

COUNTY OF BUTTE

State of California

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED

JUNE 30, 2019



PARADISE LAKE PHOTO BY: TODD TOTH

Prepared Under the Supervision of:
GRACIELA C GUTIERREZ, COUNTY AUDITOR-CONTROLLER



Butte County

• CALIFORNIA •

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INTRODUCTORY SECTION



Butte County

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ButteCounty

CALIFORNIA

25 COUNTY CENTER DRIVE

December 13, 2019

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, 2019, is hereby submitted in compliance with Sections 25250 and 25253 of the Government Code of the State of California (State). The report contains financial statements that have been prepared in conformity with generally accepted accounting principles in the United States of America (GAAP) prescribed for government entities. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the County. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and present fairly the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2019, 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 15 through 28 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 226,466 with approximately 35% of the residents living in the unincorporated area.

Policymaking and legislative authority is vested in the County Board of Supervisors (the Board), which consists of an elected supervisor from each of five districts. The Board is responsible, among other things for passing ordinances, adopting the budget, appointing committees, appointing the Chief Administrative Officer (CAO), and appointing 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 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

In the wake of the Camp Fire, the demands of construction to advance the recovery of the community has led us to redirect resources. As a result our capital projects although still a priority have shifted on status.

Capital Projects

- **Jail Capacity Expansion Construction/Evidence Storage and Morgue**
Senate Bill 863 provides for a total of up to \$500 million dollars in funding to counties for the acquisition and construction of adult local criminal justice facilities, which will be made available through a competitive funding process administered by the State. Butte County submitted an application for funding in order to construct a new supplemental adult local criminal justice facility that will help the County cope with the impacts of the 2011 Public Safety Realignment, which affected an increase in the number of criminal offenders incarcerated and supervised locally. Butte County was awarded \$40 million in funding from the State and will be required to provide \$4.445 million in County funds. The jail construction is in the planning stage. The Evidence Storage and Morgue project is anticipated a cost of more than \$8,000,000 and will be funded by Criminal Justice Facilities Construction Funds, impact fees and debt financing. This project started in August 2015 and we are now in the design and construction phase.
- **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 7 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. In addition, the Camp Fire required an additional management of nearly 1 million cubic yards of fire debris and ash. The county will construct new landfill disposal areas as a result. It also intends to divert 8,000 tons of wood and green waste.

- 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 is slated to begin fiscal year 2017-2018 to be completed in fiscal year 2022-2023. The Camp Fire caused approximately \$2,000,000 of damage to the gas and storm water collection system. Those repairs are in progress.
- Fire Station 37 Reconstruction (Concow)
Fire Station 37 was destroyed by the Camp fire. Its reconstruction will be funded with insurance proceeds. We are in the design phase of this project.

FACTORS AFFECTING FINANCIAL CONDITION

Economic Challenges

In November of 2018, the County experienced the most devastating event. The Camp Fire, which literally destroyed most of the Town of Paradise. The fire burned 153,336 acres and damaged or destroyed more than 19,000 structures. Responding to this event has strained County resources. Coordinated efforts with FEMA (Federal Emergency Management Agency) and the State will continue through the coming year. We have increased expenditures at the Neal Road Recycling and Waste Facility for debris removal and Road Fund projects for emergency repairs. We are challenged with the need for grant management related to the disaster programs for disaster response, debris and tree removal to name a few. We've also encountered a new economic challenge this year imposed by PG&E. The public safety power shutoffs has necessitated the additional resources to maintain operational continuity.

The County has established a pension strategy which includes setting up a 115 Trust to collect an extra 1% of payroll for funding the growing unfunded pension liabilities.

The County has been fortunate to receive three years of property tax backfill to help fill the gap caused by the devastation of the Camp Fire. As we focus on recovering and then rebuilding Paradise and the surrounding communities impacted by the devastation we are optimistic that Butte County Strong will prevail. However, it's important to be mindful of the necessary prudence when utilizing our limited resources as we brace for the economic challenges facing us today and in the near future.

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 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, *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 auditor's report on internal control and compliance. The County is also responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. Internal controls are subject to periodic evaluation by management and the Auditor-Controller Division's internal audit staff. The 2018-2019 Single Audit will be issued under separate cover and will be available on the Butte County website <http://www.buttecounty.net/auditor>.

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 a tool to assist in controlling expenditures beyond the normal budgetary accounting for the general, special revenue, debt service funds and 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.

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 Clifton, Larson & Allen, 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, 2019, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and evaluating the overall financial statement presentation. The independent auditors concluded, based upon their audit results, that there was a reasonable basis for rendering an unqualified (clean) opinion that the County's basic financial statements for the fiscal year ended June 30, 2019, 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, 2018. 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 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,

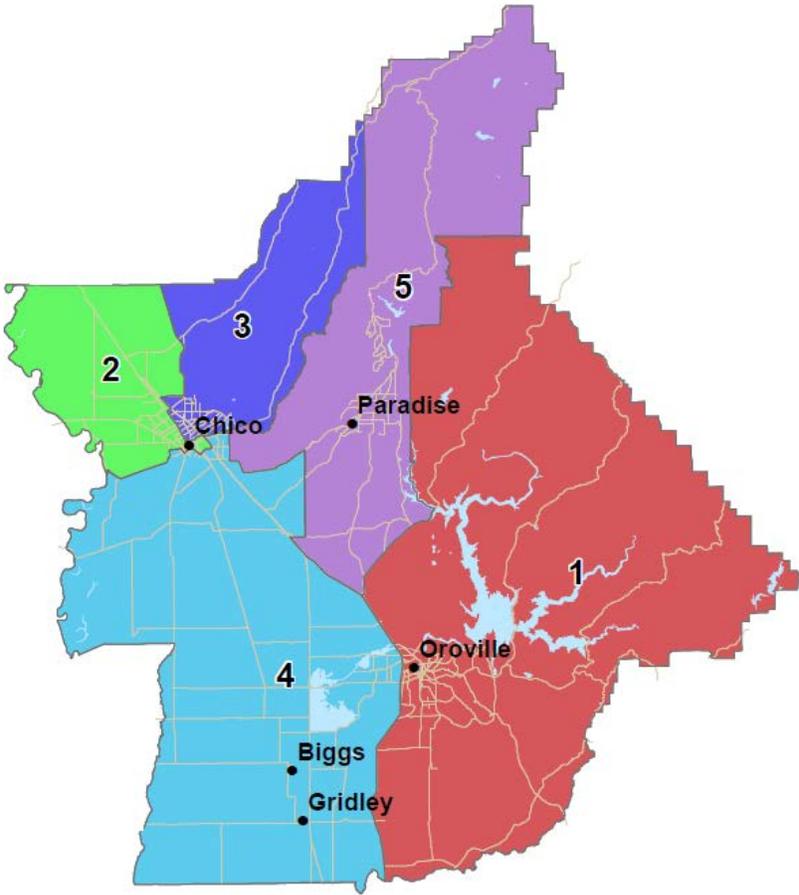


Graciela C. Gutierrez
County Auditor-Controller

**COUNTY OF BUTTE, CALIFORNIA
BOARD OF SUPERVISORS
JUNE 30, 2019**

District 1 Bill Connelly
District 2 Debra Lucero
District 3 Tami Ritter
District 4 Steve Lambert, Chair*
District 5 Doug Teeter, Vice Chair*

*Chosen annually at the first meeting in January.



**COUNTY OF BUTTE, CALIFORNIA
PRINCIPAL COUNTY OFFICIALS
JUNE 30, 2019**

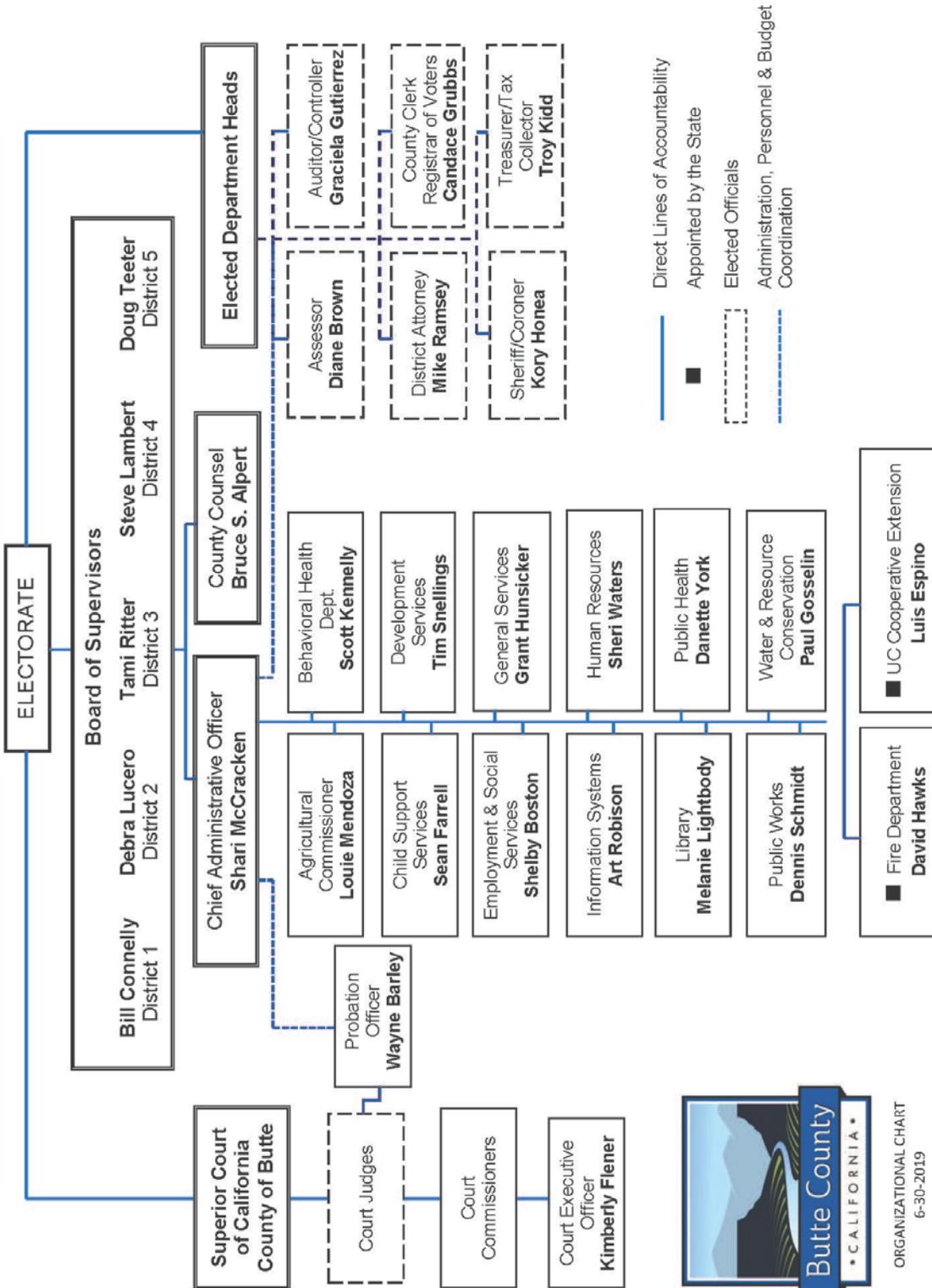
Elected Officials

Assessor.....	Diane Brown
Auditor-Controller.....	Graciela Gutierrez
Clerk/Recorder.....	Candace Grubbs
District Attorney.....	Mike Ramsey
Sheriff-Coroner.....	Kory Honea
Treasurer-Tax Collector.....	Troy Kidd

Appointed Officials

Agricultural Commissioner.....	Louie Mendoza
Interim Behavioral Health Director.....	Scott Kennelly
Chief Administrative Officer.....	Shari McCracken
Chief Probation Officer.....	Wayne Barley
Child Support Services Director.....	Sean Farrell
County Counsel.....	Bruce S. Alpert
Development Services Director.....	Tim Snellings
Employment and Social Services Director.....	Shelby Boston
Farm, Home & 4-H Advisor.....	Luis Espino
Fire Chief.....	David Hawks
General Services Director.....	Grant Hunsicker
Human Resources Director.....	Sheri Waters
Information Systems Director.....	Art Robison
Library Director.....	Melanie Lightbody
Public Health Director.....	Danette York
Public Works Director.....	Dennis Schmidt
Water & Resource Conservation Director.....	Paul Gosselin

**COUNTY OF BUTTE, CALIFORNIA
ORGANIZATION CHART
JUNE 30, 2019**



ORGANIZATIONAL CHART
6-30-2019

COUNTY OF BUTTE, CALIFORNIA
GFOA CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN REPORTING
JUNE 30, 2019



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, 2018

Christopher P. Morrill

Executive Director/CEO





FINANCIAL SECTION





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, 2019, 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 auditors' 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, 2019, 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.

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 13, 2019 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.



CliftonLarsonAllen LLP

Roseville, California
December 13, 2019



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, 2019**

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, 2019. 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

Net Position- Government Wide	\$ (26 million)	Change in Net Position from the previous year was a decrease of \$12 million or 82% due to the increase in pension liability and increased camp fire related demands such as behavioral health and landfill services.
Fund Balance- Governmental	\$141 million	Change in Governmental Fund balance from the previous year was a decrease of \$3 million or 2% due to higher liabilities including accrued payroll and accounts payable.
Fund Balance- General Fund	\$55 million	Change in General Fund balance from the previous year was an increase of \$6 million or 12% due to the increase in revenues including State and Federal grants.
Expenses- Governmental	\$455 million	Change in Expenses for Governmental Activities from the previous year was an increase of \$25 million or 6%.
Revenues- Governmental	\$429 million	Change in Revenues for Governmental Activities from the previous year was an increase of \$33 million or 8%.
Long Term Liabilities	\$384 million	Change in Long Term Liabilities for Governmental Activities from the previous year was a decrease of \$1 million or 0.3% due to a decrease in the OPEB 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, 2019**

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.

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, 2019**

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 17 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, 2019**

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	
	2019	0	2019	0	2019	0	\$ Change	% Change
							2019 to 2018	2019 to 2018
Current and Other Assets	\$ 183,776	\$ 171,804	\$ 28,682	\$ 16,251	\$ 212,458	\$ 188,055	\$ 24,403	12.98 %
Capital Assets	114,458	129,427	33,087	27,572	147,545	156,999	(9,454)	(6.02)
Total Assets	298,234	301,231	61,769	43,823	360,003	345,054	14,949	4.33
Deferred Outflow of Resources	56,197	65,935	360	429	56,557	66,364	(9,807)	(14.78)
Total Assets and Deferred Outflow s	354,431	367,166	62,129	44,252	416,560	411,418	5,142	1.25
Current and Other Liabilities	\$ 22,611	12,001	\$ 3,991	702	26,602	12,703	13,899	109.42
Long-Term Liabilities	383,929	385,821	14,263	13,927	398,192	399,748	(1,556)	(0.39)
Total Liabilities	406,540	397,822	18,254	14,629	424,794	412,451	12,343	2.99
Deferred Inflow of Resources	17,960	13,353	151	111	18,111	13,464	4,647	34.51
Total Liabilities and Deferred Inflow s	424,500	411,175	18,405	14,740	442,905	425,915	16,990	3.99
Net Position:								
Net Investment in Capital Assets	97,471	111,633	29,614	23,616	127,085	135,249	(8,164)	(6.04)
Restricted	117,376	123,419	-	-	117,376	123,419	(6,043)	(4.90)
Unrestricted	(284,918)	(279,061)	14,109	5,896	(270,809)	(273,165)	2,356	(0.86)
Total Net Position	\$ (70,071)	\$ (44,009)	\$ 43,723	\$ 29,512	\$ (26,348)	\$ (14,497)	\$ (11,851)	81.75

A large portion of the County's net position, \$97,471 in governmental activities and \$29,614 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 \$117,376 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, 2019**

The remaining deficit balance of (\$284,918) 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:

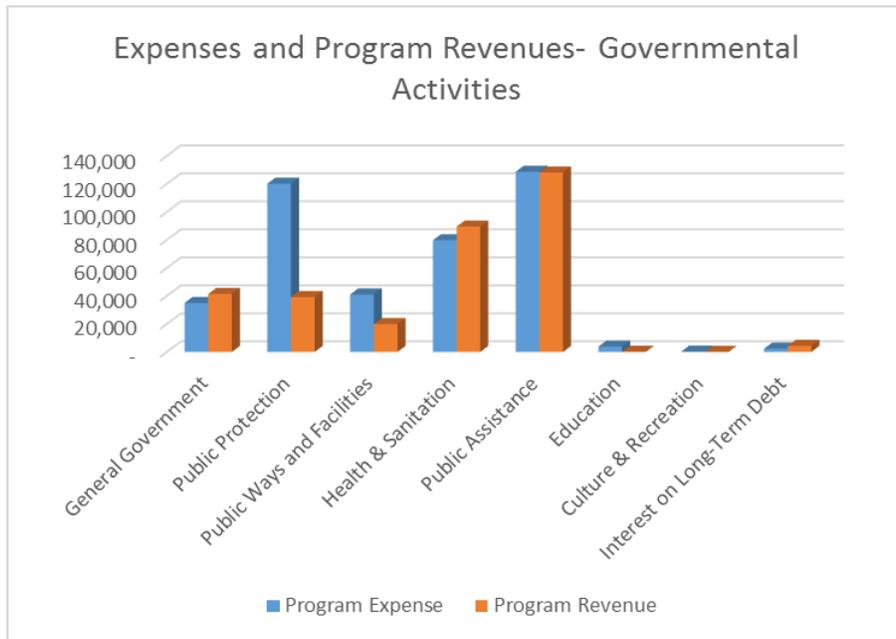
- Governmental Activities accounted for a decrease in net position of \$26,062 primarily due to increased retirement costs.
- Business-Type Activities accounted for an increase in net position of \$14,211 primarily due to increased revenues.

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	
	2019	0	2019	0	2019	0	\$ Change 2019 to 2018	% Change 2019 to 2018
Revenues:								
Program Revenues:								
Charges for Service	\$ 45,424	\$ 41,943	\$ 23,844	\$ 8,365	\$ 69,268	\$ 50,308	18,960	37.69 %
Operating Grants and Contribution	287,192	271,803	115	99	287,307	271,902	15,405	5.67
Capital Grants and Contributions	4,285	4,593	-	-	4,285	4,593	(308)	(6.71)
General Revenues:								
Property Taxes	67,765	63,166	-	-	67,765	63,166	4,599	7.28
Sales Taxes	5,594	5,499	-	-	5,594	5,499	95	1.73
Other Taxes and Related Revenues	643	598	-	-	643	598	45	7.53
Unrestricted Investment Income	9,413	4,887	534	86	9,947	4,973	4,974	100.02
Miscellaneous Revenues	9,101	3,837	333	274	9,434	4,111	5,323	129.48
Total Revenues	<u>429,417</u>	<u>396,326</u>	<u>24,826</u>	<u>8,824</u>	<u>454,243</u>	<u>405,150</u>	<u>49,093</u>	<u>12.12</u>
Program Expenses:								
General Government	43,784	34,696	-	-	43,784	34,696	9,088	26.19
Public Protection	134,869	129,535	-	-	134,869	129,535	5,334	4.12
Public Ways and Facilities	42,226	39,026	-	-	42,226	39,026	3,200	8.20
Health and Sanitation	93,114	88,135	-	-	93,114	88,135	4,979	5.65
Public Assistance	133,710	131,541	-	-	133,710	131,541	2,169	1.65
Education	4,145	3,788	-	-	4,145	3,788	357	9.42
Culture and Recreation Services	335	349	-	-	335	349	(14)	(4.01)
Interest on Long-Term Debt	2,552	2,357	-	-	2,552	2,357	195	8.27
Sanitation	-	-	11,359	6,941	11,359	6,941	4,418	63.65
Total Expenses	<u>454,735</u>	<u>429,427</u>	<u>11,359</u>	<u>6,941</u>	<u>466,094</u>	<u>436,368</u>	<u>29,726</u>	<u>6.81</u>
Excess (Deficiency) of Revenues Over/(under) Expenses	(25,318)	(33,101)	13,467	1,883	(11,851)	(31,218)	19,367	(62.04)
Transfers	(744)	28	744	(28)	-	-	-	-
Change in Net Position	(26,062)	(33,073)	14,211	1,855	(11,851)	(31,218)	19,367	(62.04)
Net Position - Beginning, Restated	(44,009)	(10,936)	29,512	27,657	(14,497)	16,721	(31,218)	(186.70)
Net Position - Ending	<u>\$ (70,071)</u>	<u>\$ (44,009)</u>	<u>\$ 43,723</u>	<u>\$ 29,512</u>	<u>\$ (26,348)</u>	<u>\$ (14,497)</u>	<u>\$ (11,851)</u>	<u>81.75</u>

**COUNTY OF BUTTE, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**



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, 2019, the County's governmental funds reported combined ending fund balances of \$141,401. The components of total fund balance are as follows:

- Nonspendable fund balance – \$1,029 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 – \$115,560 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 – \$2,799 are amounts intended to be used for specific purposes by the Board of Supervisors.
- Unassigned fund balance – \$14,012 represents the residual classification for the County's General Fund.

**COUNTY OF BUTTE, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

Approximately 99.26% or, \$140,371 of the total fund balances is available to meet the County's current and future needs. With the approval of the Board of Supervisors, County management may allocate a portion of fund balance to a particular function, project, or activity, and may also allocate for purposes beyond the current year, within the constraints applied to the various categories of fund balance. With the exception of the nonspendable portion, fund balances are available for appropriation at any time. The general fund is the main operating fund of the County. The General Fund balance increased by \$6,113 or 12% during the current fiscal year due to increased revenues including State and Federal grants.

The social services fund has a total fund balance of \$7,648 of which \$28 is nonspendable and \$7,620 is restricted. The overall fund balance decreased by \$393 primarily resulting from reduced one-time revenues and increased expenditures.

The behavioral health fund has a total fund balance of \$11,756 of which \$42 is nonspendable and the rest is restricted. The overall fund balance decreased by \$6,208 primarily resulting from reduced one-time revenues and increased expenditures.

The road fund has a total fund balance of \$4,872 of which \$4,472 is restricted. The overall fund balance increased by \$1,435 primarily resulting from increased 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.

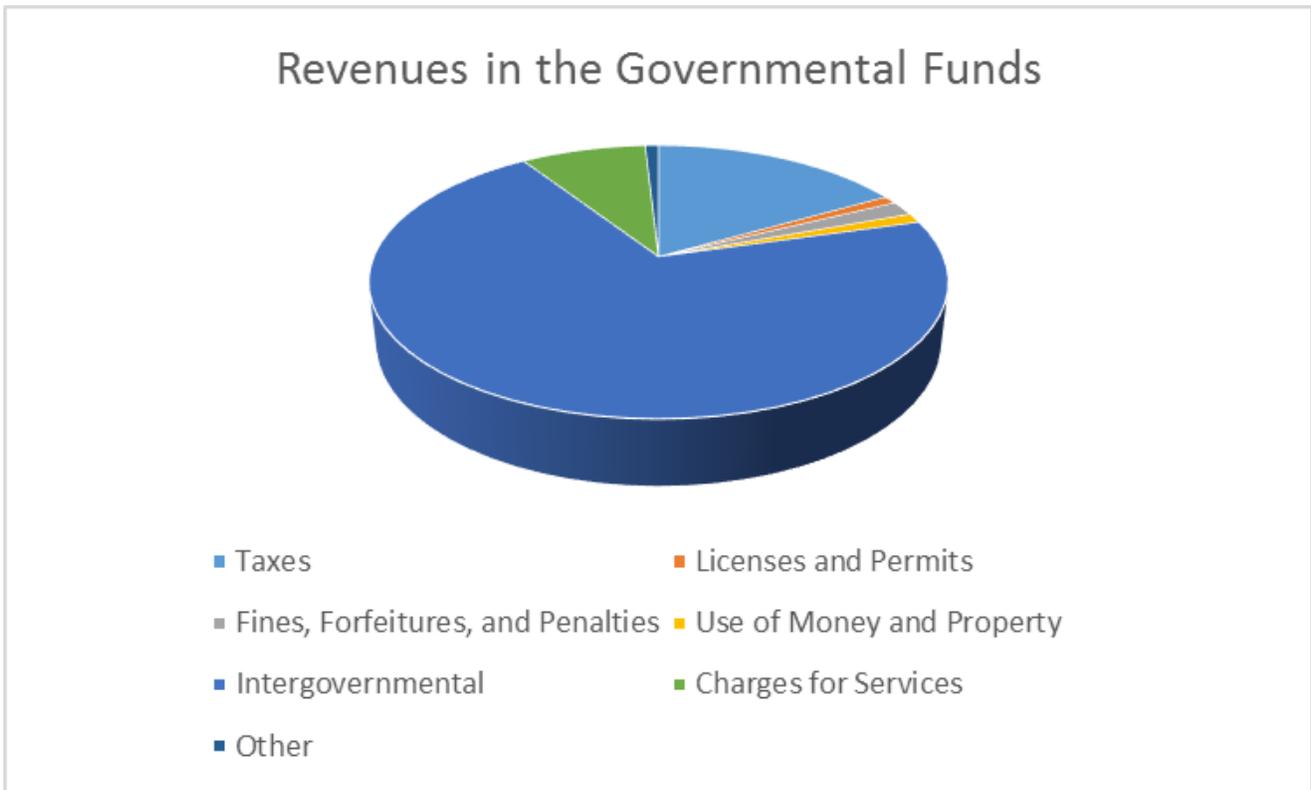
**Table 3
Revenues in the Governmental Funds**

Revenue Sources	2019		0		Change	
	Amount (in Thousands)	Percent of Total	Amount (in Thousands)	Percent of Total	Amount (in Thousands)	Percent of Total
Taxes	\$ 74,001	17.4 %	\$ 69,263	17.3 %	\$ 4,738	19.1 %
Licenses and Permits	4,306	1.0	3,975	1.0	331	1.3
Fines, Forfeitures, and Penalties	6,572	1.5	6,267	1.6	305	1.2
Use of Money and Property	8,965	2.1	4,848	1.2	4,117	16.6
Intergovernmental	289,661	68.3	279,422	70.0	10,239	41.2
Charges for Services	34,545	8.1	31,701	7.9	2,844	11.5
Other	6,101	1.4	3,837	1.0	2,264	9.1
Total	<u>\$ 424,151</u>	100.0	<u>\$ 399,313</u>	100.0	<u>\$ 24,838</u>	100.0

Significant changes for major revenue sources are explained below.

