b>279,534,119</b>	<b>290,164,949</b>	<b>272,051,210</b>	<b>265,011,150</b>	<b>256,688,107</b>	<b>318,540,301</b>	<b>318,339,195</b>
<b>Net expense</b>	<b>(116,534,259)</b>	<b>(91,154,912)</b>	<b>(81,216,549)</b>	<b>(103,914,977)</b>	<b>(93,821,156)</b>	<b>(97,621,330)</b>	<b>(98,303,858)</b>	<b>(108,494,285)</b>	<b>(92,689,867)</b>	<b>(111,087,981)</b>
<b>General revenue and transfers</b>										
Taxes:										
Property taxes	47,928,940	49,534,039	49,822,100	47,576,400	46,504,613	47,223,804	62,251,988	58,629,417	59,712,848	63,166,249
Sales taxes	4,006,588	3,525,252	3,502,003	3,825,307	3,809,695	3,911,514	4,715,299	4,338,344	5,035,435	5,498,556
Other taxes and related revenues	989,470	1,031,960	1,010,109	942,242	1,022,342	1,311,434	986,621	1,302,226	474,438	598,373
Grants and contributions not restricted										
to specific programs	21,299,136	17,253,122	15,503,952	16,753,325	17,747,085	17,353,808	15,399,497	34,030,358	-	-
Unrestricted investment earnings	5,367,056	4,832,431	3,218,361	3,053,171	1,751,760	3,167,371	3,801,898	3,042,352	4,375,159	4,886,590
Gain (Loss) on sale of assets	-	-	-	-	-	-	-	-	-	-
Miscellaneous	12,932,121	11,688,662	4,521,606	4,886,259	3,934,721	5,044,991	6,927,395	328,758	3,560,331	3,836,818
Transfers	-	-	-	-	14,788	(24,770)	-	-	22,208	27,743
<b>Total</b>	<b>92,523,311</b>	<b>87,865,466</b>	<b>77,578,131</b>	<b>77,036,704</b>	<b>74,785,004</b>	<b>77,988,152</b>	<b>94,082,698</b>	<b>101,671,455</b>	<b>73,180,419</b>	<b>78,014,329</b>
<b>Change in net position-</b>										
<b>- governmental activities</b>	<b>\$ (24,010,948)</b>	<b>\$ (3,289,446)</b>	<b>\$ (3,638,418)</b>	<b>\$ (26,878,273)</b>	<b>\$ (19,036,152)</b>	<b>\$ (19,633,178)</b>	<b>\$ (4,221,160)</b>	<b>\$ (6,822,830)</b>	<b>\$ (19,509,448)</b>	<b>\$ (33,073,652)</b>

(continued)

