

# COUNTY OF BUTTE

State of California

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 2016



Oregon City Covered Bridge  
Photo by Peggy Moak

**Prepared Under the Supervision of:  
David A. Houser, County Auditor-Controller**





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# ButteCounty

CALIFORNIA

**25 COUNTY CENTER DRIVE  
OROVILLE, CALIFORNIA 95965-3392**

Telephone (530) 538-7607 Fax: (530) 538-7693

December 21, 2016

To the Citizens of Butte County, California

Dear Citizens:

The Comprehensive Annual Financial Report (CAFR) of the County of Butte (County) for the fiscal year ended June 30, 2016, 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, 2016, and the respective changes in financial position and cash flow, where applicable, thereof for the fiscal year then ended. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

This letter of transmittal is designed to complement the Management's Discussion and Analysis (MD&A) and should be read in conjunction with it. The County's MD&A can be found on pages 3 through 15 of this report.

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

Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government. Accordingly, certain districts and agencies accounted for in the Special Revenue are reported as part of the primary government. For a more detailed overview of the County's component units see the Notes to the Basic Financial Statements.

**PROFILE OF THE GOVERNMENT**

One of the State's original 27 counties, the County was established by an act of the State Legislature on February 18, 1850. The County is located in the northern portion of the Sacramento Valley. Rising from the Sacramento River, the County's western boundary, to the Sierra Nevada Mountains, its eastern perimeter, the County's 1,665 square miles range in elevation from sixty feet to over 7,000 feet resulting in a considerable variation in climate. There are five incorporated cities/town located within the County: Biggs, Chico, Gridley, Oroville, and Paradise. The County's population is 221,316 with approximately 38% of the residents living in the unincorporated area.

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

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

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

**MAJOR INITIATIVES**

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

**Capital Projects****• Jail Capacity Expansion Construction**

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

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

As identified in the Neal Road Recycling and Waste Facility Strategic Plan, an additional module will be added to the facility. In addition, as an alternative to the existing ponds, a septage receiving facility is being evaluated.

- **Government Campus Infrastructure Improvements**

The Oroville Government Center Campus Master Plan, adopted by the Board on August 28, 2012, provided conceptual plans for future development of the Oroville campus. Roof replacements at Chico Library and 25 County Center Drive will be completed this year. Accessibility improvements at 3 and 7 County Center Drive are also under way.

- **Technology Upgrade**

Butte County Information Systems is updating and replacing outdated IT network components. Initial funding for and upgrade of the mobile radio system is provided in the 2016-17 budget. The recommended upgrade will allow clearer, faster communications and response to improve public safety communications.

**FACTORS AFFECTING FINANCIAL CONDITION**

**Economic Challenges**

As a result of Butte County Board of Supervisors and County employee's strong commitment toward prudent financial management, the County has been able to strengthen fund balance. Overall fiscal position is showing improvement, and the U.S. Economy is projected in the coming year. In the second quarter of 2016, the U.S. economy increased at an annual rate of 2.9% compared to an increase of 1.4% in the first quarter of 2016. This positive change is the result of increased personal consumption expenditures, exports, and increases in state and local government spending.

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

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

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

**Internal Control**

The management of the County has established a comprehensive framework of internal controls designed to ensure that the assets of the government are protected from loss, theft or misuse. This framework ensures that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. Reasonable assurance

provides that the cost of internal controls should not exceed the benefits and that decisions often require the use of estimates and judgments by management.

**Single Audit**

As a recipient of federal and state financial assistance, the County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*. Information related to this single audit include the Schedule of Expenditures of Federal Awards, Schedule of Findings and Questioned Costs, and the independent auditor's report on internal control and compliance. The County is also responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. Internal controls are subject to periodic evaluation by management and the Auditor-Controller Division's internal audit staff. The 2015-16 Single Audit will be issued under separate cover and will be available by contacting the Auditor-Controller's office after March 31, 2017.

**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 14-154 transfers of appropriations between object levels within the same budget unit require approval of the Chief Administrative Office. 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 upon approval of the Board of Supervisors.

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

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

**Credit Rating**

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

**OTHER INFORMATION**

**Independent Audit**

County charter requires an annual audit by independent certified public accountants. The firm of Gallina, LLP was selected by the County to meet this requirement. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County, for the fiscal year ended June 30, 2016, 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, 2016, 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, 2015. This achievement represents the County’s 8th consecutive award. This award is the highest form of recognition for excellence in state and local government reporting. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

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

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

Respectfully submitted,



David A. Houser  
County Auditor-Controller

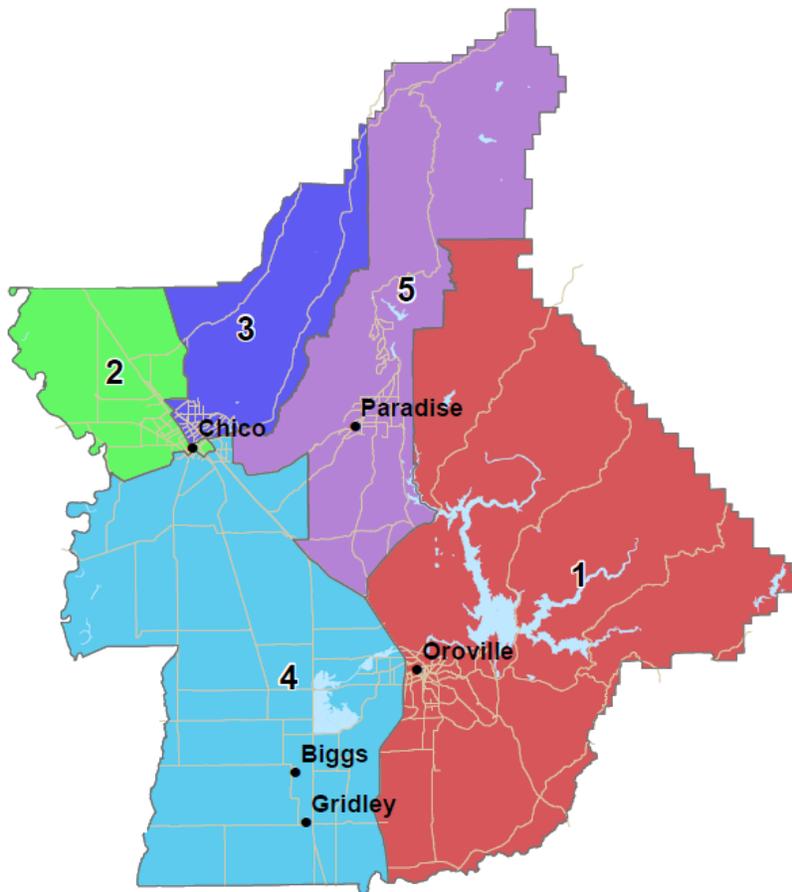
# COUNTY OF BUTTE

## Board of Supervisors

June 30, 2016

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

\*Chosen annually at the first meeting in January.



# COUNTY OF BUTTE

## Principal County Officials

June 30, 2016

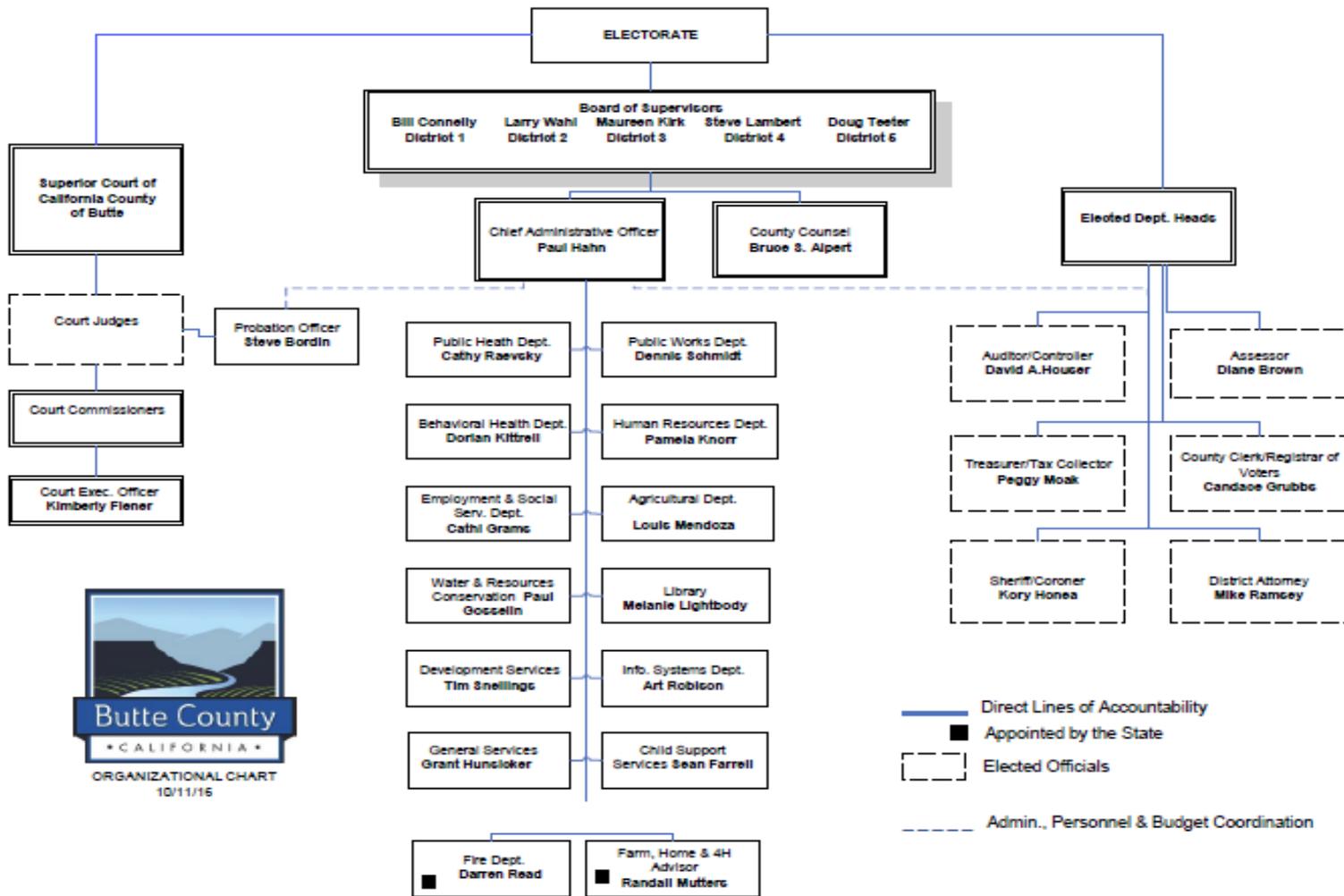
### ***Elected Officials***

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

### ***Appointed Officials***

|                                     |                        |
|-------------------------------------|------------------------|
| Agricultural Commissioner.....      | Louie Mendoza          |
| Behavioral Health.....              | Dorian Kittrell        |
| Chief Administrative Officer.....   | Paul Hahn              |
| Child Support Services.....         | Sean Farrell           |
| County Counsel.....                 | Bruce Alpert           |
| Development Services.....           | Tim Snellings          |
| Employment and Social Services..... | Cathi Grams            |
| Farm, Home & 4-H Advisor.....       | Randall "Cass" Mutters |
| Fire Chief.....                     | Darren Read            |
| General Services.....               | Grant Hunsicker        |
| Human Resources.....                | Pamela Knorr           |
| Information Systems.....            | Art Robison            |
| Library.....                        | Melanie Lightbody      |
| Chief Probation Officer.....        | Steve Bordin           |
| Public Health.....                  | Cathy Raevsky          |
| Public Works.....                   | Dennis Schmidt         |
| Water & Resource Conservation.....  | Paul Gosselin          |

# COUNTY OF BUTTE ORGANIZATIONAL CHART



**COUNTY OF BUTTE**

**GFOA Certificate of Achievement for Excellence in Reporting**



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, 2015**

A handwritten signature in black ink, reading "Jeffrey R. Enos".

Executive Director/CEO





## **Financial Section**





## INDEPENDENT AUDITOR'S REPORT

Board of Supervisors  
County of Butte

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Butte, California, (the County), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2016, 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 and schedule of plan contributions for the County's employees' retirement plan, the schedule of funding progress for the County's other post-employment benefits (OPEB) plan, and budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Butte's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2016 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



Roseville, California  
December 21, 2016



## **Management's Discussion and Analysis**

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

In this section of the County of Butte’s (County) Comprehensive Annual Financial Report, the County’s management discusses financial results for the fiscal year ended June 30, 2016. It should be read in conjunction with the County’s financial statements following this section. All dollar amounts included in the Management’s Discussion and Analysis section are expressed **in thousands** unless otherwise indicated.

**FINANCIAL HIGHLIGHTS**

|                                     |               |   |
|-------------------------------------|---------------|---|
| <b>Net Position-Government Wide</b> | \$74 million  | Change in Net Position from the previous year was a decrease of \$5.6 million or 6%, due to increase in pension liability.  |
| <b>Fund Balance-Governmental</b>    | \$136 million | Change in Governmental Fund balance from the previous year was an increase of \$9 million or 7% due to increased revenue and operating efficiencies.  |
| <b>General Fund</b>                 | \$58 million  | Change in General Fund balance from the previous year was an increase of \$7 million or 13%, due to increased revenue and operating efficiencies.   |
| <b>Expenses</b>                     | \$365 million | Change in Expenses for Governmental Activities from the previous year was an increase of \$1.8 million or less than 1%.   |
| <b>Revenues</b>                     | \$358 million | Change in Revenues for Governmental Activities from the previous year was a decrease of \$1 million.  |
| <b>Long Term Liabilities</b>        | \$263 million | Change in Long Term Liabilities for Governmental Activities from the previous year was an increase of \$20 million as a result of borrowing for construction of the Hall of Records and increased retirement benefit obligations. |

**OVERVIEW OF THE FINANCIAL STATEMENTS**

**A. Basic Financial Statements**

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

**B. Government-wide Financial Statements**

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

assets and liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or declining.

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

The statement of net position and the statement of activities distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, public protection, public ways and facilities, health and sanitation, public assistance, education, and recreation. The business-type activities of the County include a waste management operation.

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

### C. Fund Financial Statements

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

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

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

statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains 100 individual governmental funds. On the financial statements for governmental funds information is presented separately for five major funds: the General Fund, the Social Services Fund, the Public Health Fund, the Behavioral Health Fund, and the Road Fund. Data from the other governmental funds are aggregated into a single column. Individual fund data for each of these nonmajor governmental funds is provided in the combining statements and schedules section of this report.

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

**Proprietary funds** are of two types. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses an enterprise fund to account for its central landfill operations. Internal service funds are used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for insurance and utilities. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

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

**Fiduciary funds** are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

#### D. Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the financial information provided in the government-wide and fund financial statements.

#### E. Required Supplementary Information

In addition to the basic financial statements, this report presents Required Supplementary Information. The required supplementary information is presented concerning the County's progress in funding its obligation to provide pension and OPEB (Other Post-Employment Benefits) benefits to its employees.

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

GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS

Table 1 - Net Position

|                                    | Governmental Activities |           | Business-type Activities |          | Total     |           | Total                  |                       |
|------------------------------------|-------------------------|-----------|--------------------------|----------|-----------|-----------|------------------------|-----------------------|
|                                    | 2016                    | 2015      | 2016                     | 2015     | 2016      | 2015      | \$ Change 2016 to 2015 | % Change 2016 to 2015 |
| Current and other assets           | \$181,634               | \$173,674 | \$20,438                 | \$20,939 | \$202,072 | \$194,613 | \$7,458                | 3.7%                  |
| Capital assets                     | 161,443                 | 177,116   | 22,988                   | 19,356   | 184,431   | 196,472   | (12,041)               | (6.5%)                |
| Deferred outflow of resources      | 16,815                  | 15,174    | 162                      | 145      | 16,977    | 15,319    | 1,659                  | 9.8%                  |
| Total assets & deferred outflows   | 359,893                 | 365,964   | 43,587                   | 40,440   | 403,480   | 406,404   | (2,924)                | (0.7%)                |
| Current and other liabilities      | 28,950                  | 29,237    | 2,283                    | 367      | 31,233    | 29,604    | 1,629                  | 5.2%                  |
| Long-term liabilities              | 263,907                 | 242,575   | 14,262                   | 13,940   | 278,169   | 256,515   | 21,654                 | 7.8%                  |
| Deferred inflow of resources       | 19,500                  | 39,785    | 208                      | 433      | 19,708    | 40,218    | (20,510)               | (104.1%)              |
| Total liabilities deferred inflows | 312,357                 | 311,597   | 16,753                   | 14,740   | 329,110   | 326,337   | 2,773                  | 1%                    |
| Net position:                      |                         |           |                          |          |           |           |                        |                       |
| Net investment in capital assets   | 151,756                 | 168,983   | 16,065                   | 11,296   | 167,822   | 180,279   | (12,457)               | (7.4%)                |
| Restricted                         | 136,834                 | 95,932    | -                        | -        | 136,834   | 95,932    | 40,902                 | 29.9%                 |
| Unrestricted                       | (241,055)               | (210,556) | 10,769                   | 14,404   | (230,286) | (196,152) | (34,134)               | 14.8%                 |
| Total net position                 | 47,536                  | 54,359    | 26,834                   | 25,700   | 74,371    | 80,059    | (5,688)                | (7.6%)                |

The largest portion of the County’s net position, \$151,756 in governmental activities and \$16,065 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 \$136,834 for governmental activities is the net position subject to external restrictions on how they may be used.

The remaining deficit balance of (\$241,055) 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:

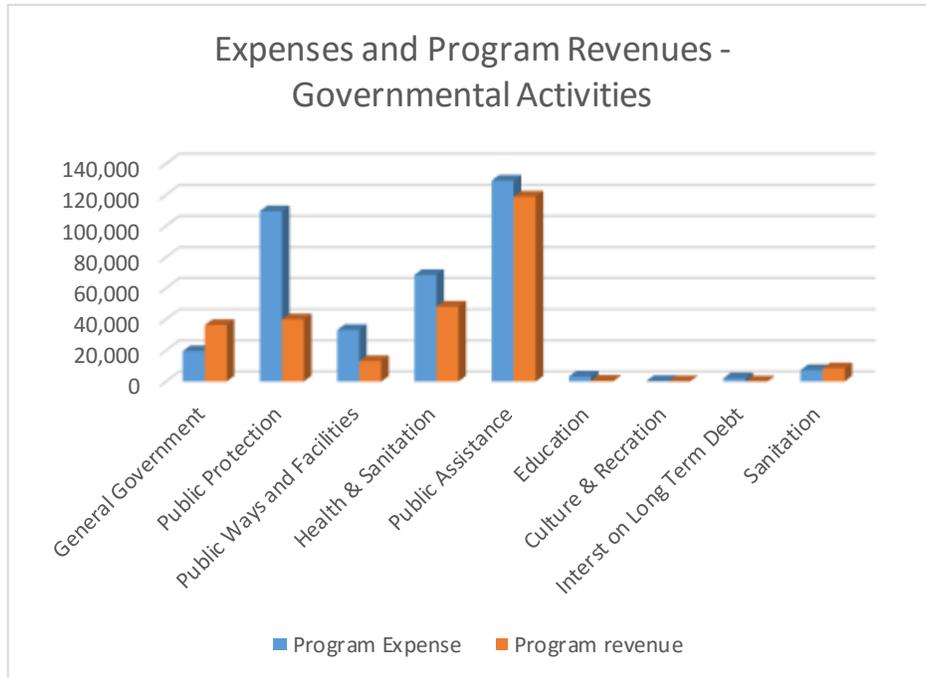
- Governmental Activities accounted for a decrease in net position of \$6,823 primarily due to increased retirement costs.

- Business-Type Activities accounted for an increase in net position of \$1,134, primarily due to operating efficiencies.

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

**Table 2 –Changes in Net Position**

|                                     | Governmental Activities |                | Business-type Activities |               | Total          |                | Total                     |                             |
|-------------------------------------|-------------------------|----------------|--------------------------|---------------|----------------|----------------|---------------------------|-----------------------------|
|                                     | 2016                    | 2015           | 2016                     | 2015          | 2016           | 2015           | \$ Change<br>2016 to 2015 | % Change<br>2016 to<br>2015 |
| <b>Revenues:</b>                    |                         |                |                          |               |                |                |                           |                             |
| Program revenues:                   |                         |                |                          |               |                |                |                           |                             |
| Charges for service                 | 31,805                  | 21,865         | 8,406                    | 7,548         | 40,211         | 29,413         | (10,798)                  | (26.9%)                     |
| Operating grants and contribution   | 212,696                 | 227,392        | -                        | -             | 212,696        | 227,392        | 14,696                    | 6.9%                        |
| Capital grants and contributions    | 12,186                  | 15,755         | -                        | -             | 12,186         | 15,755         | 3,569                     | 29.3%                       |
| General Revenues:                   |                         |                |                          |               |                |                |                           |                             |
| Property taxes                      | 58,629                  | 62,252         | -                        | -             | 58,629         | 62,252         | 3,623                     | 6.2%                        |
| Sales taxes                         | 4,338                   | 4,715          | -                        | -             | 4,338          | 4,715          | 377                       | 8.7%                        |
| Other taxes and related revenues    | 1,302                   | 987            | -                        | -             | 1,302          | 987            | (315)                     | (24.2%)                     |
| Unrestricted grants & contributions | 34,030                  | 15,399         | -                        | -             | 34,030         | 15,399         | (18,631)                  | (54.7%)                     |
| Unrestricted investment income      | 3,042                   | 3,802          | 233                      | 199           | 3,276          | 4,001          | 725                       | 22.1%                       |
| Miscellaneous revenues              | 329                     | 6,927          | 30                       | -             | 358            | 6,927          | 6,569                     | 1833.5%                     |
| Total revenues                      | <u>358,360</u>          | <u>359,094</u> | <u>8,669</u>             | <u>7,747</u>  | <u>367,028</u> | <u>366,841</u> | <u>187</u>                | <u>0.1%</u>                 |
| <b>Program expenses:</b>            |                         |                |                          |               |                |                |                           |                             |
| General government                  | 19,494                  | 33,285         | -                        | -             | 19,494         | 33,285         | 13,791                    | 70.7%                       |
| Public protection                   | 109,431                 | 104,222        | -                        | -             | 109,431        | 104,222        | (5,209)                   | (4.8%)                      |
| Public ways and facilities          | 33,074                  | 34,940         | -                        | -             | 33,074         | 34,940         | 1,866                     | 5.6%                        |
| Health and sanitation               | 68,462                  | 63,593         | -                        | -             | 68,462         | 63,593         | (4,869)                   | (7.1%)                      |
| Public assistance                   | 129,103                 | 121,696        | -                        | -             | 129,103        | 121,696        | (7,407)                   | (5.7%)                      |
| Education                           | 3,256                   | 3,383          | -                        | -             | 3,256          | 3,383          | 127                       | 3.9%                        |
| Culture and recreation services     | 271                     | 274            | -                        | -             | 271            | 274            | 3                         | 1.2%                        |
| Interest on long-term debt          | 2,090                   | 1,922          | -                        | -             | 2,090          | 1,922          | (168)                     | (8.1%)                      |
| Sanitation                          | -                       | -              | 7,535                    | 6,151         | 7,535          | 6,151          | -1,384                    | (18.4%)                     |
| Total expenses                      | <u>365,182</u>          | <u>363,315</u> | <u>7,535</u>             | <u>6,151</u>  | <u>372,716</u> | <u>369,466</u> | <u>3,250</u>              | <u>0.9%</u>                 |
| Change in net position              | (6,822)                 | (4,221)        | 1,134                    | 1,596         | (5,688)        | (2,625)        | (3,063)                   | 53.9%                       |
| Net position-beginning              | 54,359                  | 276,492        | 25,700                   | 25,863        | 80,059         | 302,355        | (12)                      | (0.0%)                      |
| Prior period adjustment             | -                       | (217,912)      | -                        | (1,759)       | -              | (219,671)      | -                         | -                           |
| Net position - ending               | <u>47,536</u>           | <u>54,359</u>  | <u>26,834</u>            | <u>25,700</u> | <u>74,371</u>  | <u>80,059</u>  | <u>(5,688)</u>            | <u>(7.6%)</u>               |



**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, 2016, the County’s governmental funds reported combined ending fund balances of \$136,834. The components of total fund balance are as follows:

- Nonspendable fund balance – \$527 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 – \$105,407 consists of amounts with constraints put on their use by externally imposed creditors, grantors, contributions, laws, regulations or enabling legislation.
- Committed fund balance-\$7,500 has been established by the Board as an emergency reserve.
- Assigned fund balance – \$28 are amounts intended to be used for specific purposes by the Board of Supervisors.
- Unassigned fund balance – \$23,372 represents the residual classification for the County’s General Fund.