- Taxes – increase due to receipt of property tax backfill from the State.
- Use of Money and Property – increase due to unrealized gains, increased interest, royalties and rents and lease revenues.
- 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, 2019**



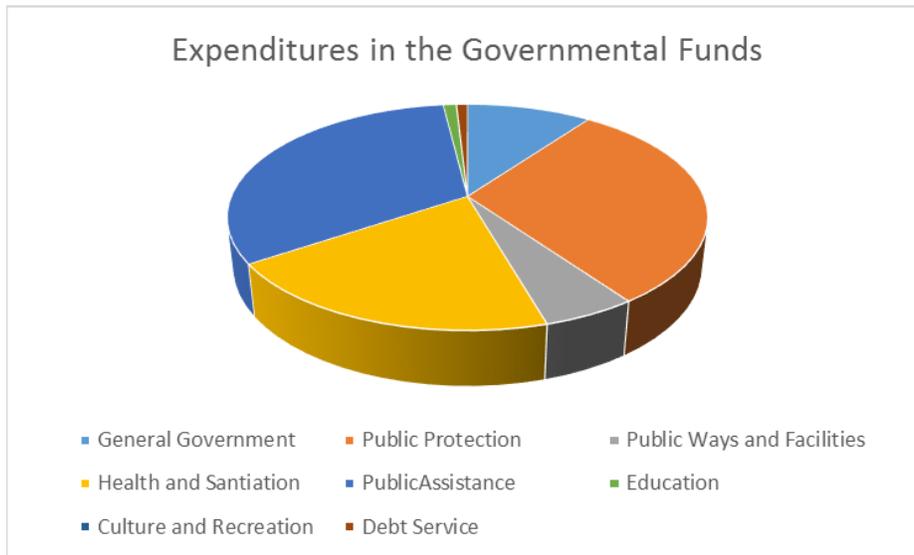
The following table presents expenditures by function compared to prior fiscal year's amounts in the governmental funds.

**Table 4
Expenditures in the Governmental Funds**

Function	2019		0		Change	
	Amount (in Thousands)	Percent of Total	Amount (in Thousands)	Percent of Total	Amount (in Thousands)	Percent of Total
General Government	43,234	10.1 %	\$ 33,487	8.4 %	\$ 9,747	32.1 %
Public Protection	129,930	30.3	123,331	31.0	6,599	21.7
Public Ways and Facilities	23,750	5.5	19,404	4.9	4,346	14.3
Health and Sanitation	90,751	21.2	85,081	21.4	5,670	18.7
Public Assistance	131,971	30.8	128,617	32.3	3,354	11.0
Education	3,903	0.9	3,631	0.9	272	0.9
Culture and Recreation	146	-	154	-	(8)	-
Debt Service	4,987	1.2	4,587	1.2	400	1.3
Total	\$ 428,672	100.0	\$ 398,292	100.0	\$ 30,380	100.0

0

**COUNTY OF BUTTE, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**



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 Camp fire.

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 \$43,723. Of this amount, \$29,614 is investment in capital assets, and the balance of \$14,109 is unrestricted. Overall net position increased by \$14,211 due to an increase in revenue for Camp Fire clean up. The County's internal service funds have an aggregate net position of \$5,270. Of this amount, \$5,213 is unrestricted

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget for revenues were a decrease of \$6,049. Aid from Other Government revenues did not reach the final estimate. Differences between the original budget and the final amended budget for expenditures were an increase of \$14,215.

During the fiscal year, actual revenues were less than budgetary estimates by \$617. The primary reason for the decrease was a reduction in Other Governmental revenues. Differences in actual expenditures to budgetary estimates were a decrease of \$19,518. The primary reason for the decrease was efficiencies in service and supplies, cost savings in salaries and the reduction in contingency usage.

**COUNTY OF BUTTE, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

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, 2019 amounts to \$147,544 (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 6 percent.

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. Infrastructure 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)	
	2019	0	2019	0	2019	0
Land	\$ 2,840	\$ 2,840	\$ 422	\$ 421	\$ 3,262	\$ 3,261
Structures and Improvements	46,103	46,595	46	46	46,149	46,641
Equipment	14,972	14,715	2,447	1,585	17,419	16,300
Infrastructure	44,092	60,433	26,456	23,275	70,548	83,708
Construction in Progress	6,450	4,845	3,715	2,245	10,165	7,090
Total	<u>\$ 114,457</u>	<u>\$ 129,428</u>	<u>\$ 33,086</u>	<u>\$ 27,572</u>	<u>\$ 147,543</u>	<u>\$ 157,000</u>

Long-Term Debt

At June 30, 2019, the County had total long-term debt obligations outstanding of \$62,806 consisting of \$8,234 in Certificates of Participation, capital lease obligations of \$8,752 and bonds payable of \$45,820.

Business activities had total long-term debt obligations of \$3,473 consisting of \$1,323 of capital lease obligations and \$2,150 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, 2019**

FISCAL OUTLOOK

The County adopted its fiscal year 2019-2020 Final Budget in the total amount of \$616,374, 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 challenges, 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.



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

COUNTY OF BUTTE, CALIFORNIA
STATEMENT OF NET POSITION
JUNE 30, 2019

	Primary Government		
	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Cash and Investments	\$ 144,421,074	\$ 19,008,692	\$ 163,429,766
Cash and Investments with Fiscal Agent	516,462	-	516,462
Imprest Cash	56,725	2,800	59,525
Interest Receivable	819,441	72,450	891,891
Accounts Receivables, Net	2,488,799	9,571,599	12,060,398
Due from Other Government Agencies	31,936,747	-	31,936,747
Prepaid Items	616,593	26,105	642,698
Inventories	273,137	-	273,137
Deposits with Others	-	-	-
Loans Receivable	2,646,731	-	2,646,731
Capital Assets:			
Nondepreciable	9,289,910	4,137,414	13,427,324
Depreciable, Net	105,167,743	28,949,369	134,117,112
Total Assets	<u>298,233,362</u>	<u>61,768,429</u>	<u>360,001,791</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension	56,179,551	359,905	56,539,456
Deferred OPEB	17,483	189	17,672
Total Deferred Outflows of Resources	<u>56,197,034</u>	<u>360,094</u>	<u>56,557,128</u>
LIABILITIES			
Accounts Payable	12,716,180	3,884,898	16,601,078
Salaries and Benefits Payable	7,475,010	75,253	7,550,263
Due to Other Governments	21,483	-	21,483
Deposits Payable	17,160	-	17,160
Unearned Revenue	2,273,220	-	2,273,220
Accrued Interest	108,103	30,870	138,973
Long-Term Liabilities:			
Due within One Year	23,048,981	1,585,374	24,634,355
Due in More than One Year	67,140,267	10,491,732	77,631,999
OPEB	57,617,345	604,651	58,221,996
Net Pension Liability	236,122,129	1,581,475	237,703,604
Total liabilities	<u>406,539,878</u>	<u>18,254,253</u>	<u>424,794,131</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension	6,863,086	46,840	6,909,926
Deferred OPEB	11,097,288	104,499	11,201,787
Total Deferred Inflows of Resources	<u>17,960,374</u>	<u>151,339</u>	<u>18,111,713</u>
NET POSITION			
Net Investment in Capital Assets	97,471,299	29,614,244	127,085,543
Restricted for:			
Health and Sanitation	26,755,165	-	26,755,165
Public Safety	31,626,432	-	31,626,432
Public Ways and Facilities	5,608,503	-	5,608,503
Social Services	6,260,022	-	6,260,022
Debt Service	13,045,966	-	13,045,966
Capital Projects	4,427,537	-	4,427,537
Other Government Programs	29,652,762	-	29,652,762
Unrestricted	(284,917,542)	14,108,687	(270,808,855)
Total Net Position	<u>\$ (70,069,856)</u>	<u>\$ 43,722,931</u>	<u>\$ (26,346,925)</u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF BUTTE, CALIFORNIA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019**

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
PRIMARY GOVERNMENT							
Governmental Activities:							
General Government	\$ 43,782,832	\$ 20,884,629	\$ 21,686,716	\$ -	\$ (1,211,487)	\$ -	\$ (1,211,487)
Public Protection	134,869,118	13,512,044	32,931,721	-	(88,425,353)	-	(88,425,353)
Public Ways and Facilities	42,226,009	4,521,364	16,393,671	4,284,890	(17,026,084)	-	(17,026,084)
Health and Sanitation	93,113,924	5,851,608	76,408,673	-	(10,853,643)	-	(10,853,643)
Public Assistance	133,709,674	540,657	139,600,853	-	6,431,836	-	6,431,836
Education	4,145,220	50,436	169,270	-	(3,925,514)	-	(3,925,514)
Recreation and Cultural Services	335,091	62,770	1,038	-	(271,283)	-	(271,283)
Debt Service:							
Interest on Long-Term Debt	2,551,165	-	-	-	(2,551,165)	-	(2,551,165)
Total Governmental Activities	<u>454,733,033</u>	<u>45,423,508</u>	<u>287,191,942</u>	<u>4,284,890</u>	<u>(117,832,693)</u>	<u>-</u>	<u>(117,832,693)</u>
Business-Type Activities:							
Sanitation	11,359,980	23,844,204	115,181	-	-	12,599,405	12,599,405
Total Primary Government	<u>\$ 466,093,013</u>	<u>\$ 69,267,712</u>	<u>\$ 287,307,123</u>	<u>\$ 4,284,890</u>	<u>(117,832,693)</u>	<u>12,599,405</u>	<u>(105,233,288)</u>
General Revenues:							
Taxes:							
Property Taxes					67,764,536	-	67,764,536
Sales and Use Taxes					5,593,752	-	5,593,752
Other Taxes and Related Revenues					643,045	-	643,045
Unrestricted Interest and Investment Earnings					9,413,433	534,315	9,947,748
Miscellaneous					9,101,051	333,313	9,434,364
Transfers					(743,572)	743,572	-
Total General Revenues and Transfers					<u>91,772,245</u>	<u>1,611,200</u>	<u>93,383,445</u>
CHANGE IN NET POSITION					(26,060,448)	14,210,605	(11,849,843)
Net Position - Beginning					(44,009,408)	29,512,326	(14,497,082)
NET POSITION - ENDING					<u>\$ (70,069,856)</u>	<u>\$ 43,722,931</u>	<u>\$ (26,346,925)</u>

See accompanying Notes to Basic Financial Statements.

**BASIC FINANCIAL STATEMENTS
FUND FINANCIAL STATEMENT**



**COUNTY OF BUTTE, CALIFORNIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019**

	General Fund	Social Services	Behavioral Health Fund	Road Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Investments	\$ 52,127,723	\$ 542,225	\$ 12,865,893	\$ 5,520,142	\$ 58,934,151	\$ 129,990,134
Restricted Assets:						
Cash with Fiscal Agent	43,540	-	-	-	342,591	386,131
Imprest Cash	18,071	-	818	50	9,758	28,697
Due from Other Funds	82,942	-	-	-	-	82,942
Interest Receivable	421,320	7,691	53,083	7,668	258,796	748,558
Accounts Receivable	2,261,307	14,268	89,014	27,167	97,043	2,488,799
Due from Other Governments	8,029,232	10,201,713	10,335,239	1,476,105	1,892,931	31,935,220
Prepaid Items	574,056	-	41,343	-	1,194	616,593
Inventory	-	-	-	273,137	-	273,137
Long-Term Receivables	-	-	-	-	2,646,731	2,646,731
Total Assets	63,558,191	10,765,897	23,385,390	7,304,269	64,183,195	169,196,942
LIABILITIES						
Liabilities:						
Accounts Payable	4,190,664	119,774	5,706,546	1,698,314	886,242	12,601,540
Accrued Payroll	3,401,115	1,693,023	1,285,051	316,442	779,358	7,474,989
Due to Other Funds	21,040	-	-	-	83,385	104,425
Unearned Revenue	934,867	1,294,001	-	37,465	6,887	2,273,220
Deposits from Others	8,680	5,908	1,880	-	692	17,160
Total Liabilities	8,556,366	3,112,706	6,993,477	2,052,221	1,756,564	22,471,334
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue	104,761	4,893	4,636,100	380,494	198,567	5,324,815
Total Deferred Inflows of Resources	104,761	4,893	4,636,100	380,494	198,567	5,324,815
FUND BALANCES						
Nonspendable	675,069	28,028	42,161	273,187	10,952	1,029,397
Restricted	29,537,504	7,620,270	11,713,652	4,471,623	62,217,112	115,560,161
Committed	8,000,000	-	-	-	-	8,000,000
Assigned	2,672,403	-	-	126,744	-	2,799,147
Unassigned	14,012,088	-	-	-	-	14,012,088
Total Fund Balances	54,897,064	7,648,298	11,755,813	4,871,554	62,228,064	141,400,793
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 63,558,191	\$ 10,765,897	\$ 23,385,390	\$ 7,304,269	\$ 64,183,195	\$ 169,196,942

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, 2019**

Fund Balance - Total Governmental Funds \$ 141,400,793

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		6,449,908	
Infrastructure		596,577,681	
Structures and Improvements		76,094,007	
Equipment		69,039,049	
Less: Accumulated Depreciation		<u>(636,600,110)</u>	
Total Capital Assets			114,400,537

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. 5,324,815

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. (108,103)

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. 5,270,164

Deferred outflows of resources for pension and OPEB in governmental activities are not financial resources and therefore, are not reported in the governmental funds 56,197,034

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 (17,960,374)

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		(8,234,287)	
Bonds Payable		(45,820,000)	
Capital Leases		(8,752,067)	
Compensated Absences		(18,048,894)	
Net Pension Liability		(236,122,129)	
Other Post-Employment Benefits		<u>(57,617,345)</u>	
Total Long-Term Liabilities			<u>(374,594,722)</u>

Net Position of Governmental Activities \$ (70,069,856)

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, 2019

	General Fund	Social Services	Behavioral Health Fund	Road Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 73,039,545	\$ -	\$ -	\$ -	\$ 961,788	\$ 74,001,333
Licenses and Permits	4,060,545	41,148	-	123,016	81,715	4,306,424
Fines, Forfeits, and Penalties	6,213,024	7,524	102,729	8,551	240,197	6,572,025
Use of Money and Property	6,158,611	111,590	507,795	169,503	2,017,439	8,964,938
Aid from Other Governments	54,223,058	131,505,039	61,127,652	17,081,893	25,722,873	289,660,515
Charges for Services	22,731,475	491,985	1,866,540	3,588,073	5,866,461	34,544,534
Other	4,528,726	11,275	25,193	193,280	1,342,577	6,101,051
Total Revenues	170,954,984	132,168,561	63,629,909	21,164,316	36,233,050	424,150,820
EXPENDITURES						
Current:						
General Government	37,520,018	-	-	-	5,713,496	43,233,514
Public Protection	118,499,242	505,277	-	-	10,925,115	129,929,634
Public Ways and Facilities	-	-	-	21,767,844	1,982,419	23,750,263
Health and Sanitation	-	-	70,366,745	-	20,384,188	90,750,933
Public Assistance	-	130,224,590	-	-	1,746,416	131,971,006
Education	3,902,990	-	-	-	-	3,902,990
Recreation and Cultural Services	-	-	-	-	146,466	146,466
Debt Service:						
Principal	8,737	-	-	-	2,339,972	2,348,709
Interest	498	-	-	-	2,638,126	2,638,624
Total Expenditures	159,931,485	130,729,867	70,366,745	21,767,844	45,876,198	428,672,139
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	11,023,499	1,438,694	(6,736,836)	(603,528)	(9,643,148)	(4,521,319)
OTHER FINANCING SOURCES (USES)						
Capital Leases	-	-	-	495,702	-	495,702
Transfers in	1,764,384	245,882	976,598	1,742,026	9,362,461	14,091,351
Transfers out	(6,674,431)	(2,077,133)	(447,799)	(199,688)	(3,200,623)	(12,599,674)
Total Other Financing Sources (Uses)	(4,910,047)	(1,831,251)	528,799	2,038,040	6,161,838	1,987,379
NET CHANGE IN FUND BALANCES	6,113,452	(392,557)	(6,208,037)	1,434,512	(3,481,310)	(2,533,940)
Fund Balance - Beginning	48,783,612	8,040,855	17,963,850	3,437,042	65,709,374	143,934,733
FUND BALANCE - ENDING	\$ 54,897,064	\$ 7,648,298	\$ 11,755,813	\$ 4,871,554	\$ 62,228,064	\$ 141,400,793

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, 2019**

Net Change to Fund Balance - Total Governmental Funds **\$ (2,533,940)**

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. 1,816,842

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	\$ 10,358,398	
Depreciation Expense Not Reported in Governmental Funds	(25,741,927)	
Capital Assets Acquired Under Capital Leases	495,702	
Capital Asset Retirements and Other Capital Asset Adjustments	<u>(106,681)</u>	(14,994,508)

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	2,348,706	
Capital Lease	<u>(495,702)</u>	1,853,004

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	87,462	
OPEB and Related Deferred Inflows/Outflows of Resources	663,968	
Net pension Liability and Related Deferred Inflows/Outflows of Resources	(13,231,375)	
Compensated Absences	<u>(1,149,499)</u>	(13,629,444)

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. 1,427,598

Change in Net Position of Governmental Activities **\$ (26,060,448)**

**COUNTY OF BUTTE, CALIFORNIA
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2019**

	Business-Type Activities	Governmental Activities
	Neal Road Landfill	Internal Service Funds
ASSETS		
Current Assets:		
Cash and Investments	\$ 19,008,692	\$ 14,458,968
Cash with Fiscal Agent	-	130,331
Imprest Cash	2,800	-
Accounts Receivable	9,571,599	-
Interest Receivable	72,450	70,883
Due from Other Governments	-	1,527
Prepaid Items	26,105	-
Total Current Assets	<u>28,681,646</u>	<u>14,661,709</u>
Noncurrent Assets:		
Capital Assets:		
Nondepreciable:		
Land	421,932	-
Construction in Progress	3,715,482	-
Depreciable:		
Structures and Improvements	30,914,023	-
Equipment	6,104,003	104,561
Accumulated Depreciation	(8,068,657)	(47,445)
Total Noncurrent Assets	<u>33,086,783</u>	<u>57,116</u>
Total Assets	<u>61,768,429</u>	<u>14,718,825</u>
Deferred Outflows of Resources - Pension	359,905	-
Deferred Outflows of Resources - OPEB	189	-
Total Deferred Outflows	<u>360,094</u>	<u>-</u>

See accompanying Notes to Basic Financial Statements.

COUNTY OF BUTTE, CALIFORNIA
STATEMENT OF NET POSITION (CONTINUED)
PROPRIETARY FUND
JUNE 30, 2019

	Business-Type Activities	Governmental Activities
	Neal Road Landfill	Internal Service Funds
LIABILITIES		
Current Liabilities:		
Accounts Payable	3,884,898	114,640
Accrued Salaries and Benefits	75,253	21
Interest Payable	30,870	-
Capital Lease	319,045	-
COP Payable, Current Portion	1,065,000	-
Compensates Absences, Current Portion	201,329	-
Claims and Judgments, Current Portion	-	2,600,000
Total Current Liabilities	<u>5,576,395</u>	<u>2,714,661</u>
Noncurrent Liabilities:		
Capital Lease Payable	1,003,494	-
COP Payable, Less Current Portion	1,085,000	-
Claims and Judgments	-	6,734,000
Net OPEB Liability	604,651	-
Net Pension Liability	1,581,475	-
Landfill Closure/Postclosure Care Costs	8,403,238	-
Total Noncurrent Liabilities	<u>12,677,858</u>	<u>6,734,000</u>
Total Liabilities	<u>18,254,253</u>	<u>9,448,661</u>
Deferred Inflows of Resources - Pension	46,840	-
Deferred Inflows of Resources - OPEB	104,499	-
Total Deferred Inflows of Resources	<u>151,339</u>	<u>-</u>
NET POSITION		
Net Investment in Capital Assets	29,614,244	57,116
Unrestricted	14,108,687	5,213,048
Total Net Position	<u>\$ 43,722,931</u>	<u>\$ 5,270,164</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, 2019

	Business-Type Activities	Governmental Activities
	Neal Road Landfill	Internal Service Funds
OPERATING REVENUES		
Charges for Services	\$ 23,844,204	\$ 9,603,665
Miscellaneous	333,313	-
Total Operating Revenues	<u>24,177,517</u>	<u>9,603,665</u>
OPERATING EXPENSES		
Salaries and Employee Benefits	1,801,805	289,001
Services and Supplies	7,817,881	4,398,723
Premiums, Claims, and Judgments	-	4,696,938
Depreciation and Amortization	907,585	4,651
Landfill Closure/Postclosure Care Costs	777,637	-
Total Operating Expenses	<u>11,304,908</u>	<u>9,389,313</u>
OPERATING INCOME (LOSS)	<u>12,872,609</u>	<u>214,352</u>
NONOPERATING REVENUES (EXPENSES)		
Intergovernmental	115,181	-
Interest Income	534,315	448,495
Interest Expense	(55,072)	-
Other Nonoperating Revenue	-	3,000,000
Total Nonoperating Revenues (Expenses)	<u>594,424</u>	<u>3,448,495</u>
NET INCOME BEFORE TRANSFERS	13,467,033	3,662,847
Transfers in	761,630	-
Transfers out	<u>(18,058)</u>	<u>(2,235,249)</u>
CHANGE IN NET POSITION	14,210,605	1,427,598
Net Position - Beginning of Year	<u>29,512,326</u>	<u>3,842,566</u>
NET POSITION - END OF YEAR	<u>\$ 43,722,931</u>	<u>\$ 5,270,164</u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF BUTTE, CALIFORNIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2019**

	Business-Type Activities	Governmental Activities
	Landfill	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	\$ 15,093,436	\$ 9,615,683
Cash Paid to Suppliers for Goods and Services	(4,599,037)	(8,672,409)
Cash Paid to Employees for Services	(1,575,083)	(288,974)
Net Cash Provided (Used) by Operating Activities	<u>8,919,316</u>	<u>654,300</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Grant Proceeds Not Restricted for Capital Purposes	115,181	-
Payments from Other County Funds	761,630	-
Payments to Other County Funds	(18,058)	(2,235,249)
Insurance Proceeds	-	3,000,000
Net Cash Provided (Used) by Noncapital Financing Activities	<u>858,753</u>	<u>764,751</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Payments Related to the Acquisition of Capital Assets	(5,596,820)	(29,550)
Principal Payment on Long-Term Debt	(1,309,000)	-
Interest Paid	(59,852)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(6,965,672)</u>	<u>(29,550)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	<u>525,669</u>	<u>428,488</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	3,338,066	1,817,989
Cash and Cash Equivalents - Beginning	<u>15,673,426</u>	<u>12,771,310</u>
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 19,011,492</u>	<u>\$ 14,589,299</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION		
Cash and Investments	\$ 19,008,692	\$ 14,458,968
Cash with Fiscal Agent	-	130,331
Imprest Cash	2,800	-
Total	<u>\$ 19,011,492</u>	<u>\$ 14,589,299</u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF BUTTE, CALIFORNIA
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2019**