**COUNTY OF BUTTE, CALIFORNIA  
CHANGES IN NET POSITION BY COMPONENT (CONTINUED)  
LAST TEN YEARS  
(ACCRUAL BASIS OF ACCOUNTING)**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Business-type activities</b>										
<b>Expenses</b>										
Sanitation	\$ 4,403,172	\$ 5,486,248	\$ 5,804,049	\$ 4,855,077	\$ 5,281,891	\$ 5,867,934	\$ 6,151,270	\$ 7,534,619	\$ 7,583,173	\$ 6,940,598
Transit	388,537	-	-	-	-	-	-	-	-	-
Total business-type activities	4,791,709	5,486,248	5,804,049	4,855,077	5,281,891	5,867,934	6,151,270	7,534,619	7,583,173	6,940,598
<b>Program revenue</b>										
Charges for services:										
Sanitation	6,662,729	5,981,595	6,094,380	6,150,774	6,626,025	6,729,881	7,548,245	8,405,871	8,755,702	8,364,653
Transit	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	70,717	108,566	83,808	159,913	-	-	-	-	206,974	99,386
Total business-type activities program revenues	6,733,446	6,090,161	6,178,188	6,310,686	6,626,025	6,729,881	7,548,245	8,405,871	8,962,676	8,464,039
<b>Net revenue (expense)</b>	<b>1,941,737</b>	<b>603,913</b>	<b>374,139</b>	<b>1,455,610</b>	<b>1,344,134</b>	<b>861,947</b>	<b>1,396,975</b>	<b>871,252</b>	<b>1,379,503</b>	<b>1,523,441</b>
<b>General revenues</b>										
Unrestricted investment earnings	701,950	1,004,069	810,774	463,350	196,221	182,000	199,250	233,271	41,693	85,816
Gain (loss) on sale of assets	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	107,674	-	29,500	139,433	273,389
Transfers	8,770	-	-	-	(14,788)	24,770	-	-	(22,208)	(27,743)
Total general revenues	710,720	1,004,069	810,774	463,350	181,433	314,444	199,250	262,771	158,918	331,462
<b>Change in net position -business-type activities</b>	<b>\$ 2,652,457</b>	<b>\$ 1,607,982</b>	<b>\$ 1,184,913</b>	<b>\$ 1,918,960</b>	<b>\$ 1,525,567</b>	<b>\$ 1,176,391</b>	<b>\$ 1,596,225</b>	<b>\$ 1,134,023</b>	<b>\$ 1,538,421</b>	<b>\$ 1,854,903</b>
<b>Primary Government</b>										
<b>Expenses</b>										
Governmental activities	\$ 379,578,076	\$ 366,721,436	\$ 365,923,132	\$ 365,923,133	\$ 383,986,105	\$ 369,672,540	\$ 363,315,008	\$ 365,182,392	\$ 411,230,168	\$ 429,427,176
Business-type activities	4,791,709	5,486,248	5,804,049	4,855,077	5,281,891	5,867,934	6,151,270	7,534,619	7,583,173	6,940,598
Total	384,369,785	372,207,684	371,727,181	370,778,210	389,267,996	375,540,474	369,466,278	372,717,011	418,813,341	436,367,774
<b>Program revenue</b>										
Governmental activities	263,043,817	275,566,524	284,706,583	284,706,583	290,164,949	272,051,210	265,011,150	256,688,107	318,540,301	318,339,195
Business-type activities	6,733,446	6,090,161	6,178,188	6,310,686	6,626,025	6,729,881	7,548,245	8,405,871	8,962,676	8,464,039
Total	269,777,263	281,656,685	290,884,771	291,017,269	296,790,974	278,781,091	272,559,395	265,093,978	327,502,977	326,803,234
<b>Net expense</b>										
Governmental activities	(116,534,259)	(91,154,912)	(81,216,549)	(81,216,550)	(93,821,156)	(97,621,330)	(98,303,858)	(108,494,285)	(92,689,867)	(111,087,981)
Business-type activities	1,941,737	603,913	374,139	1,455,610	1,344,134	861,947	1,396,975	871,252	1,379,503	1,523,441
Total	(114,592,522)	(90,550,999)	(80,842,410)	(79,760,940)	(92,477,022)	(96,759,383)	(96,906,883)	(107,623,033)	(91,310,364)	(109,564,540)
<b>General revenue</b>										
Governmental activities	92,523,311	87,865,466	77,578,131	77,578,131	74,785,004	77,988,152	94,082,698	101,671,455	73,180,419	78,014,329
Business-type activities	710,720	1,004,069	810,774	463,350	181,433	314,444	199,250	262,771	158,918	331,462
Total	93,234,031	88,869,535	78,388,905	78,041,481	74,966,437	78,302,596	94,281,948	101,934,226	73,339,337	78,345,791
<b>Change in net position</b>										
Governmental activities	(24,010,948)	(3,289,446)	(3,638,418)	(3,638,419)	(19,036,152)	(19,633,178)	(4,221,160)	(6,822,830)	(19,509,448)	(33,073,652)
Business-type activities	2,652,457	1,607,982	1,184,913	1,918,960	1,525,567	1,176,391	1,596,225	1,134,023	1,538,421	1,854,903
Total primary government change in net position	\$ (21,358,491)	\$ (1,681,464)	\$ (2,453,505)	\$ (1,719,459)	\$ (17,510,585)	\$ (18,456,787)	\$ (2,624,935)	\$ (5,688,807)	\$ (17,971,027)	\$ (31,218,749)

Source: Auditor-Controller, County of Butte

**COUNTY OF BUTTE, CALIFORNIA  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
LAST TEN YEARS  
(ACCRUAL BASIS OF ACCOUNTING)**

	For the Fiscal Year Ended June 30,	
	2009	2010
<b>General Fund</b>		
Reserved for:		
Encumbrances	\$ 2,437,136	\$ 2,348,768
Imprest cash	44,245	84,345
Prepaid items	1,888	1,848
Deposits with others	2,500	2,500
General restrictions	11,560,087	13,844,851
Debt service	1,127,040	1,572,685
Inventory	-	154,369
Unreserved:		
Designated	232,510	115,000
Undesignated	9,059,057	16,710,645
Total general fund balance	<u>24,464,463</u>	<u>34,835,011</u>

**All other Governmental Funds**

Reserved for:		
Encumbrances	11,526,534	10,662,956
Imprest cash	1,700	2,700
Prepaid items	4,088	8,945
Deposits with others	297	297
Long-term loans receivable	-	-
Legislative/ Grant restrictions	22,424,759	25,932,333
Debt service	7,943,619	7,875,805
Inventories	273,707	284,270
Unreserved:		
Designated, reported in:		
Special revenue funds	4,558,541	4,460,824
Undesignated, reported in:		
Special revenue funds	12,604,968	15,206,987
Capital projects funds	295,664	551,122
Total other governmental fund balances	<u>59,633,877</u>	<u>64,986,239</u>

**COUNTY OF BUTTE, CALIFORNIA  
FUND BALANCES  
GOVERNMENTAL FUNDS  
LAST TEN YEARS  
(ACCRUAL BASIS OF ACCOUNTING)**

	2011	2012	2013	2014	2015	2016	2017	2018
<b>General Fund</b>								
Nonspendable	122,064	290,483	150,080	157,012	607,460	238,618	668,635	726,166
Restricted	13,842,210	18,714,771	15,812,903	19,171,026	26,840,249	27,132,083	27,253,851	27,452,833
Committed	2,628,878	808,712	5,709,505	5,831,455	-	7,500,000	8,000,000	8,000,000
Assigned	6,559,485	5,059,485	714,346	30,278	28,259	28,867	-	24,978
Unassigned	11,197,976	12,396,380	17,267,531	14,708,683	23,993,723	23,371,872	15,017,700	12,579,635
	<u>34,350,613</u>	<u>37,269,831</u>	<u>39,654,365</u>	<u>39,898,454</u>	<u>51,469,691</u>	<u>58,271,440</u>	<u>50,940,186</u>	<u>48,783,612</u>