Approximately 99.27%, or \$136,278 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 \$6,802 during the current fiscal year.

As a measure of the general fund's liquidity, it is useful to compare both total fund balance and spendable fund balance to total fund expenditures. Total fund balance equates to 44% of total fund expenditures, while spendable fund balance equates to 42% of total fund expenditures. Of the general fund spendable fund balance, \$27,132 or 46% is restricted.

The social services fund has a total fund balance of \$5,163 of which \$5,148 is restricted. The overall fund balance decreased by \$1,263 primarily due to increased expenditures in the Title IV-E Waiver program.

The public health fund has a total fund balance of \$13,411 of which \$13,411 is restricted. The overall fund balance decreased by \$1,267 due to decreased sales tax realignment and capital improvement expenditures.

The behavioral health fund has a total fund balance of \$9,559 of which \$9,559 is restricted. The overall fund balance increased by \$1,966 primarily resulting from operational efficiencies.

The road fund has a total fund balance of \$6,655. Of this amount, \$256 is nonspendable, and the balance of \$6,399 is restricted. The overall fund balance decreased by \$2,012 during the current fiscal year, due to declining road taxes.

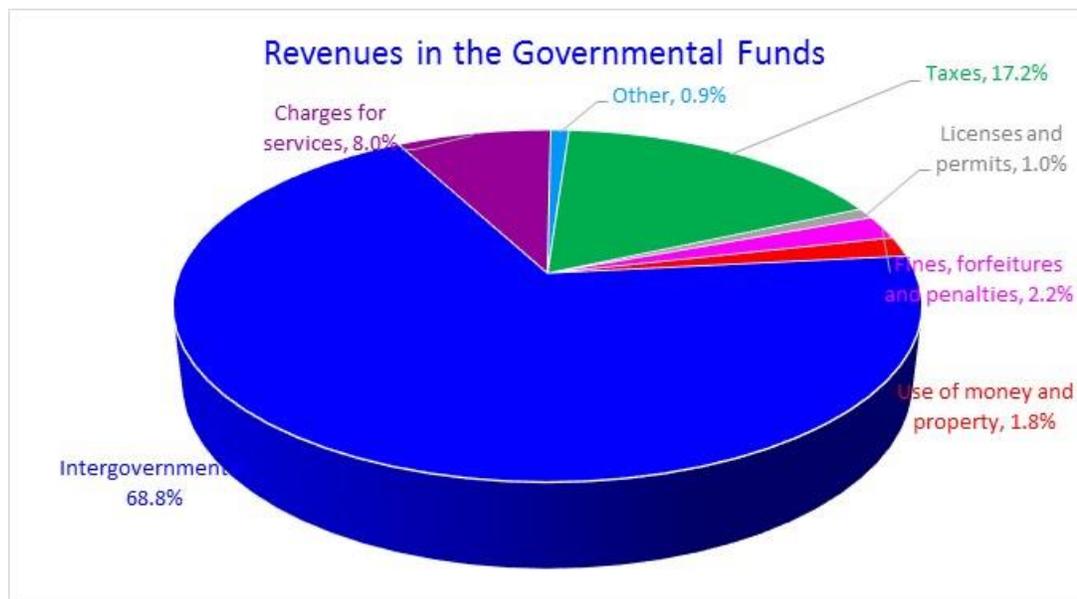
The following table presents revenues from various sources as well as reflecting increases or decreases from the prior fiscal year in the governmental funds.

**Table 3 – Revenues in the Governmental Funds**

| Revenue Sources               | FY 2015          |               | FY 2016          |               | Change          |             |
|-------------------------------|------------------|---------------|------------------|---------------|-----------------|-------------|
|                               | Amount           | % of Total    | Amount           | % of Total    | Amount          | % of Total  |
| Taxes                         | \$67,954         | 19.1%         | \$64,270         | 17.2%         | (\$3,684)       | (5.4%)      |
| Licenses and permits          | 3,896            | 1.1%          | 3,604            | 1.0%          | (293)           | (7.5%)      |
| Fines, forfeitures and penalt | 3,148            | 0.9%          | 8,144            | 2.2%          | 4,996           | 158.7%      |
| Use of money and property     | 3,802            | 1.1%          | 6,867            | 1.8%          | 3,065           | 80.6%       |
| Intergovernmental             | 255,545          | 71.8%         | 256,812          | 68.9%         | 1,267           | 0.5%        |
| Charges for services          | 14,787           | 4.2%          | 29,675           | 8.0%          | 14,888          | 100.7%      |
| Other                         | 6,891            | 1.9%          | 3,539            | 0.9%          | (3,352)         | 0.0%        |
| <b>Total</b>                  | <b>\$356,023</b> | <b>100.0%</b> | <b>\$372,911</b> | <b>100.0%</b> | <b>\$16,887</b> | <b>4.7%</b> |

Significant changes for major revenue sources are explained below.

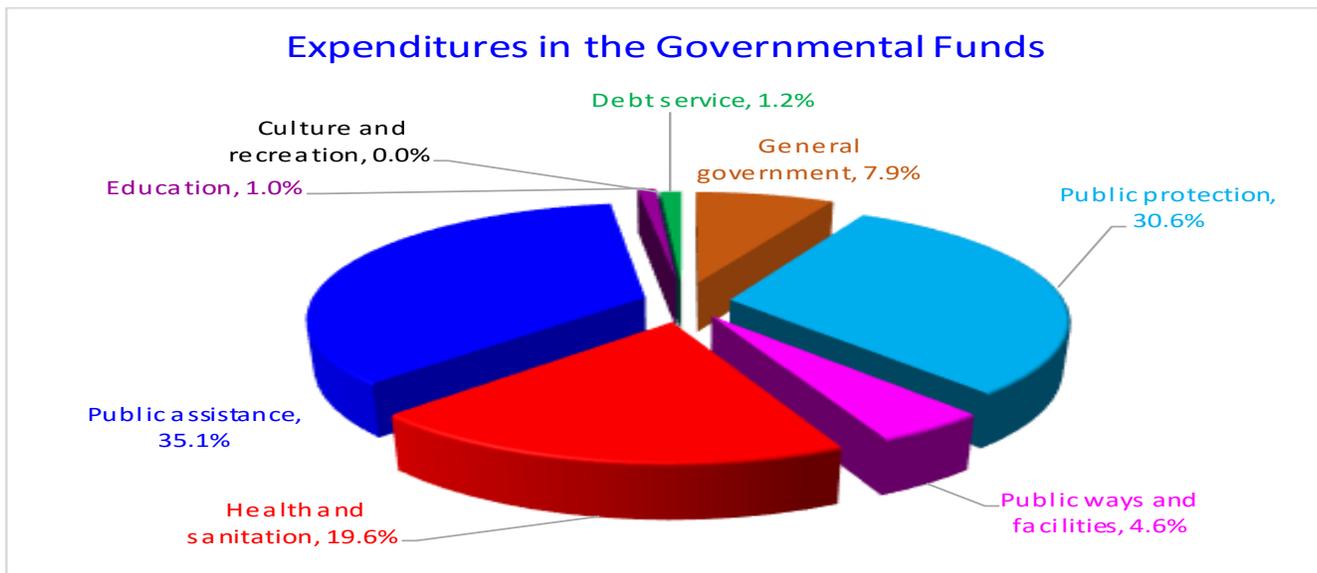
- Charges for service –increase due to implementation of new accounting structure.
- Taxes-decrease due to a larger than usual Teeter settlement in the previous year.



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

**Table 4 – Expenditures in the Governmental Funds**

| Function                   | FY 2015          |               | FY 2016          |               | Change          |             |
|----------------------------|------------------|---------------|------------------|---------------|-----------------|-------------|
|                            | Amount           | % of Total    | Amount           | % of Total    | Amount          | % of Total  |
| General government         | \$31,818         | 9.3%          | \$28,942         | 7.9%          | (2,876)         | (9.0%)      |
| Public protection          | 97,118           | 28.4%         | 112,321          | 30.6%         | 15,203          | 15.7%       |
| Public ways and facilities | 19,082           | 5.6%          | 16,888           | 4.6%          | (2,194)         | (11.5%)     |
| Health and sanitation      | 64,446           | 18.9%         | 72,135           | 19.6%         | 7,689           | 11.9%       |
| Public assistance          | 121,408          | 35.5%         | 128,880          | 35.1%         | 7,472           | 6.2%        |
| Education                  | 3,256            | 1.0%          | 3,654            | 1.0%          | 398             | 12.2%       |
| Culture and recreation     | 463              | 0.1%          | 116              | 0.0%          | (347)           | (74.9%)     |
| Debt service               | 3,952            | 1.2%          | 4,369            | 1.2%          | 417             | 10.6%       |
| <b>Total</b>               | <b>\$341,543</b> | <b>100.0%</b> | <b>\$367,306</b> | <b>100.0%</b> | <b>\$25,763</b> | <b>7.5%</b> |



Significant changes for major functions are explained below.

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

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

The County’s only enterprise fund consists of the Neal Road Landfill Management fund and has a total net position of \$26,834. Of this amount, \$16,065 is investment in capital assets, and the balance of \$10,769 is unrestricted. Overall net position increased by \$1,134 due to an increase in revenue from fuel sales.

The County's internal service funds have an aggregate net position of \$4,935. Of this amount, \$005 is invested in capital assets.

#### GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget for revenues were an increase of \$3,924. Tax revenues outperformed revenue estimates primarily due to better than expected estimates for Property Tax and increased revenue from other governments. Differences between the original budget and the final amended budget for expenditures were a increase of \$4,237.

During the fiscal year, actual revenues were more than budgetary estimates by \$7,648. The primary reason for the increase was the increased revenue received by aid from other governments. Differences in actual expenditures to budgetary estimates were a decrease of \$21,317. The primary reason for the decrease was efficiencies.

#### 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, 2016, amounts to \$184,431 (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 6.0%.

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

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

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

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

|                           | Governmental activities |                  | Business-type activities |                 | Total            |                  |
|---------------------------|-------------------------|------------------|--------------------------|-----------------|------------------|------------------|
|                           | 2015                    | 2016             | 2015                     | 2016            | 2015             | 2016             |
| Land                      | \$2,616                 | \$2,740          | \$421                    | \$421           | \$3,037          | \$3,161          |
| Structures & improvements | 38,780                  | 46,238           | 17,455                   | 17,025          | 56,235           | 63,262           |
| Equipment                 | 16,492                  | 16,612           | 1,412                    | 1,228           | 17,904           | 17,840           |
| Infrastructure            | 111,784                 | 93,011           | 0                        | 0               | 111,784          | 93,011           |
| Construction in progress  | 7,443                   | 2,842            | 68                       | 4,314           | 7,511            | 7,156            |
| <b>Total</b>              | <b>\$177,115</b>        | <b>\$161,443</b> | <b>\$19,356</b>          | <b>\$22,988</b> | <b>\$196,472</b> | <b>\$184,431</b> |

**Long-Term Obligations**

At June 30, 2016, the County had total long-term obligations outstanding of \$58,167 consisting of \$8,583 in Certificates of Participation, capital lease obligations of \$450, bonds payable of \$48,480, and notes payable of \$654. Additional long-term liabilities include compensated leave payable of \$15,106, actuarial claims liability of \$7,833 for general insurance and worker’s compensation self-insurance.

Business activities had total long-term obligations of \$13,869 consisting of \$534 of capital lease obligations, \$6,388 of Certificates of Participation, and landfill closure/post-closure care liability of \$6,757. Additional long-term liabilities include compensated leave payable of \$190.

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

**DEFERRED OUTFLOWS OF RESOURCES & DEFERRED INFLOW OF RESOURCES**

**A. Deferred Outflows of Resources**

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

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

**B. Deferred Inflows of Resources**

Deferred inflows of resources are the counterpart to deferred outflows of resources on the Statement of Net Position. Deferred inflows of resources are not technically liabilities of the County as of the date of the financial statements. When all the recognition criteria are met, the deferred inflow of resources will become revenue or an increase to net position.

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

**B. Deferred Inflows of Resources (continued)**

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

**FISCAL OUTLOOK**

The County adopted its fiscal year 2016-2017 Final Budget in the total amount of \$526,500, with a General Fund overall emergency reserve level of \$7,500. The County will continue to face difficult fiscal challenges in the foreseeable future. The most critical fiscal uncertainty facing the County continues to be the impact on local government resulting from actions the State of California may take in addressing its own fiscal problems, including the public safety and health and human services realignment.

**REQUEST FOR INFORMATION**

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

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

The County's Comprehensive Annual Financial Report can also be found at [www.buttecounty.net](http://www.buttecounty.net).



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

**COUNTY OF BUTTE, CALIFORNIA**

**STATEMENT OF NET POSITION**

JUNE 30, 2016

|   | Primary Government         |                             |                      |
|---|----------------------------|-----------------------------|----------------------|
|   | Governmental<br>Activities | Business-type<br>Activities | Total                |
| <b>ASSETS</b>                                 |                            |                             |                      |
| Cash and investments                          | \$ 142,851,842             | \$ 17,477,937               | \$ 160,329,779       |
| Cash and investments with fiscal agent        | 653,713                    | 2,330,844                   | 2,984,557            |
| Imprest cash                                  | 22,355                     | 2,800                       | 25,155               |
| Interest receivable                           | 316,397                    | 39,933                      | 356,330              |
| Accounts receivable                           | 4,510,902                  | 558,862                     | 5,069,764            |
| Due from other governments                    | 28,297,831                 |                             | 28,297,831           |
| Prepaid items                                 | 219,924                    | 26,906                      | 246,830              |
| Internal Balances                             | (581)                      | 581                         | -                    |
| Inventories                                   | 290,394                    | -                           | 290,394              |
| Loans receivable                              | 4,470,520                  | -                           | 4,470,520            |
| Capital assets, net                           |                            |                             |                      |
| Non-depreciable                               | 5,582,232                  | 4,735,151                   | 10,317,383           |
| Depreciable assets, net                       | 155,861,102                | 18,252,393                  | 174,113,495          |
| Total Assets                                  | <u>343,076,631</u>         | <u>43,425,407</u>           | <u>386,502,038</u>   |
| <b>DEFERRED OUTFLOWS OF RESOURCES-PENSION</b> | <u>16,815,333</u>          | <u>161,937</u>              | <u>16,977,270</u>    |
| <b>LIABILITIES</b>                            |                            |                             |                      |
| Current liabilities:                          |                            |                             |                      |
| Accounts payable                              | 7,405,477                  | 842,338                     | 8,247,815            |
| Salaries and benefits payable                 | 6,703,449                  | 57,645                      | 6,761,094            |
| Deposits payable                              | 268,569                    | -                           | 268,569              |
| Unearned revenue                              | 14,419,750                 | -                           | 14,419,750           |
| Accrued interest                              | 152,247                    | 131,650                     | 283,897              |
| Long term liabilities:                        |                            |                             |                      |
| Due within one year                           | 18,911,532                 | 1,183,706                   | 20,095,238           |
| Due in more than one year                     | 62,194,432                 | 12,685,888                  | 74,880,320           |
| OPEB Obligation                               | 26,961,184                 | -                           | 26,961,184           |
| Net pension liability                         | 155,839,648                | 1,643,876                   | 157,483,524          |
| Total Liabilities                             | <u>292,856,288</u>         | <u>16,545,103</u>           | <u>309,401,391</u>   |
| <b>DEFERRED INFLOWS OF RESOURCES</b>          |                            |                             |                      |
| Earnings on Pension Plan Investments          | 19,402,449                 | 208,260                     | 19,610,709           |
| Deferred lease incentive payment              | 97,500                     | -                           | 97,500               |
| Total Deferred Inflow of Resources            | <u>19,499,949</u>          | <u>208,260</u>              | <u>19,708,209</u>    |
| <b>NET POSITION</b>                           |                            |                             |                      |
| Net investment in capital assets              | 151,756,436                | 16,065,466                  | 167,821,902          |
| Restricted for:                               |                            |                             |                      |
| Health and sanitation                         | 22,970,189                 | -                           | 22,970,189           |
| Public safety                                 | 23,814,650                 | -                           | 23,814,650           |
| Public ways & facilities                      | 6,655,207                  | -                           | 6,655,207            |
| Social services                               | 5,163,589                  | -                           | 5,163,589            |
| Other government programs                     | 78,230,578                 | -                           | 78,230,578           |
| Unrestricted (deficit)                        | (241,054,922)              | 10,768,515                  | (230,286,407)        |
| Total Net Position                            | <u>\$ 47,535,727</u>       | <u>\$ 26,833,981</u>        | <u>\$ 74,369,708</u> |

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

**COUNTY OF BUTTE, CALIFORNIA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| Functions/Programs   | Program Revenues |                      |                                    |                                  | Net (Expense) Revenue and Changes in Net Position |                          |               |
|--|------------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|---------------|
|  | Expenses         | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities                           | Business-Type Activities | Total         |
| <b>Primary government:</b>                                   |                  |                      |                                    |                                  |   |                          |               |
| Governmental activities:                                     |                  |                      |                                    |                                  |   |                          |               |
| General government   | \$ 19,494,479    | \$17,099,501         | \$ 19,159,588                      | \$ -                             | \$ 16,764,610                                     | \$ -                     | \$ 16,764,610 |
| Public protection  | 109,431,367      | 8,176,255            | 31,710,615                         | -                                | (69,544,497)                                      | -                        | (69,544,497)  |
| Public ways and facilities                                   | 33,073,748       | 857,994              | 44,179                             | 12,186,193                       | (19,985,382)                                      | -                        | (19,985,382)  |
| Health and sanitation  | 68,462,617       | 4,293,783            | 43,806,232                         | -                                | (20,362,602)                                      | -                        | (20,362,602)  |
| Public assistance  | 129,102,977      | 1,138,165            | 117,696,749                        | -                                | (10,268,063)                                      | -                        | (10,268,063)  |
| Education  | 3,256,166        | 171,464              | 275,716                            | -                                | (2,808,986)                                       | -                        | (2,808,986)   |
| Culture and recreation services                              | 270,721          | 68,258               | 3,415                              | -                                | (199,048)   | -                        | (199,048)     |
| Interest on long-term debt                                   | 2,090,317        | -                    | -                                  | -                                | (2,090,317)                                       | -                        | (2,090,317)   |
| Total Governmental activities                                | 365,182,392      | 31,805,420           | 212,696,494                        | 12,186,193                       | (108,494,285)                                     | -                        | (108,494,285) |
| Business-type activities:                                    |                  |                      |                                    |                                  |   |                          |               |
| Sanitation   | 7,534,619        | 8,405,871            | -                                  | -                                | -   | 871,252                  | 871,252       |
| Total Business-type activities                               | 7,534,619        | 8,405,871            | -                                  | -                                | -   | 871,252                  | 871,252       |
| Total Primary Government                                     | \$ 372,717,011   | \$ 40,211,291        | \$ 212,696,494                     | \$ 12,186,193                    | (108,494,285)                                     | 871,252                  | (107,623,033) |
| General revenues:  |                  |                      |                                    |                                  |   |                          |               |
| Taxes:   |                  |                      |                                    |                                  |   |                          |               |
| Property taxes   |                  |                      |                                    |                                  | 58,629,417  | -                        | 58,629,417    |
| Sales and use taxes  |                  |                      |                                    |                                  | 4,338,344   | -                        | 4,338,344     |
| Other taxes and related revenues                             |                  |                      |                                    |                                  | 1,302,226   | -                        | 1,302,226     |
| Grants and contributions not restricted to specific programs |                  |                      |                                    |                                  | 34,030,358  | -                        | 34,030,358    |
| Unrestricted interest and investment earnings                |                  |                      |                                    |                                  | 3,042,352   | 233,271                  | 3,275,623     |
| Other revenues   |                  |                      |                                    |                                  | 328,758   | 29,500                   | 358,258       |
| Total general revenues and transfers                         |                  |                      |                                    |                                  | 101,671,455                                       | 262,771                  | 101,934,226   |
| Change in net position                                       |                  |                      |                                    |                                  | (6,822,830)                                       | 1,134,023                | (5,688,807)   |
| Net position - beginning                                     |                  |                      |                                    |                                  | 54,358,557  | 25,699,958               | 80,058,515    |
| Net position - ending  |                  |                      |                                    |                                  | \$ 47,535,727                                     | \$ 26,833,981            | \$ 74,369,708 |