	Business-Type Activities	Governmental Activities
	Landfill	Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ 12,872,609	\$ 214,352
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation	907,585	4,651
Changes in Assets and Liabilities:		
(Increase) Decrease in:		
Accounts Receivable	(9,084,081)	12,018
Increase (Decrease) in:		
Accounts Payable	3,218,843	(165,721)
Accrued Salaries	75,253	-
Compensated Absences	65,941	-
Claims and Judgements	-	589,000
Net Pension Liability and Related Deferrals	91,342	-
Net OPEB Liability and Related Deferrals	(5,814)	-
Landfill Closure/Post-Closure Cost	777,638	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 8,919,316</u>	<u>\$ 654,300</u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF BUTTE, CALIFORNIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2019**

	Investment Trust	Agency Funds
ASSETS		
Cash and investments	\$ 405,626,573	\$ 47,476,075
Interest Receivable	1,311,517	307,682
Due from Other Funds	-	104,425
Property Tax Receivable	-	11,573,258
Total Assets	406,938,090	59,461,440
LIABILITIES		
Due to Other Funds	-	82,942
Due to Other Governments	-	1,839,321
Agency Funds Held for Others	-	57,539,177
Total Liabilities	-	\$ 59,461,440
NET ASSETS		
Held in Trust for Pool Participants	406,938,090	
Total Net Position	406,938,090	
Total Liabilities and Net Position	\$ 406,938,090	

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, 2019**

Additions:

Contributions to Investment Pool	\$ 700,374,365
Interest and Investment Income	<u>4,959,394</u>
Total Additions	<u>705,333,759</u>

Deductions:

Distributions from Investment Pool	<u>653,402,360</u>
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CHANGE IN NET POSITION 51,931,399

Net Position - Beginning 355,006,691

NET POSITION - ENDING \$ 406,938,090





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

COUNTY OF BUTTE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

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, 2019 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 OF BUTTE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

County Service Area (CSA) – Drainage

CSA #4 Sierra Del Oro	CSA #23 Pleasant Valley Drainage
CSA #24 Chico-Mud Creek Drainage	CSA #25 Shasta Union Drainage
CSA #47 East and Guynn	CSA #76 Quail Run
CSA #79 Big Chico Creek Estates (Zones 1-2)	CSA #87 Keefer Road/Rock Creek Drainage
CSA #90 Southgate Acres Subdivision (Zones 1-3)	CSA #95 Copley Acres Subdivision
CSA #96 Silvertree Subdivision	CSA #97 Stoney Brook Estates Subdivision
CSA #98 Oro Monte Estates Subdivision	CSA #101 Carriage Estates Subdivision
CSA #102 Meadowlark Acres Subdivision	CSA #116 Pistachio Grove Estates Subdivision
CSA #119 South Fork Estates Subdivision	CSA #125 Willow Bend Subdivision
CSA #128 Wildflower Estates Subdivision	CSA #129 Orchard House Estates
CSA #131 Walnut Manor	CSA #135 Keefer Creek Estates (Zones 1-2)
CSA #149 Biggers Glen Subdivision	CSA #158 Ishi Valley Estates/Vineyard Grove Estates
CSA #163 Thorntree Industrial Park	CSA #165 Justin Manor/Martin Subdivision
CSA #169 Pheasant Landing Subdivision	CSA #172 Autum Park Subdivision
CSA #173 Melrose Estates	CSA #174 Durham Land Estates Subdivision
CSA #176 Pheasant Landing Estates, Unit 3	CSA #177 Blossom Estates
CSA #178 Twin Palms Subdivision	CSA #179 Chambers and Speedway Subdivision
CSA #180 Redhawk Ranch Subdivision	CSA #181 Palm Crest Village (Zone 1)
CSA #183 Red Earth Estates Subdivision	

CSA – Fire Protection

CSA #90 Southgate Acres Subdivision (Zones 2-3)	CSA #128 Wildflower Estates Subdivision
CSA #137 Durham Dayton Industrial Partners	CSA #149 Biggers Glen Subdivision
CSA #163 Thorntree Industrial Park	CSA #165 Justin Manor/Martin Subdivision
CSA #169 Pheasant Landing Subdivision	CSA #172 Autum Park Subdivision
CSA #176 Pheasant Landing Estates, Unit 3	CSA #178 Twin Palms Subdivision
CSA #179 Chambers and Speedway Subdivision	CSA #180 Redhawk Ranch Subdivision
CSA #181 Palm Crest Village	CSA #183 Red Earth Estates Subdivision

CSA –Sewer

CSA #21 Oakridge (Zones 1-4)	CSA #82 Stirling City Sewer District
CSA #94 Sycamore Valley Subdivision	CSA #135 Keefer Creek Estates (Zones 2 & 4)
CSA #141 Mountain Oaks Subdivision	CSA #169 Pheasant Landing Subdivision

CSA –Street Lighting

CSA #4 Sierra Del Oro	CSA #11 Durham
CSA #12 Stirling City	CSA #14 East Chico

COUNTY OF BUTTE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

CSA #16 West Chico	CSA #17 South Oroville Las Plumas Park (Zone 1)
CSA #27 Richvale	CSA #33 Oro-Wyandotte
CSA #36 Glen Haven Subdivision	CSA #47 East and Guynn.
CSA #62 Rancho De Thunder Subdivision #1	CSA #67 Vista Del Cerro Subdivision
CSA #68 Crestwood Subdivision	CSA #69 Lindo Gardens
CSA #71 Joshua Tree Subdivision #2	CSA #75 North Park Subdivision Unit 2
CSA #76 Quail Run	CSA #78 Woodside Subdivision
CSA #79 Big Chico Creek Estates (Zone 2)	CSA #85 Carriage Manor Subdivision

CSA #92 Rosewood Subdivision	CSA #94 Sycamore Valley Subdivision
CSA #96 Silvertree Subdivision	CSA #97 Stoney Brook Estates Subdivision
CSA #101 Carriage Estates Subdivision	CSA #102 Meadowlark Acres Subdivision
CSA #103 Morris Subdivision	CSA #116 Pistachio Grove Estates Subdivision
CSA #119 South Fork Estates Subdivision	CSA #125 Willow Bend Subdivision
CSA #128 Wildflower Estates Subdivision	CSA #129 Orchard House Estates
CSA #131 Walnut Manor	CSA #135 Keefer Creek Estates (Zones 1-2)
CSA #149 Biggers Glen Subdivision	CSA #158 Ishi Valley Estates/Vineyard Grove Estates
CSA #161 Mulberry Subdivision	CSA #163 Thorntree Industrial Park
CSA #165 Justin Manor/Martin Subdivision	CSA #169 Pheasant Landing Subdivision
CSA #172 Autum Park Subdivision	CSA #173 Melrose Estates
CSA #174 Durham Land Estates Subdivision	CSA #176 Pheasant Landing Estates, Unit 3
CSA #177 Blossom Estates	CSA #178 Twin Palms Subdivision
CSA #179 Chambers and Speedway Subdivision	CSA #180 Redhawk Ranch Subdivision
CSA #181 Palm Crest Village (Zone 1)	CSA #183 Red Earth Estates Subdivision

CSA –Swimming Pool

CSA #31 Biggs Swimming Pool	CSA #34 Gridley Swimming Pool
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CSA –Water Quality

CSA #4 Sierra Del Oro	CSA #114 Chico Urban Area Nitrate
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CSA –Other

CSA #17 South Oroville Las Plumas Park (Zone 2) - Alley Maintenance
CSA #37 Gridley-Biggs Ambulance - Ambulance
CSA #149 Biggers Glen Subdivision - Police & Snow Removal
CSA #164 Butte County Animal Control - Animal Control
CSA #172 Autum Park Subdivision - Landscape Maintenance
CSA #179 Chambers and Speedway Subdivision - Roadway Facilities

COUNTY OF BUTTE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

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 Person 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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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.

COUNTY OF BUTTE, CALIFORNIA
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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.

COUNTY OF BUTTE, CALIFORNIA
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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, 2019 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.

COUNTY OF BUTTE, 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:

Buildings and Building Improvements	30 to 50 Years
Infrastructure	30 to 50 Years
Land Improvements	20 Years
Equipment	5 to 20 Years
Vehicles	5 to 15 Years
Computer Software	5 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.

COUNTY OF BUTTE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

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.

COUNTY OF BUTTE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

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
NOTES TO BASIC FINANCIAL STATEMENTS
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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, 2019 are classified in the accompanying financial statements as follows:

Statement of Net Position

Primary Government:

Cash and Investments	\$ 163,429,766
Cash with Fiscal Agents	516,462
Imprest Cash	59,525

Fiduciary Funds:

Cash and Investments	<u>453,102,648</u>
Total Cash and Investments	<u>\$ 617,108,401</u>

**COUNTY OF BUTTE, CALIFORNIA
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Cash and investments as of June 30, 2019 consisted of the following:

Cash on Hand	\$ 145,403
Deposits with Financial Institutions	27,747,873
Investments	621,093,836
Outstanding Warrants	(31,878,711)
Total Cash and Investments	\$ 617,108,401

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.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
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
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

Investments Authorized by Debt Agreements

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

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage Allowed</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
Banker's Acceptances	180 Days	None	None
Commercial Paper	270 Days	None	None
Money Market Mutual Funds	N/A	None	None
Investment Contracts	30 Years	None	None
Local Agency Investment Fund (LAIF)	None	None	None
Butte County Treasurer's Pooled Portfolio	None	None	None

COUNTY OF BUTTE, CALIFORNIA
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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
With Treasurer:						
Certificate of Deposit	\$ 11,251,637	\$ 1,251,637	\$ 2,750,000	\$ 3,250,000	\$ 2,500,000	\$ 1,500,000
Corporate Notes	115,018,173	19,128,103	22,834,735	24,990,592	22,386,038	25,678,705
Municipal Bonds	46,158,213	18,569,651	9,965,050	5,235,932	2,118,980	10,268,600
U.S. Agency	143,462,658	30,121,661	27,916,086	29,466,076	5,005,765	50,953,070
U.S. Treasury Note	59,118,864	8,957,149	9,922,460	9,948,630	25,089,650	5,200,975
Local Government Investment Pool	245,567,829	245,567,829	-	-	-	-
Total with Treasurer	<u>620,577,374</u>	<u>323,596,030</u>	<u>73,388,331</u>	<u>72,891,230</u>	<u>57,100,433</u>	<u>93,601,350</u>
With Fiscal Agents:						
Investment under Mgmt of Trustees	342,591	342,591	-	-	-	-
Discovery Benefits	43,540	43,540	-	-	-	-
York Fiscal Agent	130,331	130,331	-	-	-	-
Total with Fiscal Agents	<u>516,462</u>	<u>516,462</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Investments	<u>\$ 621,093,836</u>	<u>\$ 324,112,492</u>	<u>\$ 73,388,331</u>	<u>\$ 72,891,230</u>	<u>\$ 57,100,433</u>	<u>\$ 93,601,350</u>

**COUNTY OF BUTTE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

Credit Risk

Credit risk exists when there is the possibility that the issuer or other counterparty to an investment may be unable to fulfill its obligations. To mitigate this risk, the County's Investment Policy, which is more restrictive than the California Government Code, places a minimum standard on the rating of investments held in the Pool. Investments in securities other than those guaranteed by the U.S. Treasury or government sponsored enterprises must have a credit rating of no less than AA-. Securities that are fully guaranteed as to payment by an agency, or government sponsored enterprise of the U.S. Government, were rated AA- or better by nationally recognized statistical-rating organizations. As of June 30, 2019 the County invested in primarily high quality investments as shown below:

S&P Rating	Percentage of Investment Portfolio
Not Rated**	43.79%
S&P-AA	1.94%
S&P-AA-	5.25%
S&P-AA+	41.64%
S&P-AAA	7.38%
Total	<u>100.00%</u>

** The portion of the portfolio that is "Not Rated" represents the following:

\$189,428,448 Local Government Investment Pool (LAIF)

\$14,995,975 US Agency Bonds with Federal Agriculture Mortgage Corporation which are not rated by Moody's or S&P

\$11,251,637 Negotiable Certificates of Deposits insured by the FDIC

\$196,025 Investments under Mgmt of Trustees insured by FDIC

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	% of Portfolio	Reported Amount
International Bank Recon & Develop	Corporate Supranationals	11.82	\$ 73,323,477
Federal Farm Credit Bank	Federal Agency Securities	6.44	39,947,221
Federal Home Loan Bank	Federal Agency Securities	6.5	40,348,511

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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.

COUNTY OF BUTTE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

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, 2019

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, 2019**

	June 30, 2019	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)
Investments by Fair Value Level:				
Debt Securities:				
FAMCA	\$ 14,995,975	\$ -	\$ 14,995,975	\$ -
FFCB	39,947,221	-	39,947,221	-
FHLB	40,348,511	-	40,348,511	-
FHLMC	28,054,741	-	28,054,741	-
FNMA	20,116,210	-	20,116,210	-
Supranationals	73,323,477	-	73,323,477	-
Municipal Bonds	46,158,213	-	46,158,213	-
U.S. Treasury Notes	59,118,864	59,118,864	-	-
Negotiable CD	11,251,637	-	11,251,637	-
Corporate Notes	41,694,696	-	41,694,696	-
Business Checking	472,922	-	472,922	-
Discovery Benefits	43,540	-	43,540	-
Total Investments by Fair Value Level	\$ 375,526,007	\$ 59,118,864	\$ 316,407,143	\$ -
Investments Measured at Amortized Costs:				
CAMP	55,978,516			
LAIF	189,589,313			
Total Investments Measured at Fair Value	\$ 621,093,836			

**COUNTY OF BUTTE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

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, 2019:

Statement of Net Position:

Net Position Held for Pool Participants	<u>\$ 616,527,872</u>
Equity of Internal Pool Participants	\$ 163,429,766
Equity of External Pool Participants (Voluntary and Involuntary)	<u>453,098,106</u>
Total Equity	<u>\$ 616,527,872</u>

Statement of Changes in Net Position:

Net Position Held for Pool Participants at July 1, 2018	\$ 525,666,127
Net Change in Investments by Pool Participants	<u>90,861,745</u>
Net Position Held for Pool Participants at June 30, 2019	<u>\$ 616,527,872</u>

NOTE 3 INTERFUND TRANSACTIONS

Interfund Receivables/Payables

The interfund balances as of June 30, 2019 are as follows:

Balances due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Agency Funds	\$ 82,942
Agency Funds	General Fund	21,040
Agency Funds	Nonmajor Governmental Funds	<u>83,385</u>
Total		<u>\$ 187,367</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
JUNE 30, 2019**

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. During the year, the County also funded a Section 115 trust for other postemployment benefits (OPEB). 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	\$ 859,677
	Social Services Fund	245,882
	Road Fund	347,164
	Nonmajor Governmental Funds	<u>5,221,708</u>
	Subtotal	<u>6,674,431</u>
Behavioral Health Fund	General Fund	136,431
	Nonmajor Governmental Funds	<u>311,368</u>
	Subtotal	<u>447,799</u>
Road Fund	General Fund	33,636
	Nonmajor Governmental Funds	<u>166,052</u>
	Subtotal	<u>199,688</u>
Social Services Fund	General Fund	220,716
	Nonmajor Governmental Funds	<u>1,856,417</u>
	Subtotal	<u>2,077,133</u>
Neal Road Landfill	General Fund	6,431
	Nonmajor Governmental Funds	<u>11,627</u>
	Subtotal	<u>18,058</u>
Internal Service Funds	General Fund	1,130,899
	Behavioral Health Fund	116,921
	Road Fund	87,209
	Neal Road Landfill	761,630
	Nonmajor Governmental Funds	<u>138,590</u>
	Subtotal	<u>2,235,249</u>
Nonmajor Governmental Funds	General Fund	236,271
	Road Fund	1,307,653
	Nonmajor Governmental Funds	<u>1,656,699</u>
	Subtotal	<u>3,200,623</u>
	Total Transfers	<u>\$ 14,852,981</u>

COUNTY OF BUTTE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 4 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019 was as follows:

	Beginning Balance	Additions	Retirements	Transfers and Adjustments	Ending Balance
Governmental Activities					
Capital Assets, Not Being Depreciated:					
Land	\$ 2,840,002	\$ -	\$ -	\$ -	\$ 2,840,002
Construction in Progress	4,844,848	5,550,961	(75,217)	(3,870,684)	6,449,908
Total Capital Assets, Not Being Depreciated	<u>7,684,850</u>	<u>5,550,961</u>	<u>(75,217)</u>	<u>(3,870,684)</u>	<u>9,289,910</u>
Capital Assets, Being Depreciated:					
Infrastructure	592,823,826	1,153,062	-	2,600,793	596,577,681
Structures and Improvements	74,827,074	-	-	1,266,933	76,094,007
Equipment	66,553,993	4,257,802	(1,668,185)	-	69,143,610
Total Capital Assets, Being Depreciated	<u>734,204,893</u>	<u>5,410,864</u>	<u>(1,668,185)</u>	<u>3,867,726</u>	<u>741,815,298</u>
Accumulated Depreciation for:					
Infrastructure	(532,390,798)	(20,094,731)	-	-	(552,485,529)
Structures and Improvements	(28,232,280)	(1,749,917)	-	(8,444)	(29,990,641)
Equipment	(51,839,403)	(3,893,486)	1,561,504	-	(54,171,385)
Total Accumulated Depreciation	<u>(612,462,481)</u>	<u>(25,738,134)</u>	<u>1,561,504</u>	<u>(8,444)</u>	<u>(636,647,555)</u>
Total Capital Assets, Being Depreciated, Net	<u>121,742,412</u>	<u>(20,327,270)</u>	<u>(106,681)</u>	<u>3,859,282</u>	<u>105,167,743</u>
Governmental Activities Capital Assets, Net	<u>\$ 129,427,262</u>	<u>\$ (14,776,309)</u>	<u>\$ (181,898)</u>	<u>\$ (11,402)</u>	<u>\$ 114,457,653</u>
Business-Type Activities					
Capital Assets, Not Being Depreciated:					
Land	\$ 420,932	\$ 1,000	\$ -	\$ -	\$ 421,932
Construction in Progress	2,245,147	5,319,595	-	(3,849,260)	3,715,482
Total Capital Assets, Not Being Depreciated	<u>2,666,079</u>	<u>5,320,595</u>	<u>-</u>	<u>(3,849,260)</u>	<u>4,137,414</u>
Capital Assets, Being Depreciated:					
Infrastructure	26,964,074	-	-	3,849,260	30,813,334
Structures and Improvements	100,690	-	-	-	100,690
Equipment	5,002,674	1,101,328	-	-	6,104,002
Total Capital Assets, Being Depreciated	<u>32,067,438</u>	<u>1,101,328</u>	<u>-</u>	<u>3,849,260</u>	<u>37,018,026</u>
Accumulated Depreciation for:					
Infrastructure	(3,688,870)	(668,497)	-	-	(4,357,367)
Structures and Improvements	(54,357)	-	-	-	(54,357)
Equipment	(3,417,845)	(239,088)	-	-	(3,656,933)
Total Accumulated Depreciation	<u>(7,161,072)</u>	<u>(907,585)</u>	<u>-</u>	<u>-</u>	<u>(8,068,657)</u>
Total Capital Assets, Being Depreciated, Net	<u>24,906,366</u>	<u>193,743</u>	<u>-</u>	<u>3,849,260</u>	<u>28,949,369</u>
Business-Type Activities Capital Assets, Net	<u>\$ 27,572,445</u>	<u>\$ 5,514,338</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,086,783</u>

COUNTY OF BUTTE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

Depreciation expense was allocated to functions as follows:

Governmental Activities:

General Government	\$ 1,990,952
Public Protection	3,090,602
Public Ways	19,632,494
Health and Sanitation	577,879
Public Assistance	141,469
Education	117,763
Recreation and Cultural Services	190,768
Capital Assets Held by the Government's Internal Service Funds are Charged to the Various Functions based on their Usage of Assets	<u>4,651</u>
Total Government Activities	<u><u>\$ 25,746,578</u></u>

Business-Type Activities:

Landfill	<u><u>\$ 907,585</u></u>
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COUNTY OF BUTTE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 5 LONG-TERM OBLIGATIONS

Type of Indebtedness (Purpose)	Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2019
Governmental Activities:					
Pension Obligation Bonds:					
Series A	6/30/2034	5.896%-6.076%	\$370,000-\$3,440,000	\$ 28,020,000	\$ 26,520,000
Series B	6/30/2034	Variable	\$510,000-\$2,105,000	21,875,000	19,300,000
Total Pension Obligation Bonds				<u>49,895,000</u>	<u>45,820,000</u>
Capital Lease Obligations:					
Chico Memorial Hall - 492 Rio Lindo	4/10/2020	7.40%	\$22,510-\$61,156	583,400	56,943
Chico Memorial Hall - 554 Rio Lindo	4/10/2020	5.20%	\$30,626-\$62,275	670,900	59,196
Government Campus Infrastructure	10/1/2032	2.99%	\$70,015-\$213,217	2,658,000	2,443,021
Grader and Tractor Truck	4/13/2023	2.94%	\$93,782-\$104,965	495,702	402,220
Motorola Solutions, Inc. -Equipment	12/15/2026	1.02%	\$684,356-\$749,805	7,166,380	5,790,687
Total Capital Lease Obligations				<u>11,574,382</u>	<u>8,752,067</u>
Certificates of Participation:					
Hall of Records COP	7/1/2054	3.50%	\$100,000-\$350,000	8,000,000	7,297,954
2010 Bangor Fire Station #55 COP	8/1/2050	4.00%	\$12,000-\$50,000	1,100,000	936,333
Total Certificates of Participation				<u>9,100,000</u>	<u>8,234,287</u>
Total Governmental Activities				<u>\$ 70,569,382</u>	<u>\$ 62,806,354</u>
Business-Type Activities:					
Capital Lease Obligations:					
JP Morgan Chase-Loader & Haul Truck	11/15/2021	1.568%	\$158,238-\$168,398	\$ 816,393	\$ 497,437
U.S. Bancorp-Waste Handler	3/18/2025	2.873%	\$155,806-\$174,500	825,103	825,103
Total Capital Lease Obligations				<u>1,641,496</u>	<u>1,322,540</u>
Certificates of Participation:					
Refunded 2006 COP	9/1/2020	1.790%	\$1,025,000-\$1,085,000	4,220,000	2,150,000
				<u>4,220,000</u>	<u>2,150,000</u>
Total Business-Type Activities				<u>\$ 5,861,496</u>	<u>\$ 3,472,540</u>

Long-term obligations of the County consist of capital lease obligations, bonds, certificates of participation, and other liabilities, which are payable from the General, Debt Service, Capital Projects, Enterprise, and Internal Service Funds.

**COUNTY OF BUTTE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

Summary of Changes in Long-Term Obligations

	Beginning Balance	Additions	Retirements	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Pension Obligation Bonds	\$ 46,865,000	\$ -	\$ 1,045,000	\$ 45,820,000	\$ 1,215,000
Certificates of Participation and Capital Leases from Direct Borrowings and Direct Placements	17,794,358	495,701	1,303,705	16,986,354	1,185,088
Claims and Judgments	8,745,000	4,696,938	4,107,937	9,334,001	2,600,000
Compensated Absences	16,899,395	23,580,643	22,431,145	18,048,893	18,048,893
Total Government Activities	<u>\$ 90,303,753</u>	<u>\$ 28,773,282</u>	<u>\$ 28,887,787</u>	<u>\$ 90,189,248</u>	<u>\$ 23,048,981</u>
Business-Type Activities:					
Certificates of Participation and Capital Leases from Direct Borrowings and Direct Placements	\$ 3,956,436	\$ 825,105	\$ 1,309,001	\$ 3,472,540	\$ 1,384,045
Compensated Absences	135,388	208,767	142,826	201,329	201,329
Landfill Closure, Post-Closure Care Costs	7,625,600	777,637	-	8,403,237	-
Total Business-Type Activities	<u>\$ 11,717,424</u>	<u>\$ 1,811,509</u>	<u>\$ 1,451,827</u>	<u>\$ 12,077,106</u>	<u>\$ 1,585,374</u>

Bonds Payable

At June 30, 2019, 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 2018/2019, the average rate paid for Series B was 2.41647%. The next payment of interest for Series A is due December 1, 2019. 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, 2019, 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>
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	2,050,000	2,240,022	4,290,022
2025-2029	14,390,000	9,193,423	23,583,423
2030-2034	23,345,000	4,202,419	27,547,419
Total	<u>\$ 45,820,000</u>	<u>\$ 25,473,675</u>	<u>\$ 71,293,675</u>

Direct Borrowings

**COUNTY OF BUTTE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

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, 2019:

<u>Year Ending June 30.</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
2020	\$ 1,210,203	\$ 350,553
2021	1,086,773	350,553
2022	1,086,773	350,552
2023	1,086,772	179,514
2024	978,723	179,514
2025-2029	3,378,707	-
2030-2034	774,443	-
Total Minimum Lease Payments	9,602,394	1,410,686
Less: Amount Representing Interest	850,327	88,146
Present Value of Minimum Lease Payments	<u>\$ 8,752,067</u>	<u>\$ 1,322,540</u>

GASB 88 requires disclosure of collateral for debt. The County has pledged first position security interest in equipment for Motorola Solutions Inc. Equipment, Grader & Tractor Truck, JP Morgan Chase Loader & Haul Truck, and U.S. Bancorp Waster Handler as collateral.