**All other Governmental Funds**

Nonspendable	323,212	364,031	340,758	322,391	314,201	287,987	269,054	249,745
Restricted	64,521,687	64,470,569	63,415,020	67,838,156	75,587,815	78,274,786	83,188,294	94,901,376
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	(2,203,060)	-	-	-	-	-
Unassigned	-	(1,726,040)	-	-	-	-	-	-
	<u>\$ 64,844,899</u>	<u>\$ 63,108,560</u>	<u>\$ 61,552,718</u>	<u>\$ 68,160,547</u>	<u>\$ 75,902,016</u>	<u>\$ 78,562,773</u>	<u>\$ 83,457,348</u>	<u>\$ 95,151,127</u>

Note: In 2011, the County implemented GASB Statement No. 54 under which governmental fund balances were reported as nonspendable, restricted, committed, assigned and unassigned compared to reserved and unreserved.

Source: Auditor-Controller, County of Butte

**COUNTY OF BUTTE, CALIFORNIA  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
LAST TEN YEARS  
(ACCRUAL BASIS OF ACCOUNTING)**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>REVENUE</b>										
Taxes	\$ 53,797,238	\$ 54,091,251	\$ 54,334,212	\$ 51,336,650	\$ 52,446,752	\$ 54,343,606	\$ 67,953,905	\$ 64,269,987	\$ 65,222,721	\$ 69,263,178
License and permits	4,604,498	3,720,735	3,123,312	3,120,393	3,316,514	3,808,020	3,896,371	3,603,798	3,614,103	3,975,055
Fines, forfeitures and penalties	3,139,816	3,307,221	3,835,387	3,233,042	3,138,357	2,173,480	3,147,613	8,144,022	6,655,205	6,267,424
Revenues from use of money	4,982,969	4,063,901	2,766,269	1,570,990	3,167,371	3,719,926	3,801,896	6,866,665	4,363,627	4,847,962
Aid from other governments	248,376,861	256,476,762	258,983,988	269,779,236	266,362,753	245,850,909	255,545,197	256,811,754	272,627,250	279,421,740
Charges for services	27,757,939	29,300,650	34,248,627	30,672,237	16,483,576	16,810,792	14,787,538	29,675,113	32,348,671	31,700,770
Other	12,932,121	11,688,660	4,521,606	3,934,721	5,041,631	4,459,273	6,891,119	3,539,473	3,462,831	3,836,818
Total revenue	355,591,442	362,649,180	361,813,401	363,647,269	349,956,954	331,166,006	356,023,639	372,910,812	388,294,408	399,312,947
<b>EXPENDITURES</b>										
<b>Current</b>										
General government	21,640,700	21,456,259	23,348,016	29,192,387	29,382,721	34,986,797	31,817,707	28,942,422	39,249,054	33,486,550
Public protection	97,512,700	93,854,161	84,903,509	92,590,332	89,451,403	87,074,775	97,118,079	112,321,201	118,494,391	123,330,613
Public ways and facilities	18,547,425	22,211,130	18,282,672	18,433,994	22,205,964	21,242,482	19,082,142	16,887,900	21,029,768	19,403,730
Health and sanitation	72,966,299	67,928,959	71,610,453	74,748,465	70,982,915	65,096,539	64,445,786	72,134,878	78,741,652	85,080,774
Public assistance	142,597,681	143,751,638	142,735,533	140,936,590	135,233,719	112,558,764	121,408,562	128,880,213	127,459,323	128,616,684
Education	3,397,317	3,227,903	2,714,077	3,149,286	2,407,061	2,508,004	3,255,644	3,654,022	4,056,341	3,631,215
Recreation and cultural services	574,995	538,899	344,806	363,065	76,733	252,717	463,469	116,409	157,652	154,178
Debt service										
Principal	6,774,954	746,483	767,210	765,957	738,305	1,105,042	2,028,202	2,278,656	1,205,465	2,126,452
Interest	3,599,724	2,597,561	2,398,702	2,387,171	2,001,044	1,969,457	1,923,814	2,090,317	2,223,417	2,460,362
Total expenditures	367,611,795	356,312,993	347,104,978	362,567,247	352,479,865	326,794,577	341,543,405	367,306,018	392,617,063	398,290,558
Excess (deficiency) of revenues over expenditures	(12,020,353)	6,336,187	14,708,423	1,080,022	(2,522,911)	4,371,429	14,480,234	5,604,794	(4,322,655)	1,022,389
<b>OTHER FINANCING SOURCES (USES)</b>										
Sales of capital assets	463,507	72,392	68,894	169,364	96,457	238,595	36,275	163,128	-	-
Capital Lease	-	-	-	-	-	-	-	34,059	7,166,380	2,658,000
Transfers in	24,328,799	20,862,960	21,674,746	7,814,774	23,917,358	31,781,697	26,978,872	15,818,443	14,278,691	14,363,847
Transfers out	(23,638,040)	(20,574,165)	(20,525,060)	(7,492,219)	(23,131,187)	(31,079,686)	(26,978,872)	(15,361,724)	(13,974,694)	(14,091,436)
Proceeds from issuance of debt	123,162	-	-	272,915	-	1,539,884	4,796,195	3,203,805	-	-
Total other financing sources	1,277,428	361,167	1,218,580	764,834	882,628	2,480,490	4,832,470	3,857,711	7,470,377	2,930,411
Net change in fund balance	\$ (10,742,925)	\$ 6,697,354	\$ 15,927,003	\$ 1,844,856	\$ (1,640,283)	\$ 6,851,919	\$ 19,312,704	\$ 9,462,505	\$ 3,147,722	\$ 3,952,800
Debt service as a percentage of noncapital expenditures	2.1%	2.9%	1.0%	0.9%	0.8%	0.9%	1.2%	1.2%	0.9%	1.2%