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



## **Basic Financial Statements- Fund Financial Statements**



**COUNTY OF BUTTE, CALIFORNIA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2016**

|   | General<br>Fund      | Social Services<br>Fund | Public<br>Health<br>Fund | Behavioral<br>Health<br>Fund | Road<br>Fund        | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---|----------------------|-------------------------|--------------------------|------------------------------|---------------------|--------------------------------|--------------------------------|
| <b>ASSETS</b>   |                      |                         |                          |                              |                     |                                |                                |
| Cash and investments  | \$ 55,720,857        | \$ 5,928,608            | \$ 12,963,991            | \$ 9,298,305                 | \$ 7,180,264        | \$ 39,177,628                  | \$ 130,269,653                 |
| Restricted Assets:  |                      |                         |                          |                              |                     |                                |                                |
| Cash with fiscal agent  | 6,598                | -                       | -                        | -                            | -                   | 460,100                        | 466,698                        |
| Imprest cash  | 18,655               | -                       | 650                      | 1,000                        | 50                  | 2,000                          | 22,355                         |
| Due from other funds  | 274,527              | 15,209                  | -                        | -                            | 5,460               | 6,057                          | 301,253                        |
| Interest receivable   | 125,672              | 17,423                  | 27,431                   | 20,247                       | 10,010              | 86,529                         | 287,312                        |
| Accounts receivable   | 821,947              | 2,774,619               | 180,333                  | 178,601                      | 555,402             | -                              | 4,510,902                      |
| Due from other governments  | 8,750,868            | 6,717,516               | 2,284,629                | 9,880,035                    | 72,001              | 592,781                        | 28,297,830                     |
| Prepaid items   | 204,448              | 15,476                  | -                        | -                            | -                   | -                              | 219,924                        |
| Deposits with others  | -                    | -                       | -                        | -                            | -                   | -                              | -                              |
| Inventory   | 34,170               | -                       | -                        | -                            | 256,224             | -                              | 290,394                        |
| Loans receivable  | -                    | -                       | -                        | -                            | -                   | 4,470,520                      | 4,470,520                      |
| <b>Total assets</b>   | <b>65,957,742</b>    | <b>15,468,851</b>       | <b>15,457,034</b>        | <b>19,378,188</b>            | <b>8,079,411</b>    | <b>44,795,615</b>              | <b>169,136,841</b>             |
| <b>LIABILITIES</b>  |                      |                         |                          |                              |                     |                                |                                |
| Due to other funds  | 21,251               | 3,818                   | -                        | -                            | -                   | 270,709                        | 295,778                        |
| Accounts payable  | 3,276,684            | 573,830                 | 380,822                  | 2,047,020                    | 576,929             | 521,098                        | 7,376,383                      |
| Salaries and benefits payable   | 3,082,257            | 1,708,780               | 406,153                  | 990,085                      | 286,154             | 230,020                        | 6,703,449                      |
| Unearned revenue  | 617,084              | 7,990,264               | 111,187                  | 5,695,496                    | 5,719               | -                              | 14,419,750                     |
| Deposits payable  | 268,573              | -                       | -                        | -                            | -                   | -                              | 268,573                        |
| <b>Total liabilities</b>  | <b>7,265,849</b>     | <b>10,276,692</b>       | <b>898,162</b>           | <b>8,732,601</b>             | <b>868,802</b>      | <b>1,021,827</b>               | <b>29,063,933</b>              |
| <b>DEFERRED INFLOWS OF RESOURCES</b>  |                      |                         |                          |                              |                     |                                |                                |
| Unavailable revenue   | 420,453              | 28,570                  | 1,147,842                | 1,086,428                    | 555,402             | -                              | 3,238,695                      |
| <b>Total deferred inflows<br/>of resources</b>                                  | <b>420,453</b>       | <b>28,570</b>           | <b>1,147,842</b>         | <b>1,086,428</b>             | <b>555,402</b>      | <b>-</b>                       | <b>3,238,695</b>               |
| <b>FUND BALANCES</b>  |                      |                         |                          |                              |                     |                                |                                |
| Nonspendable  | 238,618              | 15,476                  | -                        | -                            | 256,224             | 16,287                         | 526,605                        |
| Restricted  | 27,132,083           | 5,148,113               | 13,411,030               | 9,559,159                    | 6,398,983           | 43,757,501                     | 105,406,869                    |
| Committed   | 7,500,000            | -                       | -                        | -                            | -                   | -                              | 7,500,000                      |
| Assigned  | 28,867               | -                       | -                        | -                            | -                   | -                              | 28,867                         |
| Unassigned  | 23,371,872           | -                       | -                        | -                            | -                   | -                              | 23,371,872                     |
| <b>Total fund balances</b>  | <b>58,271,440</b>    | <b>5,163,589</b>        | <b>13,411,030</b>        | <b>9,559,159</b>             | <b>6,655,207</b>    | <b>43,773,788</b>              | <b>136,834,213</b>             |
| <b>Total liabilities deferred<br/>inflow of resources<br/>and fund balances</b> | <b>\$ 65,957,742</b> | <b>\$ 15,468,851</b>    | <b>\$ 15,457,034</b>     | <b>\$ 19,378,188</b>         | <b>\$ 8,079,411</b> | <b>\$ 44,795,615</b>           | <b>\$ 169,136,841</b>          |

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

**COUNTY OF BUTTE, CALIFORNIA**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION**  
**JUNE 30, 2016**

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

|   |  |                      |
|---|--|----------------------|
| Fund balances-total governmental funds  |  | \$ 136,834,213       |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. These assets consist of:   |  |                      |
| Land  |  | 2,740,002            |
| Construction in progress  |  | 2,842,230            |
| Infrastructure  |  | 585,910,490          |
| Structures and improvements   |  | 71,153,148           |
| Equipment   |  | 62,864,431           |
| Less: accumulated depreciation  |  | <u>(564,072,001)</u> |
| Total capital assets  |  | 161,438,300          |
| Some of the County's revenue will be collected after year-end, but is not available soon enough to pay for the current period's expenditures, and therefore is reported as unavailable revenue in the governmental funds.   |  |                      |
|   |  | 3,238,695            |
| Interest payable on long-term debt does not require current financial resources, therefore, interest payable is not reported as a liability in the Governmental Funds Balance Sheet.  |  |                      |
|   |  | (152,247)            |
| Deferred lease incentive has not been included as financial resources in the governmental funds   |  |                      |
|   |  | (97,500)             |
| Internal service funds are used by the county to charge the cost of liability, malpractice, and worker's compensation insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.   |  |                      |
|   |  | 4,935,178            |
| Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities are reported in the statement of net assets. Balances as of June 30, 2016 are: |  |                      |
| Certificates of participation   |  | (8,583,287)          |
| Bonds payable   |  | (48,480,000)         |
| Notes payable   |  | (653,694)            |
| Capital leases  |  | (449,916)            |
| Other postemployment benefits   |  | (26,961,184)         |
| Compensated absences  |  | (15,106,067)         |
| Net pension liability   |  | <u>(155,839,648)</u> |
| Total long-term liabilities   |  | (256,073,796)        |
| Deferred outflows and inflows of resources related to pensions are applicable to future periods and therefore, are not reported in the funds.   |  |                      |
| Deferred outflows   |  | 16,815,333           |
| Deferred inflows  |  | <u>(19,402,449)</u>  |
| Total deferred pension balances   |  | <u>(2,587,116)</u>   |
| Net position of governmental activities   |  | <u>\$ 47,535,727</u> |

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

**COUNTY OF BUTTE, CALIFORNIA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

|  | General<br>Fund      | Social Services<br>Fund | Public<br>Health<br>Fund | Behavioral<br>Health<br>Fund | Road<br>Fund        | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|----------------------|-------------------------|--------------------------|------------------------------|---------------------|--------------------------------|--------------------------------|
| <b>REVENUES</b>  |                      |                         |                          |                              |                     |                                |                                |
| Taxes  | \$ 63,462,798        | \$ -                    | \$ -                     | \$ -                         | \$ -                | \$ 807,189                     | \$ 64,269,987                  |
| Licenses and permits   | 3,410,254            | 41,535                  | 97,863                   | -                            | 54,146              | -                              | 3,603,798                      |
| Fines, forfeitures, and penalties                            | 7,697,620            | 61,381                  | 237,003                  | 118,470                      | 12,925              | 16,623                         | 8,144,022                      |
| Revenue from use of money and property                       | 5,491,089            | 177,808                 | 205,235                  | 216,365                      | 145,873             | 630,295                        | 6,866,665                      |
| Aid from other governments                                   | 41,841,348           | 126,740,205             | 13,429,787               | 54,919,256                   | 9,476,219           | 10,404,939                     | 256,811,754                    |
| Charges for services   | 19,525,032           | 222,307                 | 3,342,762                | 2,844,695                    | 1,866,471           | 1,873,846                      | 29,675,113                     |
| Other  | 3,216,072            | 8,175                   | 9,674                    | 238,825                      | 63,753              | 2,974                          | 3,539,473                      |
| Total revenues   | <u>144,644,213</u>   | <u>127,251,411</u>      | <u>17,322,324</u>        | <u>58,337,611</u>            | <u>11,619,387</u>   | <u>13,735,866</u>              | <u>372,910,812</u>             |
| <b>EXPENDITURES:</b>   |                      |                         |                          |                              |                     |                                |                                |
| Current:   |                      |                         |                          |                              |                     |                                |                                |
| General government   | 24,749,282           | -                       | -                        | -                            | -                   | 4,193,140                      | 28,942,422                     |
| Public protection  | 103,115,737          | 597,424                 | -                        | -                            | -                   | 8,608,040                      | 112,321,201                    |
| Public ways and facilities                                   | -                    | -                       | -                        | -                            | 15,264,800          | 1,623,100                      | 16,887,900                     |
| Health and sanitation  | -                    | -                       | 16,605,170               | 55,297,437                   | -                   | 232,271                        | 72,134,878                     |
| Public assistance  | -                    | 128,069,570             | -                        | -                            | -                   | 810,643                        | 128,880,213                    |
| Education  | 3,654,022            | -                       | -                        | -                            | -                   | -                              | 3,654,022                      |
| Recreation and cultural services                             | -                    | -                       | -                        | -                            | -                   | 116,409                        | 116,409                        |
| Debt Service:  |                      |                         |                          |                              |                     |                                |                                |
| Principal  | 9,235                | -                       | -                        | -                            | -                   | 2,269,421                      | 2,278,656                      |
| Interest   | -                    | -                       | -                        | -                            | -                   | 2,090,317                      | 2,090,317                      |
| Total expenditures   | <u>131,528,276</u>   | <u>128,666,994</u>      | <u>16,605,170</u>        | <u>55,297,437</u>            | <u>15,264,800</u>   | <u>19,943,341</u>              | <u>367,306,018</u>             |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>13,115,937</u>    | <u>(1,415,583)</u>      | <u>717,154</u>           | <u>3,040,174</u>             | <u>(3,645,413)</u>  | <u>(6,207,475)</u>             | <u>5,604,794</u>               |
| <b>OTHER FINANCING SOURCES (USES):</b>                       |                      |                         |                          |                              |                     |                                |                                |
| Sales of capital assets                                      | 89,153               | -                       | -                        | -                            | 51,994              | 21,981                         | 163,128                        |
| Capital lease  | 34,059               | -                       | -                        | -                            | -                   | -                              | 34,059                         |
| Issuance of debt   | -                    | -                       | -                        | -                            | -                   | 3,203,805                      | 3,203,805                      |
| Transfers in   | 1,572,491            | 1,154,901               | 724,304                  | 884,782                      | 1,699,585           | 9,782,380                      | 15,818,443                     |
| Transfers out  | (8,009,891)          | (1,002,672)             | (174,280)                | (1,959,198)                  | (118,678)           | (4,097,005)                    | (15,361,724)                   |
| Total other financing sources (uses)                         | <u>(6,314,188)</u>   | <u>152,229</u>          | <u>550,024</u>           | <u>(1,074,416)</u>           | <u>1,632,901</u>    | <u>8,911,161</u>               | <u>3,857,711</u>               |
| Net change in fund balances                                  | 6,801,749            | (1,263,354)             | 1,267,178                | 1,965,758                    | (2,012,512)         | 2,703,686                      | 9,462,505                      |
| Fund balances, beginning                                     | <u>51,469,691</u>    | <u>6,426,943</u>        | <u>12,143,852</u>        | <u>7,593,401</u>             | <u>8,667,719</u>    | <u>41,070,102</u>              | <u>127,371,708</u>             |
| Fund balances, ending  | <u>\$ 58,271,440</u> | <u>\$ 5,163,589</u>     | <u>\$ 13,411,030</u>     | <u>\$ 9,559,159</u>          | <u>\$ 6,655,207</u> | <u>\$ 43,773,788</u>           | <u>\$ 136,834,213</u>          |

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

**COUNTY OF BUTTE, CALIFORNIA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE**  
**GOVERNMENT-WIDE STATEMENTS OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

|  |                     |                       |
|--|---------------------|-----------------------|
| <b>Net change to fund balances-total governmental funds</b>  |                     | \$ 9,462,505          |
| Amounts reported for governmental activities in the statements of activities are different because:  |                     |                       |
| Governmental funds reported capital outlay as expenditures. However, in the statement of activities, the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense.   |                     |                       |
| Capital outlay expenditures are therefore added back to fund balances  |                     | 9,855,920             |
| Depreciation expense not reported in governmental funds  |                     | (25,415,793)          |
| Other capital asset adjustments  |                     | (106,338)             |
| 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 expenditure in the governmental funds, but in the statement of net position the repayment reduces long-term liabilities.   |                     |                       |
| Principal payments   |                     | 2,278,656             |
| Capital lease  |                     | (34,059)              |
| Proceeds from issuance of debt   |                     | (3,203,805)           |
| Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when paid  |                     |                       |
|  |                     | (144,171)             |
| Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available (net change). |                     |                       |
| Other postemployment benefits  | (3,402,469)         |                       |
| Compensated absences   | (144,139)           |                       |
| Net pension liability  | <u>(16,044,701)</u> |                       |
|  |                     | (19,591,309)          |
| Amortization of deferred lease incentive reduces rent expense in the Statement of Activities   |                     |                       |
|  |                     | 2,500                 |
| Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds   |                     |                       |
| Deferred inflow lease incentive  | (100,000)           | 1,112,804             |
| Deferred inflow pension  | 20,382,534          |                       |
| Deferred outflow pension   | <u>1,641,157</u>    |                       |
|  |                     | 21,923,691            |
| Internal service funds are used by the County to charge the costs of liability, malpractice, and worker's compensation insurance to individual funds. The net revenue of internal service funds is reported with governmental activities.  |                     |                       |
|  |                     | <u>(2,963,431)</u>    |
| <b>Change in net position of governmental activities</b>   |                     | <u>\$ (6,822,830)</u> |

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

**COUNTY OF BUTTE, CALIFORNIA**

**STATEMENT OF NET POSITION**

**PROPRIETARY FUND**

JUNE 30, 2016

|  | <u>Business Type<br/>Activities</u> | <u>Governmental<br/>Activities</u> |
|--|-------------------------------------|------------------------------------|
|  | <u>Neal Road<br/>Landfill</u>       | <u>Internal Service<br/>Funds</u>  |
| <b>ASSETS</b>                          |                                     |                                    |
| Current assets:                        |                                     |                                    |
| Cash and investments                   | \$ 17,477,937                       | \$ 12,582,188                      |
| Cash and investments with fiscal agent | 2,330,844                           | 187,015                            |
| Imprest cash                           | 2,800                               | -                                  |
| Interest receivable                    | 39,933                              | 29,095                             |
| Accounts receivable                    | 558,862                             | -                                  |
| Due from other funds                   | 581                                 | -                                  |
| Prepaid items                          | 26,906                              | -                                  |
| Total current assets                   | <u>20,437,863</u>                   | <u>12,798,298</u>                  |
| Noncurrent assets:                     |                                     |                                    |
| Capital assets:                        |                                     |                                    |
| Nondepreciable:                        |                                     |                                    |
| Land                                   | 420,932                             | -                                  |
| Construction in progress               | 4,314,219                           | -                                  |
| Depreciable:                           |                                     |                                    |
| Structures                             | 19,871,848                          | -                                  |
| Equipment                              | 4,655,393                           | 45,461                             |
| Less: Accumulated depreciation         | <u>(6,274,848)</u>                  | <u>(40,428)</u>                    |
| Total capital assets, net              | <u>22,987,544</u>                   | <u>5,033</u>                       |
| Total noncurrent assets                | <u>22,987,544</u>                   | <u>5,033</u>                       |
| Total assets                           | <u>43,425,407</u>                   | <u>12,803,331</u>                  |
| Deferred outflows of resources         | <u>161,937</u>                      | <u>-</u>                           |

continued

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

**COUNTY OF BUTTE, CALIFORNIA**

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS (continued)**

JUNE 30, 2016

|  | <u>Business Type<br/>Activities</u> | <u>Governmental<br/>Activities</u> |
|--|-------------------------------------|------------------------------------|
|  | <u>Neal Road<br/>Landfill</u>       | <u>Internal Service<br/>Funds</u>  |
| <b>LIABILITIES</b>                         |                                     |                                    |
| Current liabilities:                       |                                     |                                    |
| Due to other funds                         | \$ -                                | \$ 6,057                           |
| Interest payable                           | 131,650                             | -                                  |
| Accounts payable                           | 842,338                             | 29,096                             |
| Accrued salaries and benefits              | 57,645                              | -                                  |
| Capital lease payable, current portion     | 213,706                             | -                                  |
| COP payable, current portion               | 950,000                             | -                                  |
| Claims and judgments, current portion      | -                                   | 2,600,000                          |
| Compensated absences, current portion      | 20,000                              | -                                  |
| Total current liabilities                  | <u>2,215,339</u>                    | <u>2,635,153</u>                   |
| Noncurrent liabilities:                    |                                     |                                    |
| Capital lease payable                      | 320,646                             | -                                  |
| COP payable, less current portion          | 5,437,724                           | -                                  |
| Claims and judgments, less current portion | -                                   | 5,233,000                          |
| Compensated absences, less current portion | 169,813                             | -                                  |
| Landfill closure/post-closure care costs   | 6,757,705                           | -                                  |
| Net pension liability                      | 1,643,876                           | -                                  |
| Total noncurrent liabilities               | <u>14,329,764</u>                   | <u>5,233,000</u>                   |
| Total liabilities                          | <u>16,545,103</u>                   | <u>7,868,153</u>                   |
| Deferred inflows of resources              | <u>208,260</u>                      | <u>-</u>                           |
| <b>NET POSITION</b>                        |                                     |                                    |
| Net investment in capital assets           | 16,065,466                          | 5,033                              |
| Unrestricted                               | 10,768,515                          | 4,930,145                          |
| Total net position                         | <u>\$ 26,833,981</u>                | <u>\$ 4,935,178</u>                |

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

**COUNTY OF BUTTE, CALIFORNIA**  
**STATEMENT REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

|   | Business Type<br>Activities<br><u>Neal Road<br/>Landfill</u> | Governmental<br>Activities<br><u>Internal Service<br/>Funds</u> |
|---|--|---|
| <b>OPERATING REVENUES</b>   |  |   |
| Charges for services  | \$ 8,226,163   | \$ 6,792,705  |
| Other revenue   | 179,708  | -   |
| Total operating revenues  | <u>8,405,871</u>   | <u>6,792,705</u>  |
| <b>OPERATING EXPENSES</b>   |  |   |
| Salaries and employee benefits  | 1,342,648  | 300,763   |
| Service and supplies  | 2,786,836  | 3,466,683   |
| Claims and judgments  | -  | 5,744,101   |
| Depreciation  | 645,781  | 6,057   |
| Landfill closure/post-closure care cost                                 | 2,601,857  | -   |
| Total operating expenses  | <u>7,377,122</u>   | <u>9,517,604</u>  |
| Operating income (loss)   | <u>1,028,749</u>   | <u>(2,724,899)</u>  |
| <b>NONOPERATING REVENUES (EXPENSES)</b>                                 |  |   |
| Interest income   | 233,271  | 218,187   |
| Interest expense  | (278,606)  | -   |
| Gain (loss) on sale of assets   | 121,109  | -   |
| Total nonoperating revenues (expenses)                                  | <u>75,774</u>  | <u>218,187</u>  |
| <b>NET INCOME (LOSS) BEFORE<br/>CAPITAL CONTRIBUTIONS AND TRANSFERS</b> | <u>1,104,523</u>   | <u>(2,506,712)</u>  |
| Capital contributions   | 29,500   | -   |
| Transfers out   | -  | (456,719)   |
| Change in net position  | 1,134,023  | (2,963,431)   |
| Net position, beginning of year   | <u>25,699,958</u>  | <u>7,898,610</u>  |
| Net position, end of year   | <u>\$ 26,833,981</u>   | <u>\$ 4,935,178</u>   |