The following is a schedule of net remaining property leased under capital leases at June 30, 2019:

	<u>Acquisition Value</u>	<u>Accumulated Depreciation</u>	<u>Net Remaining</u>
Governmental Activities:			
Structures and Improvements	\$ 859,971	\$ 221,546	\$ 638,425
Infrastructure	2,533,322	-	2,533,322
Land	374,281	-	374,281
Equipment	7,696,160	1,915,121	5,781,039
Total			<u>\$ 9,327,067</u>
Business-Type Activities:			
Equipment	\$ 2,401,305	\$ 491,242	\$ 1,910,063
Total			<u>\$ 1,910,063</u>

COUNTY OF BUTTE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

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>
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	19,000	34,353	53,353
2025-2029	105,000	159,766	264,766
2030-2034	130,000	136,266	266,266
2035-2039	156,000	107,746	263,746
2040-2044	189,000	73,366	262,366
2045-2049	231,000	31,486	262,486
2050-2054	38,333	767	39,100
Total	<u>\$ 936,333</u>	<u>\$ 688,242</u>	<u>\$ 1,624,575</u>

COUNTY OF BUTTE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

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>
2020	109,000	257,266	366,266
2021	113,000	253,521	366,521
2022	117,000	249,636	366,636
2023	121,000	245,611	366,611
2024	125,000	241,446	366,446
2025-2029	692,000	1,139,679	1,831,679
2030-2034	822,000	1,012,017	1,834,017
2035-2039	977,000	860,292	1,837,292
2040-2044	1,160,000	680,059	1,840,059
2045-2049	1,378,000	465,999	1,843,999
2050-2054	1,636,000	211,759	1,847,759
2055-2059	47,954	839	48,793
Total	<u>\$ 7,297,954</u>	<u>\$ 5,618,124</u>	<u>\$ 12,916,078</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>
2020	1,065,000	28,953	1,093,953
2021	1,085,000	9,711	1,094,711
Total	<u>\$ 2,150,000</u>	<u>\$ 38,664</u>	<u>\$ 2,188,664</u>

**COUNTY OF BUTTE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

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>
2020	\$ 4,732,252
2021	4,476,898
2022	3,923,092
2023	3,661,089
2024	3,393,354
2025-2029	16,226,754
2030-2034	14,591,080
2035-2039	12,736,318
Total Commitment	<u>\$ 63,740,837</u>

Rental expense was \$6,179,589 for all funds for the year ended June 30, 2019.

COUNTY OF BUTTE, CALIFORNIA
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Compensated Absences

Vacation is accrued at varying rates depending on an employee's years of service. 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. Administrative leave is paid out at the current hourly rate. Options for sick leave include the following. 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 Department Heads, Elected Department Heads, Board of Supervisors, Non-Represented, and Board Executive Assistants hired after June 30, 2010 will not be eligible for sick-leave buy out nor will they receive one year of County-paid health benefits after retirement. Retiree benefits are determined by bargaining unit and date of hire. Please see the Retiree sick leave conversion by unit for updated changes. In general Appointed Department Heads, Elected Department Heads, Non-Represented, Confidential, BCMEA, and Boards Executive Assistants, are limited to a plan up to the price of the Blue Shield HMO. PPOA, PPOA management, Professional Unit, District Attorney, Skilled Trades, BCCOA, and BCCOA Supervisory are all at the lowest cost plan offered by CalPERS. DSA, and DSA Management, may have the PORAC plan as long as it is one of the two least expensive plans. The General unit and the Social Workers unit, receive the Select Plus Rate for health insurance into retirement.

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 15%, Road Fund 5%, and Nonmajor Funds 3%.

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 \$12,666,993, \$1,916,527, and \$10,686,050, respectively.

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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, 33.254% capacity is reported to date as the cumulative usage as of June 30, 2019. The \$8,403,238, reported as landfill closure and corrective action and post-closure liability at June 30, 2019, represents the 33.254% of the estimated closure and corrective action and post-closure costs.

The County will recognize the remaining estimated closure costs of \$16,866,332 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 2019. 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 \$356,202 Pledge Revenue per year in 2019 dollars for the thirty years period of post-closure maintenance, representing the most recent post-closure maintenance cost estimate of \$10,686,050.

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, 2019 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, 2019 is as follows:

	General	Social Services	Behavioral Health Fund	Road Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:						
Prepaid Items	\$ 574,056	\$ -	\$ 41,343	\$ -	\$ 1,194	\$ 616,593
Revolving loan	82,942	-	-	-	-	82,942
Imprest Cash Reserve	18,071	28,028	818	50	9,758	56,725
Inventory	-	-	-	273,137	-	273,137
Total Nonspendable	<u>675,069</u>	<u>28,028</u>	<u>42,161</u>	<u>273,187</u>	<u>10,952</u>	<u>1,029,397</u>
Restricted:						
Purpose of Fund	-	6,260,022	11,713,652	4,471,623	62,217,112	84,662,409
Clerk Recorder	2,183,509	-	-	-	-	2,183,509
Public Works	359,124	-	-	-	-	359,124
District Attorney	1,288,129	-	-	-	-	1,288,129
Administration	2,573,961	-	-	-	-	2,573,961
Probation	1,580,644	-	-	-	-	1,580,644
Sheriff	1,659,501	-	-	-	-	1,659,501
Fire	4,066,771	-	-	-	-	4,066,771
Library	205,691	-	-	-	-	205,691
2011 Realignment	15,620,174	1,360,248	-	-	-	16,980,422
Total Restricted	<u>29,537,504</u>	<u>7,620,270</u>	<u>11,713,652</u>	<u>4,471,623</u>	<u>62,217,112</u>	<u>115,560,161</u>
Committed:						
General Reserve	8,000,000	-	-	-	-	8,000,000
Assigned:						
OPEB 115 Trust	2,161,169	-	-	-	-	2,161,169
Various Programs	511,234	-	-	126,744	-	637,978
Total Assigned	<u>2,672,403</u>	<u>-</u>	<u>-</u>	<u>126,744</u>	<u>-</u>	<u>2,799,147</u>
Unassigned Fund Balance	<u>14,012,088</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,012,088</u>
Total Fund Balances	<u>\$ 54,897,064</u>	<u>\$ 7,648,298</u>	<u>\$ 11,755,813</u>	<u>\$ 4,871,554</u>	<u>\$ 62,228,064</u>	<u>\$ 141,400,793</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 May 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.

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General Reserve requirements are classified as follows:

- *Appropriation for Contingencies* – During the public hearing on the Proposed Budget, the Board of Supervisors will consider establishing an Appropriation for Contingencies in the General Fund equal to or greater than five percent (5%) of the Proposed Budget for the General Fund.
- *General Fund Reserve* – It is the goal of the Board of Supervisors to build a General Fund Reserve to an amount equivalent to two months of operating expenses for all County governmental funds.
 - During the public hearing on the Proposed Budget the Board of Supervisors will consider directing contributions to the General Fund Reserve 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, the Board of Supervisors will consider contributing to the General Fund Reserve at least half (50%) of the growth over and above the four percent (4%) baseline anticipated tax revenue growth.
 - When one-time, unanticipated, discretionary revenues exceeding \$500,000 with no offsetting expenditures were received over the current (closing) fiscal year, the Board of Supervisors will consider contributing all or a portion of those funds to the General Fund Reserve.
 - When the County Auditor-Controller and the Chief Financial Officer determine additional working capital is needed in the General Fund Reserve for cash flow of the County, the Board of Supervisors will consider contributing the calculated amount needed to cover cash flow demands.
 - During the public hearing on the Proposed Budget, in response to 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 adopting the annual budget for the General Fund, the Board of Supervisors will provide direction to the County Auditor-Controller to reconcile the difference between the General Fund's estimated and actual Fund Balance Available at the beginning of the budget period. In those instances when the actual Fund Balance Available is less than estimated, the County Auditor-Controller will be directed to reduce the General Fund Appropriation for Contingencies. In those instances when the actual Fund Balance Available is greater than estimated, the County Auditor-Controller will be given specific direction, generally within the following parameters:
 - The first priority for Excess General Fund Balance Available at the beginning of each fiscal year, if any, is to increase the Appropriation for Contingencies to ensure it is maintained, at a minimum, at the five percent (5%) level.

**COUNTY OF BUTTE, CALIFORNIA
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- The second priority for Excess General Fund Balance Available at the beginning of each fiscal year, if any, is to increase the General Fund Reserve to help achieve the goal of setting aside two months of operating expenses.
- The third priority for Excess General Fund Balance Available at the beginning of each fiscal year, if any, is to designate fund balance for known and quantified unfunded liabilities, including but not limited to the following:
 - Employee pension plan
 - Other post employment benefits
 - Accrued employee leave
- *Unreserved Fund Balance* – The County will maintain sufficient fund balances in the General Fund to provide adequate working capital and to 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.
- *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 \$117 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	\$ 114,457,653	\$ 33,086,783
Outstanding Principal of Capital-Related Debt	(16,986,354)	(3,472,539)
Net Investment in Capital Assets	\$ 97,471,299	\$ 29,614,244

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>

**COUNTY OF BUTTE, CALIFORNIA
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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.

Benefits Provided (Continued)

The Plan's provisions and benefits in effect at June 30, 2019 are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or After January 1, 2013
Hire Date		
Benefit Formula	2% @ 55	2% @ 62
Benefit Vesting Schedule	5 Years of Service	5 Years of Service
Benefit Payment	Monthly for Life	Monthly for Life
Retirement Age	50 - 55	52 - 67
Monthly Benefits, as a % of Eligible Compensation	2.00%	2.00%
Required Employee Contribution Rates	7.00%	7.00%
Required Employer Contribution Rates	19.663%	19.663%

	Safety	
	Prior to January 1, 2013	On or After January 1, 2013
Hire Date		
Benefit Formula	2%-3% @ 50	2.7% @ 57
Benefit Vesting Schedule	5 Years of Service	5 Years of Service
Benefit Payment	Monthly for Life	Monthly for Life
Retirement Age	50	52 - 67
Monthly Benefits, as a % of Eligible Compensation	2.00%	2.00%
Required Employee Contribution Rates	9.00%	12.30%
Required Employer Contribution Rates	34.774%	34.774%

Employees Covered

	Miscellaneous	Safety
Inactive Employees or Beneficiaries		
Receiving Benefits	1,941	292
Inactive Employees Entitled to but Not Yet		
Receiving Benefits	1,520	195
Active Employees	1,842	306
Total	5,303	793

**COUNTY OF BUTTE, CALIFORNIA
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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, 2018 (the measurement date), the average active employee contribution rate is 6.879 percent of the annual pay for the Miscellaneous Plan, and 9.647 percent of annual pay for the Safety Plan. The employer's contribution rate is 8.315 percent of the annual payroll for the Miscellaneous Plan, and 16.823 percent for the Safety Plan. Employer contribution rates may change if plan contracts are amended. It is the responsibility of the employer to make necessary accounting adjustments to reflect the impact due to any Employer Paid Member Contributions or situations where members are paying a portion of the employer contribution.

B. Net Pension Liability

Butte County's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2018 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below

	<u>Miscellaneous</u>	<u>Safety</u>
Valuation Date	June 30, 2017	June 30, 2017
Measurement Date	June 30, 2018	June 30, 2018
Actuarial Cost Method	Entry-Age Normal Cost Method	
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.63%	2.63%
Payroll Growth	2.75%	2.75%
Investment Rate of Return ¹	7.25%	7.25%
Mortality Rate Table ²	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 Net of pension plan investment and administrative expenses, includes inflation
- 2 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 7.15%. 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.

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

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

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.

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Pension	New Strategic Allocation	Real Return Years 1-10 ¹	Real Return Years 11+ ²
Global Equity	50.00 %	4.80 %	5.98 %
Global Fixed Income	28.00	1.00	2.62
Inflation Sensitive	-	0.77	1.81
Private Equity	8.00	6.30	7.23
Real Assets	13.00	3.75	4.93
Liquidity	1.00	-	(0.92)

1 An expected inflation of 2.5% used for the period

2 An expected inflation of 3.0% used for this period

C. Changes in Net Pension Liability

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

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
<u>Miscellaneous Plan</u>	(a)	(b)	(c)=(a)-(b)
Balance at June 30, 2017			
(Valuation Date)¹	\$ 661,643,024	\$ 487,110,877	\$ 174,532,147
Changes Recognized for the Measurement Period:			
Service Cost	15,742,530	-	15,742,530
Interest on Total Pension Liability	46,796,267	-	46,796,267
Change of Assumptions	(4,093,183)	-	(4,093,183)
Differences between Expected and Actual Experience	6,859,709	-	6,859,709
Plan to Plan Resource Movement	-	(1,193)	1,193
Contributions from the Employer	-	15,096,714	(15,096,714)
Contributions from the Employees	-	6,924,162	(6,924,162)
Net Investment Income ²	-	40,852,457	(40,852,457)
Benefit Payments, including			
Refunds of Employee Contribution	(33,042,809)	(33,042,809)	-
Administrative Expenses	-	(757,600)	757,600
Other Charges	-	(1,438,696)	1,438,696
Change of Allocation	(1,266,169)	(932,171)	(333,998)
Net Change	<u>30,996,345</u>	<u>26,700,864</u>	<u>4,295,481</u>
Balance at June 30, 2018			
(Measurement Date)	<u>\$ 692,639,369</u>	<u>\$ 513,811,741</u>	<u>\$ 178,827,628</u>

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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)
Balance at June 30, 2017 (Valuation Date)¹	<u>\$ 198,229,239</u>	<u>\$ 140,354,673</u>	<u>\$ 57,874,566</u>
Changes Recognized for the Measurement Period:			
Service Cost	5,814,366	-	5,814,366
Interest on Total Pension Liability	14,133,635	-	14,133,635
Change of Assumptions	(1,071,908)	-	(1,071,908)
Differences between Expected and Actual Experience	1,515,266	-	1,515,266
Changes in Assumptions	-	(352)	352
Contributions from the Employer	-	5,854,476	(5,854,476)
Contributions from the Employees	-	2,316,633	(2,316,633)
Net Investment Income ²	-	11,853,239	(11,853,239)
Benefit Payments, including			
Refunds of Employee Contribution	(7,813,178)	(7,813,178)	-
Administrative Expenses	-	(218,711)	218,711
Other Charges	-	(415,336)	415,336
Net Change	<u>12,578,181</u>	<u>11,576,771</u>	<u>1,001,410</u>
Balance at June 30, 2018 (Measurement Date)	<u>\$ 210,807,420</u>	<u>\$ 151,931,444</u>	<u>\$ 58,875,976</u>

COUNTY OF BUTTE, CALIFORNIA
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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	\$ 269,289,143	\$ 89,717,931
Current Discount Rate	7.15%	7.15%
Net Pension Liability	\$ 178,827,628	\$ 58,875,976
1% Increase	8.15%	8.15%
Net Pension Liability	\$ 103,716,043	\$ 33,637,624

Subsequent Events

The CalPERS Board of Administration has adopted a new amortization policy effective with the June 30, 2019 actuarial valuation. The new policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed using a level dollar amount. In addition, the new policy removes the 5-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy removes the 5-year ramp-down on investment gains/losses. These changes will apply only to new UAL bases established on or after June 30, 2019.

For inactive employers the new amortization policy imposes a maximum amortization period of 15 years for all unfunded accrued liabilities effective June 30, 2017. Furthermore, the plan actuary has the ability to shorten the amortization period on any valuation date based on the life expectancy of plan members and projected cash flow needs to the plan. The impact of this has been reflected in the correct valuation results.

The contribution requirements determined in this actuarial valuation report are based on demographic and financial information as of June 30, 2018. Changes in the value of assets subsequent to that date are not reflected. Investment returns below the assumed rate of return will increase the required contribution, while investment returns above the assumed rate of return will decrease the required contribution.

This actuarial valuation report reflects statutory changes, regulatory changes and CalPERS Board actions through January 2019. Any subsequent changes or actions are not reflected.

**COUNTY OF BUTTE, CALIFORNIA
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D. Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2019, Butte County recognized pension expense of \$37,977,656. At June 30, 2019, Butte County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Miscellaneous Plan		Safety Plan	
	Deferred Outflows Of Resources	Deferred Inflows Of Resources	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Pension Contributions Subsequent to Measurement Date	\$ 18,137,873	\$ -	\$ 7,132,089	\$ -
Differences Between Actual and Expected Experience	4,954,234	2,340,289	1,421,789	211,794
Changes in Assumptions on Plan Investments	16,110,316	2,956,187	6,818,035	1,401,656
Net Difference Between Projected and Actual Earnings	1,494,369	-	470,751	-
Total	<u>\$ 40,696,792</u>	<u>\$ 5,296,476</u>	<u>\$ 15,842,664</u>	<u>\$ 1,613,450</u>

Deferred outflows of resources of \$18,137,873 and \$7,132,089 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, 2020. 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>
2020	\$ 15,590,966	\$ 3,738,342
2021	7,457,717	3,147,573
2022	(4,460,708)	520,494
2023	(1,325,532)	(309,283)
Total	<u>\$ 17,262,443</u>	<u>\$ 7,097,126</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 \$128.00, \$133.00 and \$136.00 for 2017, 2018, and 2019 respectively. Delta Dental, vision and life insurance are also available. For employees represented by Teamsters Local 137, coverage is funded through County and employee contributions.

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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.

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.

**COUNTY OF BUTTE, CALIFORNIA
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JUNE 30, 2019**

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.

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, 2018 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 January 1, 2018 are also included.

	Blue Shield HMO	Kaiser HMO	PERS Choice PPO	PERS Care PPO	PERS Select PPO	Delta Premier Dental	Delta Dental PPO	Vision
<u>Basic Plan</u>								
Retiree	\$ 894.43	\$ 795.43	\$ 813.96	\$ 866.93	\$ 691.78	\$ 37.90	\$ 34.86	\$ 13.90
Retiree + 1	1,788.86	1,590.86	1,627.92	1,733.86	1,383.56	81.84	75.90	13.90
Family	2,325.52	2,068.12	2,116.30	2,254.02	1,798.63	121.50	119.28	13.90
<u>Medicare Supplemental</u>								
Retiree	N/A	\$ 316.34	\$ 345.97	\$ 383.30	\$ 345.97	N/A	N/A	N/A
Retiree + 1	N/A	632.68	691.94	764.60	691.94	N/A	N/A	N/A
Family	N/A	949.02	1,037.91	1,146.90	1,037.91	N/A	N/A	N/A

Actuarial Assumptions

The Net OPEB Liability was measured as of June 30, 2019 and 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, 2019, 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, 2019**

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, 2019.

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balance at June 30, 2018 <i>(Valuation Date June 30, 2017)</i>	<u>\$ 69,767,772</u>	<u>\$ 4,447,401</u>	<u>\$ 65,320,371</u>
Changes Recognized for the Measurement Period:			
Service cost	2,972,759	-	3,705,783
Interest	3,060,226	-	2,658,706
Changes of assumptions	(8,111,890)	-	(5,503,188)
Difference between expected and actual experience	-	-	-
Contributions - employer	-	4,608,778	(5,536,614)
Contributions - employee	-	-	-
Net investment income	-	415,062	(103,079)
Benefit payments	(3,564,731)	(3,564,731)	-
Administrative expenses	-	(4,370)	2,693
Net Changes	<u>(5,643,636)</u>	<u>1,454,739</u>	<u>(7,098,375)</u>
Balance at June 30, 2019 <i>(Measurement Date June 30, 2019)</i>	<u>\$ 64,124,136</u>	<u>\$ 5,902,140</u>	<u>\$ 58,221,996</u>

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 4.74%	Current Rate 5.74%	1% Increase 6.74%
Net OPEB Liability	<u>\$ 64,645,256</u>	<u>\$ 58,221,996</u>	<u>\$ 52,660,483</u>

**COUNTY OF BUTTE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

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	\$ 50,740,948	\$ 58,221,996	\$ 67,110,356

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

For the year ended June 30, 2019, the County recognized OPEB expense of \$3,938,995. 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, 2019, 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
Changes of assumptions	\$ -	\$ 11,055,653
Net difference between projected and actual earnings on OPEB plan investments	17,672	146,133
Total	\$ 17,672	\$ 11,201,786

COUNTY OF BUTTE, CALIFORNIA
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JUNE 30, 2019

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>
2020	\$ (1,865,965)
2021	(1,865,965)
2022	(1,865,963)
2023	(1,871,855)
2024	(1,835,323)
Thereafter	(1,879,043)

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

**COUNTY OF BUTTE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

reviewers, R.E. Harrington, Inc. After the claims are reviewed by R.E. Harrington, Inc., they are turned over to the County for payment.

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

All operating funds participate in the program and make payments to the insurance funds based on actuarial estimates of the amounts needed to pay prior and current year claims, and to allow accrual of estimated incurred but not reported claims. These claims liability estimates are based on the requirements of GASB Statements Nos. 10 and 30 and include estimate claims incurred but not yet reported as of June 30, 2019. 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, 2018 and 2019 were as follows:

<u>Fiscal Year</u>	<u>Claims Liability July 1</u>	<u>Claims Incurred and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Claims Liability June 30</u>
2017-2018	\$ 8,796,000	\$ 4,108,181	\$ (4,159,181)	\$ 8,745,000
2018-2019	\$ 8,745,000	\$ 4,696,938	\$ (4,107,938)	\$ 9,334,000

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, 2019, 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, 2019 financial statements.

COUNTY OF BUTTE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 11 SUBSEQUENT EVENTS

California State Budget

The State is the source for a significant amount of Butte County's revenues. The State has adopted a balanced budget for the 2019-2020 fiscal year and the County doesn't anticipate additional state cuts. However, as in the past, if State revenue is cut midyear the County will make the necessary adjustments to address the reductions.

Camp Fire Settlement

On November 8, 2018, the Camp Fire erupted and became the most destructive wildfire in California's history. The fire burned 153,336 acres and damaged or destroyed more than 19,000 structures. 85 of our community members perished and more than 14,000 families were displaced.

PG&E has accepted a Mediator's proposal of \$252 million to resolve the County's Camp Fire claims. The Mediator's proposal is exclusive of and does not affect the claims of any residents, individuals, or businesses.

The payment is to be incorporated in, and subject to confirmation by the Bankruptcy Court, a plan of reorganization to be filed by PG&E in its pending Chapter 11 case. The settlement is part of a total settlement of \$1 billion to be paid to local government entities pursuant to the confirmed plan of reorganization.

Department of Water Resources Settlement (DWR)

Butte County and DWR reached an agreement on the lawsuit filed by Butte County for roadway damages and unreimbursed costs resulting from the Oroville Dam Spillway Incident in February 2017. The County has received \$12 million from DWR in this settlement. During the Spillway Incident and the reconstruction work that followed, county roads were significantly damaged and the estimated repairs exceed \$14 million. Additionally, during the event the County incurred \$963,943 in unreimbursed costs related to emergency management and staffing costs during the evacuation when County offices were closed and/or evacuated employees were unable to work. Staff recommends that the Board of Supervisors direct staff to utilize \$963,943 to reimburse various County funds with the remaining balance of \$11,036,057 transferred to the Road Fund to support the County's Road infrastructure. Specifically the \$963,943 would be allocated as follows: \$364,857 to the General Fund; \$202,376 to the Social Services Fund; \$37,091 to the Public Health Fund; \$41,523 to the Behavioral Health Fund; \$50,835 to the Child Support Fund; \$266,559 to the Road Fund; and \$702 to the IHSS Public Authority Fund. As these are funds reimbursing the County for costs already incurred, staff does not recommend appropriating the funds for other uses. The \$11 million for county roads will be appropriated as projects move forward.