Source: Auditor-Controller, County of Butte

**COUNTY OF BUTTE, CALIFORNIA  
PROPERTY TAXES, LEVIES, AND COLLECTIONS  
DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

Fiscal Year	Total Tax Levy For Fiscal Year	Collected within the Fiscal Year of the Levy		Collections of Tax from Prior Year(1)	Total Collections to Date(2)	
		Amount Collected	Percentage of Levy		Amount Collected	Percentage of Levy
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%	0	192,402,835	97.95%
2015	203,133,678	198,864,507	97.90%	0	198,864,507	97.90%
2016	212,108,378	207,989,382	98.06%	0	207,989,382	98.06%
2017	219,852,299	215,651,973	98.09%	0	215,651,973	98.09%
2018	244,760,740	239,916,966	98.02%	0	239,916,966	98.02%

Note 1: No longer include the current year collections of delinquent taxes since 2014. Taxes by levy year will be reported when information is available.

Note 2: Includes current collections.

Source: Auditor-Controller, County of Butte

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

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Fiscal Year	Secured Roll	Utility Roll	Unsecured Roll	Unitary/RR Roll	Assessed Value
2009	17,826,407,338	7,930,798	836,897,313	616,678,400	19,287,913,849
2010	17,716,534,370	7,930,548	867,980,662	693,318,350	19,285,763,930
2011	17,361,801,601	5,152,377	868,120,034	731,199,247	18,966,273,259
2012	17,015,198,786	4,882,202	915,590,669	808,441,660	18,744,113,317
2013	16,770,245,966	4,857,082	906,224,159	846,160,978	18,527,488,185
2014	17,023,988,143	4,821,511	933,895,987	827,992,521	18,790,698,162
2015	17,610,137,111	6,270,694	987,011,434	830,560,304	19,433,979,543
2016	18,500,757,968	6,270,694	1,002,100,240	869,583,584	20,378,712,486
2017	19,265,290,670	6,275,182	1,054,636,741	852,207,957	21,178,410,550
2018	20,348,960,031	6,171,425	1,084,179,714	910,222,389	22,349,533,559

Source: Auditor-Controller, County of Butte

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

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Fiscal Year	Basic Countywide Levy	Schools	Butte College	Lake Madrone	Paradise Irrigation District	Total
2009	1.00%	0.1899%	0.0209%	1.020%	0.022%	2.2528%
2010	1.00%	0.1822%	0.0209%	1.020%	0.026%	2.2491%
2011	1.00%	0.1620%	0.0209%	1.150%	0.024%	2.3569%
2012	1.00%	0.3479%	0.0209%	1.250%	0.028%	2.6468%
2013	1.00%	0.1603%	0.0209%	1.400%	0.026%	2.6072%
2014	1.00%	0.1955%	0.0209%	2.000%	0.021%	3.2373%
2015	1.00%	0.1866%	0.0209%	2.000%	0.025%	3.2325%
2016	1.00%	0.1628%	0.0209%	2.000%	0.021%	3.2047%
2017	1.00%	0.1803%	0.0209%	2.000%	0.025%	3.2262%
2018	1.00%	0.1918%	0.0466%	2.000%	0.000%	3.2384%

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	2017-18			2008-09		
	Rank	Assessed Valuation	Percentage of Total Assessed	Rank	Assessed Valuation	Percentage of Total Assessed
Pacific Gas and Electric Company	1	655,797,386	3.222%	1	393,606,857	2.324%
Wild Goose Storage LLC	2	112,476,862	0.553%	2	84,747,546	0.500%
Farmland Reserve, Inc.	3	62,424,551	0.307%	7	28,421,551	0.168%
Pacific Bell California	4	49,685,015	0.244%	3	61,569,884	0.364%
Pacific Realty Associates L P	5	50,284,394	0.247%		14,397,552	0.085%
Chico Mall Investors LP	6	40,277,893	0.198%	4	40,797,131	0.241%
Merle A Webb & Sons	7	44,573,436	0.219%		-	
Union Pacific Railroad Company	8	38,717,018	0.190%		-	
Chico Crossroads LP	9	38,955,012	0.191%	5	39,270,000	0.232%
Butte County Rice Growers Assn	10	38,039,390	0.187%		-	
MP Core Chico LLC					31,500,000	0.186%
Sprint Communications Co				8	23,976,694	0.142%
North Valley Mall LLC					24,388,318	0.144%
Pacific Coast Producers				9	25,215,401	0.149%
Carwood Skypark LLC Etal				6	33,048,000	0.195%
Costco Wholesale Corporation				10	21,736,948	0.128%
Largest Secured Property Valuation		<u>1,131,230,957</u>	5.557%		<u>822,675,882</u>	4.857%
Total Secured Property Valuation		<u>20,355,131,456</u>			<u>16,937,695,180</u>	