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

**COUNTY OF BUTTE, CALIFORNIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

|  | Business Type<br>Activities | Governmental<br>Activities |
|--|-----------------------------|----------------------------|
|  | Neal Road<br>Landfill       | Internal Service<br>Funds  |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>                         |                             |                            |
| Cash received from customers   | \$ 8,305,967                | \$ 6,815,982               |
| Cash paid to suppliers for goods and services                        | (2,092,802)                 | (8,491,571)                |
| Cash paid to employees for services                                  | (1,435,851)                 | (300,763)                  |
| Net cash provided (used) by operating activities                     | 4,777,314                   | (1,976,352)                |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>              |                             |                            |
| Principal repayment on loans payable                                 | (50,000)                    | -                          |
| Transfers out  | -                           | (456,719)                  |
| Net cash provided (used) by noncapital financing activities          | (50,000)                    | (456,719)                  |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>     |                             |                            |
| Payments related to the acquisition of capital assets                | (4,247,539)                 | -                          |
| Sale of capital assets   | 121,109                     | -                          |
| Principal repayment on long term debt                                | (928,545)                   | -                          |
| Principal repayment on capital lease payable                         | (210,110)                   | -                          |
| Interest paid  | (296,906)                   | -                          |
| Net cash provided (used) by capital and related financing activities | (5,561,991)                 | -                          |

continued

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

**COUNTY OF BUTTE, CALIFORNIA**

**STATEMENT OF CASH FLOWS**

**PROPRIETARY FUNDS (continued)**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

|  | <u>Business Type<br/>Activities</u> | <u>Governmental<br/>Activities</u> |
|--|-------------------------------------|------------------------------------|
|  | <u>Neal Road<br/>Landfill</u>       | <u>Internal Service<br/>Funds</u>  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>                                       |                                     |                                    |
| Interest received (paid)   | <u>193,338</u>                      | <u>189,092</u>                     |
| Net cash provided (used) by investing activities                                   | <u>193,338</u>                      | <u>189,092</u>                     |
| Net increase (decrease) in cash and cash equivalents                               | (641,339)                           | (2,243,979)                        |
| Cash and cash equivalents, beginning   | <u>20,452,920</u>                   | <u>15,013,182</u>                  |
| Cash and cash equivalents, ending  | <u><u>19,811,581</u></u>            | <u><u>12,769,203</u></u>           |
| <b>RECONCILIATION OF CASH AND CASH<br/>EQUIVALENTS TO STATEMENT OF NET ASSETS:</b> |                                     |                                    |
| Cash and investments   | 17,477,937                          | 12,582,188                         |
| Cash and investments with fiscal agent   | 2,330,844                           | 187,015                            |
| Imprest cash   | <u>2,800</u>                        | <u>-</u>                           |
| Total cash and investments   | <u><u>\$ 19,811,581</u></u>         | <u><u>\$ 12,769,203</u></u>        |

continued

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

**COUNTY OF BUTTE, CALIFORNIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS (continued)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

|  | Business Type<br>Activities | Governmental<br>Activities |
|--|-----------------------------|----------------------------|
|  | Neal Road<br>Landfill       | Internal Service<br>Funds  |
| <b>Reconciliation of Operating Income (Loss)</b>   |                             |                            |
| <b>to Net Cash Provided (Used) by Operating Activities:</b>  |                             |                            |
| Operating income (loss)  | \$ 1,028,749                | \$ (2,724,899)             |
| Adjustment to reconcile operating income (loss)<br>to net cash provided (used) by<br>operating activities: |                             |                            |
| Depreciation   | 645,779                     | 6,057                      |
| Changes in assets and liabilities:   |                             |                            |
| (Increase) decrease in:  |                             |                            |
| Accounts receivable  | (99,323)                    | 23,277                     |
| Due from other governments   | (581)                       | -                          |
| Deferred outflow   | (17,359)                    |                            |
| Increase (decrease) in:  |                             |                            |
| Accounts payable   | 694,034                     | (61,787)                   |
| Accrued salaries and benefits  | (11,456)                    | -                          |
| Compensated absences   | (22,968)                    | -                          |
| Landfill closure/post-closure cost   | 2,601,859                   | -                          |
| Claims and judgments   | -                           | 781,000                    |
| Net pension liability  | 183,510                     | -                          |
| Deferred inflow  | (224,930)                   | -                          |
|  | <u>\$ 4,777,314</u>         | <u>\$ (1,976,352)</u>      |
| Net cash provided (used) by<br>operating activities  | <u>\$ 4,777,314</u>         | <u>\$ (1,976,352)</u>      |

continued

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

**COUNTY OF BUTTE, CALIFORNIA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

|                                     | <u>Investment<br/>Trust</u> | <u>Agency<br/>Funds</u>  |
|-------------------------------------|-----------------------------|--------------------------|
| <b>ASSETS</b>                       |                             |                          |
| Cash and investments                | \$ 233,176,244              | \$ 22,878,923            |
| Imprest cash                        | 19,340                      | -                        |
| Due from other governments          | -                           | 23,167                   |
| Interest receivable                 | 171                         | 95,725                   |
| Property tax receivable             | -                           | <u>10,728,094</u>        |
| <br>Total assets                    | <br><u>233,195,755</u>      | <br><u>33,725,909</u>    |
| <br><b>LIABILITIES</b>              |                             |                          |
| Agency funds held for others        | -                           | <u>33,725,909</u>        |
| <br>Total liabilities               | <br><u>-</u>                | <br><u>\$ 33,725,909</u> |
| <br><b>NET POSITION</b>             |                             |                          |
| Held in trust for pool participants | <u>233,195,755</u>          |                          |
| <br>Total net position              | <br><u>\$ 233,195,755</u>   |                          |

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

**COUNTY OF BUTTE, CALIFORNIA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**INVESTMENT TRUST FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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|                                     |                              |
|-------------------------------------|------------------------------|
| Additions:                          |                              |
| Contributions to pooled investments | \$ 1,581,388,129             |
| Interest and investment income      | <u>3,137,211</u>             |
| Total additions                     | <u>1,584,525,340</u>         |
|                                     |                              |
| Deductions:                         |                              |
| Distributions from investment pool  | <u>(1,594,797,135)</u>       |
| Total deductions                    | <u>(1,594,797,135)</u>       |
|                                     |                              |
| Net increase                        | (10,271,795)                 |
|                                     |                              |
| Net position, beginning             | <u>243,467,550</u>           |
|                                     |                              |
| Net position, ending                | <u><u>\$ 233,195,755</u></u> |

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





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

**COUNTY OF BUTTE, CALIFORNIA**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**1. Summary of Significant Accounting Policies**

**A. The Financial Reporting Entity**

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

Blended component units, although legally separate entities are, in substance, part of the County’s operations: therefore data from these units are combined with data of the primary government. Each blended component unit has a June 30, 2016 fiscal year-end.

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

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

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

**County Service Area (CSA) – Lighting**

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

**CSA – Sewer**

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

**CSA – Lighting and Maintenance**

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

**COUNTY OF BUTTE, CALIFORNIA**  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

**A. The Financial Reporting Entity (continued)**

**CSA – Drainage & Lighting**

CSA #47 East and Guynn  
 CSA #76 Quail Run  
 CSA #79 Big Chico Creek Estates  
 CSA #96 Silvertree Subdivision  
 CSA #97 Stoney Brook  
 CSA #101 Carriage Estates Subdivision  
 CSA #102 Meadowlark Acres  
 CSA #116 Pistachio Grove Estates  
 CSA #125 Willow Bend Subdivision  
 CSA #129 Orchard House Estates  
 CSA #177 Blossom Estates

**CSA – Drainage**

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

**CSA – Other**

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

**PRD – Permanent Road Divisions**

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

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

**COUNTY OF BUTTE, CALIFORNIA**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

**A. The Financial Reporting Entity (continued)**

Excluded from the Reporting Entity

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

**Protection to Persons & Property**

El Medio Fire District

**Recreation**

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

**Drainage**

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

**Cemetery**

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

**Health & Sanitation**

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

**Other Districts**

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

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

**COUNTY OF BUTTE, CALIFORNIA**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

**A. The Financial Reporting Entity (continued)**

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

**B. Basis of Presentation**

**New Accounting Pronouncements**

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

**Statement 72** – *Fair Value measurement and Application* addresses accounting and financial reporting issues related to fair value measurements. The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance on determining this fair value for financial reporting purposes. In determining the fair value measurement, the Statement allows the use of valuation techniques which are consistent with the market approach, the cost approach, or the income approach. The requirements for GASB 72 are effective for periods beginning June 15, 2015 and thereafter. Butte County currently uses the market approach when valuing its investments to record fair value. Implementation of GASB 72 did not have a significant impact on the financial statements.

**Statement 76**-*The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments* supersedes GASB 55. The objective of this statement is to identify (in the context of the current governmental financial reporting environments) the hierarchy of generally accepted accounting principles. The requirements of GASB 76 are effective for fiscal years beginning after June 15, 2015. There was no impact on the County's Financial Statements as a result of implementation of GASB 76.

**Government-Wide Financial Statements**

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

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

**COUNTY OF BUTTE, CALIFORNIA**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

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

expenses. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

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

***Fund Financial Statements***

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the County's enterprise funds and internal services funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administration expenses, and depreciation 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.

**COUNTY OF BUTTE, CALIFORNIA**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

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

- The **Public Health Fund** was established to account for the activities of the Butte County Department of Public Health. The department provides a wide range of services designed to protect and enhance the well-being of the community. Revenue sources consist primarily of state and federal grants and charges for services.
- The **Behavioral Health Fund** was established to account for the activities of the Butte County Department of Behavioral Health. The department provides a comprehensive continuum of services meeting community needs related to mental health and substance abuse problems. Revenue sources are primarily sales tax revenue and state grants.
- The **Road Fund** provides for planning, design, construction, maintenance, and administration of County transportation activities. Revenue sources consist primarily of the County's share of state highway user taxes and federal grants.

The County reports the following major enterprise fund:

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

The County reports the following additional fund types:

- **Internal Service Funds** account for the County's risk management, unemployment insurance and utilities on a cost-reimbursement basis. Internal Service Funds are presented in summary form as part of the proprietary fund financial statements. In the government-wide financial statements, the changes in net position at the end of the fiscal year, as presented in the statements of activities, were allocated to the user functions of the governmental activities, to reflect the entire activity for the year. Since the predominant users of the internal services are the County's governmental activities, the asset and liability balances of the internal service funds are consolidated into the governmental activities column at the government-wide level.
- The **Investment Trust Fund** accounts for the assets of legally separate entities that deposit cash with the County Treasurer in an investment pool, which commingles resources in the investment portfolio for the benefit of all participants. These entities include school and community college districts, other special districts governed by local boards, regional boards and authorities and pass through funds for tax collections for cities.
- The **Agency Funds** are custodial in nature and do not involve measurement of the results of operations. Such funds have no equity accounts since all assets are due to individuals or entities at some future time. These funds account for assets held by the County as an agent for other government units. These units include Butte County SB-325 and SB-620, and other special districts governed by local boards, regional boards and authorities, and pass through funds for tax collections for cities.

**COUNTY OF BUTTE, CALIFORNIA**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

**C. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The Basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

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

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

**COUNTY OF BUTTE, CALIFORNIA**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

**D. Cash and Cash Equivalents (continued)**

The County maintains a Cash and Investment Pool that holds deposits for all County funds, Butte County Schools and Special Districts, and certain other local agency depositors. For some entities, participation is mandatory. Some of the outside agencies under mandatory participation in the Investment Pool are Superior Court, Autonomous Special Districts, Schools and Community College Districts. Other local agencies may qualify to participate on a voluntary basis, such as the Butte County Association of Governments, the Natural Resource Conservation Service, Thermalito Water & Power and the Butte County Fair, to name a few.

The Pool is not registered as an investment company with the Securities and Exchange Commission (SEC) nor is it an SEC Rule 2a7-like pool. The Treasurer's Statement of Investment Policy is prepared in accordance with California Government Code, and approved annually by the County's Treasury Oversight Committee, and the Board of Supervisors.

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

The fair value of investments in the Pool is determined monthly based upon quoted market prices. The County has not provided nor obtained any legally binding guarantees during the fiscal year ended June 30, 2016 to support the values of shares in the Pool. However, management believes that the investments in the Pool are of high quality and that the risk of participation in the Pool is negligible. The Pool is subject to oversight by the Treasury Oversight Committee, as recommended by the California Debt and Investment Advisory Commission.

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

**COUNTY OF BUTTE, CALIFORNIA**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

**D. Cash and Cash Equivalents (continued)**

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

**E. Inventories and Prepaid Items**

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

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

**F. Property Taxes**

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

Alternative Method of Distribution of Tax Levies

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

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

**COUNTY OF BUTTE, CALIFORNIA**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

**G. Loans Receivable**

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

**H. Capital Assets**

Capital assets (including infrastructure) are recorded at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed. Capital assets include public domain (infrastructure) general capital assets consisting of certain improvements including roads, bridges, water/sewer, lighting system, drainage systems, and flood control. The County defines capital assets as assets with an initial, individual cost of more than \$25,000 for machinery, equipment and computer software; more than \$125,000 for infrastructure, buildings and land improvements; and an estimated useful life in excess of one year. Capital assets used in operations are depreciated or amortized (assets under capital leases) using the straight-line method over the lesser of the capital lease period or their estimated useful lives in the government-wide statements and the proprietary funds.

The estimated useful lives are as follows:

|                                     |                |
|-------------------------------------|----------------|
| Infrastructure                      | 20 to 50 years |
| Land Improvements                   | 20 years       |
| Buildings and Building Improvements | 50 years       |
| Machinery & Equipment               | 5 to 20 years  |
| Vehicles                            | 5 to 15 years  |

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

**I. Deferred 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 has only one type of item, from pension activities.

**COUNTY OF BUTTE, CALIFORNIA**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

**I. Deferred outflow/inflows of resources (continued)**

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

**J. Compensated Absences**

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

**K. Interfund Receivables and Payables**

Interfund transactions are reflected as either loans, services provided, reimbursements, or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances". Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources.

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

**L. Use of Estimates**

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**COUNTY OF BUTTE, CALIFORNIA**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

**M. Presentation of financial information related to County fiduciary responsibilities**

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

**N. Net Position**

The government-wide financial statements and proprietary fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted, or unrestricted. *Net investment in Capital Assets* – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category. *Restricted*– This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or legislation. *Unrestricted*– This category represents net position of the County, not restricted for any project or other purpose.

**O. Fund Equity**

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

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

**COUNTY OF BUTTE, CALIFORNIA**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

**O. Fund Equity (continued)**

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

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

**P. Pensions**

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

**COUNTY OF BUTTE, CALIFORNIA**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**2. Cash and Investments**

Cash and investments as of June 30, 2016 are classified in the accompanying financial statements as follows:

***Statement of Net Position***

**Primary Government:**

|                         |             |
|-------------------------|-------------|
| Cash and investments    | 160,329,779 |
| Cash with fiscal agents | 2,984,557   |
| Imprest Cash            | 25,155      |

**Fiduciary Funds:**

|                            |                           |
|----------------------------|---------------------------|
| Cash and investments       | 256,055,168               |
| Imprest Cash               | 19,340                    |
| Total Cash and investments | <u><u>419,413,999</u></u> |

Cash and investments as of June 30, 2016 consisted of the following:

|                                      |                           |
|--------------------------------------|---------------------------|
| Cash on hand                         | 155,505                   |
| Deposits with financial institutions | 27,519,780                |
| Investments                          | 410,764,358               |
| Outstanding warrants                 | (19,025,644)              |
| Total cash and investments           | <u><u>419,413,999</u></u> |

**COUNTY OF BUTTE, CALIFORNIA**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**2. Cash and Investments (continued)**

**Investments Authorized by the California Government Code and the County's Investment Policy**

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

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

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

**Investments Authorized by Debt Agreements**

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

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

**COUNTY OF BUTTE, CALIFORNIA**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**2. Cash and Investments (continued)**

**Disclosures Relating to Interest Rate Risk**

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

| Investment Type                 | Remaining Maturity By Fair Value* |                       |                      |                      |                      |                      |
|---------------------------------|-----------------------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|
|                                 | Total Fair Value                  | Less than One year    | One to Two years     | Two to Three years   | Three to Four years  | Four to Five years   |
| <u>WITH TREASURER:</u>          |                                   |                       |                      |                      |                      |                      |
| FAMCA                           | \$ 36,747,146                     | \$ 3,184,774          | \$ 23,439,572        | \$ -                 | \$ 10,122,800        | \$ -                 |
| FFCB                            | 45,790,448                        | 14,995,605            | 15,782,003           | 5,000,980            | 5,011,685            | 5,000,175            |
| FHLB                            | 35,727,495                        | -                     | 10,083,625           | 5,110,875            | 15,271,125           | 5,261,870            |
| FHLMC                           | 24,673,058                        | 5,000,795             | 14,657,623           | -                    | -                    | 5,014,640            |
| FNMA                            | 39,367,974                        | -                     | 15,036,380           | -                    | 9,297,984            | 15,033,610           |
| TVA                             | 5,096,885                         | 5,096,885             | -                    | -                    | -                    | -                    |
| IBRD                            | 16,097,439                        | -                     | 3,000,000            | -                    | 5,055,825            | 8,041,614            |
| BANK CD                         | 500,000                           | 500,000               | -                    | -                    | -                    | -                    |
| MUNICIPAL BONDS                 | 31,259,441                        | 5,050,000             | -                    | 8,213,460            | 10,233,130           | 7,762,851            |
| US TREASURY NOTE                | 9,182,536                         | -                     | -                    | -                    | 9,182,536            | -                    |
| NEGOTIABLE CD                   | 5,000,384                         | 750,000               | 500,000              | 999,610              | 749,428              | 2,001,346            |
| CAL TRUST                       | 4,549                             | 4,549                 | -                    | -                    | -                    | -                    |
| CAMP                            | 20,020,437                        | 20,020,437            | -                    | -                    | -                    | -                    |
| LAIF                            | 95,486,764                        | 95,486,764            | -                    | -                    | -                    | -                    |
| CORPORATE NOTES                 | 41,822,961                        | 10,076,697            | 7,792,463            | 14,403,011           | 9,550,791            | -                    |
| MMF                             | 1,002,283                         | 1,002,283             | -                    | -                    | -                    | -                    |
| <b>TOTAL WITH TREASURER</b>     | <b>407,779,801</b>                | <b>161,168,789</b>    | <b>90,291,666</b>    | <b>33,727,936</b>    | <b>74,475,304</b>    | <b>48,116,106</b>    |
| <u>WITH FISCAL AGENTS:</u>      |                                   |                       |                      |                      |                      |                      |
| MONEY MARKET                    | \$ 1,556,503                      | \$ 1,556,503          | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| BUSINESS CHECKING               | 187,708                           | 187,708               | -                    | -                    | -                    | -                    |
| DISCOVERY BENEFITS**            | 6,598                             | 6,598                 | -                    | -                    | -                    | -                    |
| FHLMC                           | 1,232,111                         | -                     | -                    | 1,232,111            | -                    | -                    |
| LAIF                            | 1,638                             | 1,638                 | -                    | -                    | -                    | -                    |
| <b>TOTAL WITH FISCAL AGENTS</b> | <b>2,984,557</b>                  | <b>1,752,446</b>      | <b>-</b>             | <b>1,232,111</b>     | <b>-</b>             | <b>-</b>             |
| <b>TOTAL INVESTMENTS</b>        | <b>\$ 410,764,358</b>             | <b>\$ 162,921,235</b> | <b>\$ 90,291,666</b> | <b>\$ 34,960,046</b> | <b>\$ 74,475,304</b> | <b>\$ 48,116,106</b> |

**COUNTY OF BUTTE, CALIFORNIA**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**2. Cash and Investments (continued)**

**Disclosures Relating to Credit Risk (continued)**

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

| Investment<br>Type     | Fair<br>Value         | Minimum<br>Legal<br>Rating | Rating as of Fiscal Year End |                      |                     |                      |                          |                       | Not<br>Rated |
|------------------------|-----------------------|----------------------------|------------------------------|----------------------|---------------------|----------------------|--------------------------|-----------------------|--------------|
|                        |                       |                            | S&P / Moody's                |                      |                     |                      |                          |                       |              |
|                        |                       |                            | AA+/Aaa                      | AAA/Aaa              | AAA/Aa1             | AA+ AA- /A1          | AA- /Aa3<br>AA - AA+/Aa1 |                       |              |
| <b>WITH TREASURER:</b> |                       |                            |                              |                      |                     |                      |                          |                       |              |
| FAMCA                  | \$ 36,747,146         | N/A                        | \$ -                         | \$ -                 | \$ -                | \$ -                 | \$ -                     | \$ 36,747,146         |              |
| FFCB                   | 45,790,448            | N/A                        | 45,790,448                   | -                    | -                   | -                    | -                        | -                     |              |
| FHLB                   | 35,727,495            | N/A                        | 35,727,495                   | -                    | -                   | -                    | -                        | -                     |              |
| FHLMC                  | 24,673,058            | N/A                        | 24,673,058                   | -                    | -                   | -                    | -                        | -                     |              |
| FNMA                   | 39,367,974            | N/A                        | 39,367,974                   | -                    | -                   | -                    | -                        | -                     |              |
| TVA                    | 5,096,885             | N/A                        | 5,096,885                    | -                    | -                   | -                    | -                        | -                     |              |
| IBRD                   | 16,097,439            | N/A                        | -                            | 16,097,439           | -                   | -                    | -                        | -                     |              |
| BANK CD                | 500,000               | N/A                        | -                            | -                    | -                   | -                    | -                        | 500,000               |              |
| MUNICIPAL BONDS        | 31,259,441            | N/A                        | -                            | 3,059,940            | 5,167,750           | 4,652,591            | 18,379,160               | -                     |              |
| US TREASURY NOTE       | 9,182,536             | N/A                        | 9,182,536                    | -                    | -                   | -                    | -                        | -                     |              |
| NEGOTIABLE CD          | 5,000,384             | N/A                        | -                            | -                    | -                   | -                    | -                        | 5,000,384             |              |
| CAL TRUST              | 4,549                 | N/A                        | -                            | -                    | -                   | -                    | -                        | 4,549                 |              |
| CAMP                   | 20,020,437            | N/A                        | -                            | -                    | -                   | -                    | -                        | 20,020,437            |              |
| LAIF                   | 95,486,764            | N/A                        | -                            | -                    | -                   | -                    | -                        | 95,486,764            |              |
| CORPORATE NOTES        | 41,822,961            | A                          | 5,017,055                    | 2,727,243            | -                   | 9,338,566            | 24,740,098               | -                     |              |
| MMF                    | 1,002,283             | A                          | -                            | -                    | -                   | -                    | -                        | 1,002,283             |              |
| MONEY MARKET           | 1,556,503             | A                          | 1,556,503                    | -                    | -                   | -                    | -                        | -                     |              |
| BUSINESS CHECKING      | 187,707               | N/A                        | -                            | -                    | -                   | -                    | -                        | 187,707               |              |
| DISCOVERY BENEFITS     | 6,598                 | N/A                        | -                            | -                    | -                   | -                    | -                        | 6,598                 |              |
| FHLMC                  | 1,232,112             | N/A                        | 1,232,112                    | -                    | -                   | -                    | -                        | -                     |              |
| LAIF                   | 1,637                 | N/A                        | -                            | -                    | -                   | -                    | -                        | 1,637                 |              |
| <b>Total</b>           | <b>\$ 410,764,358</b> |                            | <b>\$ 167,644,065</b>        | <b>\$ 21,884,622</b> | <b>\$ 5,167,750</b> | <b>\$ 13,991,157</b> | <b>\$ 43,119,258</b>     | <b>\$ 158,957,506</b> |              |

**COUNTY OF BUTTE, CALIFORNIA**  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**2. Cash and Investments (continued)**

**Concentration of Credit Risk**

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

| <u>Issuer</u>                       | <u>Investment<br/>Type</u> | <u>Reported<br/>Amount</u> |
|-------------------------------------|----------------------------|----------------------------|
| Federal Agricultural Mortgage Corp. | Federal agency securities  | \$ 36,747,146              |
| Federal Farm Credit Bank            | Federal agency securities  | 45,790,448                 |
| Federal Home Loan Bank              | Federal agency securities  | 35,727,495                 |
| Federal Home Loan Mortgage Corp.    | Federal agency securities  | 24,673,058                 |
| Federal National Mortgage Assoc.    | Federal agency securities  | 39,367,794                 |

**Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the County's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure County deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. It is the County's practice to disallow first trust deed mortgage notes as collateral for the County's secured deposits.