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, 2019**

Last 10 Fiscal Years*	MISCELLANEOUS PLAN				
	2018	2017	2016	2015	2014
TOTAL PLAN LIABILITY					
Service Cost	\$ 15,742,530	\$ 15,090,763	\$ 13,394,007	\$ 13,400,002	\$ 13,859,395
Interest on Total Pension Liability	46,796,267	44,666,846	43,273,635	41,926,195	40,193,350
Difference Between Expected and Actual Experience	6,859,709	(4,896,622)	(890,486)	(4,927,030)	-
Changes in Assumptions	(4,093,183)	36,317,713	-	(10,024,368)	-
Benefit Payments Including Refunds of Employee Contributions	(33,042,809)	(30,560,691)	(29,432,567)	(28,002,841)	(25,453,443)
Change in Allocation	(1,266,169)	102,238	(8,101,428)	-	-
Net Change in Total Pension Liability	30,996,345	60,720,247	18,243,161	12,371,958	28,599,302
Total Pension Liability - Beginning	661,643,025	600,922,778	582,679,617	570,307,659	541,708,357
Total Pension Liability - Ending (A)	<u>\$ 692,639,370</u>	<u>\$ 661,643,025</u>	<u>\$ 600,922,778</u>	<u>\$ 582,679,617</u>	<u>\$ 570,307,659</u>
PLAN FIDUCIARY NET POSITION					
Plan to Plan Resource Movement	\$ (1,193)	\$ 11,367	\$ (640,888)	\$ -	\$ -
Contributions - Employer	15,096,714	14,523,234	12,439,191	11,234,311	10,606,484
Contributions - Employee	6,924,162	6,892,067	6,329,016	6,686,660	6,497,335
Net Investment Income	40,852,457	49,577,107	2,408,140	10,452,870	69,463,572
Benefit Payments Including Refunds of Employee Contributions	(33,042,809)	(30,560,691)	(29,432,567)	(28,002,841)	(25,106,484)
Administrative Expense	(757,600)	(660,450)	(278,169)	-	-
Other Miscellaneous Income/(Expense)	(1,438,696)	-	-	-	-
Change of Allocation	(932,171)	76,093	(6,596,372)	(520,140)	(346,959)
Net Change in Fiduciary Net Position	26,700,864	39,858,727	(15,771,649)	(149,140)	61,113,948
Plan Fiduciary Net Position - Beginning	487,110,878	447,252,151	463,023,800	463,172,940	402,058,992
Plan Fiduciary Net Position - Ending (B)	<u>\$ 513,811,742</u>	<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>\$ 178,827,628</u>	<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>74.18%</u>	<u>73.62%</u>	<u>74.43%</u>	<u>79.46%</u>	<u>81.21%</u>
Covered Payroll	\$ 106,855,155	\$ 101,936,350	\$ 99,700,929	\$ 96,860,213	\$ 95,493,743
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	<u>167.36%</u>	<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, 2019**

Last 10 Fiscal Years*	SAFETY PLAN				
	2018	2017	2016	2015	2014
TOTAL PLAN LIABILITY					
Service Cost	\$ 5,814,366	\$ 5,591,795	\$ 4,747,270	\$ 4,630,445	\$ 4,896,054
Interest on Total Pension Liability	14,133,635	13,280,416	12,479,374	11,705,847	11,071,603
Difference Between Expected and Actual Experience	1,515,266	143,288	424,701	(1,153,098)	-
Changes in Assumptions	(1,071,908)	11,868,431	-	(3,063,979)	-
Benefit Payments Including Refunds of Employee Contributions	(7,813,178)	(7,174,299)	(6,924,924)	(6,490,975)	(5,952,108)
Net Change in Total Pension Liability	12,578,181	23,709,631	10,726,421	5,628,240	10,015,549
Total Pension Liability - Beginning	198,229,239	174,519,608	163,793,187	158,164,947	148,149,398
Total Pension Liability - Ending (A)	<u>\$ 210,807,420</u>	<u>\$ 198,229,239</u>	<u>\$ 174,519,608</u>	<u>\$ 163,793,187</u>	<u>\$ 158,164,947</u>
PLAN FIDUCIARY NET POSITION					
Plan to Plan Resource Movement	\$ (352)	\$ (12,085)	\$ (14,804)	\$ -	\$ -
Contributions - Employer	5,854,476	5,787,085	4,542,710	4,084,403	3,736,119
Contributions - Employee	2,316,633	2,035,009	1,806,428	1,717,710	1,692,897
Net Investment Income	11,853,239	13,995,959	610,779	2,751,766	18,471,003
Benefit Payments Including Refunds of Employee Contributions	(7,813,178)	(7,174,299)	(6,924,924)	(6,490,975)	(5,952,108)
Administrative Expense	(218,711)	(185,896)	(76,770)	(141,777)	-
Other Miscellaneous Income/(Expense)	(415,336)	-	-	-	-
Net Change in Fiduciary Net Position	11,576,771	14,445,773	(56,581)	1,921,127	17,947,911
Plan Fiduciary Net Position - Beginning	140,354,672	125,908,899	125,965,480	124,044,353	106,096,442
Plan Fiduciary Net Position - Ending (B)	<u>\$ 151,931,443</u>	<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>\$ 58,875,977</u>	<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>72.07%</u>	<u>70.80%</u>	<u>72.15%</u>	<u>76.91%</u>	<u>78.43%</u>
Covered Payroll	\$ 21,349,657	\$ 20,437,848	\$ 19,250,893	\$ 18,457,545	\$ 18,752,360
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	<u>275.77%</u>	<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, 2019**

* Last 10 Fiscal Years	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contributions Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2019					
Miscellaneous Plan	\$ 18,137,873	\$ (18,137,873)	\$ -	\$108,992,258	16.64 %
Safety Plan	7,132,089	(7,132,089)	-	21,776,650	32.75 %
Total	<u>\$ 25,269,962</u>	<u>\$ (25,269,962)</u>	<u>\$ -</u>	<u>\$130,768,908</u>	19.32 %
2018					
Miscellaneous Plan	\$ 15,660,906	\$ (15,660,906)	\$ -	\$106,855,155	14.66 %
Safety Plan	5,854,476	(5,854,476)	-	21,349,657	27.42 %
Total	<u>\$ 21,515,382</u>	<u>\$ (21,515,382)</u>	<u>\$ -</u>	<u>\$128,204,812</u>	16.78 %
2017					
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 %
2016					
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 %
2015					
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 %
2014					
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, 2019**

Last 10 Fiscal Years*	OPEB	
	2019	2018
TOTAL OPEB LIABILITY		
Service Cost	\$ 2,972,757	\$ 3,705,783
Interest on Total OPEB Liability	3,060,226	2,658,706
Difference Between Expected and Actual Experience	-	-
Changes in Assumptions	(8,111,890)	(5,503,188)
Benefit Payments Including Refunds of Employee Contributions	(3,564,731)	(3,574,630)
Net Change in Total OPEB Liability	(5,643,638)	(2,713,329)
Total OPEB Liability - Beginning	69,767,772	72,481,101
Total OPEB Liability - Ending (A)	\$ 64,124,134	\$ 69,767,772
 PLAN FIDUCIARY NET POSITION		
Contributions - Employer	4,608,778	5,536,614
Net Investment Income	415,062	103,079
Benefit Payments Including Refunds of Employee Contributions	(3,564,731)	(3,574,630)
Administrative Expense	(2,525)	(2,693)
Other	(1,847)	-
Net Change in Fiduciary Net Position	1,454,737	2,062,370
Plan Fiduciary Net Position - Beginning	4,447,401	2,385,031
Plan Fiduciary Net Position - Ending (B)	\$ 5,902,138	\$ 4,447,401
 Net OPEB Liability - Ending (A-B)	\$ 58,221,996	\$ 65,320,371
 Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	9.20%	6.37%
 Covered Payroll	\$ 125,577,641	\$ 137,970,100
 Plan Net OPEB Liability/(Asset) as a Percentage of Covered Payroll	46.36%	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, 2019**

* Last 10 Fiscal Years	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contributions Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2019	\$ 5,756,923	\$ 4,608,778	\$ (1,148,145)	\$125,577,641	3.67 %
2018	\$ 6,003,319	\$ 5,536,614	\$ (466,705)	\$137,970,100	4.01 %

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, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 71,338,000	\$ 71,338,000	\$ 73,039,545	\$ 1,701,545
Licenses and Permits	3,596,581	3,596,581	4,060,545	463,964
Fines, Forfeitures, and Penalties	5,004,078	5,019,635	6,213,024	1,193,389
Use of Money and Property	4,397,949	4,371,949	6,158,611	1,786,662
Aid from Other Governments	44,759,173	57,477,196	54,223,058	(3,254,138)
Charges for Services	22,823,623	23,499,742	22,731,475	(768,267)
Miscellaneous Revenue	3,181,366	3,612,395	4,528,726	916,331
Total Revenues	<u>155,100,770</u>	<u>168,915,498</u>	<u>170,954,984</u>	<u>2,039,486</u>
EXPENDITURES				
General Government:				
Assessor:				
Salaries and Benefits	3,337,879	3,326,398	3,112,208	214,190
Services and Supplies	229,238	240,719	240,718	1
Other Charges	41,511	41,511	40,192	1,319
Special Items	381,039	381,039	351,985	29,054
Auditor-Controller:				
Salaries and Benefits	1,888,729	1,884,225	1,749,228	134,997
Services and Supplies	181,198	185,702	185,702	-
Other Charges	12,561	12,561	12,561	-
Special Items	(236,820)	(236,820)	(247,167)	10,347
Board of Supervisors:				
Salaries and Benefits	826,140	826,140	725,488	100,652
Services and Supplies	175,369	175,369	144,340	31,029
Other Charges	6,369	6,369	6,369	-
Special Items	1,124,222	1,124,222	1,119,190	5,032
Clerk-Recorder:				
Salaries and Benefits	2,303,150	2,276,650	1,917,231	359,419
Services and Supplies	1,653,728	1,498,763	1,194,702	304,061
Other Charges	178,874	179,042	179,042	-
Capital Assets	-	451,297	446,352	4,945
Special Items	673,499	673,499	608,407	65,092
County Administration:				
Salaries and Benefits	3,319,136	3,319,136	3,122,394	196,742
Services and Supplies	1,075,057	1,355,339	824,777	530,562
Other Charges	20,964	365,569	227,826	137,743
Capital Assets	-	308,542	50,134	258,408
Special Items	(676,683)	(676,683)	(693,218)	16,535
County Counsel:				
Salaries and Benefits	1,547,371	1,547,371	1,506,571	40,800
Services and Supplies	810,781	810,781	528,168	282,613
Other Charges	15,174	15,174	15,174	-
Special Items	(1,561,458)	(1,561,458)	(1,567,242)	5,784

Continued

**COUNTY OF BUTTE, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
GENERAL FUND
YEAR ENDED JUNE 30, 2019**

EXPENDITURES	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
General Government (Continued)				
General Rev & Trsfrs:				
Services and Supplies	\$ -	\$ 10	\$ 10	\$ -
Special Items	-	250,000	175,937	74,063
General Services:				
Salaries and Benefits	4,532,466	4,480,466	3,988,403	492,063
Services and Supplies	4,455,157	17,123,272	14,485,907	2,637,365
Other Charges	97,797	142,486	142,485	1
Capital Assets	-	12,000	10,822	1,178
Special Items	(5,780,345)	(4,587,749)	(4,587,749)	-
General Fund Contingencies:				
Appropriation for Contingencies	7,200,000	2,815,110	-	2,815,110
Human Resources:				
Salaries and Benefits	2,286,293	2,221,293	1,997,119	224,174
Services and Supplies	476,498	535,764	533,111	2,653
Other Charges	-	-	-	-
Special Items	(731,753)	(726,019)	(726,020)	1
Information Systems:				
Salaries and Benefits	2,989,341	2,921,184	2,780,871	140,313
Services and Supplies	1,884,361	1,884,361	1,722,766	161,595
Other Charges	21,529	25,796	25,796	-
Capital Assets	-	131	130	1
Special Items	(2,351,694)	(2,287,935)	(2,287,936)	1
Treasurer-Tax Collector:				
Salaries and Benefits	2,162,164	2,162,164	2,061,774	100,390
Services and Supplies	1,060,115	1,059,365	874,366	184,999
Other Charges	12,356	13,106	12,549	557
Special Items	137,554	137,554	115,467	22,087
Nondepartmental:				
Services and Supplies	2,250,078	2,143,843	2,138,293	5,550
Other Charges	(1,217)	(1,217)	(1,218)	1
Special Items	(1,748,548)	(1,744,053)	(1,743,997)	(56)
Total General Government	<u>36,279,180</u>	<u>47,111,389</u>	<u>37,520,018</u>	<u>9,591,371</u>
Public Protection:				
Agriculture:				
Salaries and Benefits	2,112,178	2,078,782	1,779,008	299,774
Services and Supplies	286,083	286,083	253,826	32,257
Other Charges	28,189	61,585	61,585	-
Special Items	191,727	191,727	179,685	12,042
Development Services:				
Salaries and Benefits	3,618,873	3,618,873	3,007,634	611,239
Services and Supplies	781,169	621,596	432,585	189,011
Other Charges	18,221	31,157	31,157	-
Capital Assets	-	32,002	32,002	-
Special Items	1,004,112	1,023,747	1,023,747	-

**COUNTY OF BUTTE, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
GENERAL FUND
YEAR ENDED JUNE 30, 2019**

EXPENDITURES	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Public Protection (Continued):				
District Attorney:				
Salaries and Benefits	\$ 11,345,432	\$ 11,323,378	\$ 9,912,219	\$ 1,411,159
Services and Supplies	1,529,094	1,529,094	1,070,544	458,550
Other Charges	98,244	120,298	120,298	-
Special Items	808,437	808,437	762,007	46,430
Fire:				
Salaries and Benefits	159,092	170,392	121,470	48,922
Services and Supplies	17,384,250	17,698,911	17,149,135	549,776
Other Charges	94,749	94,749	93,300	1,449
Capital Assets	1,224,496	1,666,022	89,867	1,576,155
Special Items	741,717	774,717	770,635	4,082
Grand Jury:				
Services and Supplies	122,314	122,314	78,905	43,409
Special Items	52,376	52,376	52,344	32
Probation:				
Salaries and Benefits	16,463,606	16,463,606	15,555,865	907,741
Services and Supplies	3,571,078	3,568,022	2,994,686	573,336
Other Charges	1,609,603	1,635,182	1,635,182	-
Capital Assets	70,843	70,843	40,801	30,042
Special Items	1,641,467	1,641,467	1,621,651	19,816
PW - General Fund:				
Salaries and Benefits	558,533	558,533	508,880	49,653
Services and Supplies	588,125	604,228	143,296	460,932
Other Charges	166,318	824,318	698,976	125,342
Special Items	25,948	26,345	26,345	-
Sheriff-Coroner:				
Salaries and Benefits	34,688,417	35,486,334	34,758,818	727,516
Services and Supplies	11,423,736	12,028,935	11,506,465	522,470
Other Charges	888,305	1,478,123	1,478,123	-
Capital Assets	184,417	331,102	225,149	105,953
Special Items	4,927,118	4,271,409	3,836,123	435,286
Water and Resource Conservation:				
Salaries and Benefits	544,683	544,683	464,188	80,495
Services and Supplies	619,189	618,778	456,520	162,258
Other Charges	750	750	92	658
Special Items	67,597	68,008	68,008	-
Nondepartmental:				
Services and Supplies	3,857,937	3,857,937	3,746,847	111,090
Other Charges	1,492,324	1,594,064	1,594,058	6
Special Items	117,272	117,272	117,216	56
Total Public Protection	<u>125,108,019</u>	<u>128,096,179</u>	<u>118,499,242</u>	<u>9,596,937</u>

**COUNTY OF BUTTE, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
GENERAL FUND
YEAR ENDED JUNE 30, 2019**

EXPENDITURES	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Education:				
Farm Home and 4 H:				
Salaries and Benefits	\$ 203,117	\$ 203,117	\$ 182,876	\$ 20,241
Services and Supplies	49,142	48,158	41,385	6,773
Other Charges	6,000	6,984	6,983	1
Special Items	118,911	118,911	118,884	27
Library:				
Salaries and Benefits	1,916,039	1,952,255	1,831,168	121,087
Services and Supplies	466,048	578,601	567,365	11,236
Other Charges	71,476	71,911	71,910	1
Special Items	1,074,305	1,082,420	1,082,419	1
Total Education	<u>3,905,038</u>	<u>4,062,357</u>	<u>3,902,990</u>	<u>159,367</u>
Recreation and Culture:				
General Services:				
Services and Supplies	-	-	-	-
Total Recreation and Culture	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt Service	9,236	9,236	9,235	1
Total Expenditures	<u>165,301,473</u>	<u>179,279,161</u>	<u>159,931,485</u>	<u>19,347,676</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(10,200,703)</u>	<u>(10,363,663)</u>	<u>11,023,499</u>	<u>21,387,162</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	17,404,606	24,806,870	1,764,384	(23,042,486)
Transfers Out	<u>(22,878,811)</u>	<u>(31,992,304)</u>	<u>(6,674,431)</u>	<u>25,317,873</u>
Total Other Financing Sources (Uses)	<u>(5,474,205)</u>	<u>(7,185,434)</u>	<u>(4,910,047)</u>	<u>2,275,387</u>
NET CHANGE IN FUND BALANCES	<u>(15,674,908)</u>	<u>(17,549,097)</u>	<u>6,113,452</u>	<u>23,662,549</u>
Fund Balances - Beginning	<u>48,783,612</u>	<u>48,783,612</u>	<u>48,783,612</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 33,108,704</u>	<u>\$ 31,234,515</u>	<u>\$ 54,897,064</u>	<u>\$ 23,662,549</u>

**COUNTY OF BUTTE, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
SOCIAL SERVICES FUND
YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	35,000	35,000	41,148	6,148
Fines, Forfeitures, and Penalties	19,500	19,500	7,524	(11,976)
Use of Money and Property	88,600	88,600	111,590	22,990
Aid from Other Governments	137,335,421	139,365,728	131,505,039	(7,860,689)
Charges for Services	329,880	549,880	491,985	(57,895)
Miscellaneous Revenue	13,000	13,000	11,275	(1,725)
Total Revenues	<u>137,821,401</u>	<u>140,071,708</u>	<u>132,168,561</u>	<u>(7,903,147)</u>
EXPENDITURES				
Public Protection:				
Salaries and Benefits	506,857	556,778	429,724	127,054
Services and Supplies	37,245	37,245	12,924	24,321
Other Charges	205,000	205,000	62,629	142,371
Public Assistance:				
Salaries and Benefits	47,622,938	48,230,668	44,214,249	4,016,419
Services and Supplies	11,412,243	9,462,617	7,713,015	1,749,602
Other Charges	78,865,166	82,497,347	78,297,326	4,200,021
Total Expenditures	<u>138,649,449</u>	<u>140,989,655</u>	<u>130,729,867</u>	<u>10,259,788</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(828,048)</u>	<u>(917,947)</u>	<u>1,438,694</u>	<u>2,356,641</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	21,613,906	21,613,906	245,882	(21,368,024)
Transfers Out	(23,531,943)	(23,531,943)	(2,077,133)	21,454,810
Total Other Financing Sources (Uses)	<u>(1,918,037)</u>	<u>(1,918,037)</u>	<u>(1,831,251)</u>	<u>86,786</u>
NET CHANGE IN FUND BALANCES	(2,746,085)	(2,835,984)	(392,557)	2,443,427
Fund Balances - Beginning	<u>8,040,855</u>	<u>8,040,855</u>	<u>8,040,855</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 5,294,770</u>	<u>\$ 5,204,871</u>	<u>\$ 7,648,298</u>	<u>\$ 2,443,427</u>

**COUNTY OF BUTTE, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
BEHAVIORAL HEALTH FUND
YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Fines, Forfeitures, and Penalties	\$ 135,955	\$ 135,955	\$ 102,729	\$ (33,226)
Use of Money and Property	203,752	203,752	507,795	304,043
Aid from Other Governments	70,133,205	73,045,669	61,127,652	(11,918,017)
Charges for Services	2,091,158	2,154,488	1,866,540	(287,948)
Miscellaneous Revenue	198,200	210,200	25,193	(185,007)
Total Revenues	<u>72,762,270</u>	<u>75,750,064</u>	<u>63,629,909</u>	<u>(12,120,155)</u>
EXPENDITURES				
Health and Sanitation:				
Salaries and Benefits	36,755,813	34,447,270	33,372,990	1,074,280
Services and Supplies	33,478,910	39,462,228	35,164,093	4,298,135
Other Charges	2,091,268	2,116,268	1,463,450	652,818
Capital Assets	304,995	419,995	363,612	56,383
Special Items	2,500	7,500	2,600	4,900
Total Expenditures	<u>72,633,486</u>	<u>76,453,261</u>	<u>70,366,745</u>	<u>6,086,516</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>128,784</u>	<u>(703,197)</u>	<u>(6,736,836)</u>	<u>(6,033,639)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	12,836,884	13,668,865	976,598	(12,692,267)
Transfers Out	(11,800,925)	(12,517,906)	(447,799)	12,070,107
Total Other Financing Sources (Uses)	<u>1,035,959</u>	<u>1,150,959</u>	<u>528,799</u>	<u>(622,160)</u>
NET CHANGE IN FUND BALANCES	1,164,743	447,762	(6,208,037)	(6,655,799)
Fund Balances - Beginning	<u>17,963,850</u>	<u>17,963,850</u>	<u>17,963,850</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 19,128,593</u>	<u>\$ 18,411,612</u>	<u>\$ 11,755,813</u>	<u>\$ (6,655,799)</u>

**COUNTY OF BUTTE, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
ROAD FUND
YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Licenses and Permits	\$ 95,000	\$ 95,000	\$ 123,016	\$ 28,016
Fines, Forfeitures, and Penalties	10,000	10,000	8,551	(1,449)
Use of Money and Property	64,000	64,000	169,503	105,503
Aid from Other Governments	27,368,731	27,368,731	17,081,893	(10,286,838)
Charges for Services	2,686,453	3,301,453	3,588,073	286,620
Miscellaneous Revenue	117,200	117,200	193,280	76,080
Total Revenues	<u>30,341,384</u>	<u>30,956,384</u>	<u>21,164,316</u>	<u>(9,792,068)</u>
EXPENDITURES				
Public Way and Facilities:				
Salaries and Benefits	8,436,334	8,436,334	8,124,443	311,891
Services and Supplies	21,422,471	22,915,572	11,942,438	10,973,134
Other Charges	1,646,760	1,628,457	1,628,457	-
Capital Assets	755,543	1,138,691	72,506	1,066,185
Appropriation for Contingencies	1,000,000	-	-	-
Total Expenditures	<u>33,261,108</u>	<u>34,119,054</u>	<u>21,767,844</u>	<u>12,351,210</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,919,724)</u>	<u>(3,162,670)</u>	<u>(603,528)</u>	<u>2,559,142</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	1,742,026	1,742,026
Transfers Out	-	-	(199,688)	(199,688)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>1,542,338</u>	<u>1,542,338</u>
NET CHANGE IN FUND BALANCES	<u>(2,919,724)</u>	<u>(3,162,670)</u>	<u>938,810</u>	<u>4,101,480</u>
Fund Balances - Beginning	<u>3,437,042</u>	<u>3,437,042</u>	<u>3,437,042</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 517,318</u>	<u>\$ 274,372</u>	<u>\$ 4,375,852</u>	<u>\$ 4,101,480</u>

**COUNTY OF BUTTE, CALIFORNIA
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2019**

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).





SUPPLEMENTARY INFORMATION





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.

The *Disaster Recovery Fund* was established to account for revenues received intended to be used to aid the county in the recovery process post disasters.