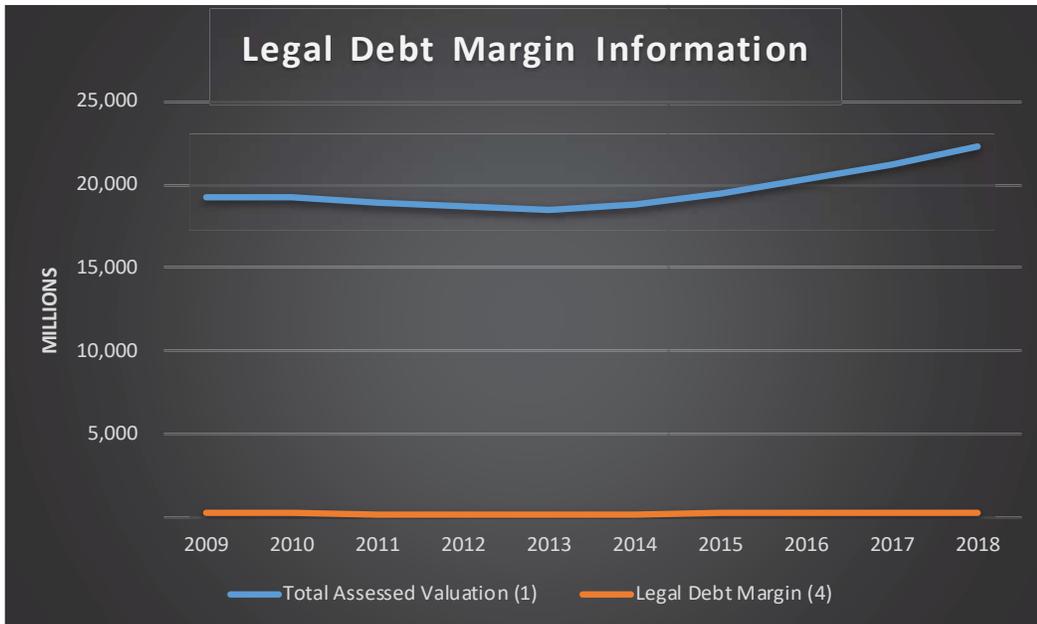
Source: Auditor-Controller, County of Butte

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

Fiscal Year	Total Assessed Valuation (1)	Legal Debt Limit (2)	Total Net Debt Applicable to Limit (3)	Legal Debt Margin (4)	Legal Debt Margin/Debt Limit
2009	19,287,913,849	241,098,923	-	241,098,923	100%
2010	19,285,763,930	241,072,049	-	241,072,049	100%
2011	18,966,273,259	237,078,416	-	237,078,416	100%
2012	18,744,113,317	234,301,416	-	234,301,416	100%
2013	18,527,488,185	231,593,602	-	231,593,602	100%
2014	18,790,698,162	234,883,727	-	234,883,727	100%
2015	19,433,979,543	242,924,744	-	242,924,744	100%
2016	20,378,712,486	254,733,906	-	254,733,906	100%
2017	21,178,410,550	264,730,132	-	264,730,132	100%
2018	22,349,533,559	279,369,170	-	279,369,170	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 DEBT PER CAPITA  
 LAST TEN YEARS**

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Fiscal Year	County Population (1)	Assessed Value	Gross Bonded Debt	Debt		Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
				Payable from Enterprise Revenue	Net Debt		
2009	220,748	19,287,913,849					
2010	221,331	19,285,763,930					
2011	221,388	18,966,273,259					
2012	221,273	18,744,113,317					
2013	221,485	18,527,488,185					
2014	222,316	18,790,698,162					
2015	224,323	19,433,979,543					
2016	224,601	20,378,712,486					
2017	226,404	21,178,410,550					
2018	227,621	22,074,282,286					

Source:

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

**COUNTY OF BUTTE, CALIFORNIA**  
**RATIO OF GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN YEARS**  
**(IN THOUSANDS, EXCEPT PER CAPITA)**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>General Obligation Bonds</b>	50,491,664	50,402,721	49,895,000	49,895,000	49,895,000	49,545,000	49,075,000	48,480,000	47,745,000	46,865,000
<b>Less:</b>										
Amounts Available in Debt Service Fund (1):	7,805,458	7,732,755	8,788,635	8,802,439	8,844,215	9,355,363	9,940,403	11,169,994	11,903,173	13,804,050
<b>Total Net Obligation Bonds Outstanding:</b>	<u>42,686,206</u>	<u>42,669,966</u>	<u>41,106,365</u>	<u>41,092,561</u>	<u>41,050,785</u>	<u>40,189,637</u>	<u>39,134,597</u>	<u>37,310,006</u>	<u>35,841,827</u>	<u>33,060,950</u>

<b>Percentage of Estimated Actual Taxable Value of Property</b>	0.23%	0.24%	0.23%	0.24%	0.23%	0.22%	0.21%	0.19%	0.17%	0.15%
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<b>Per Capita</b>	\$ 193.4	\$ 192.8	\$ 185.7	\$ 185.7	\$ 185.3	\$ 180.8	\$ 174.5	\$ 166.1	\$ 158.3	\$ 145.2
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Source : Auditor Controller, County of Butte

**COUNTY OF BUTTE, CALIFORNIA  
OVERLAPPING BONDED DEBT  
JUNE 30, 2018**

2017-18 Assessed Valuation: \$22,349,533,559 (includes unitary utility valuation and railroad)