**Investment in State Investment Pool**

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

**COUNTY OF BUTTE, CALIFORNIA**  
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**2. Cash and Investments (continued)**

**Investment in State Investment Pool (continued)**

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

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

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

**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.

**COUNTY OF BUTTE, CALIFORNIA**  
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**2. Cash and Investments (continued)**

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.

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 2 or 3 investments.

**COUNTY OF BUTTE, CALIFORNIA**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**2. Cash and Investments (continued)**

|   |                       | <u>Fair Value Measurement Using</u>   |  |  |
|---|-----------------------|---|--|--|
|   |                       | <u>Quoted<br/>Prices in<br/>Active<br/>Markets for<br/>Identical<br/>Assets<br/>(Level 1)</u> | <u>Significant<br/>Other<br/>Observable<br/>Inputs<br/>(Level 2)</u> | <u>Significant<br/>Unobservable<br/>Inputs<br/>(Level 3)</u> |
| <b>Investments by fair value level</b>          | <b>6/30/2016</b>      |   |  |  |
| Debt securities                                 |                       |   |  |  |
| FAMCA   | \$ 36,747,146         | \$ 36,747,146   | \$ -   | \$ -   |
| FFCB  | 45,790,448            | 45,790,448  | -  | -  |
| FHLB  | 35,727,495            | 35,727,495  | -  | -  |
| FHLMC   | 24,673,058            | 24,673,058  | -  | -  |
| FNMA  | 39,367,974            | 39,367,974  | -  | -  |
| TVA   | 5,096,885             | 5,096,885   | -  | -  |
| IBRD  | 16,097,439            | 16,097,439  | -  | -  |
| BANK CD   | 500,000               | 500,000   | -  | -  |
| MUNICIPAL BONDS                                 | 31,259,441            | 31,259,441  | -  | -  |
| US TREASURY NOTES                               | 9,182,536             | 9,182,536   | -  | -  |
| NEGOTIABLE CD                                   | 5,000,384             | 5,000,384   | -  | -  |
| CAL TRUST                                       | 4,549                 | 4,549   | -  | -  |
| CORPORATE NOTES                                 | 41,822,961            | 41,822,961  | -  | -  |
| MMF   | 2,746,493             | 2,746,493   | -  | -  |
| DISCOVERY BENEFITS                              | 6,598                 | 6,598   | -  | -  |
| FHLMC   | 1,232,112             | 1,232,112   | -  | -  |
| <b>Total investment by fair value level</b>     | <b>\$ 295,255,519</b> | <b>295,255,519</b>  | <b>-</b>   | <b>-</b>   |
| <b>Investments measured at amortized costs</b>  |                       |   |  |  |
| CAMP  | 20,020,437            |   |  |  |
| LAIF  | 95,488,402            |   |  |  |
| <b>Total investments measured at fair value</b> | <b>\$ 410,764,358</b> |   |  |  |

**COUNTY OF BUTTE, CALIFORNIA**  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**2. Cash and Investments (continued)**

**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, 2016:

**Statement of Net Position**

|  |                |
|--|----------------|
| Net Position held for pool participants                          | \$ 416,384,946 |
| Equity of internal pool participants                             | 183,208,702    |
| Equity of external pool participants (voluntary and involuntary) | 233,176,244    |
| Total Equity   | 416,384,946    |

**Statement of Changes in Net Position**

|  |                |
|--|----------------|
| Net Position held for pool participants at July 1, 2015  | 421,740,088    |
| Net change in investments by pool participants           | (5,355,142)    |
| Net Position held for pool participants at June 30, 2016 | \$ 416,384,946 |

**3. Interfund Transactions**

**Interfund Receivables/Payables**

The interfund balances as of June 30, 2016 are as follows:

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

| Receivable Fund             | Payable Fund                | Amount     |
|-----------------------------|-----------------------------|------------|
| General Fund                | Nonmajor Governmental Funds | \$ 270,709 |
| General Fund                | Social Services Fund        | 3,818      |
| Social Services Fund        | County General Fund         | 15,209     |
| Road Operation Fund         | Neal Road Landfill          | 581        |
| Road Operation Fund         | County General Fund         | 4,879      |
| Nonmajor Governmental Funds | Internal Services Fund      | 6,057      |
| Total                       |                             | \$ 301,253 |

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

**COUNTY OF BUTTE, CALIFORNIA**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**3. Interfund Transactions (continued)**

**Transfers to/ from other funds:**

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

| <u>Transfers From</u>  | <u>Transfers To</u>         | <u>Amount</u>    | <u>Reason</u>                                   |
|------------------------|-----------------------------|------------------|---|
| General Fund           | Behavioral Health Fund      | \$ 884,782       | Transfer for maintenance of effort              |
|                        | Public Health Fund          | 724,304          | Transfer for maintenance of effort              |
|                        | Social Services Fund        | 1,154,901        | Transfer for county share of costs              |
|                        | Nonmajor Governmental Funds | 223,431          | Transfer for debt service                       |
|                        | Nonmajor Governmental Funds | 482,563          | Transfer for capital projects                   |
|                        | Nonmajor Governmental Funds | 685,000          | Transfer for county match                       |
|                        | Nonmajor Governmental Funds | 2,088,053        | Transfer for equipment                          |
|                        | Nonmajor Governmental Funds | <u>1,766,857</u> | Transfer for debt service - POB                 |
|                        |                             | <u>8,009,891</u> |   |
| Social Services Fund   | General Fund                | 288,357          | Transfer for public safety and support services |
|                        | Nonmajor Governmental Funds | 37,569           | Transfer for capital projects                   |
|                        | Nonmajor Governmental Funds | <u>676,746</u>   | Transfer for debt service - POB                 |
|                        |                             | <u>1,002,672</u> |   |
| Public Health Fund     | Nonmajor Governmental Funds | <u>174,280</u>   | Transfer for debt service - POB                 |
|                        |                             | <u>174,280</u>   |   |
| Behavioral Health Fund | General Fund                | 456,666          | Transfer for support services                   |
|                        | Nonmajor Governmental Funds | 1,104,557        | Transfer for capital projects                   |
|                        | Nonmajor Governmental Funds | 16,024           | Transfer endowment to permanent fund            |
|                        | Nonmajor Governmental Funds | <u>381,951</u>   | Transfer for debt service - POB                 |
|                        |                             | <u>1,959,198</u> |   |
| Road Fund              | Nonmajor Governmental Funds | <u>118,678</u>   | Transfer for debt service - POB                 |
|                        |                             | <u>118,678</u>   |   |

**COUNTY OF BUTTE, CALIFORNIA**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**3. Interfund Transactions (continued)**

**Transfers to/ from other funds (continued):**

| <u>Transfers From</u>       | <u>Transfers To</u>         | <u>Amount</u>            | <u>Reason</u>                      |
|-----------------------------|-----------------------------|--------------------------|------------------------------------|
| Nonmajor Governmental Funds | General Fund                | 834,361                  | Transfer for support services      |
|                             | Road Fund                   | 1,699,585                | Transfer for facility services     |
|                             | Nonmajor Governmental Funds | 33,861                   | Transfer for capital projects      |
|                             | Nonmajor Governmental Funds | 760,000                  | Transfer for matching              |
|                             | Nonmajor Governmental Funds | 672,172                  | Transfer for debt service          |
|                             | Nonmajor Governmental Funds | <u>97,026</u>            | Transfer for debt service - POB    |
|                             |                             | <u>4,097,005</u>         |                                    |
| Internal Service Funds      | Nonmajor Governmental Funds | 444,179                  | Transfer for debt service          |
|                             | Nonmajor Governmental Funds | <u>12,540</u>            | Transfer for equipment replacement |
|                             |                             | <u>456,719</u>           |                                    |
|                             | Total Transfers             | <u><u>15,818,443</u></u> |                                    |

**COUNTY OF BUTTE, CALIFORNIA**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**4. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2016 was as follows:

|   | Balance<br>July 1, 2015 | Additions              | Retirements         | Transfers<br>and<br>Adjustments | Balance<br>June 30, 2016 |
|---|-------------------------|------------------------|---------------------|---------------------------------|--------------------------|
| <b>Governmental Activities</b>                |                         |                        |                     |                                 |                          |
| Capital assets, not being depreciated:        |                         |                        |                     |                                 |                          |
| Land  | \$ 2,616,291            | \$ 186,689             | \$ (62,978)         | \$ -                            | \$ 2,740,002             |
| Construction in progress                      | 7,442,692               | 5,329,076              | (2,690)             | (9,926,848)                     | 2,842,230                |
| Total capital assets, not being depreciated   | 10,058,983              | 5,515,765              | (65,668)            | (9,926,848)                     | 5,582,232                |
| Capital assets, being depreciated:            |                         |                        |                     |                                 |                          |
| Infrastructure                                | 589,086,868             | 735,228                | (3,911,606)         | -                               | 585,910,490              |
| Structures and improvements                   | 62,034,747              | 194,663                | -                   | 8,923,738                       | 71,153,148               |
| Equipment                                     | 62,260,500              | 3,410,264              | (3,763,982)         | 1,003,110                       | 62,909,892               |
| Total capital assets, being depreciated       | 713,382,115             | 4,340,155              | (7,675,588)         | 9,926,848                       | 719,973,530              |
| Less: accumulated depreciation for:           |                         |                        |                     |                                 |                          |
| Infrastructure                                | (477,302,403)           | (19,508,730)           | 3,911,606           | -                               | (492,899,527)            |
| Structures and improvements                   | (23,254,996)            | (1,660,455)            | -                   | -                               | (24,915,451)             |
| Equipment                                     | (45,768,097)            | (4,252,665)            | 3,723,312           | -                               | (46,297,450)             |
| Total accumulated depreciation                | (546,325,496)           | (25,421,850)           | 7,634,918           | -                               | (564,112,428)            |
| Total capital assets, being depreciated, net  | 167,056,619             | (21,081,695)           | (40,670)            | 9,926,848                       | 155,861,102              |
| Governmental activities capital assets, net   | <u>\$ 177,115,602</u>   | <u>\$ (15,565,930)</u> | <u>\$ (106,338)</u> | <u>\$ -</u>                     | <u>\$ 161,443,334</u>    |
| <b>Business- Type Activities:</b>             |                         |                        |                     |                                 |                          |
| Capital assets, not being depreciated:        |                         |                        |                     |                                 |                          |
| Land  | \$ 420,932              | \$ -                   | \$ -                | \$ -                            | \$ 420,932               |
| Construction in progress                      | 68,595                  | 4,245,624              | -                   | -                               | 4,314,219                |
| Total capital assets, not being depreciated   | 489,527                 | 4,245,624              | -                   | -                               | 4,735,151                |
| Capital assets, being depreciated:            |                         |                        |                     |                                 |                          |
| Infrastructure                                | 19,771,159              | -                      | -                   | -                               | 19,771,159               |
| Structures and improvements                   | 100,690                 | -                      | -                   | -                               | 100,690                  |
| Equipment                                     | 4,684,986               | 31,413                 | (61,007)            | -                               | 4,655,392                |
| Total capital assets, being depreciated       | 24,556,835              | 31,413                 | (61,007)            | -                               | 24,527,241               |
| Less: accumulated depreciation for:           |                         |                        |                     |                                 |                          |
| Infrastructure                                | (2,365,248)             | (427,491)              | -                   | -                               | (2,792,739)              |
| Structures and improvements                   | (51,907)                | (2,450)                | -                   | -                               | (54,357)                 |
| Equipment                                     | (3,272,921)             | (215,838)              | 61,007              | -                               | (3,427,752)              |
| Total accumulated depreciation                | (5,690,076)             | (645,779)              | 61,007              | -                               | (6,274,848)              |
| Total capital assets, being depreciated, net  | 18,866,759              | (614,366)              | -                   | -                               | 18,252,393               |
| Business- type activities capital assets, net | <u>\$ 19,356,286</u>    | <u>\$ 3,631,258</u>    | <u>\$ -</u>         | <u>\$ -</u>                     | <u>\$ 22,987,544</u>     |

**COUNTY OF BUTTE, CALIFORNIA**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**4. Capital Assets (continued)**

Depreciation expense was allocated to functions as follows:

**Governmental Activities:**

|   |                          |
|---|--------------------------|
| General government  | \$ 1,477,436             |
| Public protection   | 2,922,844                |
| Public ways   | 19,782,921               |
| Health and sanitation   | 676,047                  |
| Public assistance   | 297,810                  |
| Education   | 90,336                   |
| Recreation and cultural services  | 168,399                  |
| Capital assets held by the government's<br>internal service funds are charged to the<br>various functions based on their usage of<br>assets | <u>6,057</u>             |
|   | <u><u>25,421,850</u></u> |

**Business-Type Activities:**

|          |                          |
|----------|--------------------------|
| Landfill | <u>645,781</u>           |
|          | <u><u>\$ 645,781</u></u> |

**COUNTY OF BUTTE, CALIFORNIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**5. Long-Term Obligations**

| Type of Indebtedness<br>(Purpose)                       | Maturity        | Interest<br>Rates | Annual<br>Principal<br>Installments | Original<br>Issue<br>Amount | Outstanding<br>at<br>June 30, 2016 |
|---|-----------------|-------------------|-------------------------------------|-----------------------------|------------------------------------|
| <b>Governmental Activities:</b>                         |                 |                   |                                     |                             |                                    |
| <b>Pension Obligation Bonds</b>                         |                 |                   |                                     |                             |                                    |
| Series A  | 6/30/14-6/30/34 | 5.408%-6.076%     | \$55,000-\$3,440,000                | \$ 28,020,000               | \$ 27,640,000                      |
| Series B  | 6/30/14-6/30/34 | Variable          | \$295,000-\$2,105,000               | 21,875,000                  | 20,840,000                         |
| Total Pension Obligation Bonds                          |                 |                   |                                     | <u>49,895,000</u>           | <u>48,480,000</u>                  |
| <b>Capital Lease Obligations</b>                        |                 |                   |                                     |                             |                                    |
| Chico Memorial Hall - 492 Rio Lindo                     | 4/10/20         | 7.40%             | \$32,166-\$56,943                   | 583,400                     | 205,293                            |
| Chico Memorial Hall - 554 Rio Lindo                     | 4/10/20         | 5.20%             | \$39,461-\$59,196                   | 670,900                     | 219,800                            |
| Ford Motor Credit                                       | 2/22/19         | 5.70%             | \$8,737-\$9,235                     | 34,059                      | 24,823                             |
| Total Capital Lease Obligations                         |                 |                   |                                     | <u>1,288,359</u>            | <u>449,916</u>                     |
| <b>Certificates of Participation</b>                    |                 |                   |                                     |                             |                                    |
| Hall of Records COP                                     | 7/1/2054        | 3.50%             | \$100,000-\$362,000                 | 8,000,000                   | 7,602,954                          |
| 2010 Bangor Fire Station #55 COP                        | 8/1/50          | 4%                | \$12,000-\$52,000                   | 1,100,000                   | 980,333                            |
| Total Certificates of Participation                     |                 |                   |                                     | <u>9,100,000</u>            | <u>8,583,287</u>                   |
| <b>Notes Payable</b>                                    |                 |                   |                                     |                             |                                    |
| California Energy commission<br>Solar Project - phase 1 | 12/22/18        | 3.95%             | \$63,794-\$263,961                  | <u>2,777,000</u>            | <u>653,695</u>                     |
| <b>Total Governmental Activities</b>                    |                 |                   |                                     | <u><u>63,060,359</u></u>    | <u><u>58,166,898</u></u>           |
| <b>Business-type Activities:</b>                        |                 |                   |                                     |                             |                                    |
| <b>Capital Lease Obligations</b>                        |                 |                   |                                     |                             |                                    |
| JP Morgan Chase-Dozer                                   | 12/24/17        | 1.774%            | \$108,802-\$115,750                 | 558,924                     | 229,483                            |
| JP Morgan Chase-Compactor                               | 2/20/19         | 1.641%            | \$96,771-\$103,282                  | 500,000                     | 304,869                            |
|   |                 |                   |                                     | <u>1,058,924</u>            | <u>534,352</u>                     |
| <b>Certificates of Participation</b>                    |                 |                   |                                     |                             |                                    |
| 2006 Certificates of Participation                      | 7/1/09-7/1/21   | 3.4%-4.5%         | \$725,000-\$1,165,000               | <u>12,025,000</u>           | <u>6,320,000</u>                   |
| <b>Total Business-type Activities</b>                   |                 |                   |                                     | <u><u>\$13,583,924</u></u>  | <u><u>\$6,854,352</u></u>          |

Long-term obligations of the County consist of capital lease obligations, bonds, certificates of participation, notes, and other liabilities, which are payable from the General, Debt Service, Capital Projects, Enterprise, and Internal Service Funds. The calculated legal debt limit for the County is \$243,864,111.

**COUNTY OF BUTTE, CALIFORNIA**  
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**5. Long-Term Obligations (continued)**  
**Summary of Changes in Long-Term Obligations :**

|  | Balance<br>7/1/2015  | Additions           | Retirements         | Balance<br>6/30/2016 | Amounts<br>Due Within<br>One Year |
|--|----------------------|---------------------|---------------------|----------------------|-----------------------------------|
| <b>Governmental Activities:</b>              |                      |                     |                     |                      |                                   |
| Pension obligation bonds                     | \$ 49,075,000        | \$ -                | \$ 595,000          | \$ 48,480,000        | \$ 735,000                        |
| Capital lease obligations                    | 1,283,536            | 34,059              | 867,679             | 449,916              | 104,630                           |
| Certificates of Participation                | 5,790,528            | 3,203,805           | 411,046             | 8,583,287            | 112,000                           |
| Claims and judgements                        | 7,052,000            | 5,489,081           | 4,708,081           | 7,833,000            | 2,600,000                         |
| Compensated absences                         | 14,961,929           | 22,167,909          | 22,023,771          | 15,106,067           | 15,106,067                        |
| Notes Payable                                | 1,058,626            | -                   | 404,931             | 653,695              | 253,835                           |
| Total governmental activities                | <u>79,221,619</u>    | <u>30,894,854</u>   | <u>29,010,508</u>   | <u>81,105,965</u>    | <u>18,911,532</u>                 |
| <b>Business Type Activities:</b>             |                      |                     |                     |                      |                                   |
| Capital lease obligations                    | 744,462              | -                   | 210,110             | 534,352              | 213,706                           |
| Certificates of Participation                | 7,235,000            | -                   | 915,000             | 6,320,000            | 950,000                           |
| Premium on debt                              | 81,269               | -                   | 13,544              | 67,725               | -                                 |
| Compensated absences                         | 212,781              | 212,410             | 235,378             | 189,813              | 20,000                            |
| Landfill closure, post closure<br>care costs | 4,155,848            | 2,601,857           | -                   | 6,757,705            | -                                 |
| Loan Payable                                 | 50,000               | -                   | 50,000              | -                    | -                                 |
| Total business activities                    | <u>\$ 12,479,360</u> | <u>\$ 2,814,267</u> | <u>\$ 1,424,032</u> | <u>\$ 13,869,595</u> | <u>\$ 1,183,706</u>               |

**Capital Lease**

The County leases equipment and buildings. On February 22, 2016 the County entered into a lease purchase agreement with Ford Motor Credit to finance the purchase of a 2016 Ford F 250 for the Sheriff's Office. Commencing on February 22, 2017, principal and interest payments of \$9,235.21 are payable annually with a final payment on February 22, 2019 of \$1. The interest rate is fixed at 5.70%.

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, 2016:

**COUNTY OF BUTTE, CALIFORNIA**  
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FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**5. Long-Term Obligations (continued)**

| Fiscal Year Ending<br>June 30,          | Governmental<br>Activities | Business Type<br>Activities |
|---|----------------------------|-----------------------------|
| 2017                                    | \$ 132,666                 | \$ 222,780                  |
| 2018                                    | 132,666                    | 222,780                     |
| 2019                                    | 132,666                    | 104,976                     |
| 2020                                    | 123,430                    | -                           |
| Total minimum lease payments            | 521,428                    | 550,536                     |
| Less: Amount representing interest      | 71,512                     | 16,184                      |
| Present value of minimum lease payments | <u>\$ 449,916</u>          | <u>\$ 534,352</u>           |

The following is a schedule of net remaining property leased under capital leases at June 30, 2016:

**Capital Lease**

|                                       | Acquisition<br>Value | Accumulated<br>Depreciation | Net Remaining       |
|---------------------------------------|----------------------|-----------------------------|---------------------|
| Governmental Activities:              |                      |                             |                     |
| Chico Memorial Halls                  | 1,254,300            | 159,095                     | \$ 1,095,205        |
| 2016 Ford F-250                       | 34,059               | 27,651                      | 6,408               |
|                                       |                      |                             | <u>\$ 1,101,613</u> |
| Business type Activities:             |                      |                             |                     |
| 2013 Caterpillar Model D8T Dozer      | 678,924              | 169,731                     | \$ 509,193          |
| 2014 Advantage 500 Landfill Compactor | 664,809              | 87,095                      | 577,714             |
|                                       |                      |                             | <u>\$ 1,086,907</u> |

**Business-Type Activities**

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

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

**COUNTY OF BUTTE, CALIFORNIA**  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**5. Long-Term Obligations (continued)**

**Operating Leases**

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

Rental expense was \$5,267,514 for all funds for the year ended June 30, 2016.

| Year Ended<br><u>June 30,</u> | <u>Payments</u>      |
|-------------------------------|----------------------|
| 2017                          | \$ 4,619,114         |
| 2018                          | 4,221,461            |
| 2019                          | 1,092,513            |
| 2020                          | 795,164              |
| 2021                          | 685,771              |
| Total five year commitment    | <u>\$ 11,414,023</u> |

**Lease Incentive**

The County entered into a long term agreement for office space on September 24, 2015. The agreement remains in effect for a period of 20 years, and can be renewed for an additional term of 10 years. Under the terms of the agreement, the County received an initial payment of \$100,000. The payment has been deferred and will be recognized as a reduction of rent expense on a straight line basis over the 30-year term of the agreement, or until the agreement is terminated at which time the remaining balance will be recognized as income.