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, 2019**

	Special Revenue Funds				
	Public Health	Equipment Replacement	Transit	Housing and Community Development	Fish and Game
ASSETS					
Cash and Investments	\$13,108,540	\$ 6,986,075	\$ 70,723	\$ 313,941	\$ 85,099
Cash with Fiscal Agent	-	-	-	-	-
Imprest Cash	7,815	-	-	-	-
Interest Receivable	56,802	29,542	3,662	1,249	369
Accounts Receivable	64,302	-	-	-	-
Due from Other Governments	1,588,306	-	304,625	-	-
Prepaid Items	-	-	-	-	-
Loans Receivable	-	-	-	2,646,731	-
Total Assets	<u>\$14,825,765</u>	<u>\$ 7,015,617</u>	<u>\$ 379,010</u>	<u>\$ 2,961,921</u>	<u>\$ 85,468</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Due to Other Funds	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Payable	596,108	3,571	1,135	5	7,794
Accrued Payroll	498,803	-	-	-	-
Unearned Revenue	6,887	-	-	-	-
Deposits from Others	520	-	-	-	-
Total Liabilities	<u>1,102,318</u>	<u>3,571</u>	<u>1,135</u>	<u>5</u>	<u>7,794</u>
Deferred Inflows of Resources:					
Unavailable Revenue	198,567	-	-	-	-
Fund Balances:					
Nonspendable	7,815	-	-	-	-
Restricted	13,517,065	7,012,046	377,875	2,961,916	77,674
Total Fund Balances	<u>13,524,880</u>	<u>7,012,046</u>	<u>377,875</u>	<u>2,961,916</u>	<u>77,674</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$14,825,765</u>	<u>\$ 7,015,617</u>	<u>\$ 379,010</u>	<u>\$ 2,961,921</u>	<u>\$ 85,468</u>

**COUNTY OF BUTTE, CALIFORNIA
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019**

	Special Revenue Funds				
	Child Support Services	County Service Areas	IHSS Public Authority	Impact Fees	Disaster Recovery
ASSETS					
Cash and Investments	\$ 863,652	\$10,010,304	\$ 135,117	\$ 9,310,832	\$ 633,878
Cash with Fiscal Agent	-	-	-	-	-
Imprest Cash	1,943	-	-	-	-
Interest Receivable	4,481	43,816	-	40,092	821
Accounts Receivable	-	-	-	32,741	-
Due from Other Governments	-	-	-	-	-
Prepaid Items	1,194	-	-	-	-
Loans Receivable	-	-	-	-	-
Total Assets	<u>\$ 871,270</u>	<u>\$10,054,120</u>	<u>\$ 135,117</u>	<u>\$ 9,383,665</u>	<u>\$ 634,699</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Due to Other Funds	\$ -	\$ 82,942	\$ -	\$ -	\$ -
Accounts Payable	6,576	32,862	626	-	-
Accrued Payroll	280,263	-	292	-	-
Unearned Revenue	-	-	-	-	-
Deposits from Others	172	-	-	-	-
Total Liabilities	<u>287,011</u>	<u>115,804</u>	<u>918</u>	<u>-</u>	<u>-</u>
Deferred Inflow s of Resources:					
Unavailable Revenue	-	-	-	-	-
Fund Balances:					
Nonspendable	3,137	-	-	-	-
Restricted	581,122	9,938,316	134,199	9,383,665	634,699
Total Fund Balances	<u>584,259</u>	<u>9,938,316</u>	<u>134,199</u>	<u>9,383,665</u>	<u>634,699</u>
Total Liabilities, Deferred Inflow s of Resources and Fund Balances	<u>\$ 871,270</u>	<u>\$10,054,120</u>	<u>\$ 135,117</u>	<u>\$ 9,383,665</u>	<u>\$ 634,699</u>

**COUNTY OF BUTTE, CALIFORNIA
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019**

	Debt Service Fund	Capital Projects Fund	Permanent Fund	Total
ASSETS				
Cash and Investments	\$12,759,534	\$ 4,639,600	\$ 16,856	\$58,934,151
Cash with Fiscal Agent	342,591	-	-	342,591
Imprest Cash	-	-	-	9,758
Interest Receivable	57,387	20,502	73	258,796
Accounts Receivable	-	-	-	97,043
Due from Other Governments	-	-	-	1,892,931
Prepaid Items	-	-	-	1,194
Loans Receivable	-	-	-	2,646,731
Total Assets	<u>\$13,159,512</u>	<u>\$ 4,660,102</u>	<u>\$ 16,929</u>	<u>\$64,183,195</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Due to Other Funds	\$ 443	\$ -	\$ -	\$ 83,385
Accounts Payable	5,000	232,565	-	886,242
Accrued Payroll	-	-	-	779,358
Unearned Revenue	-	-	-	6,887
Deposits from Others	-	-	-	692
Total Liabilities	<u>5,443</u>	<u>232,565</u>	<u>-</u>	<u>1,756,564</u>
Deferred Inflows of Resources:				
Unavailable Revenue	-	-	-	198,567
Fund Balances:				
Nonspendable	-	-	-	10,952
Restricted	13,154,069	4,427,537	16,929	62,217,112
Total Fund Balances	<u>13,154,069</u>	<u>4,427,537</u>	<u>16,929</u>	<u>62,228,064</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$13,159,512</u>	<u>\$ 4,660,102</u>	<u>\$ 16,929</u>	<u>\$64,183,195</u>

**COUNTY OF BUTTE, CALIFORNIA
COMBINING STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 2019**

	Special Revenue Funds				
	Public Health	Equipment Replacement	Transit	Housing and Community Development	Fish and Game
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	81,715	-	-	-	-
Fines, Forfeits, and Penalties	226,437	-	-	-	13,760
Revenue from Use of Money and Property	467,612	220,723	15,837	21,898	3,236
Aid from Other Governments	13,561,790	-	3,219,897	245,396	-
Charges for Services	3,488,656	-	-	-	-
Other	24,304	469,972	-	-	-
Total Revenues	<u>17,850,514</u>	<u>690,695</u>	<u>3,235,734</u>	<u>267,294</u>	<u>16,996</u>
EXPENDITURES					
Current:					
General Government	-	353,300	-	-	-
Public Protection	-	1,776,965	-	-	41,255
Public Ways and Facilities	-	-	1,813,918	-	-
Health and Sanitation	20,196,465	-	-	-	-
Public Assistance	-	-	-	1,557,744	-
Recreation and Cultural Services	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total Expenditures	<u>20,196,465</u>	<u>2,130,265</u>	<u>1,813,918</u>	<u>1,557,744</u>	<u>41,255</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,345,951)</u>	<u>(1,439,570)</u>	<u>1,421,816</u>	<u>(1,290,450)</u>	<u>(24,259)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	724,304	2,390,229	-	119,431	-
Transfers out	(157,577)	(906,253)	(1,307,653)	(119,431)	-
Total Other Financing Sources (Uses)	<u>566,727</u>	<u>1,483,976</u>	<u>(1,307,653)</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(1,779,224)	44,406	114,163	(1,290,450)	(24,259)
Fund Balances - Beginning	<u>15,304,104</u>	<u>6,967,640</u>	<u>263,712</u>	<u>4,252,366</u>	<u>101,933</u>
FUND BALANCES - ENDING	<u>\$ 13,524,880</u>	<u>\$ 7,012,046</u>	<u>\$ 377,875</u>	<u>\$ 2,961,916</u>	<u>\$ 77,674</u>

**COUNTY OF BUTTE, CALIFORNIA
COMBINING STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCE (CONTINUED)
YEAR ENDED JUNE 30, 2019**

	Special Revenue Funds				
	Child Support Services	County Service Areas	IHSS Public Authority	Impact Fees	Disaster Recovery
REVENUES					
Taxes	\$ -	\$ 961,788	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-
Fines, Forfeits, and Penalties	-	-	-	-	-
Revenue from Use of Money and Property	31,629	315,301	2,315	277,375	3,981
Aid from Other Governments	8,389,725	10,952	168,122	-	-
Charges for Services	54,593	564,591	-	701,276	-
Other	(1,699)	-	-	-	850,000
Total Revenues	<u>8,474,248</u>	<u>1,852,632</u>	<u>170,437</u>	<u>978,651</u>	<u>853,981</u>
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Protection	8,383,092	504,521	-	-	219,282
Public Ways and Facilities	-	168,501	-	-	-
Health and Sanitation	-	187,723	-	-	-
Public Assistance	-	-	188,672	-	-
Recreation and Cultural Services	-	146,466	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total Expenditures	<u>8,383,092</u>	<u>1,007,211</u>	<u>188,672</u>	<u>-</u>	<u>219,282</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>91,156</u>	<u>845,421</u>	<u>(18,235)</u>	<u>978,651</u>	<u>634,699</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	(87,115)	-	-	(125,000)	-
Total Other Financing Sources (Uses)	<u>(87,115)</u>	<u>-</u>	<u>-</u>	<u>(125,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	4,041	845,421	(18,235)	853,651	634,699
Fund Balances - Beginning	<u>580,218</u>	<u>9,092,895</u>	<u>152,434</u>	<u>8,530,014</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 584,259</u>	<u>\$ 9,938,316</u>	<u>\$ 134,199</u>	<u>\$ 9,383,665</u>	<u>\$ 634,699</u>

**COUNTY OF BUTTE, CALIFORNIA
COMBINING STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCE (CONTINUED)
YEAR ENDED JUNE 30, 2019**

	Debt Service Fund	Capital Projects Fund	Permanent Fund	Total
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 961,788
Licenses and Permits	-	-	-	81,715
Fines, Forfeits, and Penalties	-	-	-	240,197
Revenue from Use of Money and Property	454,161	202,822	549	2,017,439
Aid from Other Governments	124,541	2,450	-	25,722,873
Charges for Services	-	1,057,345	-	5,866,461
Other	-	-	-	1,342,577
Total Revenues	<u>578,702</u>	<u>1,262,617</u>	<u>549</u>	<u>36,233,050</u>
EXPENDITURES				
Current:				
General Government	9,013	5,351,183	-	5,713,496
Public Protection	-	-	-	10,925,115
Public Ways and Facilities	-	-	-	1,982,419
Health and Sanitation	-	-	-	20,384,188
Public Assistance	-	-	-	1,746,416
Recreation and Cultural Services	-	-	-	146,466
Debt Service:				
Principal	2,339,972	-	-	2,339,972
Interest	2,638,126	-	-	2,638,126
Total Expenditures	<u>4,987,111</u>	<u>5,351,183</u>	<u>-</u>	<u>45,876,198</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(4,408,409)</u>	<u>(4,088,566)</u>	<u>549</u>	<u>(9,643,148)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	3,758,428	2,370,069	-	9,362,461
Transfers out	-	(497,594)	-	(3,200,623)
Total Other Financing Sources (Uses)	<u>3,758,428</u>	<u>1,872,475</u>	<u>-</u>	<u>6,161,838</u>
NET CHANGE IN FUND BALANCES	(649,981)	(2,216,091)	549	(3,481,310)
Fund Balances - Beginning	<u>13,804,050</u>	<u>6,643,628</u>	<u>16,380</u>	<u>65,709,374</u>
FUND BALANCES - ENDING	<u>\$ 13,154,069</u>	<u>\$ 4,427,537</u>	<u>\$ 16,929</u>	<u>\$ 62,228,064</u>

**COUNTY OF BUTTE, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
PUBLIC HEALTH FUND
YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Licenses and Permits	\$ 90,000	\$ 90,000	\$ 81,715	\$ (8,285)
Fines, Forfeitures, and Penalties	246,500	246,500	226,437	(20,063)
Use of Money and Property	133,500	133,500	467,612	334,112
Aid from Other Governments	14,554,836	14,554,836	13,561,790	(993,046)
Charges for Services	3,864,043	3,864,043	3,488,656	(375,387)
Miscellaneous Revenue	13,075	13,075	24,304	11,229
Total Revenues	<u>18,901,954</u>	<u>18,901,954</u>	<u>17,850,514</u>	<u>(1,051,440)</u>
EXPENDITURES				
Health and Sanitation:				
Salaries and Benefits	15,314,225	15,314,225	13,230,112	2,084,113
Services and Supplies	5,326,434	8,420,762	5,464,117	2,956,645
Other Charges	2,091,268	2,116,268	1,463,450	652,818
Special Items	2,500	7,500	2,600	4,900
Capital Assets	194,000	194,000	36,186	157,814
Total Expenditures	<u>22,928,427</u>	<u>26,052,755</u>	<u>20,196,465</u>	<u>5,856,290</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(4,026,473)</u>	<u>(7,150,801)</u>	<u>(2,345,951)</u>	<u>4,804,850</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	1,836,927	1,836,927	724,304	(1,112,623)
Transfers Out	<u>(1,112,623)</u>	<u>(1,112,623)</u>	<u>(157,577)</u>	<u>955,046</u>
Total Other Financing Sources (Uses)	<u>724,304</u>	<u>724,304</u>	<u>566,727</u>	<u>(157,577)</u>
NET CHANGE IN FUND BALANCES	(3,302,169)	(6,426,497)	(1,779,224)	4,647,273
Fund Balances - Beginning	<u>15,304,104</u>	<u>15,304,104</u>	<u>15,304,104</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 12,001,935</u>	<u>\$ 8,877,607</u>	<u>\$ 13,524,880</u>	<u>\$ 4,647,273</u>

**COUNTY OF BUTTE, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
EQUIPMENT REPLACEMENT FUND
YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Use of Money and Property	\$ 67,400	\$ 67,400	\$ 220,723	\$ 153,323
Miscellaneous Revenue	-	-	469,972	469,972
Total Revenues	<u>67,400</u>	<u>67,400</u>	<u>690,695</u>	<u>623,295</u>
EXPENDITURES				
General Government:				
Services and Supplies	105,000	105,000	6,851	98,149
Other Charges	80,471	129,471	80,369	49,102
Capital Assets	427,000	460,000	266,080	193,920
Public Protection:				
Other Charges	5,968	5,941	5,904	37
Capital Assets	1,225,000	2,044,603	1,771,061	273,542
Total Expenditures	<u>1,843,439</u>	<u>2,745,015</u>	<u>2,130,265</u>	<u>614,750</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,776,039)</u>	<u>(2,677,615)</u>	<u>(1,439,570)</u>	<u>1,238,045</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	2,381,575	2,509,575	2,390,229	(119,346)
Transfers Out	(765,000)	(913,800)	(906,253)	7,547
Total Other Financing Sources (Uses)	<u>1,616,575</u>	<u>1,595,775</u>	<u>1,483,976</u>	<u>(111,799)</u>
NET CHANGE IN FUND BALANCES	(159,464)	(1,081,840)	44,406	1,126,246
Fund Balances - Beginning	<u>6,967,640</u>	<u>6,967,640</u>	<u>6,967,640</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 6,808,176</u>	<u>\$ 5,885,800</u>	<u>\$ 7,012,046</u>	<u>\$ 1,126,246</u>

**COUNTY OF BUTTE, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
TRANSIT FUND
YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Use of Money and Property	\$ 5,000	\$ 5,000	\$ 15,837	\$ 10,837
Aid from Other Governments	2,953,400	2,953,400	3,219,897	266,497
Total Revenues	<u>2,958,400</u>	<u>2,958,400</u>	<u>3,235,734</u>	<u>277,334</u>
EXPENDITURES				
Public Way and Facilities:				
Services and Supplies	1,641,264	1,804,463	1,804,462	1
Other Charges	9,483	9,456	9,456	-
Total Expenditures	<u>1,650,747</u>	<u>1,813,919</u>	<u>1,813,918</u>	<u>1</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,307,653</u>	<u>1,144,481</u>	<u>1,421,816</u>	<u>277,335</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	(1,307,653)	(1,307,653)	(1,307,653)	-
Total Other Financing Sources (Uses)	<u>(1,307,653)</u>	<u>(1,307,653)</u>	<u>(1,307,653)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	(163,172)	114,163	277,335
Fund Balances - Beginning	<u>263,712</u>	<u>263,712</u>	<u>263,712</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 263,712</u>	<u>\$ 100,540</u>	<u>\$ 377,875</u>	<u>\$ 277,335</u>

**COUNTY OF BUTTE, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
HOUSING AND COMMUNITY DEVELOPMENT FUND
YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Use of Money and Property	\$ 15,010	\$ 15,010	\$ 21,898	\$ 6,888
Aid from Other Governments	304,600	1,296,918	245,396	(1,051,522)
Total Revenues	<u>319,610</u>	<u>1,311,928</u>	<u>267,294</u>	<u>(1,044,634)</u>
EXPENDITURES				
Public Assistance:				
Services and Supplies	164,350	454,960	104,204	350,756
Other Charges	491,000	1,683,485	1,453,540	229,945
Total Expenditures	<u>655,350</u>	<u>2,138,445</u>	<u>1,557,744</u>	<u>580,701</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(335,740)</u>	<u>(826,517)</u>	<u>(1,290,450)</u>	<u>(463,933)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	290,000	971,708	119,431	(852,277)
Transfers Out	(290,000)	(951,708)	(119,431)	832,277
Total Other Financing Sources (Uses)	<u>-</u>	<u>20,000</u>	<u>-</u>	<u>(20,000)</u>
NET CHANGE IN FUND BALANCES	(335,740)	(806,517)	(1,290,450)	(483,933)
Fund Balances - Beginning	<u>4,252,366</u>	<u>4,252,366</u>	<u>4,252,366</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 3,916,626</u>	<u>\$ 3,445,849</u>	<u>\$ 2,961,916</u>	<u>\$ (483,933)</u>

**COUNTY OF BUTTE, CALIFORNIA
 BUDGETARY COMPARISON SCHEDULE
 FISH AND GAME FUND
 YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Fines, Forfeitures, and Penalties	\$ 10,000	\$ 10,000	\$ 13,760	\$ 3,760
Use of Money and Property	2,100	2,100	3,236	1,136
Total Revenues	<u>12,100</u>	<u>12,100</u>	<u>16,996</u>	<u>4,896</u>
EXPENDITURES				
Public Protection:				
Services and Supplies	35,500	35,500	18,779	16,721
Other Charges	22,497	22,497	22,476	21
Total Expenditures	<u>57,997</u>	<u>57,997</u>	<u>41,255</u>	<u>16,742</u>
NET CHANGE IN FUND BALANCES	(45,897)	(45,897)	(24,259)	21,638
Fund Balances - Beginning	<u>101,933</u>	<u>101,933</u>	<u>101,933</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 56,036</u>	<u>\$ 56,036</u>	<u>\$ 77,674</u>	<u>\$ 21,638</u>

**COUNTY OF BUTTE, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
CHILD SUPPORT SERVICES FUND
YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Use of Money and Property	\$ 15,000	\$ 15,000	\$ 31,629	\$ 16,629
Aid from Other Governments	9,445,313	9,445,313	8,389,725	(1,055,588)
Charges for Services	29,000	29,000	54,593	25,593
Miscellaneous Revenue	50	50	(1,699)	(1,749)
Total Revenues	<u>9,489,363</u>	<u>9,489,363</u>	<u>8,474,248</u>	<u>(1,015,115)</u>
EXPENDITURES				
Public Protection:				
Salaries and Benefits	7,996,686	7,996,686	7,213,532	783,154
Services and Supplies	968,094	968,094	647,713	320,381
Other Charges	524,583	524,583	521,847	2,736
Total Expenditures	<u>9,489,363</u>	<u>9,489,363</u>	<u>8,383,092</u>	<u>1,106,271</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>91,156</u>	<u>91,156</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>-</u>	<u>-</u>	<u>(87,115)</u>	<u>(87,115)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(87,115)</u>	<u>(87,115)</u>
NET CHANGE IN FUND BALANCES	<u>-</u>	<u>-</u>	<u>4,041</u>	<u>4,041</u>
Fund Balances - Beginning	<u>580,218</u>	<u>580,218</u>	<u>580,218</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 580,218</u>	<u>\$ 580,218</u>	<u>\$ 584,259</u>	<u>\$ 4,041</u>

**COUNTY OF BUTTE, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
COUNTY SERVICE AREAS FUND
YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 806,993	\$ 806,993	\$ 961,788	\$ 154,795
Use of Money and Property	57,932	57,932	315,301	257,369
Aid from Other Governments	11,786	11,786	10,952	(834)
Charges for Services	547,323	547,323	564,591	17,268
Total Revenues	<u>1,424,034</u>	<u>1,424,034</u>	<u>1,852,632</u>	<u>428,598</u>
EXPENDITURES				
Public Protection:				
Services and Supplies	435,525	512,792	357,136	155,656
Other Charges	271,179	268,669	147,385	121,284
Appropriation for Contingencies	2,550	2,550	-	2,550
Public Way and Facilities:				
Services and Supplies	95,116	120,862	99,944	20,918
Other Charges	136,533	137,137	68,557	68,580
Appropriation for Contingencies	8,953	8,953	-	8,953
Health and Sanitation:				
Services and Supplies	271,179	268,669	147,384	121,285
Other Charges	68,552	84,990	40,339	44,651
Appropriation for Contingencies	2,550	2,550	-	2,550
Recreation and Culture:				
Services and Supplies	181,960	181,960	143,389	38,571
Other Charges	3,099	3,099	3,077	22
Appropriation for Contingencies	4,000	4,000	-	4,000
Debt Service	8,774	8,774	-	8,774
Total Expenditures	<u>1,489,970</u>	<u>1,605,005</u>	<u>1,007,211</u>	<u>597,794</u>
NET CHANGE IN FUND BALANCES	(65,936)	(180,971)	845,421	1,026,392
Fund Balances - Beginning	<u>9,092,895</u>	<u>9,092,895</u>	<u>9,092,895</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 9,026,959</u>	<u>\$ 8,911,924</u>	<u>\$ 9,938,316</u>	<u>\$ 1,026,392</u>

**COUNTY OF BUTTE, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
IHSS PUBLIC AUTHORITY FUND
YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Use of Money and Property	\$ -	\$ -	\$ 2,315	\$ 2,315
Aid from Other Governments	252,922	252,922	168,122	(84,800)
Total Revenues	<u>252,922</u>	<u>252,922</u>	<u>170,437</u>	<u>(82,485)</u>
EXPENDITURES				
Public Assistance:				
Salaries and Benefits	293,404	93,404	50,936	42,468
Services and Supplies	62,600	262,600	134,502	128,098
Other Charges	5,235	5,235	3,234	2,001
Total Expenditures	<u>361,239</u>	<u>361,239</u>	<u>188,672</u>	<u>172,567</u>
NET CHANGE IN FUND BALANCES	(108,317)	(108,317)	(18,235)	90,082
Fund Balances - Beginning	<u>152,434</u>	<u>152,434</u>	<u>152,434</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 44,117</u>	<u>\$ 44,117</u>	<u>\$ 134,199</u>	<u>\$ 90,082</u>

**COUNTY OF BUTTE, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
IMPACT FEES FUND
YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Use of Money and Property	\$ 38,241	\$ 38,241	\$ 277,375	\$ 239,134
Charges for Services	553,000	553,000	701,276	148,276
Total Revenues	<u>591,241</u>	<u>591,241</u>	<u>978,651</u>	<u>387,410</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>591,241</u>	<u>591,241</u>	<u>978,651</u>	<u>387,410</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	40,000	200,000	-	(200,000)
Transfers Out	(911,000)	(1,071,000)	(125,000)	946,000
Total Other Financing Sources (Uses)	<u>(871,000)</u>	<u>(871,000)</u>	<u>(125,000)</u>	<u>746,000</u>
NET CHANGE IN FUND BALANCES	(279,759)	(279,759)	853,651	1,133,410
Fund Balances - Beginning	<u>8,530,014</u>	<u>8,530,014</u>	<u>8,530,014</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 8,250,255</u>	<u>\$ 8,250,255</u>	<u>\$ 9,383,665</u>	<u>\$ 1,133,410</u>

**COUNTY OF BUTTE, CALIFORNIA
 BUDGETARY COMPARISON SCHEDULE
 DISASTER RECOVERY FUND
 YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Use of Money and Property	\$ -	\$ -	\$ 3,981	\$ 3,981
Miscellaneous Revenue	-	1,330,000	850,000	(480,000)
Total Revenues	-	1,330,000	853,981	(476,019)
EXPENDITURES				
Health and Sanitation:				
Other Charges	-	1,350,000	219,282	1,130,718
Total Expenditures	-	1,350,000	219,282	1,130,718
NET CHANGE IN FUND BALANCES	-	(20,000)	634,699	654,699
Fund Balances - Beginning	-	-	-	-
FUND BALANCES - ENDING	\$ -	\$ (20,000)	\$ 634,699	\$ 654,699

**COUNTY OF BUTTE, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Use of Money and Property	\$ 35,900	\$ 35,900	\$ 454,161	\$ 418,261
Aid from Other Governments	125,000	125,000	124,541	(459)
Total Revenues	<u>160,900</u>	<u>160,900</u>	<u>578,702</u>	<u>417,802</u>
EXPENDITURES				
General Government:				
Services and Supplies	10,012	10,012	9,049	963
Other Charges	(27)	(27)	(36)	9
Debt Service	5,150,008	5,368,165	4,978,098	390,067
Total Expenditures	<u>5,159,993</u>	<u>5,378,150</u>	<u>4,987,111</u>	<u>391,039</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(4,999,093)</u>	<u>(5,217,250)</u>	<u>(4,408,409)</u>	<u>808,841</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	5,201,600	5,419,757	3,758,428	(1,661,329)
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>5,201,600</u>	<u>5,419,757</u>	<u>3,758,428</u>	<u>(1,661,329)</u>
NET CHANGE IN FUND BALANCES	202,507	202,507	(649,981)	(852,488)
Fund Balances - Beginning	<u>13,804,050</u>	<u>13,804,050</u>	<u>13,804,050</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 14,006,557</u>	<u>\$ 14,006,557</u>	<u>\$ 13,154,069</u>	<u>\$ (852,488)</u>