	Total Debt 6/30/18	% Applicable (1)	County's Share of Debt 6/30/18
<b><u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u></b>			
Butte-Glenn Community College District	\$ 99,868,079	87.816%	\$ 87,700,152
Yuba Joint Community College District	163,781,106	0.160	262,050
Chico Unified School District	95,510,000	100.	95,510,000
Marysville Joint Unified School District	64,838,777	1.187	769,636
Gridley Unified School District School Facilities Improvement District No. 12	12,430,000	100.	2,430,000
Oroville Union High School District	13,391,385	100.	13,391,385
Manzanita School District	445,000	100.	445,000
Oroville School District	2,100,548	100.	2,100,548
Thermalito Union School District	1,416,292	100.	1,416,292
Sutter Butte Flood Control Agency Assessment District	87,285,000	7.011	<u>6,119,551</u>
<b>TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT</b>			<b>\$210,144,614</b>
 <b><u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u></b>			
<b>Butte County Certificates of Participation</b>	<b>\$14,137,272</b>	<b>100. %</b>	<b>\$14,137,272</b>
<b>Butte County Pension Obligation Bonds</b>	<b>46,865,000</b>	<b>100.</b>	<b>46,865,000</b>
Yuba Joint Community College District General Fund Obligations	12,184,316	0.160	19,495
Marysville Joint Unified School District Certificates of Participation	20,406,099	1.187	242,220
City of Oroville Pension Obligation Bonds	4,010,000	100.	4,010,000
City of Paradise Pension Obligation Bonds	5,560,895	100.	<u>5,560,895</u>
<b>TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>			<b>\$70,834,882</b>
Less: <b>Butte County Certificates of Participation supported by landfill revenues</b>			
<b>3,195,000</b>			
<b>TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>			<b>\$67,639,882</b>
 <b><u>OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):</u></b>	 <b>\$98,820,000</b>	 <b>100. %</b>	 <b>\$98,820,000</b>
 <b>TOTAL GROSS DIRECT DEBT</b>			 <b>\$61,002,272</b>
<b>TOTAL NET DIRECT DEBT</b>			<b>\$57,807,272</b>
<b>TOTAL OVERLAPPING DEBT</b>			<b>\$318,797,224</b>
 <b>GROSS COMBINED TOTAL DEBT</b>			 <b>\$379,799,496 (2)</b>
<b>NET COMBINED TOTAL DEBT</b>			<b>\$376,604,496</b>

(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) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2017-18 Assessed Valuation:

Total Overlapping Tax and Assessment Debt.....	0.94%
<b>Total Gross Direct Debt (\$61,002,272).....</b>	<b>0.27%</b>
<b>Total Net Direct Debt (\$57,807,272).....</b>	<b>0.26%</b>
Gross Combined Total Debt.....	1.70%
Net Combined Total Debt.....	1.69%

Ratios to Redevelopment Successor Agencies Incremental Valuation (\$4,082,700,232):

Total Overlapping Tax Increment Debt.....	2.42%
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AB:(\$500)

**COUNTY OF BUTTE, CALIFORNIA  
RATIO OF OUTSTANDING DEBT BY TYPE  
LAST TEN YEARS**

Fiscal Year	Governmental Activities				Business-type Activities				Total Primary Government	Percentage of Assessed Value	Percentage of Personal Income	Per Capita
	Bonds	Certificates of Participation	Loans/Notes	Capital Leases	Loans	Certificates of Participation	Capital Leases					
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	0.3507%	N/A	291	
2016	48,480	8,583	654	450	-	6,320	534	65,021	0.3333%	N/A	289	
2017	47,745	8,471	400	7,512	-	4,220	1,137	69,485	0.3281%	N/A	N/A	
2018	46,865	8,354	136	9,800	-	3,195	761	69,111	0.3131%	N/A	N/A	

Source: Auditor-Controller, County of Butte

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

Fiscal Year	Population (1)	Per Capita			Unemployment Rate (1)
		Personal Income (2)	Personal Income (2)	School Enrollment (3)	
2009	220,748	6,752,580,000	30,590	32,069	13.2%
2010	221,331	7,163,944,000	32,368	31,539	13.1%
2011	221,388	7,500,846,828	33,881	31,226	13.1%
2012	221,273	7,643,654,512	34,544	31,255	12.6%
2013	221,485	7,347,286,000	33,356	31,262	12.2%
2014	222,316	8,298,110,000	37,326	31,069	8.3%
2015	224,323	8,774,842,791	39,117	31,002	8.6%
2016	224,601	8,989,495,795	40,024	31,155	7.3%
2017	226,404	9,009,925,000	39,971	31,384	6.0%
2018	227,621	9,465,874,000	41,725	31,155	5.7%

**Detail of estimated population, as January, 2018:**

Incorporated Cities/Towns:

City of Biggs	1,913
City of Chico	92,348
City of Gridley	6,937
City of Oroville	18,144
Town of Paradise	26,572
Total of incorporated	145,914
Total of unincorporated	81,707
Total Population	227,621