Changes in the deferred lease incentive payment liability for the year ended June 30, 2016 are summarized as follows:

|              | Beginning<br>Balance | Additions | Reduction | Ending<br>Balance | Amount<br>Due Within<br>One Year |
|--------------|----------------------|-----------|-----------|-------------------|----------------------------------|
| Office Lease | -                    | 100,000   | 2,500     | 97,500            | 3,333                            |

**COUNTY OF BUTTE, CALIFORNIA**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**5. Long-Term Obligations (continued)**

**Bonds Payable**

At June 30, 2016, bonds outstanding consist of the following:

**Pension Obligation Bonds:**

The pension obligation bonds were issued in three series (A, B, and C) in 2004. These bonds were issued to save future interest costs associated with the County's pension obligations. Series A is comprised of serial and term bonds with fixed interest rates. The average coupon rate is 5.996% 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 2015/2016, the average rate paid for Series B was .61863%. The next payment of interest for Series A is due December 1, 2016. The interest payments for Series B are calculated and paid the first business day of each month. Principal payments for both Series A and B are due annually through maturity in fiscal year 2034.

As of June 30, 2016, the estimated (Series B is a variable rate) annual debt service requirements to maturity for the Pension Obligation Bonds are as follows:

| <u>Fiscal Year Ending June 30,</u> | <u>Principal</u>     | <u>Interest</u>      | <u>Total</u>         |
|------------------------------------|----------------------|----------------------|----------------------|
| 2017                               | \$ 735,000           | \$ 2,711,956         | \$ 3,446,956         |
| 2018                               | 880,000              | 2,672,698            | 3,552,698            |
| 2019                               | 1,045,000            | 2,625,382            | 3,670,382            |
| 2020                               | 1,215,000            | 2,568,921            | 3,783,921            |
| 2021                               | 1,405,000            | 2,503,019            | 3,908,019            |
| 2022-2026                          | 10,335,000           | 11,132,668           | 21,467,668           |
| 2027-2031                          | 17,605,000           | 7,489,394            | 25,094,394           |
| 2032-2034                          | 15,260,000           | 1,779,671            | 17,039,671           |
| Total                              | <u>\$ 48,480,000</u> | <u>\$ 33,483,709</u> | <u>\$ 81,963,709</u> |

**COUNTY OF BUTTE, CALIFORNIA**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**5. Long-Term Obligations (continued)**

**Notes Payable**

At June 30, 2016, notes outstanding consist of the following:

The County has in operation solar panels to generate power for certain County buildings. This solar project was funded in 2005, in part, through notes from the California Energy Commission totaling \$3,167,000. Principal and interest, at a fixed rate of 3.95%, are due semi-annually beginning in fiscal year 2005-06. One note was fully repaid June 22, 2016.

As of June 30, 2016, annual debt service requirements to maturity are as follows:

| <b>Fiscal Year Ending<br/>June 30,</b> | <b>Principal</b>  | <b>Interest</b>  | <b>Total</b>      |
|--|-------------------|------------------|-------------------|
| 2017                                   | \$ 253,836        | \$ 23,346        | \$ 277,182        |
| 2018                                   | 263,961           | 13,220           | 277,181           |
| 2019                                   | 135,898           | 2,691            | 138,589           |
| Total                                  | <u>\$ 653,695</u> | <u>\$ 39,257</u> | <u>\$ 692,952</u> |

**COUNTY OF BUTTE, CALIFORNIA**  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**5. Long-Term Obligations (continued)**

**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.

| Fiscal Year Ending<br>June 30, | Principal  | Interest   | Total        |
|--------------------------------|------------|------------|--------------|
| 2017                           | \$ 14,000  | \$ 41,160  | \$ 55,160    |
| 2018                           | 15,000     | 40,580     | 55,580       |
| 2019                           | 15,000     | 39,980     | 54,980       |
| 2020                           | 16,000     | 39,360     | 55,360       |
| 2021                           | 17,000     | 38,700     | 55,700       |
| 2022-2026                      | 93,000     | 147,740    | 240,740      |
| 2027-2031                      | 115,000    | 166,600    | 281,600      |
| 2032-2036                      | 140,000    | 142,100    | 282,100      |
| 2037-2041                      | 168,000    | 117,600    | 285,600      |
| 2042-2046                      | 205,000    | 80,780     | 285,780      |
| 2047-2050                      | 182,333    | 32,360     | 214,693      |
| Total                          | \$ 980,333 | \$ 886,960 | \$ 1,867,293 |

**COUNTY OF BUTTE, CALIFORNIA**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**5. Long-Term Obligations (continued)**

**Certificates of Participation (continued)**

Hall of Records Certificates of Participation

On July 17, 2014, the County issued \$8,000,000 in Certificates of Participation with funds borrowed from USDA Rural Housing. Last year \$4,796,195 was drawn, during this year \$3,203,805 was drawn bringing the total Certificates to \$8,000,000. The proceeds funded the construction costs for the Hall of Records which was completed in December 2015. 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 a rate of 3.5% per annum. The final principal payment is due July 1, 2054.

| <b>Fiscal Year Ending<br/>June 30,</b> | <b>Principal</b>    | <b>Interest</b>     | <b>Total</b>         |
|--|---------------------|---------------------|----------------------|
| 2017                                   | \$ 98,000           | \$ 260,584          | \$ 358,584           |
| 2018                                   | 102,000             | 260,889             | 362,889              |
| 2019                                   | 105,000             | 257,266             | 362,266              |
| 2020                                   | 109,000             | 253,521             | 362,521              |
| 2021                                   | 113,000             | 249,636             | 362,636              |
| 2022-2027                              | 626,000             | 1,184,987           | 1,810,987            |
| 2028-2032                              | 741,000             | 1,178,599           | 1,919,599            |
| 2033-2037                              | 881,000             | 924,152             | 1,805,152            |
| 2038-2042                              | 1,046,000           | 755,887             | 1,801,887            |
| 2043-2047                              | 1,243,000           | 556,054             | 1,799,054            |
| 2048-2052                              | 1,476,000           | 318,738             | 1,794,738            |
| 2053-2054                              | 1,062,954           | 59,966              | 1,122,920            |
| Total                                  | <u>\$ 7,602,954</u> | <u>\$ 6,260,279</u> | <u>\$ 13,863,233</u> |

**COUNTY OF BUTTE, CALIFORNIA**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**5. Long-Term Obligations (continued)**

**Business-Type Activities**

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

| Fiscal Year Ending<br>June 30, | Principal           | Interest          | Total               |
|--------------------------------|---------------------|-------------------|---------------------|
| 2017                           | \$ 950,000          | \$ 244,300        | \$ 1,194,300        |
| 2018                           | 985,000             | 205,600           | 1,190,600           |
| 2019                           | 1,025,000           | 162,837           | 1,187,837           |
| 2020                           | 1,075,000           | 115,587           | 1,190,587           |
| 2021                           | 1,120,000           | 69,000            | 1,189,000           |
| 2022                           | 1,165,000           | 23,300            | 1,188,300           |
| Total                          | <u>\$ 6,320,000</u> | <u>\$ 820,624</u> | <u>\$ 7,140,624</u> |

**Loan Payable**

**Business-Type Activities**

In 2006, the County received a zero interest loan from the California Integrated Waste Management Board in the amount of \$500,000 for operations at the Neal Road Recycling and Waste Facility. The final payment was made on June 1, 2016.

**COUNTY OF BUTTE, CALIFORNIA**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**5. Long-Term Obligations (continued)**

**Compensated Absences**

Upon termination, an employee may be compensated for sick leave amounts accrued over 240 hours at half the normal pay rate not to exceed \$3,000. Employees other than non-represented groups hired after June 30, 2010 will not be eligible for sick-leave buyout nor will they receive one year of County-paid health benefits after retirement. Retirees other than non-represented groups who retired on or after January 1, 2010 will be subject to a limit on County reimbursements equal to the sum of the Blue Shield HMO premium, Delta DPO and vision premiums. Vacation is accrued at varying rates depending on an employee's years of services. Upon termination, an employee is paid at 100% of the amount accrued. Compensated absences for vacation are paid out at the employee's current rate of pay. Administrative leave is accrued by employees exempt from paid overtime and may be accrued up to a maximum of 352 hours.

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

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

**Landfill Closure and Post-Closure Costs**

State and federal laws and regulations require the County operator to place a final cover on its Neal Road Landfill site when it stops accepting waste, and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post-closure care costs will be paid only near to or after the date the landfill stops accepting waste, the County reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date.

The County Neal Road Landfill Joint Technical Document (JTD) was revised in May 2016, resulting in change of available landfill capacity from the original design in 2002. The new calculated capacity for the Landfill is smaller compared with the original design, which resulted in a greater percent of capacity filled. According to the revised JTD document, as of August 31, 2016, the estimated highest closure costs, highest correction costs and highest post-closure costs are \$12,018,919, \$1,818,437 and \$10,139,327, respectively.

Annually, the Landfill adjusts estimated closure and correction costs due to changes in inflation and capacity. Such changes resulted in an increase to the Landfill closure, correction care and post-closure liability and caused an increase in expense. Based upon new estimated capacity, 28.18 percent capacity is reported to date as the cumulative usage as of June 30, 2016. The \$6,757,705, reported as landfill closure and corrective action and post-closure liability at June 30, 2016, represents the 28.18 percent of the estimated closure and corrective action and post-closure costs.

**COUNTY OF BUTTE, CALIFORNIA**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**5. Long-Term Obligations (continued)**

**Landfill Closure and Post-Closure Costs (continued):**

The County will recognize the remaining estimated closure costs of \$17,218,978 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 2016. The County expects to close the landfill in the fiscal year 2031.

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 \$337,978 Pledge Revenue per year in 2016 dollars for the thirty years period of post-closure maintenance, representing the most recent post-closure maintenance cost estimate of \$10,139,327.

The County is required by state and federal laws and regulations to make annual contributions to a separate fund to finance closure and post-closure care. The County is in compliance with these requirements.

**Limitations and Restrictions**

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

**Rebatable Arbitrage Earnings**

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service at least every five years. During the current year, the County performed calculations of excess investment earnings on various bonds and financings and at June 30, 2016 does not expect to incur a liability.

**COUNTY OF BUTTE, CALIFORNIA**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**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, 2016 is as follows:

|                                 | General              | Social Services     | Public Health        | Behavioral Health   | Road                | Other Governmental Funds | Total Governmental Funds |
|---------------------------------|----------------------|---------------------|----------------------|---------------------|---------------------|--------------------------|--------------------------|
| <b>Nonspendable:</b>            |                      |                     |                      |                     |                     |                          |                          |
| Prepaid items                   | \$ 204,448           | \$ 15,476           | \$ -                 | \$ -                | \$ -                | \$ 16,287                | \$ 236,211               |
| Inventory                       | 34,170               | -                   | -                    | -                   | 256,224             | -                        | 290,394                  |
|                                 | <u>238,618</u>       | <u>15,476</u>       | <u>-</u>             | <u>-</u>            | <u>256,224</u>      | <u>16,287</u>            | <u>526,605</u>           |
| <b>Restricted:</b>              |                      |                     |                      |                     |                     |                          |                          |
| Purpose of fund                 | -                    | 2,869,377           | 12,803,752           | 9,559,159           | 6,398,983           | 43,757,501               | 75,388,772               |
| Electronic Recording            | 161,887              | -                   | -                    | -                   | -                   | -                        | 161,887                  |
| SSN Truncation                  | 43,841               | -                   | -                    | -                   | -                   | -                        | 43,841                   |
| Recording System                | 2,264,880            | -                   | -                    | -                   | -                   | -                        | 2,264,880                |
| Micrographics                   | 335,587              | -                   | -                    | -                   | -                   | -                        | 335,587                  |
| Vital Health Statistics         | 4,230                | -                   | -                    | -                   | -                   | -                        | 4,230                    |
| Federal Forfeitures             | 256,204              | -                   | -                    | -                   | -                   | -                        | 256,204                  |
| Treasury Federal Forfeiture     | 711,034              | -                   | -                    | -                   | -                   | -                        | 711,034                  |
| Criminalist Lab                 | 30,917               | -                   | -                    | -                   | -                   | -                        | 30,917                   |
| Criminal Justice Construction   | 1,487,689            | -                   | -                    | -                   | -                   | -                        | 1,487,689                |
| Ward Welfare                    | 145,825              | -                   | -                    | -                   | -                   | -                        | 145,825                  |
| CCPIA                           | 642,344              | -                   | -                    | -                   | -                   | -                        | 642,344                  |
| Inmate Welfare                  | 1,942,225            | -                   | -                    | -                   | -                   | -                        | 1,942,225                |
| DNA Local ID                    | 118,428              | -                   | -                    | -                   | -                   | -                        | 118,428                  |
| Vehicle Maintenance             | 297,128              | -                   | -                    | -                   | -                   | -                        | 297,128                  |
| Vehicle Replacement             | 262,552              | -                   | -                    | -                   | -                   | -                        | 262,552                  |
| Crime Prevention                | 5,210                | -                   | -                    | -                   | -                   | -                        | 5,210                    |
| Drug and Gang Activity          | 267,567              | -                   | -                    | -                   | -                   | -                        | 267,567                  |
| Federal Revenue Share           | 1,643,951            | -                   | -                    | -                   | -                   | -                        | 1,643,951                |
| Treasury Federal Seizure        | 51,913               | -                   | -                    | -                   | -                   | -                        | 51,913                   |
| Survey Monument                 | 265,676              | -                   | -                    | -                   | -                   | -                        | 265,676                  |
| Community Cost Share            | 841,795              | -                   | -                    | -                   | -                   | -                        | 841,795                  |
| Water Tender                    | 792,745              | -                   | -                    | -                   | -                   | -                        | 792,745                  |
| Library Donation                | 507,008              | -                   | -                    | -                   | -                   | -                        | 507,008                  |
| Title IVE                       | 574,887              | -                   | -                    | -                   | -                   | -                        | 574,887                  |
| State Local Forfeiture          | 72,497               | -                   | -                    | -                   | -                   | -                        | 72,497                   |
| Environmental Consumer Protec   | 295,490              | -                   | -                    | -                   | -                   | -                        | 295,490                  |
| Real Estate Fraud               | 378,696              | -                   | -                    | -                   | -                   | -                        | 378,696                  |
| 2011 Realignment                | 12,729,877           | 2,278,736           | 607,278              | -                   | -                   | -                        | 15,615,891               |
|                                 | <u>27,132,083</u>    | <u>5,148,113</u>    | <u>13,411,030</u>    | <u>9,559,159</u>    | <u>6,398,983</u>    | <u>43,757,501</u>        | <u>105,406,869</u>       |
| <b>Committed:</b>               |                      |                     |                      |                     |                     |                          |                          |
| General Reserve                 | 7,500,000            | -                   | -                    | -                   | -                   | -                        | 7,500,000                |
|                                 | <u>7,500,000</u>     | <u>-</u>            | <u>-</u>             | <u>-</u>            | <u>-</u>            | <u>-</u>                 | <u>7,500,000</u>         |
| <b>Assigned:</b>                |                      |                     |                      |                     |                     |                          |                          |
| Secure Rural Schools            | 28,867               | -                   | -                    | -                   | -                   | -                        | 28,867                   |
|                                 | <u>28,867</u>        | <u>-</u>            | <u>-</u>             | <u>-</u>            | <u>-</u>            | <u>-</u>                 | <u>28,867</u>            |
| <b>Unassigned fund balance:</b> |                      |                     |                      |                     |                     |                          |                          |
|                                 | <u>23,371,872</u>    | <u>-</u>            | <u>-</u>             | <u>-</u>            | <u>-</u>            | <u>-</u>                 | <u>23,371,872</u>        |
| <b>Total Fund Balances</b>      | <u>\$ 58,271,440</u> | <u>\$ 5,163,589</u> | <u>\$ 13,411,030</u> | <u>\$ 9,559,159</u> | <u>\$ 6,655,207</u> | <u>\$ 43,773,788</u>     | <u>\$ 136,834,213</u>    |

**COUNTY OF BUTTE, CALIFORNIA**  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**6. Restricted Net Position/Fund Balances (continued)**

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

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

General Reserve requirements are classified as follows:

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

**Net Position**

The government-wide statement of net position reports \$137 million of restricted net position. Net investment in capital assets, was comprised of the following:

|   | Governmental<br>Activities | Business-Type<br>Activities |
|---|----------------------------|-----------------------------|
| Capital assets, net of accumulated depreciation | \$ 161,443,334             | \$ 22,987,544               |
| Outstanding principal of capital-related debt   | (9,686,898)                | (6,922,078)                 |
| Net investment in capital assets                | \$ 151,756,436             | \$ 16,065,466               |

**COUNTY OF BUTTE, CALIFORNIA**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

**A. General Information about the Pension Plan**

**Plan Description**

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

**Benefits Provided**

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

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

**COUNTY OF BUTTE, CALIFORNIA**  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

The Plans' provisions and benefits in effect at June 30, 2016, are summarized as follows

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

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

**Employees Covered:**

|   | <u>Miscellaneous</u> | <u>Safety</u> |
|---|----------------------|---------------|
| Inactive employees or beneficiaries receiving benefits        | 1,711                | 268           |
| Inactive employees entitled to but not yet receiving benefits | 1,318                | 153           |
| Active employees  | 1,915                | 299           |
| Total   | <u>4,944</u>         | <u>720</u>    |

**COUNTY OF BUTTE, CALIFORNIA**  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

Contributions:

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of the employees. For the measurement period ended June 30, 2015 (the measurement date), the average active employee contribution rate is 6.757 percent of the annual pay for the Miscellaneous Plan, and 8.778 percent of annual pay for the Safety Plan. The employer's contribution rate is 11.652 percent of the annual payroll for the Miscellaneous Plan, and 19.837 percent for the Safety Plan. Employer contribution rates may change if plan contracts are amended. It is the responsibility of the employer to make necessary accounting adjustments to reflect the impact due to any Employer Paid Member Contributions or situations where members are paying a portion of the employer contribution.

**B. Net Pension Liability**

Butte County's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2015 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

|  | Miscellaneous  | Safety        |
|--|--|---------------|
| Valuation Date                         | June 30, 2014  | June 30, 2014 |
| Measurement Date                       | June 30, 2015  | June 30, 2015 |
| Actuarial cost Method                  | Entry-Age Normal Cost Method   |               |
| Actuarial Assumptions                  |  |               |
| Discount Rate                          | 7.65%  | 7.65%         |
| Inflation                              | 2.75%  | 2.75%         |
| Payroll Growth <sub>1</sub>            | Varies   | Varies        |
| Investment Rate of Return <sub>2</sub> | 7.50%  | 7.50%         |
| Mortality Rate Table <sub>3</sub>      | Derived using CalPERS' Membership Data                                     |               |
| Post Retirement Benefit Increase       | Contract COLA up to 2.75% until Purchasing Power applies, 2.75% thereafter |               |

*1 Varies by Entry Age and Service*

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

*3 The mortality table used was based on CalPERS' specific data. The table includes*

*20 years of mortality improvement using the Society of Actuaries Scale BB.*

**COUNTY OF BUTTE, CALIFORNIA**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

Discount Rate

The discount rate used to measure the total pension liability was 7.65 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.65 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 7.65 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

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

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

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

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

**COUNTY OF BUTTE, CALIFORNIA**  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

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

| <b>Pension</b>                | <b>New Strategic Allocation</b> | <b>Real Return Years 1 - 10<sub>1</sub></b> | <b>Real Return Years 11+<sub>2</sub></b> |
|-------------------------------|---------------------------------|---|--|
| Global Equity                 | 47.0%                           | 5.25%                                       | 5.71%                                    |
| Global Fixed Income           | 19.0                            | 0.99  | 2.43                                     |
| Inflation Sensitive           | 6.0                             | 0.45  | 3.36                                     |
| Private Equity                | 12.0                            | 6.83  | 6.95                                     |
| Real Estate                   | 11.0                            | 4.50  | 5.13                                     |
| Infrastructure and Forestland | 3.0                             | 4.50  | 5.09                                     |
| Liquidity                     | 2.0                             | (0.55)                                      | (1.05)                                   |

*1 An expected inflation of 2.5% used for this period*

*2 An expected inflation of 3.0% used for this period*

**C. Changes in the Net Pension Liability**

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

| <b>Miscellaneous Plan:</b>                                   | <b>Increase (Decrease)</b>             |  |  |
|--|--|--|--|
|  | <b>Total Pension Liability<br/>(a)</b> | <b>Plan Fiduciary Net Position<br/>(b)</b> | <b>Net Pension Liability/(Asset)<br/>(c) = (a) - (b)</b> |
| <b>Balance at: 6/30/2014 (valuation date)<sub>1</sub></b>    | 562,533,726                            | 456,859,373                                | 105,674,353  |
| Changes Recognized for the Measurement Period                |  |  |  |
| Service Cost   | 13,217,345                             |  | 13,217,345   |
| Interest on Total Pension Liability                          | 41,354,694                             |  | 41,354,694   |
| Changes of Benefit Terms                                     |  |  | -  |
| Differences between Expected and Actual Experience           | (4,859,869)                            |  | (4,859,869)  |
| Changes of Assumptions                                       | (9,887,725)                            |  | (9,887,725)  |
| Contributions from the Employer                              |  | 11,089,733                                 | (11,089,733)   |
| Contributions from Employees                                 |  | 6,599,733                                  | (6,599,733)  |
| Net Investment Income <sub>2</sub>                           |  | 10,310,386                                 | (10,310,386)   |
| Benefit Payments, including Refunds of Employee Contribution | (27,621,131)                           | (27,621,131)                               | -  |
| Administrative Expenses                                      |  | (512,996)                                  | 512,996  |
| <b>Net Change during 2014-15</b>                             | <b>12,203,314</b>                      | <b>(134,275)</b>                           | <b>12,337,589</b>  |
| <b>Balance at: 6/30/2015 (measurement date)</b>              | <b>574,737,040</b>                     | <b>456,725,098</b>                         | <b>118,011,942</b>                                       |