**COUNTY OF BUTTE, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Use of Money and Property	\$ 85,000	\$ 85,000	\$ 202,822	\$ 117,822
Aid from Other Governments	2,553,852	2,553,852	2,450	(2,551,402)
Charges for Services	1,057,345	1,057,345	1,057,345	-
Miscellaneous Revenue	-	-	-	-
Total Revenues	<u>3,696,197</u>	<u>3,696,197</u>	<u>1,262,617</u>	<u>(2,433,580)</u>
EXPENDITURES				
General Government:				
Services and Supplies	152,992	986,231	2,020,133	(1,033,902)
Other Charges	544,900	559,300	287,788	271,512
Capital Assets	<u>9,349,427</u>	<u>9,091,788</u>	<u>3,043,262</u>	<u>6,048,526</u>
Total Expenditures	<u>10,047,319</u>	<u>10,637,319</u>	<u>5,351,183</u>	<u>5,286,136</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(6,351,122)</u>	<u>(6,941,122)</u>	<u>(4,088,566)</u>	<u>2,852,556</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	4,247,017	4,837,017	2,370,069	(2,466,948)
Transfers Out	<u>(865,867)</u>	<u>(976,502)</u>	<u>(497,594)</u>	<u>478,908</u>
Total Other Financing Sources (Uses)	<u>3,381,150</u>	<u>3,860,515</u>	<u>1,872,475</u>	<u>(1,988,040)</u>
NET CHANGE IN FUND BALANCES	(2,969,972)	(3,080,607)	(2,216,091)	864,516
Fund Balances - Beginning	<u>6,643,628</u>	<u>6,643,628</u>	<u>6,643,628</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 3,673,656</u>	<u>\$ 3,563,021</u>	<u>\$ 4,427,537</u>	<u>\$ 864,516</u>

**COUNTY OF BUTTE, CALIFORNIA
 BUDGETARY COMPARISON SCHEDULE
 PERMANENT FUND
 YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Use of Money and Property	\$ 194	\$ 194	\$ 549	\$ 355
Total Revenues	<u>194</u>	<u>194</u>	<u>549</u>	<u>355</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>194</u>	<u>194</u>	<u>549</u>	<u>355</u>
NET CHANGE IN FUND BALANCES	194	194	549	355
Fund Balances - Beginning	<u>16,380</u>	<u>16,380</u>	<u>16,380</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 16,574</u>	<u>\$ 16,574</u>	<u>\$ 16,929</u>	<u>\$ 355</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, 2019**

	<u>Self Insurance</u>	<u>Workers' Compensation</u>	<u>Unemployment Insurance</u>
ASSETS			
Current Assets:			
Cash and Investments	\$ 2,499,950	\$ 10,571,705	\$ 211,405
Cash and Investments with Fiscal Agent	-	130,331	-
Interest Receivable	10,561	47,967	982
Due from other governments	-	1,527	-
Total Current Assets	<u>2,510,511</u>	<u>10,751,530</u>	<u>212,387</u>
Noncurrent Assets:			
Capital Assets:			
Depreciable:			
Equipment	40,221	64,340	-
Accumulated Depreciation	<u>(10,685)</u>	<u>(36,760)</u>	-
Total Capital Assets, Net	<u>40,221</u>	<u>64,340</u>	-
Total Noncurrent Assets	<u>29,536</u>	<u>27,580</u>	-
Total Assets	<u>2,540,047</u>	<u>10,779,110</u>	<u>212,387</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	82,269	2,163	-
Accrued Salaries and Benefits	21	-	-
Claims and Judgments, Current Portion	<u>600,000</u>	<u>2,000,000</u>	-
Total Current Liabilities	<u>682,290</u>	<u>2,002,163</u>	-
Long-Term Liabilities:			
Claims and Judgments, Less Current Portion	<u>803,000</u>	<u>5,931,000</u>	-
Total Liabilities	<u>1,485,290</u>	<u>7,933,163</u>	-
NET POSITION			
Net Investment in Capital Assets	29,536	27,580	-
Unrestricted	<u>1,025,221</u>	<u>2,818,367</u>	<u>212,387</u>
Total Net Position	<u>\$ 1,054,757</u>	<u>\$ 2,845,947</u>	<u>\$ 212,387</u>

**COUNTY OF BUTTE, CALIFORNIA
COMBINING STATEMENT OF NET POSITION (CONTINUED)
INTERNAL SERVICE FUNDS
JUNE 30, 2019**

	Medical Liability	Miscellaneous Insurance	Utilities Clearing	Total
ASSETS				
Current Assets:				
Cash and Investments	\$ 12,534	\$ 971,106	\$ 192,268	\$14,458,968
Cash and Investments with Fiscal Agent	-	-	-	130,331
Interest Receivable	55	10,671	647	70,883
Due from other governments	-	-	-	1,527
Total Current Assets	<u>12,589</u>	<u>981,777</u>	<u>192,915</u>	<u>14,661,709</u>
Noncurrent Assets:				
Capital Assets:				
Depreciable:				
Equipment	-	-	-	104,561
Accumulated Depreciation	-	-	-	(47,445)
Total Capital Assets, Net	<u>-</u>	<u>-</u>	<u>-</u>	<u>104,561</u>
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>57,116</u>
Total Assets	<u>12,589</u>	<u>981,777</u>	<u>192,915</u>	<u>14,718,825</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	-	-	30,208	114,640
Accrued Salaries and Benefits	-	-	-	21
Claims and Judgments, Current Portion	-	-	-	2,600,000
Total Current Liabilities	<u>-</u>	<u>-</u>	<u>30,208</u>	<u>2,714,661</u>
Long-Term Liabilities:				
Claims and Judgments, Less Current Portion	-	-	-	6,734,000
Total Liabilities	<u>-</u>	<u>-</u>	<u>30,208</u>	<u>9,448,661</u>
NET POSITION				
Net Investment in Capital Assets	-	-	-	57,116
Unrestricted	12,589	981,777	162,707	5,213,048
Total Net Position	<u>\$ 12,589</u>	<u>\$ 981,777</u>	<u>\$ 162,707</u>	<u>\$ 5,270,164</u>

**COUNTY OF BUTTE, CALIFORNIA
 COMBINING STATEMENT OF REVENUES, EXPENSES,
 AND CHANGES IN FUND NET POSITION
 INTERNAL SERVICE FUNDS
 YEAR ENDED JUNE 30, 2019**

	Self Insurance	Workers' Compensation	Unemployment Insurance
OPERATING REVENUES			
Charges for Services	\$ 2,058,768	\$ 4,207,560	\$ 397,205
Total Operating Revenues	<u>2,058,768</u>	<u>4,207,560</u>	<u>397,205</u>
OPERATING EXPENSES			
Salaries and Employee Benefits	13	6	288,982
Services and Supplies	894,611	831,750	3,498
Premiums, Claims, and Judgments	1,534,918	3,162,020	-
Depreciation and Amortization	2,681	1,970	-
Total Operating Expenses	<u>2,432,223</u>	<u>3,995,746</u>	<u>292,480</u>
OPERATING INCOME (LOSS)	<u>(373,455)</u>	<u>211,814</u>	<u>104,725</u>
NONOPERATING REVENUES (EXPENSES)			
Other Nonoperating Revenues	-	-	-
Interest Income	76,348	333,647	4,040
Total Nonoperating Revenues (Expenses)	<u>76,348</u>	<u>333,647</u>	<u>4,040</u>
NET INCOME BEFORE TRANSFERS	<u>(297,107)</u>	<u>545,461</u>	<u>108,765</u>
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN NET POSITION	<u>(297,107)</u>	<u>545,461</u>	<u>108,765</u>
Net Position - Beginning of Year	<u>1,351,864</u>	<u>2,300,486</u>	<u>103,622</u>
NET POSITION - ENDING	<u>\$ 1,054,757</u>	<u>\$ 2,845,947</u>	<u>\$ 212,387</u>

**COUNTY OF BUTTE, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION (CONTINUED)
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2019**

	Medical Liability	Miscellaneous Insurance	Utilities Clearing	Totals
OPERATING REVENUES				
Charges for Services	\$ 156,692	\$ 171,100	\$ 2,612,340	\$ 9,603,665
Total Operating Revenues	<u>156,692</u>	<u>171,100</u>	<u>2,612,340</u>	<u>9,603,665</u>
OPERATING EXPENSES				
Salaries and Employee Benefits	-	-	-	289,001
Services and Supplies	156,666	159,096	2,353,102	4,398,723
Premiums, Claims, and Judgments	-	-	-	4,696,938
Depreciation and Amortization	-	-	-	4,651
Total Operating Expenses	<u>156,666</u>	<u>159,096</u>	<u>2,353,102</u>	<u>9,389,313</u>
OPERATING INCOME (LOSS)	<u>26</u>	<u>12,004</u>	<u>259,238</u>	<u>214,352</u>
NONOPERATING REVENUES (EXPENSES)				
Other Nonoperating Revenues	-	3,000,000	-	3,000,000
Interest Income	423	28,292	5,745	448,495
Total Nonoperating Revenues (Expenses)	<u>423</u>	<u>3,028,292</u>	<u>5,745</u>	<u>3,448,495</u>
NET INCOME BEFORE TRANSFERS	449	3,040,296	264,983	3,662,847
Transfers out	<u>-</u>	<u>(2,096,658)</u>	<u>(138,591)</u>	<u>(2,235,249)</u>
CHANGE IN NET POSITION	449	943,638	126,392	1,427,598
Net Position - Beginning of Year	<u>12,140</u>	<u>38,139</u>	<u>36,315</u>	<u>3,842,566</u>
NET POSITION - ENDING	<u>\$ 12,589</u>	<u>\$ 981,777</u>	<u>\$ 162,707</u>	<u>\$ 5,270,164</u>

**COUNTY OF BUTTE, CALIFORNIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2019**

	Self Insurance	Workers' Compensation	Unemployment Insurance
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	\$ 2,058,768	\$ 4,219,578	\$ 397,205
Cash Paid to Suppliers for Goods and Services	(2,301,530)	(3,528,006)	(5,170)
Cash Paid to Employees for Services	8	-	(288,982)
Net Cash Provided (Used) by Operating Activities	(242,754)	691,572	103,053
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Insurance proceeds	-	-	-
Transfers Out	-	-	-
Net Cash Provided (Used) by Noncapital Activities	-	-	-
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES			
Payments Related to Acquisition of Capital Assets	(14,775)	(14,775)	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received (Paid)	75,709	324,547	3,622
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(181,820)	1,001,344	106,675
Cash and Cash Equivalents - Beginning	2,681,770	9,700,692	104,730
CASH AND CASH EQUIVALENTS - ENDING	\$ 2,499,950	\$ 10,702,036	\$ 211,405
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ (373,455)	\$ 211,814	\$ 104,725
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	2,681	1,970	-
(Increase) Decrease in Assets:			
Deposits With Others	-	-	-
Accounts Receivable	-	12,018	-
Increase (Decrease) in Liabilities:			
Accounts Payable	19,020	(14,230)	(1,672)
Claims and Judgments	109,000	480,000	-
Net Cash Provided (Used) by Operating Activities	\$ (242,754)	\$ 691,572	\$ 103,053

**COUNTY OF BUTTE, CALIFORNIA
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2019**

	Medical Liability	Miscellaneous Insurance	Utilities Clearing	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	\$ 156,692	\$ 171,100	\$ 2,612,340	\$ 9,615,683
Cash Paid to Suppliers for Goods and Services	(156,666)	(159,096)	(2,521,941)	(8,672,409)
Cash Paid to Employees for Services	-	-	-	(288,974)
Net Cash Provided (Used) by Operating Activities	<u>26</u>	<u>12,004</u>	<u>90,399</u>	<u>654,300</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Insurance proceeds	-	3,000,000	-	3,000,000
Transfers Out	-	(2,096,658)	(138,591)	(2,235,249)
Net Cash Provided (Used) by Noncapital Activities	<u>-</u>	<u>903,342</u>	<u>(138,591)</u>	<u>764,751</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES				
Payments Related to Acquisition of Capital Assets	-	-	-	(29,550)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received (Paid)	<u>416</u>	<u>17,771</u>	<u>6,423</u>	<u>428,488</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	442	933,117	(41,769)	1,817,989
Cash and Cash Equivalents - Beginning	<u>12,092</u>	<u>37,989</u>	<u>234,037</u>	<u>12,771,310</u>
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 12,534</u>	<u>\$ 971,106</u>	<u>\$ 192,268</u>	<u>\$14,589,299</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ 26	\$ 12,004	\$ 259,238	\$ 214,352
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	-	-	-	4,651
(Increase) Decrease in Assets:				
Deposits With Others	-	-	-	-
Accounts Receivable	-	-	-	12,018
Increase (Decrease) in Liabilities:				
Accounts Payable	-	-	(168,839)	(165,721)
Claims and Judgments	-	-	-	589,000
Net Cash Provided (Used) by Operating Activities	<u>\$ 26</u>	<u>\$ 12,004</u>	<u>\$ 90,399</u>	<u>\$ 654,300</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, 2019**

	Other	Tax Resources	Total
ASSETS			
Cash and Investments	\$ 37,831,512	\$ 9,644,563	\$ 47,476,075
Due from Other Governments	-	-	-
Interest Receivable	40,321	267,361	307,682
Due from Other Funds	104,425	-	104,425
Property Tax Receivable	-	11,573,258	11,573,258
Total Assets	\$ 37,976,258	\$ 21,485,182	\$ 59,461,440
LIABILITIES			
Due to Other Funds	\$ 82,942	\$ -	\$ 82,942
Due to Other Governments	-	1,839,321	1,839,321
Agency Funds Held for Others	37,893,316	19,645,861	57,539,177
Total Liabilities	\$ 37,976,258	\$ 21,485,182	\$ 59,461,440

COUNTY OF BUTTE, CALIFORNIA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED JUNE 30, 2019

<u>OTHER</u>	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
ASSETS				
Cash and Investments	\$ 18,040,385	\$ 21,952,296	\$ -	\$ 37,831,512
Interest Receivable	19,500	20,821	-	40,321
Due from Other Funds	95,341	9,084	-	104,425
Total Assets	<u>\$ 18,155,226</u>	<u>\$ 21,982,201</u>	<u>\$ -</u>	<u>\$ 37,976,258</u>
LIABILITIES				
Due to Other Funds	\$ -	\$ 82,942	\$ -	82,942
Agency Funds Held for Others	18,155,226	21,899,259	-	37,893,316
Total Liabilities	<u>\$ 18,155,226</u>	<u>\$ 21,982,201</u>	<u>\$ -</u>	<u>\$ 37,976,258</u>
TAX RESOURCES				
ASSETS				
Cash and Investments	\$ 7,219,739	\$ 2,424,824	\$ -	\$ 9,644,563
Interest Receivable	204,428	62,933	-	267,361
Property Tax Receivable	10,585,742	987,516	-	11,573,258
Total Assets	<u>\$ 18,009,909</u>	<u>\$ 3,475,273</u>	<u>\$ -</u>	<u>\$ 21,485,182</u>
LIABILITIES				
Due to Other Governments	\$ -	\$ 1,839,321	\$ -	1,839,321
Agency Funds Held for Others	18,009,909	1,635,952	-	19,645,861
Total Liabilities	<u>\$ 18,009,909</u>	<u>\$ 3,475,273</u>	<u>\$ -</u>	<u>\$ 21,485,182</u>
TOTAL AGENCY FUNDS				
ASSETS				
Cash and Investments	\$ 25,260,124	\$ 24,377,120	\$ -	\$ 49,637,244
Interest Receivable	223,928	83,754	-	307,682
Due from Other Funds	95,341	9,084	-	104,425
Property Tax Receivable	10,585,742	987,516	-	11,573,258
Total Assets	<u>\$ 36,165,135</u>	<u>\$ 25,457,474</u>	<u>\$ -</u>	<u>\$ 59,461,440</u>
LIABILITIES				
Due to Other Funds	\$ -	\$ 82,942	\$ -	\$ 82,942
Due to Other Governments	-	1,839,321	-	1,839,321
Agency Funds Held for Others	36,165,135	23,535,211	-	59,700,346
Total Liabilities	<u>\$ 36,165,135</u>	<u>\$ 25,457,474</u>	<u>\$ -</u>	<u>\$ 61,622,609</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)**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<u>Governmental activities:</u>										
Net investment in capital assets	\$ 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	\$ 97,471,299
Restricted	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	117,376,387
Unrestricted	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)	(284,917,542)
Total government net position	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)	(70,069,856)
<u>Business-type activities:</u>										
Net investment in capital assets	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	29,614,244
Restricted	5,547,422	4,753,072	3,685,767	-	-	-	-	-	-	-
Unrestricted	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	14,108,687
Total business net position	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	43,722,931
<u>Primary government:</u>										
Net investment in capital assets	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	127,085,543
Restricted	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	117,376,387
Unrestricted	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)	(270,808,855)
Total primary government, net position	\$ 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)	\$ (26,346,925)

Source: Auditor-Controller, County of Butte

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities										
Expenses										
General government	\$ 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	\$ 43,782,832
Public protection	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	134,869,118
Public ways and facilities	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	42,226,009
Health and sanitation	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	93,113,924
Public assistance	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	133,709,674
Education	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	4,145,220
Culture and recreation services	524,852	512,353	530,319	583,937	166,481	274,130	270,721	328,803	349,295	335,091
Interest on long-term debt	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	2,551,165
Total	366,721,436	365,923,132	383,449,096	383,986,105	369,672,540	363,315,008	365,182,392	411,230,168	429,427,176	454,733,033
Program revenue										
Charges for services:										
General government	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	20,884,629
Public protection	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	13,512,044
Public ways and facilities	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	4,521,364
Health and sanitation	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	5,851,608
Public assistance	711,842	676,610	1,079,724	1,012,741	316,723	373,010	1,138,165	407,561	391,865	540,657
Education	113,684	146,212	146,391	146,391	-	120,413	171,464	112,870	76,665	50,436
Culture and recreation services	-	-	-	-	-	317,359	68,258	65,327	62,476	62,770
Operating grants and contributions	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	287,191,942
Capital grants and contributions	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	4,284,890
Total governmental activities program revenues	275,566,524	284,706,583	279,534,119	290,164,949	272,051,210	265,011,150	256,688,107	318,540,301	318,339,195	336,900,340
Net expense	(91,154,912)	(81,216,549)	(103,914,977)	(93,821,156)	(97,621,330)	(98,303,858)	(108,494,285)	(92,689,867)	(111,087,981)	(117,832,693)
General revenue and transfers										
Taxes:										
Property taxes	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	67,764,536
Sales taxes	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	5,593,752
Other taxes and related revenues	1,031,960	1,010,109	942,242	1,022,342	1,311,434	986,621	1,302,226	474,438	598,373	643,045
Grants and contributions not restricted to specific programs	17,253,122	15,503,952	16,753,325	17,747,085	17,353,808	15,399,497	34,030,358	-	-	-
Unrestricted investment earnings	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	9,413,433
Gain (Loss) on sale of assets	-	-	-	-	-	-	-	-	-	-
Miscellaneous	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	9,101,051
Transfers	-	-	-	14,788	(24,770)	-	-	22,208	27,743	(743,572)
Total	87,865,466	77,578,131	77,036,704	74,785,004	77,988,152	94,082,698	101,671,455	73,180,419	78,014,329	91,772,245
Change in net position-										
- governmental activities	\$ (3,289,446)	\$ (3,638,418)	\$ (26,878,273)	\$ (19,036,152)	\$ (19,633,178)	\$ (4,221,160)	\$ (6,822,830)	\$ (19,509,448)	\$ (33,073,652)	\$ (26,060,448)

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Business-type activities										
Expenses										
Sanitation	\$ 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	\$ 11,359,980
Total business-type activities	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	11,359,980
Program revenue										
Charges for services:										
Sanitation	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	23,844,204
Operating grants and contributions	108,566	83,808	159,913	-	-	-	-	206,974	99,386	115,181
Total business-type activities program revenues	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	23,959,385
Net revenue (expense)	603,913	374,139	1,455,610	1,344,134	861,947	1,396,975	871,252	1,379,503	1,523,441	12,599,405
General revenues										
Unrestricted investment earnings	1,004,069	810,774	463,350	196,221	182,000	199,250	233,271	41,693	85,816	534,315
Gain (loss) on sale of assets	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	107,674	-	29,500	139,433	273,389	333,313
Transfers	-	-	-	(14,788)	24,770	-	-	(22,208)	(27,743)	743,572
Total general revenues	1,004,069	810,774	463,350	181,433	314,444	199,250	262,771	158,918	331,462	1,611,200
Change in net position -business-type activities	\$ 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	\$ 14,210,605
Primary Government										
Expenses										
Governmental activities	\$ 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	\$ 454,733,033
Business-type activities	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	11,359,980
Total	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	466,093,013
Program revenue										
Governmental activities	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	336,900,340
Business-type activities	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	23,959,385
Total	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	360,859,725
Net expense										
Governmental activities	(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)	(117,832,693)
Business-type activities	603,913	374,139	1,455,610	1,344,134	861,947	1,396,975	871,252	1,379,503	1,523,441	12,599,405
Total	(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)	(105,233,288)
General revenue										
Governmental activities	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	91,772,245
Business-type activities	1,004,069	810,774	463,350	181,433	314,444	199,250	262,771	158,918	331,462	1,611,200
Total	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	93,383,445
Change in net position										
Governmental activities	(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)	(26,060,448)
Business-type activities	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	14,210,605
Total primary government change in net position	\$ (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)	\$ (11,849,843)

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,

	2010
General Fund	
Reserved for:	
Encumbrances	\$ 2,348,768
Imprest cash	84,345
Prepaid items	1,848
Deposits with others	2,500
General restrictions	13,844,851
Debt service	1,572,685
Inventory	154,369
Unreserved:	
Designated	115,000
Undesignated	16,710,645
Total general fund balance	34,835,011

All other Governmental Funds

Reserved for:	
Encumbrances	10,662,956
Imprest cash	2,700
Prepaid items	8,945
Deposits with others	297
Long-term loans receivable	-
Legislative/ Grant restrictions	25,932,333
Debt service	7,875,805
Inventories	284,270
Unreserved:	
Designated, reported in:	
Special revenue funds	4,460,824
Undesignated, reported in:	
Special revenue funds	15,206,987
Capital projects funds	551,122
Total other governmental	64,986,239
fund balances	

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund									
Nonspendable	122,064	290,483	150,080	157,012	607,460	238,618	668,635	726,166	675,069
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	29,537,504
Committed	2,628,878	808,712	5,709,505	5,831,455	-	7,500,000	8,000,000	8,000,000	8,000,000
Assigned	6,559,485	5,059,485	714,346	30,278	28,259	28,867	-	24,978	2,672,403
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	14,012,088
	<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>	<u>54,897,064</u>
All other Governmental Funds									
Nonspendable	323,212	364,031	340,758	322,391	314,201	287,987	269,054	249,745	354,328
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	86,022,657
Committed	-	-	-	-	-	-	-	-	-
Assigned	-	-	(2,203,060)	-	-	-	-	-	126,744
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>\$ 95,151,121</u>	<u>\$ 86,503,729</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)**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
REVENUE										
Taxes	\$ 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	\$ 74,001,333
License and permits	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	4,306,424
Fines, forfeitures and penalties	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	6,572,025
Revenues from use of money	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	8,964,938
Aid from other governments	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	289,660,515
Charges for services	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	34,544,534
Other	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	6,101,051
Total revenue	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	424,150,820
EXPENDITURES										
Current										
General government	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	43,233,514
Public protection	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	129,929,634
Public ways and facilities	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	23,750,263
Health and sanitation	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	90,750,933
Public assistance	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	131,971,006
Education	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	3,902,990
Recreation and cultural services	538,899	344,806	363,065	76,733	252,717	463,469	116,409	157,652	154,178	146,466
Debt service										
Principal	746,483	767,210	765,957	738,305	1,105,042	2,028,202	2,278,656	1,205,465	2,126,452	2,348,709
Interest	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	2,638,624
Total expenditures	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	428,672,139
Excess (deficiency) of revenues over expenditures										
	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	(4,521,319)
OTHER FINANCING SOURCES (USES)										
Sales of capital assets	72,392	68,894	169,364	96,457	238,595	36,275	163,128	-	-	-
Capital Lease	-	-	-	-	-	-	34,059	7,166,380	2,658,000	495,702
Transfers in	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	14,091,351
Transfers out	(20,574,185)	(20,525,060)	(7,492,219)	(23,131,187)	(31,079,686)	(26,978,872)	(15,361,724)	(13,974,694)	(14,091,436)	(12,599,674)
Issuance of debt	-	-	272,915	-	1,539,884	4,796,195	3,203,805	-	-	-
Total other financing sources	361,167	1,218,580	764,834	882,628	2,480,490	4,832,470	3,857,711	7,470,377	2,930,411	1,987,379
Net change in fund balance	\$ 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	\$ (2,533,940)
Debt service as a percentage of non capital expenditures										
	2.90%	1.00%	0.90%	0.80%	0.90%	1.20%	1.20%	0.90%	1.17%	1.19%