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

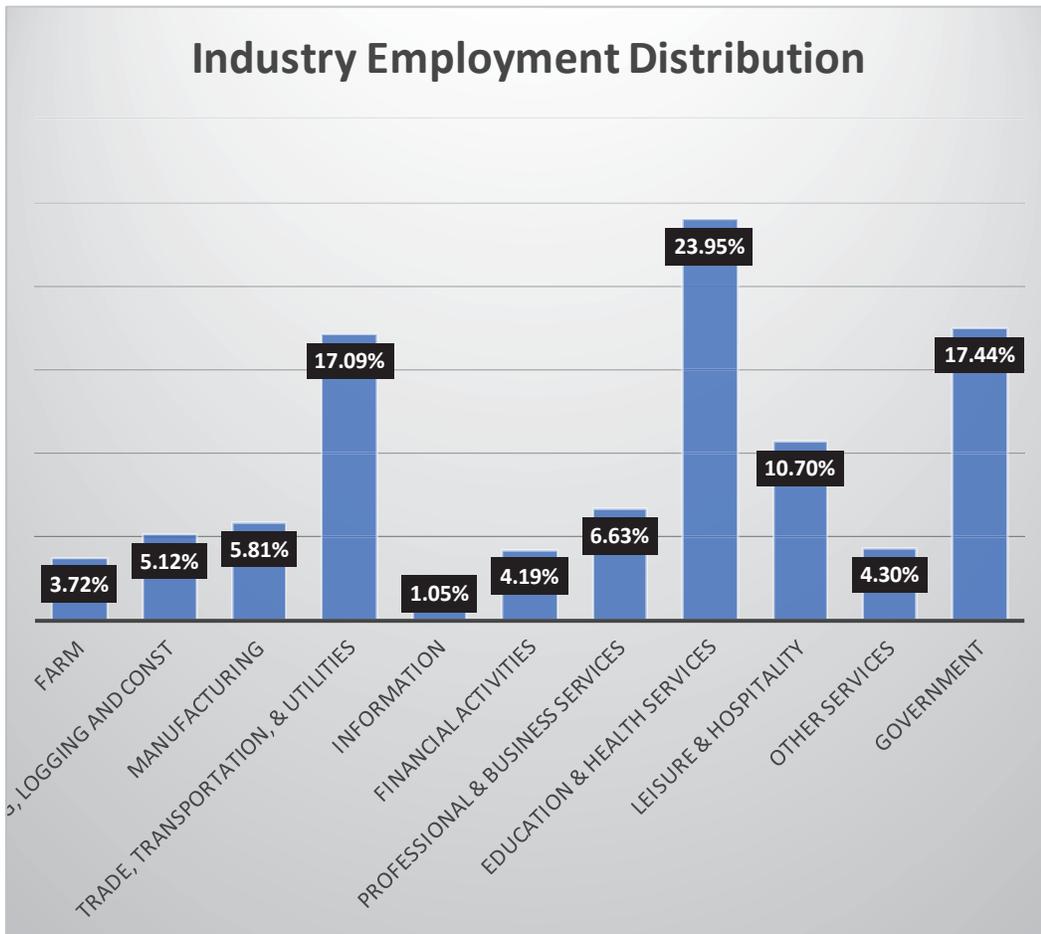
Sources:

- (1) Department of Finance ([www.dof.ca.gov](http://www.dof.ca.gov)) E-1 City/County Population Estimates January 1, 2017 and 2018
- (2) Bureau of Economic Analysis ([www.bea.gov/bea/regional/reis/](http://www.bea.gov/bea/regional/reis/)).
- (3) Common Core of Data (CCD) <http://nces.ed.gov/ccd>

**COUNTY OF BUTTE, CALIFORNIA  
COUNTY INDUSTRY EMPLOYMENT DISTRIBUTION  
JUNE 30, 2018**

**Industry Employment Distribution**

Farm	3.72%
Mining Logging and Construction	5.12%
Manufacturing	5.81%
Trade, Transportation, & Utilities	17.09%
Information	1.05%
Financial Activities	4.19%
Professional & Business Services	6.63%
Education & Health Services	23.95%
Leisure & Hospitality	10.70%
Other Services	4.30%
Government	17.44%



Source: State of California, Employment Development Department, Labor Market Information Division, Snap Shot

**COUNTY OF BUTTE, CALIFORNIA  
MISCELLANEOUS STATISTICAL INFORMATION  
JUNE 30, 2018**

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**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:** 2,468 as of June 30, 2018

**Source: Auditor-Controller, County of Butte**

**COUNTY OF BUTTE, CALIFORNIA  
PRINCIPAL EMPLOYERS  
JUNE 30, 2018 AND TEN YEARS AGO**

Company	2018			2009		
	Employees	Rank	Percentage of Total County Employment	Approximate Employees	Rank	Percentage of Total County Employment
Enloe Medical Center, Inc.	3,344	1	3.48%	1,800	3	2.50%
Butte County	2,347	2	2.44%	2,260	1	3.14%
California State University, Chico	2,033	3	2.12%	2,200	2	3.06%
Chico Unified School District	1,548	4	1.61%	N/A	N/A	N/A
Butte County Office of Education	1,500	5	1.56%	500	6	0.69%
Pacific Coast Producers	1,400	6	1.46%	200	9	0.28%
Feather Falls Casino and Lodge	510	7	0.53%	470	7	0.65%
Oroville Hospital	1,697	8	1.77%	1,150	4	1.60%
Butte Glenn Community College	1,000	9	1.04%	420	8	0.58%
Feather River Hospital	1,200	10	1.25%	600	5	0.83%
<b>Total</b>	<b>16,579</b>		<b>17.11%</b>	<b>9,000</b>		<b>12.51%</b>