**COUNTY OF BUTTE, CALIFORNIA**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

| Safety Plan:  | Increase (Decrease)               |                                       |   |
|---|-----------------------------------|---------------------------------------|---|
|   | Total Pension<br>Liability<br>(a) | Plan Fiduciary<br>Net Position<br>(b) | Net Pension<br>Liability/(Asset)<br>(c) = (a) - (b) |
| <b>Balance at: 6/30/2014 (valuation date) <sub>1</sub></b>      | 158,164,947                       | 124,044,353                           | 34,120,594  |
| Changes Recognized for the Measurement Period                   |                                   |                                       |   |
| Service Cost  | 4,630,445                         |                                       | 4,630,445   |
| Interest on Total Pension Liability                             | 11,705,847                        |                                       | 11,705,847  |
| Changes of Benefit Terms  |                                   |                                       | -   |
| Differences between Expected and Actual Experience              | (1,153,098)                       |                                       | (1,153,098)   |
| Changes of Assumptions  | (3,063,979)                       |                                       | (3,063,979)   |
| Contributions from the Employer                                 |                                   | 4,084,403                             | (4,084,403)   |
| Contributions from Employees                                    |                                   | 1,717,710                             | (1,717,710)   |
| Net Investment Income <sub>2</sub>                              |                                   | 2,751,766                             | (2,751,766)   |
| Benefit Payments, including Refunds of Employee<br>Contribution | (6,490,975)                       | (6,490,975)                           | -   |
| Administrative Expenses   |                                   | (141,776)                             | 141,776   |
| <b>Net Change during 2014-15</b>                                | 5,628,240                         | 1,921,128                             | 3,707,112   |
| <b>Balance at: 6/30/2015 (measurement date)</b>                 | 163,793,187                       | 125,965,481                           | 37,827,706  |

| Neal Road Landfill-Miscellaneous Plan:                          | Increase (Decrease)               |                                       |   |
|---|-----------------------------------|---------------------------------------|---|
|   | Total Pension<br>Liability<br>(a) | Plan Fiduciary<br>Net Position<br>(b) | Net Pension<br>Liability/(Asset)<br>(c) = (a) - (b) |
| <b>Balance at: 6/30/2014 (valuation date) <sub>1</sub></b>      | 7,773,933                         | 6,313,566                             | 1,460,367   |
| Changes Recognized for the Measurement Period                   |                                   |                                       |   |
| Service Cost  | 182,657                           |                                       | 182,657   |
| Interest on Total Pension Liability                             | 571,501                           |                                       | 571,501   |
| Changes of Benefit Terms  |                                   |                                       | -   |
| Differences between Expected and Actual Experience              | (67,161)                          |                                       | (67,161)  |
| Changes of Assumptions  | (136,643)                         |                                       | (136,643)   |
| Contributions from the Employer                                 |                                   | 144,578                               | (144,578)   |
| Contributions from Employees                                    |                                   | 86,927                                | (86,927)  |
| Net Investment Income <sub>2</sub>                              |                                   | 142,484                               | (142,484)   |
| Benefit Payments, including Refunds of Employee<br>Contribution | (381,710)                         | (381,710)                             | -   |
| Administrative Expenses   |                                   | (7,144)                               | 7,144   |
| <b>Net Change during 2014-15</b>                                | 168,644                           | (14,865)                              | 183,509   |
| <b>Balance at: 6/30/2015 (measurement date)</b>                 | 7,942,577                         | 6,298,701                             | 1,643,876   |

**COUNTY OF BUTTE, CALIFORNIA**  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

Sensitivity of Net Pension Liability to Changes in the Discount Rate

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

|                       | <u>Miscellaneous</u> | <u>Safety</u> | <u>Neal Road Landfill</u> |
|-----------------------|----------------------|---------------|---------------------------|
| 1% Decrease           | 6.65%                | 6.65%         | 6.65%                     |
| Net Pension Liability | 192,875,152          | 61,560,814    | 2,670,263                 |
| Current Discount Rate | 7.65%                | 7.65%         | 7.65%                     |
| Net Pension Liability | 118,011,942          | 37,827,707    | 1,643,876                 |
| 1% Increase           | 8.65%                | 8.65%         | 8.65%                     |
| Net Pension Liability | 55,711,909           | 18,383,161    | 771,304                   |

Subsequent Events

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

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

For the year ended June 30, 2016, Butte County recognized pension expense of (\$1,194,965). At June 30, 2016, Butte County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | <u>Deferred Outflows of Resources</u> |                                     | <u>Deferred Inflow of Resources</u> |                                     |
|--|---------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
|  | <u>Governmental<br/>Activities</u>    | <u>Business-type<br/>Activities</u> | <u>Governmental<br/>Activities</u>  | <u>Business-type<br/>Activities</u> |
| Pension contributions subsequent to measurement date | 16,815,333                            | 161,937                             |                                     |                                     |
| Differences between actual and expected experience   |                                       |                                     | 7,285,692                           | 49,487                              |
| Changes in assumptions on plan investments           |                                       |                                     | 3,580,956                           | 100,684                             |
| Net difference between projected and actual earnings |                                       |                                     | 8,535,801                           | 58,089                              |
| Total  | 16,815,333                            | 161,937                             | 19,402,449                          | 208,260                             |

**COUNTY OF BUTTE, CALIFORNIA**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

Deferred outflows of resources of \$16,815,333 for governmental activities, and \$161,937 for business-type activities related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

**Deferred Inflows of Resources**

| Year Ended<br>June 30 | Governmental | Business-type |
|-----------------------|--------------|---------------|
| 2017                  | 8,522,973    | 95,229        |
| 2018                  | 8,522,973    | 95,229        |
| 2019                  | 7,746,784    | 84,504        |
| 2020                  | (5,390,281)  | (66,702)      |
| 2021                  | -            | -             |

**COUNTY OF BUTTE, CALIFORNIA**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

**Plan Description**

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

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

For BCEA-General, BCEA-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 Non-Represented" group, the retiree may make an irrevocable election at the time of retirement to receive one of the following benefit options in addition to 12 months of County-paid health insurance:

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

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

**COUNTY OF BUTTE, CALIFORNIA**  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

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

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

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

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

**Healthcare Premiums**

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

The following table shows January 1, 2016 monthly PERS Health (PEMHCA) premiums for retirees within the Other Northern California region (Bay Area/Sacramento for Kaiser). Dental and vision rates in effect for 2015-16 are also included.

**Funding Policy**

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

GASB 45 does not require pre-funding of OPEB benefits. Therefore, the County's funding policy is to continue to pay healthcare premiums for retirees as they fall due. However, the County has elected to establish a trust for the Post-Employments Benefits in April 2015. FY2015-2016 contribution of \$686,869 to the trust was made on July 25, 2016.

**COUNTY OF BUTTE, CALIFORNIA**  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**8. Other Post-Employment Benefits (OPEB) (continued)**

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

Annual OPEB Cost and Net OPEB Obligation/(Asset)

The following table shows the components of the County's Annual OPEB Cost for the fiscal year ended June 30, 2016, the amount actually contributed to the plan, and changes in the County's Net OPEB Obligation/(Asset):

|  |                          |
|--|--------------------------|
| Annual required acontibution (ARC) for 2015-16 | 7,710,808                |
| Interest on Net OPEB Obligation                | 942,349                  |
| Amortization adjustment to ARC                 | <u>(1,362,402)</u>       |
| <b>Annual OPEB Cost 2015-16</b>                | <b>7,290,755</b>         |
| Employer Contribution*                         | <u>(3,888,286)</u>       |
| Change in Net OPEB Obligation 2015-16          | 3,402,469                |
| Net OPEB Obligation 6/30/2015                  | <u>23,558,715</u>        |
| <b>Net OPEB Obligation 6/30/2016</b>           | <b><u>26,961,184</u></b> |

\*multiplied by the implicit subsidy factor 1.5038, see page 6 of June 30, 2015 valuation report

The County's Annual OPEB Cost, the percentage of Annual OPEB Cost contributed to the plan, and the Net OPEB Obligation/(Asset) for the fiscal years ended June 30, 2014, 2015, and 2016 are as follows:

The general fund and the special revenue funds have typically been used in prior years to liquidate the net OPEB obligation.

| Fiscal Year<br>Ended | Annual<br>OPEB Cost | Actual Employer<br>Contribution | Percentage of<br>Annual OPEB<br>Cost Contributed | Net OPEB<br>Obligation<br>(Asset) |
|----------------------|---------------------|---------------------------------|--|-----------------------------------|
| 6/30/2014            | \$ 5,128,273        | \$ 2,059,669                    | 40.16%   | \$ 20,888,733                     |
| 6/30/2015            | \$ 5,073,559        | \$ 2,403,577                    | 47.37%   | \$ 23,558,715                     |
| 6/30/2016            | \$ 7,290,755        | \$ 3,888,286                    | 53.33%   | \$ 26,961,184                     |

**COUNTY OF BUTTE, CALIFORNIA**  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

Schedule of Funding Progress

| Actual<br>Valuation<br>Date | Actuarial<br>Value of<br>Assets | Projected<br>Unit Credit<br>Actuarial<br>Accrued<br>Liability | Unfunded<br>AAL<br>(UAAL) | Funded<br>Ratio | Covered<br>Payroll | UAAL as a<br>Percentage<br>of Coverd<br>Payroll |
|-----------------------------|---------------------------------|---|---------------------------|-----------------|--------------------|---|
| July 1, 2011                | \$ -                            | \$ 38,478,208   | \$ 38,478,208             | 0%              | \$ 106,227,594     | 36.22%  |
| July 1, 2013                | \$ -                            | \$ 47,629,292   | \$ 47,629,292             | 0%              | \$ 110,918,547     | 42.94%  |
| July 1, 2015                | \$ -                            | \$ 63,812,459   | \$ 63,812,459             | 0%              | \$ 114,246,103     | 55.86%  |

The funded status of the plan as of the most recent three actuarial valuations was as follows: Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the Annual Required Contributions of the County are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

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

The plan's most recent actuarial valuation was performed as of July 1, 2015. In that valuation, the Projected Unit Credit (PUC) Cost Method was used. The actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 8 percent initially, reduced by decrements to an ultimate rate of 5 percent after 3 years. These assumptions reflect an implicit 3 percent general inflation assumption. The County's unfunded actuarial accrued liability is being amortized as a level dollar amount on an open basis over 30 years. The remaining amortization period as of June 30, 2016 was 28 years. The County's plan is considered a single-employer plan under GASB 45.

**COUNTY OF BUTTE, CALIFORNIA**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**9. Risk Management**

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

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

- General Liability Insurance
- Unemployment Insurance
- Workers' Compensation Insurance

For general liability and workers' compensation claims, the County is a participant in the California State Association of Counties (CSAC) – Excess Insurance Authority excess liability insurance program. The County maintains a self-insured retention (SIR) of \$100,000 per occurrence for its general liability program and \$125,000 for its workers' compensation program. The purpose of the pool is to spread the adverse effects of losses among the member agencies. The County pays an annual basic premium for excess coverage and is assessed an annual risk premium based on an actuarial review that estimates each of the program's participant's ultimate liabilities. Should the actual losses among participants be greater than anticipated, the County will be assessed its pro rata share of that deficiency. Conversely, if the actual losses are less than anticipated, the County will be refunded its pro rata share of the excess.

Commercial insurance covers claims between \$100,000 and \$20,000,000 for general liability. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

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

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

All operating funds participate in the program and make payments to the insurance funds based on actuarial estimates of the amounts needed to pay prior and current year claims, and to allow accrual of estimated incurred but not reported claims. These claims liability estimates are based on the requirements of GASB Statements No. 10 and 30 and include estimate claims incurred but not yet reported as of June 30, 2016. The claims liability includes all allocated loss adjustment expenses as well as non-incremental claims adjustment expenses. Changes in the insurance funds' claims liability amount during the fiscal years ended June 30, 2015 and 2016 were as follows:

**COUNTY OF BUTTE, CALIFORNIA**  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**9. Risk Management (continued)**

| <u>Fiscal Year</u> | <u>Claims<br/>Liability<br/>July 1</u> | <u>Current Year<br/>Claims and Changes<br/>in Estimates</u> | <u>Current Year<br/>Claims</u> | <u>Claims<br/>Liability<br/>June 30</u> |
|--------------------|--|---|--------------------------------|---|
| 2014-2015          | \$ 6,779,000                           | \$ (3,900,547)  | \$ 4,173,547                   | \$ 7,052,000                            |
| 2015-2016          | \$ 7,052,000                           | \$ (4,708,081)  | \$ 5,489,081                   | \$ 7,833,000                            |

**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, 2016, 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, 2016 financial statements.

**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 2016-2017 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.

Debt Refunding

On July 1, 2016, the County executed a loan with Capital one for \$4,220,000. The funds were received on July 6, 2016. The proceeds were used for a current refunding of Certificates of Participation (COPs) for Neal Road Recycling and Waste Facility improvements. The COPs were issued with an average rate of 3.995%. The refunding was undertaken to reduce total debt service payments by \$344,957 over the next 6 years and resulted in an economic gain of \$320,675.





**Required Supplementary Information**

# COUNTY OF BUTTE, CALIFORNIA

## COUNTY EMPLOYEE'S RETIREMENT PLAN (Defined Benefit Pension Plan)

### Schedule of Changes in Net Pension Liability and Related Ratios For the Fiscal Year Ended June 30, 2016

|  | <b>MISCELLANEOUS PLAN</b> |                |
|--|---------------------------|----------------|
|  | <b>2016</b>               | <b>2015</b>    |
| Total Pension Liability:   |                           |                |
| Service cost   | \$ 13,400,002             | \$ 13,859,395  |
| Interest   | 41,926,195                | 40,193,350     |
| Difference between expected and actual experience                              | (4,927,030)               | -              |
| Changes in assumptions   | (10,024,368)              | -              |
| Benefit payments including refunds of employee contributions                   | (28,002,841)              | (25,453,443)   |
| Net Change in Total Pension Liability  | 12,371,958                | 28,599,302     |
| Total Pension Liability - Beginning  | 570,307,659               | 541,708,357    |
| Total Pension Liability - Ending (A)   | 582,679,617               | 570,307,659    |
| Plan Fiduciary Net Position:   |                           |                |
| Contributions - Employer   | 11,234,311                | 10,606,484     |
| Contributions - Employee   | 6,686,660                 | 6,497,335      |
| Net investment income  | 10,452,870                | 69,463,572     |
| Benefit payments including refunds of employee contributions                   | (28,002,841)              | (25,106,484)   |
| Other changes in fiduciary net position  | (520,140)                 | (346,959)      |
| Net Change in Fiduciary Net Position   | (149,140)                 | 61,113,948     |
| Plan Fiduciary Net Position - Beginning  | 463,172,940               | 402,058,992    |
| Plan Fiduciary Net Position - Ending (B)                                       | 463,023,800               | 463,172,940    |
| Plan Net Pension Liability/(Asset)-Ending (A-B)                                | \$ 119,655,817            | \$ 107,134,719 |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability     | 79.46%                    | 81.21%         |
| Covered Employee Payroll   | 92,240,000                | 95,493,743     |
| Plan Net Pension Liability/(Asset) as a Percentage of covered Employee Payroll | 129.72%                   | 112.19%        |

**Notes to Schedule:**

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

**Changes in Assumptions:** There were no changes in assumptions.

# COUNTY OF BUTTE, CALIFORNIA

## COUNTY EMPLOYEE'S RETIREMENT PLAN (Defined Benefit Pension Plan)

### Schedule of Changes in Net Pension Liability and Related Ratios For the Fiscal Year Ended June 30, 2016

|  | <b>SAFETY PLAN</b> |               |
|--|--------------------|---------------|
|  | <b>2016</b>        | <b>2015</b>   |
| Total Pension Liability:   |                    |               |
| Service cost   | \$ 4,630,445       | \$ 4,896,054  |
| Interest   | 11,705,847         | 11,071,603    |
| Difference between expected and actual experience                              | (1,153,098)        | -             |
| Changes in assumptions   | (3,063,979)        | -             |
| Benefit payments including refunds of employee contributions                   | (6,490,975)        | (5,952,108)   |
| Net Change in Total Pension Liability  | 5,628,240          | 10,015,549    |
| Total Pension Liability - Beginning  | 158,164,947        | 148,149,398   |
| Total Pension Liability - Ending (A)   | 163,793,187        | 158,164,947   |
| Plan Fiduciary Net Position:   |                    |               |
| Contributions - Employer   | 4,084,403          | 3,736,119     |
| Contributions - Employee   | 1,717,710          | 1,692,897     |
| Net investment income  | 2,751,766          | 18,471,003    |
| Benefit payments including refunds of employee contributions                   | (6,490,975)        | (5,952,108)   |
| Other changes in fiduciary net position  | (141,777)          | -             |
| Net Change in Fiduciary Net Position   | 1,921,127          | 17,947,911    |
| Plan Fiduciary Net Position - Beginning  | 124,044,353        | 106,096,442   |
| Plan Fiduciary Net Position - Ending (B)                                       | 125,965,480        | 124,044,353   |
| Plan Net Pension Liability/(Asset)-Ending (A-B)                                | \$ 37,827,707      | \$ 34,120,594 |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability     | 76.91%             | 78.43%        |
| Covered Employee Payroll   | 18,457,545         | 18,120,594    |
| Plan Net Pension Liability/(Asset) as a Percentage of covered Employee Payroll | 204.94%            | 188.30%       |

**Notes to Schedule:**

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

Changes in Assumptions: There were no changes in assumptions.

**COUNTY OF BUTTE, CALIFORNIA**  
**County Employee's Retirement Plan**  
**(Defined Benefit Pension Plan)**  
**Schedule of Plan Contributions**  
**For the Fiscal Year Ended June 30, 2016**

|                    | <b>Actuarially<br/>Determined<br/>Contributions</b> | <b>Contributions in Relation<br/>to Actually Required<br/>Contribution</b> | <b>Contributions<br/>Deficiency<br/>(Excess)</b> | <b>Employer's<br/>Covered<br/>Employee<br/>Payroll</b> | <b>Contributions as a<br/>% of Covered<br/>Employee Payroll</b> |
|--------------------|---|--|--|--|---|
| <b>2016</b>        |   |  |  |  |   |
| Miscellaneous Plan | \$ 11,935,872                                       | \$ (11,935,872)  | \$ -   | \$ 92,240,000  | 12.32%  |
| Safety Plan        | 4,084,403   | (4,084,403)  | -  | 18,457,545   | 22.13%  |
| <b>Total</b>       | <b>\$ 16,020,275</b>                                | <b>\$ (16,020,275)</b>   | <b>-</b>   | <b>\$110,697,545</b>                                   | <b>14.47%</b>   |
| <b>2015</b>        |   |  |  |  |   |
| Miscellaneous Plan | \$ 11,121,405                                       | \$ (11,121,405)  | \$ -   | \$ 95,493,743  | 11.65%  |
| Safety Plan        | 3,736,119   | (3,736,119)  | -  | 18,752,360   | 19.92%  |
| <b>Total</b>       | <b>\$ 14,857,524</b>                                | <b>\$ (14,857,524)</b>   | <b>-</b>   | <b>\$114,246,103</b>                                   | <b>13.00%</b>   |

**Notes to Required Supplementary Information**  
**For the Fiscal Year Ended June 30, 2016**

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2014 – 2015 were from the June 30, 2014 public agency valuations.

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

**COUNTY OF BUTTE, CALIFORNIA**  
**Other Post-Employment Benefits (OPEB) Plan**  
Schedule of Funding Progress  
For the Fiscal Year Ended June 30, 2016

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Schedule Of Funding Progress

| <u>Actual<br/>Valuation<br/>Date</u> | <u>Actuarial<br/>Value of<br/>Assets</u> | <u>Projected<br/>Unit Credit<br/>Actuarial<br/>Accrued<br/>Liability</u> | <u>Unfunded<br/>AAL<br/>(UAAL)</u> | <u>Funded<br/>Ratio</u> | <u>Covered<br/>Payroll</u> | <u>UAAL as a<br/>Percentage<br/>of Coverd<br/>Payroll</u> |
|--------------------------------------|--|--|------------------------------------|-------------------------|----------------------------|---|
| July 1, 2011                         | \$ -                                     | \$ 38,478,208  | \$ 38,478,208                      | 0%                      | \$ 106,227,594             | 36.22%  |
| July 1, 2013                         | \$ -                                     | \$ 47,629,292  | \$ 47,629,292                      | 0%                      | \$ 110,918,547             | 42.94%  |
| July 1, 2015                         | \$ -                                     | \$ 63,812,459  | \$ 63,812,459                      | 0%                      | \$ 114,246,103             | 55.86%  |

**Notes to Required Supplementary Information**  
For the Fiscal Year Ended June 30, 2016

1. This information is intended to help users assess the County's OPEB plan's status on a going-concern basis, assess progress made in accumulating assets to pay benefits when due, and make comparisons with other public employers.