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 Delinquent Tax from Prior Year(1)	Total Collections to Date(2)	
		Amount Collected	Percentage of Levy		Amount Collected	Percentage of Levy
2010	199,175,438	190,591,457	95.69%	4,447,409	195,038,866	97.92%
2011	193,037,125	186,558,046	96.64%	2,945,199	189,503,245	98.17%
2012	190,697,309	185,141,785	97.09%	2,537,452	187,679,237	98.42%
2013	188,546,914	183,835,994	97.50%	2,528,186	186,364,180	98.84%
2014	196,435,975	192,402,835	97.95%	-	192,402,835	97.95%
2015	203,133,678	198,864,507	97.90%	-	198,864,507	97.90%
2016	212,108,378	207,989,382	98.06%	-	207,989,382	98.06%
2017	219,852,299	215,651,973	98.09%	-	215,651,973	98.09%
2018	244,760,740	239,916,966	98.02%	-	239,916,966	98.02%
2019	249,924,961	243,856,891	97.57%	-	243,856,891	97.57%

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**

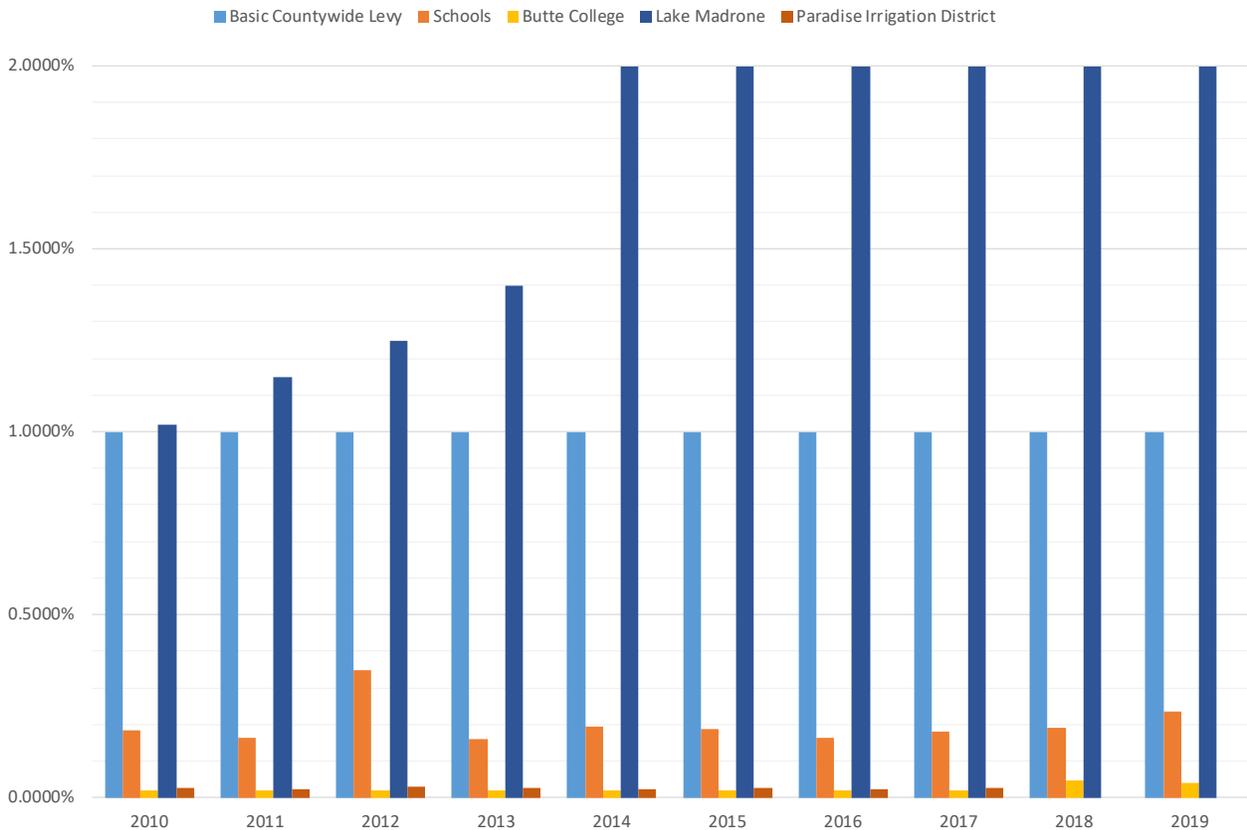
Fiscal Year	Secured Roll	Utility Roll	Unsecured Roll	Unitary/RR Roll	Assessed Value
2010	17,716,534,370	7,930,548	867,980,662	693,318,350	19,285,763,930
2011	17,361,801,601	5,152,377	868,120,034	731,199,247	18,966,273,259
2012	17,015,198,786	4,882,202	915,590,669	808,441,660	18,744,113,317
2013	16,770,245,966	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
2018	20,348,960,031	6,171,425	1,084,179,714	910,222,389	22,349,533,559
2019	21,402,995,003	6,425,393	1,159,613,736	982,692,125	23,551,726,257

Source: Auditor-Controller, County of Butte

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

Fiscal Year	Basic Countywide Levy	Schools	Butte College	Lake Madrone	Paradise Irrigation District	Total
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%
2019	1.00%	0.2349%	0.0413%	2.000%	0.000%	3.2762%

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.



**COUNTY OF BUTTE, CALIFORNIA
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND TEN YEARS AGO**

<u>Taxpayer</u>	2018-19			2009-10		
	Rank	Assessed Valuation	Percentage of Total Assessed	Rank	Assessed Valuation	Percentage of Total Assessed
Pacific Gas and Electric Company	1	716,706,220	3.390%	1	435,779,594	2.510%
Wild Goose Storage LLC	2	141,290,918	0.668%	2	169,742,532	0.978%
Farmland Reserve, Inc.	3	58,578,571	0.277%	5	31,743,821	0.183%
MP Core Chico LLC	4	52,766,600	0.250%	-		0.000%
Pacific Realty Associates L P	5	52,082,913	0.246%	6	30,307,001	0.175%
Merle A Webb & Sons	6	45,456,698	0.215%	-		0.000%
Pacific Bell California	7	42,592,681	0.201%	3	51,354,087	0.296%
Pacific Coast Producers	8	41,789,880	0.198%	8	27,769,208	0.160%
Union Pacific Railroad Company	9	39,584,458	0.187%	-		0.000%
Chico Crossroads LP	10	39,256,308	0.186%	7	29,925,000	0.172%
Chico Mall Investors LP			0.000%	4	35,315,910	0.203%
Largest Secured Property Valuation		<u>1,230,105,247</u>	5.818%		<u>811,937,153.00</u>	4.677%
Total Secured Property Valuation		<u><u>21,142,120,359</u></u>			<u><u>17,358,691,428</u></u>	

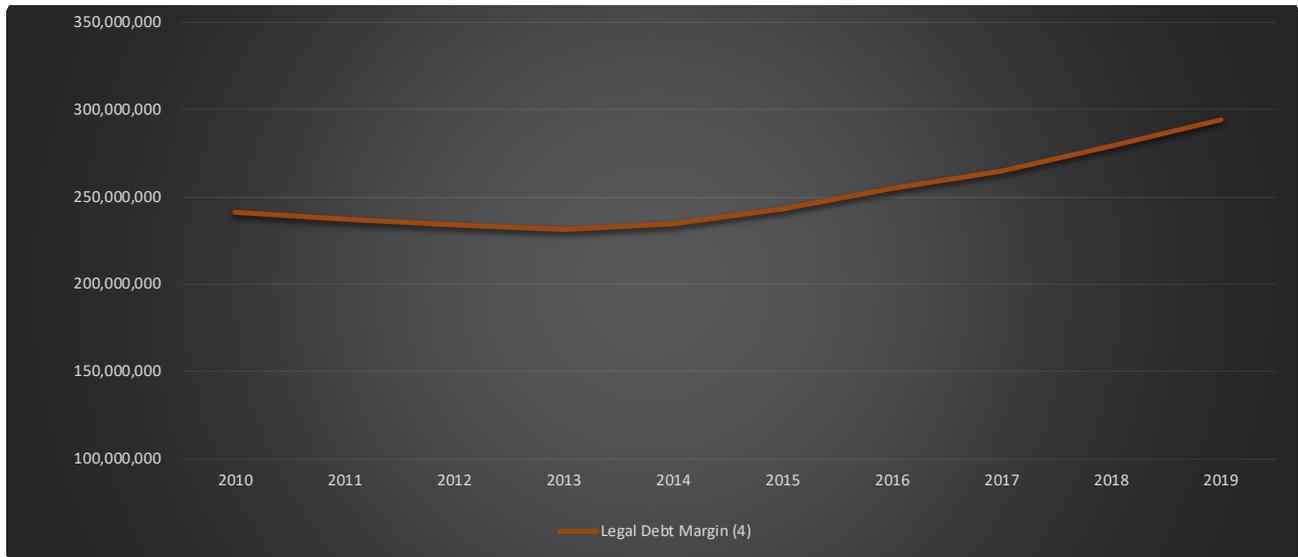
source: Auditor-Controller, County of Butte

**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
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%
2019	23,551,726,257	294,396,578	-	294,396,578	100%

Note:

- (1) Total assessed valuation
- (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.



**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**

Fiscal Year	County Population (1)	Assessed Value	Gross Bonded Debt	Debt Payable from Enterprise Revenue	Net Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
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					
2019	226,466	23,551,726,257					

Source:

- (1) State of California, Department of Finance
<http://www.dof.ca.gov/Forecasting/Demographics/Estimates/e-1/>
- (2) No general obligation bonds issued.

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Obligation Bonds	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	45,820,000
Less:										
Amounts Available in Debt Service Fund (1):	<u>7,732,755</u>	<u>8,788,635</u>	<u>8,802,439</u>	<u>8,844,215</u>	<u>9,355,363</u>	<u>9,940,403</u>	<u>11,169,994</u>	<u>11,903,173</u>	<u>13,804,050</u>	<u>15,937,230</u>
Total Net Obligation Bonds Outstanding:	<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>	<u>29,882,770</u>
Percentage of Estimated Actual Taxable Value of Property	0.24%	0.23%	0.24%	0.23%	0.22%	0.21%	0.19%	0.17%	0.15%	0.13%
Per Capita	\$ 192.8	\$ 185.7	\$ 185.7	\$ 185.3	\$ 180.8	\$ 174.5	\$ 166.1	\$ 158.3	\$ 145.2	\$ 132.0

Source: Auditor Controller, County of Butte

**COUNTY OF BUTTE, CALIFORNIA
OVERLAPPING BONDED DEBT
JUNE 30, 2019**

2018-19 Assessed Valuation: \$23,551,726,257 (includes unitary utility valuation and railroad)

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	Total Debt 6/30/2019	% Applicable (1)	County's Share of Debt 6/30/19
Butte-Glenn Community College District	\$93,778,079	87.85%	\$82,381,229
Yuba Joint Community College District	160,906,106	0.158	254,232
Chico Unified School District	119,675,000	100	119,675,000
Durham Unified School District	7,000,000	100	7,000,000
Marysville Joint Unified School District	75,584,522	1.162	878,292
Gridley Unified School District School Facilities Improvement District No. 1	2,415,000	100	2,415,000
Oroville Union High School District	12,076,385	100	12,076,385
Manzanita School District	400,000	100	400,000
Oroville School District	1,857,130	100	1,857,130
Thermalito Union School District	3,834,473	100	3,834,473
Sutter Butte Flood Control Agency Assessment District	85,560,000	7.011	<u>5,998,612</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$236,770,353
 <u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Butte County Certificates of Participation	\$12,827,308	100.00%	\$12,827,308
Butte County Pension Obligation Bonds	45,820,000	100	45,820,000
Yuba Joint Community College District General Fund Obligations	11,056,249	0.158	17,469
Marysville Joint Unified School District Certificates of Participation	19,931,099	1.162	231,599
City of Oroville Pension Obligation Bonds	3,445,000	100	3,445,000
City of Paradise Pension Obligation Bonds	5,037,472	100	<u>5,037,472</u>
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$67,378,848
Less: Butte County Certificates of Participation supported by landfill revenues			<u>2,150,000</u>
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$65,228,848
 <u>OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):</u>	 \$93,090,000	 100.00%	 \$93,090,000
 TOTAL GROSS DIRECT DEBT			 \$58,647,308
TOTAL NET DIRECT DEBT			\$56,497,308
TOTAL OVERLAPPING DEBT			\$338,591,893
 GROSS COMBINED TOTAL DEBT			 \$397,239,201 (2)
NET COMBINED TOTAL DEBT			\$395,089,201

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 2018-19 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	1.01%
Total Gross Direct Debt (\$58,647,308)	0.25%
Total Net Direct Debt (\$56,497,308)	0.24%
Gross Combined Total Debt	1.69%
Net Combined Total Debt	1.68%

Ratios to Redevelopment Successor Agencies Incremental Valuation (\$5,194,298,467):

Total Overlapping Tax Increment Debt	1.79%
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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				
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	-	66,035	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
2019	45,820	8,234	-	8,752	-	2,150	1,323	66,279	0.2814%	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		School Enrollment (3)	Unemployment Rate (1)
		Personal Income (2)	Personal Income (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%
2019	226,466	9,925,515,000	43,287	31,852	5.2%

Detail of estimated population, as January, 2019:

Incorporated Cities/Towns:

City of Biggs	2,066
City of Chico	112,111
City of Gridley	7,224
City of Oroville	21,773
Town of Paradise	4,590
Total of incorporated	147,764
Total of unincorporated	78,702
Total Population	226,466

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

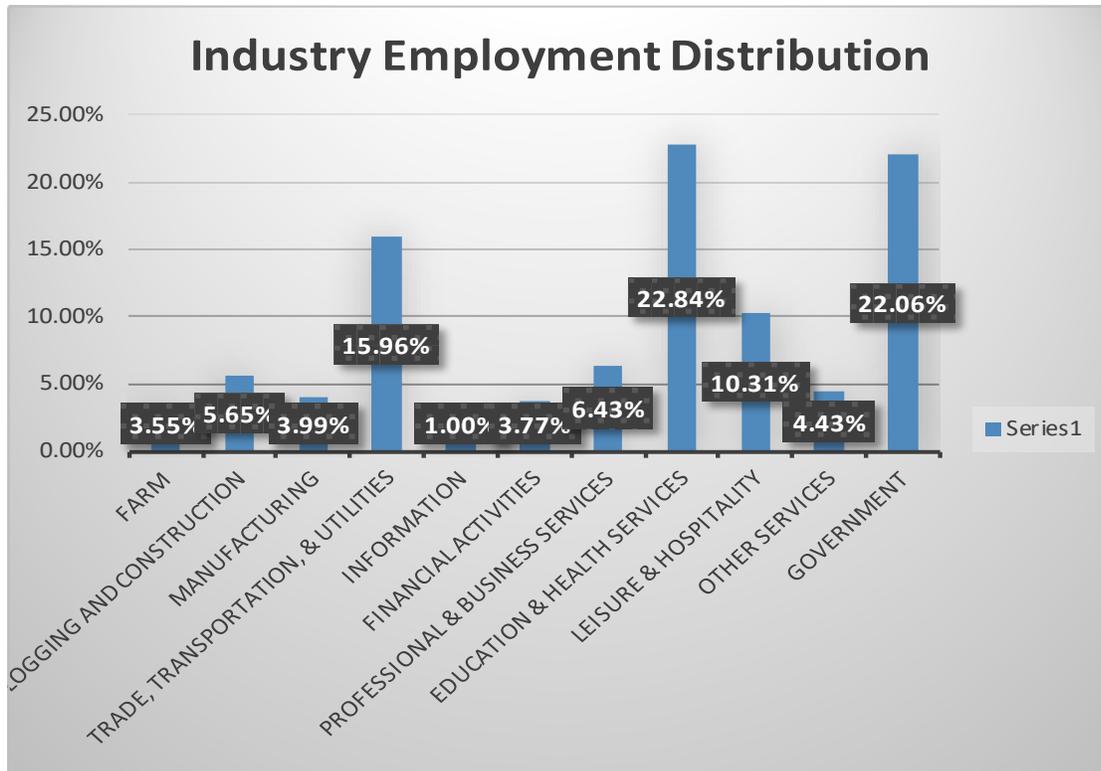
Sources:

- (1) Department of Finance (www.dof.ca.gov) E-1 City/County Population Estimates January 1, 2018 and 2019
- (2) Bureau of Economic Analysis (www.bea.gov/bea/regional/reis/).
- (3) California Employment Development Department ([www.labormarketinfo.edd.ca.gov/file/lfmonth/chic\\$pd.pdf](http://www.labormarketinfo.edd.ca.gov/file/lfmonth/chic$pd.pdf))

**COUNTY OF BUTTE, CALIFORNIA
COUNTY INDUSTRY EMPLOYMENT DISTRIBUTION
JUNE 30, 2019**

Industry Employment Distribution

Farm	3.55%
Mining Logging and Construction	5.65%
Manufacturing	3.99%
Trade, Transportation, & Utilities	15.96%
Information	1.00%
Financial Activities	3.77%
Professional & Business Services	6.43%
Education & Health Services	22.84%
Leisure & Hospitality	10.31%
Other Services	4.43%
Government	22.06%



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

**COUNTY OF BUTTE, CALIFORNIA
MISCELLANEOUS STATISTICAL INFORMATION
JUNE 30, 2019**

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: 2,303 as of June 30, 2019

Source: Auditor-Controller, County of Butte

**COUNTY OF BUTTE, CALIFORNIA
PRINCIPAL EMPLOYERS
JUNE 30, 2019 AND TEN YEARS AGO**

Company	2019			2010		
	Employees	Rank	Percentage of Total County Employment	Approximate Employees	Rank	Percentage of Total County Employment
Enloe Medical Center, Inc.	3,660	1	3.81%	1,825	3	1.78%
Butte County	2,303	2	2.40%	2,262	2	2.21%
Oroville Hospital	2,056	3	2.14%	1,170	6	1.14%
California State University, Chico	1,885	4	1.96%	2,275	1	2.22%
Chico Unified School District	1,800	5	1.88%	1,400	5	1.37%
Butte County Office of Education	1,500	6	1.56%	600	7	0.59%
Pacific Coast Producers	1,400	7	1.46%	300	10	0.29%
Butte Glenn Community College	1,034	8	1.08%	1,500	4	1.46%
Walmart	1,000	9	1.04%	400	9	0.39%
Feather Falls Casino and Lodge	527	10	0.55%	417	8	0.41%
Total	17,165		17.71%	12,149		11.45%

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

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

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2018
Sheriff										
Number of Bookings	13,487	12,792	13,285	12,597	13,009	11,613	12,037	11,373	13,327	12,870
Coroner Case Load	1,734	1,606	1,656	1,729	1,521	1,741	1,832	1,797	1,866	916
Calls for Services - Unincorp. Areas	63,787	60,499	58,843	63,664	62,065	63,239	66,236	72,449	73,116	67,509
Fire										
Medical Assistance	11,941	12,054	12,511	12,255	11,148	12,527	11,644	12,339	14,797	13,208
Fires Extinguished	2,169	2,022	2,311	2,426	2,167	2,713	1,789	1,891	2,629	2,342
Probation										
Juveniles in Detention (bed days)	17,564	17,789	17,593	17,086	12,466	11,877	9,801	10,016	11,603	8,538
Waste Management										
Landfill Tonnage	152,257	152,822	154,531	153,691	135,919	151,865	166,783	183,842	187,250	515,491
Recycling Tonnage	13,768	12,420	12,094	11,643	13,183	11,775	11,704	9,992	19,180	16,780
County Libraries										
Total Circulation	840,078	918,069	963,052	748,756	980,903	978,698	920,489	831,571	803,811	677,506
Reference Questions Answered	27,449	32,526	39,798	39,798	50,391	55,110	46,163	32,906	25,100	21,957
Patrons	79,326	74,057	80,135	87,954	103,439	105,479	113,524	121,164	88,042	93,726
Programs Offered	1,415	1,377	1,510	1,510	2,010	1,865	2,060	2,080	1,903	1,257
Program Attendance	28,395	32,943	36,751	6,036	27,554	36,146	33,452	31,218	32,457	26,658
Visitor Count	642,112	640,096	672,851	672,851	622,692	648,421	620,782	617,098	588,774	476,732
Clerk-Recorder										
Official Records Recorded	52,738	52,863	53,996	62,605	51,662	52,826	54,854	56,788	53,325	62,596
Vital Records Copies Issued	12,430	12,393	11,771	10,785	11,410	10,913	8,492	11,418	11,921	13,333
Official Records Copies Issued	4,272	5,431	5,161	4,954	4,347	4,276	4,379	5,355	5,972	5,552
Public Social Services										
CalWORKS Clients	102,663	103,267	101,884	100,669	97,567	94,415	88,239	83,793	79,857	71,544
Food Stamp Clients	290,417	311,695	339,557	356,989	365,153	377,296	386,989	377,332	370,969	327,782
Medi-Cal Clients	169,544	245,592	230,464	211,106	242,111	380,421	439,199	448,142	459,225	459,658
In-Home Support Services	36,322	33,376	33,660	33,749	31,952	33,747	36,001	37,872	39,785	39,048
Foster Care Placements	7,065	5,812	5,070	4,402	4,615	5,084	5,262	5,066	4,706	4,720
Child Welfare Services	10,150	9,800	8,936	7,441	6,581	7,802	7,732	8,082	7,900	7,516

Source: Auditor-Controller, County of Butte

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

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Sheriff										
Patrol Stations	4	4	4	4	4	4	4	4	4	4
Patrol Vehicles	50	61	82	81	92	97	97	104	109	105
Fire										
Stations	26	26	26	26	26	26	26	26	26	25
Trucks	40	40	40	40	40	40	40	40	40	40
Waste Management										
Landfills	1	1	1	1	1	1	1	1	1	1
Capacity in Tons	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	6,357,143
County Libraries										
Branch Libraries	6	6	6	6	6	6	6	6	6	6
Book Mobiles	1	1	1	1	1	1	1	2	2	2
Books in Collection	302,828	243,280	256,893	246,731	222,150	214,510	204,358	193,648	181,963	194,858
Electronic Books	n/a	n/a	n/a	3,406	581	716	55,426	94,861	119,204	121,594

Source: Auditor-Controller, County of Butte



GLOSSARY

COUNTY OF BUTTE, CALIFORNIA
GLOSSARY FOR THE COMPREHENSIVE ANNUAL REPORT
JUNE 30, 2019

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, 2019

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, 2019

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.

COUNTY OF BUTTE, CALIFORNIA
GLOSSARY FOR THE COMPREHENSIVE ANNUAL REPORT (CONTINUED)
JUNE 30, 2019

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

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

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

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

DEFERRED OUTFLOWS. A consumption of net position by the government that is applicable to a future reporting period.

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

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

DEPRECIATION. A method of allocating the cost of an asset over its useful life. In accounting for depreciation, the cost of a capital asset, less any salvage value, is prorated over the estimated service life of such an asset, and each period is charged with a portion of such cost. Through this process, the entire cost of the asset is ultimately charged off as an expense.

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

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

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

COUNTY OF BUTTE, CALIFORNIA
GLOSSARY FOR THE COMPREHENSIVE ANNUAL REPORT (CONTINUED)
JUNE 30, 2019

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

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

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

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

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

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

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

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

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

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

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

COUNTY OF BUTTE, CALIFORNIA
GLOSSARY FOR THE COMPREHENSIVE ANNUAL REPORT (CONTINUED)
JUNE 30, 2019

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.

COUNTY OF BUTTE, CALIFORNIA
GLOSSARY FOR THE COMPREHENSIVE ANNUAL REPORT (CONTINUED)
JUNE 30, 2019

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.

COUNTY OF BUTTE, CALIFORNIA
GLOSSARY FOR THE COMPREHENSIVE ANNUAL REPORT (CONTINUED)
JUNE 30, 2019

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.

COUNTY OF BUTTE, CALIFORNIA
GLOSSARY FOR THE COMPREHENSIVE ANNUAL REPORT (CONTINUED)
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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.

COUNTY OF BUTTE, CALIFORNIA
GLOSSARY FOR THE COMPREHENSIVE ANNUAL REPORT (CONTINUED)
JUNE 30, 2019

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.

COUNTY OF BUTTE, CALIFORNIA
GLOSSARY FOR THE COMPREHENSIVE ANNUAL REPORT (CONTINUED)
JUNE 30, 2019

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.