Source: [www.labormarketinfo.edd.ca.gov/majorer/countymajorer.asp](http://www.labormarketinfo.edd.ca.gov/majorer/countymajorer.asp)  
Individual companies

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

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Sheriff										
Number of Bookings	14,241	13,487	12,792	13,285	12,597	13,009	11,613	12,037	11,373	13,327
Coroner Case Load	1,677	1,734	1,606	1,656	1,729	1,521	1,741	1,832	1,797	1,866
Calls for Services - Unincorp. Areas	63,871	63,787	60,499	58,843	63,664	62,065	63,239	66,236	72,449	73,116
Fire										
Medical Assistance	8,021	11,941	12,054	12,511	12,255	11,148	12,527	11,644	12,339	14,797
Fires Extinguished	1,089	2,169	2,022	2,311	2,426	2,167	2,713	1,789	1,891	2,629
Probation										
Juveniles in Detention (bed days)	17,949	17,564	17,789	17,593	17,086	12,466	11,877	9,801	10,016	11,603
Waste Management										
Landfill Tonnage	163,370	152,257	152,822	154,531	153,691	135,919	151,865	166,783	183,842	187,250
Recycling Tonnage	19,390	13,768	12,420	12,094	11,643	13,183	11,775	11,704	9,992	19,180
County Libraries										
Total Circulation	910,249	840,078	918,069	963,052	748,756	980,903	978,698	920,489	831,571	803,811
Reference Questions Answered	42,366	27,449	32,526	39,798	39,798	50,391	55,110	46,163	32,906	25,100
Patrons	94,574	79,326	74,057	80,135	87,954	103,439	105,479	113,524	121,164	88,042
Programs Offered	1,353	1,415	1,377	1,510	1,510	2,010	1,865	2,060	2,080	1,903
Program Attendance	34,764	28,395	32,943	36,751	6,036	27,554	36,146	33,452	31,218	32,457
Visitor Count	756,901	642,112	640,096	672,851	672,851	622,692	648,421	620,782	617,098	588,774
Clerk-Recorder										
Official Records Recorded	51,388	52,738	52,863	53,996	62,605	51,662	52,826	54,854	56,788	53,325
Vital Records Copies Issued	13,689	12,430	12,393	11,771	10,785	11,410	10,913	8,492	11,418	11,927
Official Records Copies Issued	5,408	4,272	5,431	5,161	4,954	4,347	4,276	4,379	5,355	5,972
Public Social Services										
CalWORKS Clients	103,947	102,663	103,267	101,884	100,669	97,567	94,415	88,239	83,793	79,857
Food Stamp Clients	251,732	290,417	311,695	339,557	356,989	365,153	377,296	386,989	377,332	370,969
Medi-Cal Clients	157,048	169,544	245,592	230,464	211,106	242,111	380,421	439,199	448,142	459,225
In-Home Support Services	37,593	36,322	33,376	33,660	33,749	31,952	33,747	36,001	37,872	39,785
Foster Care Placements	7,542	7,065	5,812	5,070	4,402	4,615	5,084	5,262	5,066	4,706
Child Welfare Services	11,237	10,150	9,800	8,936	7,441	6,581	7,802	7,732	8,082	7,900

Source: Auditor-Controller, County of Butte

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

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Sheriff</b>										
Patrol Stations	4	4	4	4	4	4	4	4	4	4
Patrol Vehicles	50	50	61	82	81	92	97	97	104	109
<b>Fire</b>										
Stations	26	26	26	26	26	26	26	26	26	26
Trucks	40	40	40	40	40	40	40	40	40	40
<b>Waste Management</b>										
Landfills	1	1	1	1	1	1	1	1	1	1
Capacity in Tons	11,931,691	11,793,202	11,652,343	11,509,906	11,367,858	11,233,172	11,081,307	10,963,435	9,269,503	6,872,634
<b>County Libraries</b>										
Branch Libraries	6	6	6	6	6	6	6	6	6	6
Book Mobiles	1	1	1	1	1	1	1	1	2	2
Books in Collection	321,799	302,828	243,280	256,893	246,731	222,150	214,510	204,358	193,648	181,963
Electronic Books	n/a	n/a	n/a	n/a	3,406	581	716	55,426	94,861	119,204

Source: Auditor-Controller, County of Butte



## GLOSSARY

**COUNTY OF BUTTE, CALIFORNIA**  
**GLOSSARY FOR THE COMPREHENSIVE ANNUAL REPORT**  
**JUNE 30, 2018**

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**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, CALIFORNIA**  
**GLOSSARY FOR THE COMPREHENSIVE ANNUAL REPORT (CONTINUED)**  
**JUNE 30, 2018**

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**AUDITORS' 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).

**COUNTY OF BUTTE, CALIFORNIA**  
**GLOSSARY FOR THE COMPREHENSIVE ANNUAL REPORT (CONTINUED)**  
**JUNE 30, 2018**

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

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

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

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

**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.

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**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.

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**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.

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**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 Auditors' Report.

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

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

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

**GOVERNMENT-WIDE FINANCIAL STATEMENTS.** Financial statements that incorporate all of a government's governmental and business-type activities, as well as its nonfiduciary component units. There are two basic government-wide financial statements: the statement of net 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.

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

**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% of corresponding totals for all government or enterprise funds and at least 5% 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 measureable 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.

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**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.

**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.

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

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

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

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

**SINGLE AUDIT.** An audit 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.

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

**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.