## Major Governmental Funds

# **COUNTY OF BUTTE**

## **General Fund**

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

**COUNTY OF BUTTE, CALIFORNIA**  
**BUDGET COMPARISON SCHEDULE-GENERAL FUND-BUDGETARY BASIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

|  | Budgeted Amounts    |                     | Actual<br>Amounts    | Variance with<br>Final Budget |
|--|---------------------|---------------------|----------------------|-------------------------------|
|  | Original            | Final               |                      |                               |
| <b>RESOURCES (inflows):</b>                                  |                     |                     |                      |                               |
| Taxes  | \$ 62,588,105       | \$ 63,214,285       | \$ 63,462,798        | \$ 248,513                    |
| Licenses and permits   | 3,369,480           | 2,798,300           | 3,410,254            | 611,954                       |
| Fines, forfeitures, and penalties                            | 3,001,500           | 13,943,365          | 7,697,620            | (6,245,745)                   |
| Revenues from uses of money and property                     | 14,580,865          | 4,165,585           | 5,484,186            | 1,318,601                     |
| Aid from other governments                                   | 25,725,797          | 28,680,055          | 41,841,348           | 13,161,293                    |
| Charges for services   | 20,329,010          | 20,273,484          | 19,525,032           | (748,452)                     |
| Miscellaneous revenue  | 3,090,890           | 3,534,358           | 2,836,173            | (698,185)                     |
| Amounts available for appropriation                          | <u>132,685,647</u>  | <u>136,609,432</u>  | <u>144,257,411</u>   | <u>7,647,979</u>              |
| <b>CHARGES TO APPROPRIATIONS (outflows):</b>                 |                     |                     |                      |                               |
| General Government   | 36,791,344          | 38,274,342          | 24,749,282           | (13,525,060)                  |
| Public Protection  | 107,730,024         | 110,356,267         | 103,115,737          | (7,240,530)                   |
| Education  | 4,077,628           | 4,205,597           | 3,654,022            | (551,575)                     |
| Debt Service   | 9,235               | 9,235               | 9,235                | -                             |
| Total charges to appropriations                              | <u>148,608,231</u>  | <u>152,845,441</u>  | <u>131,528,276</u>   | <u>(21,317,165)</u>           |
| Excess (Deficiency) of Revenues Over<br>(Under) Expenditures | <u>(15,922,584)</u> | <u>(16,236,009)</u> | <u>12,729,135</u>    | <u>28,965,144</u>             |
| <b>OTHER FINANCING SOURCES (USES):</b>                       |                     |                     |                      |                               |
| Sale of capital assets                                       | -                   | -                   | 89,153               | 89,153                        |
| Capital lease issued   | -                   | 34,059              | 34,059               | -                             |
| Transfers in   | 451,644             | 393,979             | 1,572,491            | 1,178,512                     |
| Transfers out  | (7,075,139)         | (9,346,377)         | (8,009,891)          | 1,336,486                     |
| Total Other Financing Sources (Uses):                        | <u>(6,623,495)</u>  | <u>(8,918,339)</u>  | <u>(6,314,188)</u>   | <u>2,604,151</u>              |
| <b>NET CHANGE IN FUND BALANCES</b>                           |                     |                     | 6,414,947            |                               |
| Fund Balances, Beginning                                     |                     |                     | <u>51,469,691</u>    |                               |
| Fund Balances, Ending  |                     |                     | <u>\$ 57,884,638</u> |                               |

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

**Sources/inflows of resources:**

|  |                       |
|--|-----------------------|
| Actual amounts (budgetary basis) "total resources"<br>from the budgetary comparison schedule   | \$ 144,257,411        |
| Revenues for funds not meeting the special revenue fund definition which are<br>presented with the General Fund for Financial reporting purposes | <u>386,802</u>        |
| Total revenues as reported on the statement of revenues, expenditures, and<br>changes in fund balance  | <u>\$ 144,644,213</u> |

## **COUNTY OF BUTTE**

### **Social Services Fund**

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

**COUNTY OF BUTTE, CALIFORNIA**  
**BUDGET COMPARISON SCHEDULE-SOCIAL SERVICES FUND-BUDGETARY BASIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

|  | Budgeted Amounts    |                    | Actual<br>Amounts   | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|---------------------|--------------------|---------------------|---|
|  | Original            | Final              |                     |   |
| <b>RESOURCES (inflows):</b>                                  |                     |                    |                     |   |
| Licenses and permits   | \$ 35,000           | \$ 35,000          | \$ 41,535           | \$ 6,535  |
| Fines, forfeitures, and penalties                            | 0                   | 16,000             | 61,381              | 45,381  |
| Revenues from uses of money and property                     | 47,534              | 47,534             | 177,808             | 130,274   |
| Aid from other governments                                   | 120,263,063         | 133,484,846        | 126,740,205         | (6,744,641)   |
| Charges for services   | 287,573             | 287,573            | 222,307             | (65,266)  |
| Other  | 0                   | 0                  | 8,175               | 8,175   |
| Amounts available for appropriation                          | <u>120,633,170</u>  | <u>133,870,953</u> | <u>127,251,411</u>  | <u>(6,619,542)</u>                                      |
| <b>CHARGES TO APPROPRIATIONS (outflows):</b>                 |                     |                    |                     |   |
| Public Protection  | 34,858,925          | 777,012            | 597,424             | (179,588)   |
| Public Assistance  | 96,307,740          | 133,672,974        | 128,069,570         | (5,603,404)   |
| Total charges to appropriations                              | <u>131,166,665</u>  | <u>134,449,986</u> | <u>128,666,994</u>  | <u>(5,782,992)</u>                                      |
| Excess (Deficiency) of Revenues Over<br>(Under) Expenditures | <u>(10,533,495)</u> | <u>(579,033)</u>   | <u>(1,415,583)</u>  | <u>(836,550)</u>  |
| <b>OTHER FINANCING SOURCES (USES):</b>                       |                     |                    |                     |   |
| Transfers in   | 2,105,039           | 2,127,348          | 1,154,901           | (972,447)   |
| Transfers out  | (486,000)           | (427,000)          | (1,002,672)         | (575,672)   |
| Total Other Financing Sources (Uses):                        | <u>1,619,039</u>    | <u>1,700,348</u>   | <u>152,229</u>      | <u>(1,548,119)</u>                                      |
| <b>NET CHANGE IN FUND BALANCES</b>                           |                     |                    | (1,263,354)         |   |
| Fund Balances, Beginning                                     |                     |                    | <u>6,426,943</u>    |   |
| Fund Balances, Ending  |                     |                    | <u>\$ 5,163,589</u> |   |

## **COUNTY OF BUTTE**

### **Public Health Fund**

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

**COUNTY OF BUTTE, CALIFORNIA**  
**BUDGET COMPARISON SCHEDULE-PUBLIC HEALTH FUND-BUDGETARY BASIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

|  | Budgeted Amounts  |                    | Actual<br>Amounts    | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|-------------------|--------------------|----------------------|---|
|  | Original          | Final              |                      |   |
| <b>RESOURCES (inflows):</b>                                  |                   |                    |                      |   |
| Licenses and permits   | \$ 100,000        | \$ 320,000         | \$ 97,863            | \$ (222,137)  |
| Fines, forfeitures, and penalties                            | 225,000           | 9,250              | 237,003              | 227,753   |
| Revenues from uses of money and property                     | 250,000           | 704,711            | 205,235              | (499,476)   |
| Aid from other governments                                   | 14,089,596        | 13,731,435         | 13,429,787           | (301,648)   |
| Charges for services   | 3,659,634         | 3,638,634          | 3,342,762            | (295,872)   |
| Miscellaneous revenue  | 16,650            | 16,650             | 9,674                | (6,976)   |
| Amounts available for appropriation                          | <u>18,340,880</u> | <u>18,420,680</u>  | <u>17,322,324</u>    | <u>(1,098,356)</u>                                      |
| <b>CHARGES TO APPROPRIATIONS (outflows):</b>                 |                   |                    |                      |   |
| Health and Sanitation  | <u>16,605,170</u> | <u>21,420,466</u>  | <u>16,605,170</u>    | <u>4,815,296</u>  |
| Total charges to appropriations                              | <u>16,605,170</u> | <u>21,420,466</u>  | <u>16,605,170</u>    | <u>4,815,296</u>  |
| Excess (Deficiency) of Revenues Over<br>(Under) Expenditures | <u>1,735,710</u>  | <u>(2,999,786)</u> | <u>717,154</u>       | <u>(5,913,652)</u>                                      |
| <b>OTHER FINANCING SOURCES (USES):</b>                       |                   |                    |                      |   |
| Transfers in   | 724,304           | 724,304            | 724,304              | -   |
| Transfers out  | -                 | -                  | (174,280)            | 174,280   |
| Total Other Financing Sources (Uses):                        | <u>724,304</u>    | <u>724,304</u>     | <u>550,024</u>       | <u>-</u>  |
| <b>NET CHANGE IN FUND BALANCES</b>                           |                   |                    | 1,267,178            |   |
| Fund Balances, Beginning                                     |                   |                    | <u>12,143,852</u>    |   |
| Fund Balances, Ending  |                   |                    | <u>\$ 13,411,030</u> |   |



## **COUNTY OF BUTTE**

### **Behavioral Health Fund**

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

**COUNTY OF BUTTE, CALIFORNIA**  
**BUDGET COMPARISON SCHEDULE-BEHAVORIAL HEATH FUND-BUDGETARY BASIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

|  | <u>Budgeted Amounts</u> |                   | Actual<br>Amounts   | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|-------------------------|-------------------|---------------------|---|
|  | <u>Original</u>         | <u>Final</u>      |                     |   |
| <b>RESOURCES (inflows):</b>                                  |                         |                   |                     |   |
| Fines, forfeitures, and penalties                            | \$ 42,029               | \$ 42,029         | \$ 118,470          | \$ 76,441   |
| Revenues from uses of money and property                     | 27,427                  | 27,427            | 216,365             | 188,938   |
| Aid from other governments                                   | 58,012,462              | 61,043,428        | 54,919,256          | (6,124,172)   |
| Charges for services   | 3,169,563               | 3,302,679         | 2,844,695           | (457,984)   |
| Other  | -                       | 100,000           | 238,825             | 138,825   |
| Amounts available for appropriation                          | <u>61,251,481</u>       | <u>64,515,563</u> | <u>58,337,611</u>   | <u>(6,177,952)</u>                                      |
| <b>CHARGES TO APPROPRIATIONS (outflows):</b>                 |                         |                   |                     |   |
| Health and Sanitation  | <u>61,279,128</u>       | <u>64,252,603</u> | <u>55,297,437</u>   | <u>(8,955,166)</u>                                      |
| Total charges to appropriations                              | <u>61,279,128</u>       | <u>64,252,603</u> | <u>55,297,437</u>   | <u>(8,955,166)</u>                                      |
| Excess (Deficiency) of Revenues Over<br>(Under) Expenditures | <u>(27,647)</u>         | <u>262,960</u>    | <u>3,040,174</u>    | <u>2,777,214</u>  |
| <b>OTHER FINANCING SOURCES (USES):</b>                       |                         |                   |                     |   |
| Transfers in   | 2,105,039               | 2,127,348         | 884,782             | (1,242,566)   |
| Transfers out  | <u>(486,000)</u>        | <u>(427,000)</u>  | <u>(1,959,198)</u>  | <u>(1,532,198)</u>                                      |
| Total Other Financing Sources (Uses):                        | <u>1,619,039</u>        | <u>1,700,348</u>  | <u>(1,074,416)</u>  | <u>(2,774,764)</u>                                      |
| <b>NET CHANGE IN FUND BALANCES</b>                           |                         |                   | 1,965,758           |   |
| Fund Balances, Beginning                                     |                         |                   | <u>7,593,401</u>    |   |
| Fund Balances, Ending  |                         |                   | <u>\$ 9,559,159</u> |   |



# COUNTY OF BUTTE

## Road Fund

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

**COUNTY OF BUTTE, CALIFORNIA**  
**BUDGET COMPARISON SCHEDULE-ROAD FUND-BUDGETARY BASIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

|  | <u>Budgeted Amounts</u> |                    | <u>Actual<br/>Amounts</u> | Variance with                          |
|--|-------------------------|--------------------|---------------------------|--|
|  | <u>Original</u>         | <u>Final</u>       |                           | Final Budget<br>Positive<br>(Negative) |
| <b>RESOURCES (inflows):</b>                                  |                         |                    |                           |  |
| Licenses and permits   | \$ 30,000               | \$ 30,000          | \$ 54,146                 | \$ 24,146                              |
| Fines forfeitures and penalties                              | 10,000                  | 10,000             | 12,925                    | 2,925                                  |
| Revenues from uses of money and property                     | 115,000                 | 115,000            | 145,873                   | 30,873                                 |
| Aid from other governments                                   | 14,109,630              | 14,109,630         | 9,476,219                 | (4,633,411)                            |
| Charges for services   | 2,600,891               | 2,600,891          | 1,866,471                 | (734,420)                              |
| Other  | 63,500                  | 63,500             | 63,753                    | 253                                    |
| Amounts available for appropriation                          | <u>16,929,021</u>       | <u>16,929,021</u>  | <u>11,619,387</u>         | <u>(5,309,634)</u>                     |
| <b>CHARGES TO APPROPRIATIONS (outflows):</b>                 |                         |                    |                           |  |
| <b>Public Ways and Facilities:</b>                           |                         |                    |                           |  |
| Road Operations  | 22,050,925              | 22,111,825         | 15,264,800                | (6,847,025)                            |
| Total Public Ways and Facilities                             | <u>22,050,925</u>       | <u>22,111,825</u>  | <u>15,264,800</u>         | <u>(6,847,025)</u>                     |
| <b>Provisions for Contingencies:</b>                         |                         |                    |                           |  |
| Appropriation Contingencies                                  | 1,000,000               | 939,100            | -                         | 939,100                                |
| <b>Total Charges to appropriations</b>                       | <u>23,050,925</u>       | <u>23,050,925</u>  | <u>15,264,800</u>         | <u>(5,907,925)</u>                     |
| Excess (Deficiency) of Revenues Over<br>(Under) Expenditures | <u>(6,121,904)</u>      | <u>(6,121,904)</u> | <u>(3,645,413)</u>        | <u>598,291</u>                         |
| <b>OTHER FINANCING SOURCES (USES):</b>                       |                         |                    |                           |  |
| Sale of capital assets                                       | 25,000                  | 25,000             | 51,994                    | (26,994)                               |
| Transfers in   | 1,814,971               | 2,130,704          | 1,699,585                 | 431,119                                |
| Transfers out  | -                       | -                  | (118,678)                 | 118,678                                |
| Total Other Financing Sources (Uses):                        | <u>1,839,971</u>        | <u>2,155,704</u>   | <u>1,632,901</u>          | <u>(2,774,763)</u>                     |
| <b>NET CHANGE IN FUND BALANCES</b>                           |                         |                    | (2,012,512)               |  |
| Fund Balances, Beginning                                     |                         |                    | <u>8,667,719</u>          |  |
| Fund Balances, Ending  |                         |                    | <u>\$ 6,655,207</u>       |  |

**COUNTY OF BUTTE, CALIFORNIA**  
**Note to Required Supplementary Information**  
**For the Fiscal Year Ended June 30, 2016**

**BUDGETARY BASIS OF ACCOUNTING**

In accordance with the provisions of Sections 29000 and 29143, inclusive, of the California Government Code and other statutory provisions, commonly known as the County Budget Act, the County prepares a budget for each fiscal year on or before August 30. Budgeted expenditures are enacted into law through the passage of an Appropriation 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).



## **Combining Nonmajor Governmental Fund Statements**

# COUNTY OF BUTTE

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

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

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

## COUNTY OF BUTTE

### 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, 2016**

|  | <b>Special Revenue Funds</b>          |                                     |                                  |                          |
|--|---------------------------------------|-------------------------------------|----------------------------------|--------------------------|
|  | <b>Child<br/>Support<br/>Services</b> | <b>County<br/>Service<br/>Areas</b> | <b>Equipment<br/>Replacement</b> | <b>Fish and<br/>Game</b> |
| <b>ASSETS</b>                          |                                       |                                     |                                  |                          |
| Cash and investments                   | \$ -                                  | \$ 8,754,601                        | \$ 4,754,620                     | \$ 114,682               |
| Cash and investments with fiscal agent | -                                     | -                                   | -                                | -                        |
| Imprest cash                           | 2,000                                 | -                                   | -                                | -                        |
| Due from other funds                   | -                                     | -                                   | 6,057                            | -                        |
| Interest receivable                    | (545)                                 | 18,716                              | 10,489                           | 254                      |
| Due from other governments             | 228,281                               | 500                                 | 8,747                            | -                        |
| Loans receivable                       | -                                     | -                                   | -                                | -                        |
| Total assets                           | <u>\$ 229,736</u>                     | <u>\$ 8,773,817</u>                 | <u>\$ 4,779,913</u>              | <u>\$ 114,936</u>        |
| <b>LIABILITIES AND FUND BALANCES</b>   |                                       |                                     |                                  |                          |
| Liabilities:                           |                                       |                                     |                                  |                          |
| Due to other funds                     | \$ 4,910                              | \$ -                                | \$ -                             | \$ -                     |
| Accounts payable                       | 1,064                                 | 40,519                              | 707                              | 2,000                    |
| Salaries and benefits payable          | 221,772                               | -                                   | -                                | -                        |
| Total liabilities                      | <u>227,746</u>                        | <u>40,519</u>                       | <u>707</u>                       | <u>2,000</u>             |
| Fund balances:                         |                                       |                                     |                                  |                          |
| Nonspendable                           | -                                     | -                                   | -                                | -                        |
| Restricted                             | 1,990                                 | 8,733,298                           | 4,779,206                        | 112,936                  |
| Total fund balances                    | <u>1,990</u>                          | <u>8,733,298</u>                    | <u>4,779,206</u>                 | <u>112,936</u>           |
| Total liabilities and fund balances    | <u>\$ 229,736</u>                     | <u>\$ 8,773,817</u>                 | <u>\$ 4,779,913</u>              | <u>\$ 114,936</u>        |

**COUNTY OF BUTTE, CALIFORNIA**  
**COMBINING BALANCE SHEET (continued)**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2016**

|  | <u>Special Revenue Funds</u>                     |                                  |                     |                   |
|--|--|----------------------------------|---------------------|-------------------|
|  | <u>Housing and<br/>Community<br/>Development</u> | <u>IHSS Public<br/>Authority</u> | <u>Impact Fees</u>  | <u>Transit</u>    |
| <b>ASSETS</b>                          |  |                                  |                     |                   |
| Cash and investments                   | \$ -   | \$ 155,145                       | \$ 8,287,109        | \$ 4,495          |
| Cash and investments with fiscal agent | -  | -                                | -                   | -                 |
| Imprest cash                           | -  | -                                | -                   | -                 |
| Due from other funds                   | -  | -                                | -                   | -                 |
| Interest receivable                    | (70)   | -                                | 17,578              | 2,801             |
| Due from other governments             | -  | 70,234                           | 2,597               | 181,526           |
| Loans receivable                       | 4,470,520  | -                                | -                   | -                 |
| Total assets                           | <u>\$ 4,470,450</u>                              | <u>\$ 225,379</u>                | <u>\$ 8,307,284</u> | <u>\$ 188,822</u> |
| <b>LIABILITIES AND FUND BALANCES</b>   |  |                                  |                     |                   |
| Liabilities:                           |  |                                  |                     |                   |
| Due to other funds                     | \$ 262,014                                       | \$ -                             | \$ 3,785            | \$ -              |
| Accounts payable                       | 12,480   | 26                               | 49,966              | 181,527           |
| Salaries and benefits payable          | -  | 8,248                            | -                   | -                 |
| Total liabilities                      | <u>274,494</u>                                   | <u>8,274</u>                     | <u>53,751</u>       | <u>181,527</u>    |
| Fund balances:                         |  |                                  |                     |                   |
| Nonspendable                           | -  | -                                | -                   | -                 |
| Restricted                             | 4,195,956  | 217,105                          | 8,253,533           | 7,295             |
| Total fund balances                    | <u>4,195,956</u>                                 | <u>217,105</u>                   | <u>8,253,533</u>    | <u>7,295</u>      |
| Total liabilities and fund balances    | <u>\$ 4,470,450</u>                              | <u>\$ 225,379</u>                | <u>\$ 8,307,284</u> | <u>\$ 188,822</u> |

**COUNTY OF BUTTE, CALIFORNIA**  
**COMBINING BALANCE SHEET (continued)**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2016**

|  | <b>Debt<br/>Service<br/>Fund</b> | <b>Capital<br/>Projects<br/>Fund</b> | <b>Permanent<br/>Fund</b> | <b>Total</b>         |
|--|----------------------------------|--------------------------------------|---------------------------|----------------------|
| <b>ASSETS</b>                          |                                  |                                      |                           |                      |
| Cash and investments                   | \$ 10,585,937                    | \$ 6,504,787                         | \$ 16,252                 | \$ 39,177,628        |
| Cash and investments with fiscal agent | 460,100                          | -                                    | -                         | 460,100              |
| Imprest cash                           | -                                | -                                    | -                         | 2,000                |
| Due from other funds                   | -                                | -                                    | -                         | 6,057                |
| Interest receivable                    | 23,061                           | 14,210                               | 35                        | 86,529               |
| Due from other governments             | 100,896                          | -                                    | -                         | 592,781              |
| Loans receivable                       | -                                | -                                    | -                         | 4,470,520            |
| Total assets                           | <u>\$ 11,169,994</u>             | <u>\$ 6,518,997</u>                  | <u>\$ 16,287</u>          | <u>\$ 44,795,615</u> |
| <b>LIABILITIES AND FUND BALANCES</b>   |                                  |                                      |                           |                      |
| Liabilities:                           |                                  |                                      |                           |                      |
| Due to other funds                     | \$ -                             | \$ -                                 | \$ -                      | \$ 270,709           |
| Accounts payable                       | -                                | 232,809                              | -                         | 521,098              |
| Salaries and benefits payable          | -                                | -                                    | -                         | 230,020              |
| Total liabilities                      | <u>-</u>                         | <u>232,809</u>                       | <u>-</u>                  | <u>1,021,827</u>     |
| Fund balances:                         |                                  |                                      |                           |                      |
| Nonspendable                           | -                                | -                                    | 16,287                    | 16,287               |
| Restricted                             | 11,169,994                       | 6,286,188                            | -                         | 43,757,501           |
| Total fund balances                    | <u>11,169,994</u>                | <u>6,286,188</u>                     | <u>16,287</u>             | <u>43,773,788</u>    |
| Total liabilities and fund balances    | <u>\$ 11,169,994</u>             | <u>\$ 6,518,997</u>                  | <u>\$ 16,287</u>          | <u>\$ 44,795,615</u> |

**COUNTY OF BUTTE, CALIFORNIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

|  | <b>Special Revenue Funds</b>          |                                     |                                  |                          |
|--|---------------------------------------|-------------------------------------|----------------------------------|--------------------------|
|  | <b>Child<br/>Support<br/>Services</b> | <b>County<br/>Service<br/>Areas</b> | <b>Equipment<br/>Replacement</b> | <b>Fish and<br/>Game</b> |
| <b>REVENUES</b>                                      |                                       |                                     |                                  |                          |
| Taxes  | \$ -                                  | \$ 807,189                          | \$ -                             | \$ -                     |
| Fines, forfeitures, and penalties                    | -                                     | -                                   | -                                | 16,623                   |
| Revenues from uses of money and property             | 8,431                                 | 138,615                             | 82,550                           | 1,905                    |
| Aid from other governments                           | 7,084,514                             | 11,144                              | -                                | -                        |
| Charges for services                                 | 24,608                                | 547,728                             | -                                | -                        |
| Other  | -                                     | 607                                 | 2,367                            | -                        |
| Total revenues                                       | <u>7,117,553</u>                      | <u>1,505,283</u>                    | <u>84,917</u>                    | <u>18,528</u>            |
| <b>EXPENDITURES:</b>                                 |                                       |                                     |                                  |                          |
| Current:   |                                       |                                     |                                  |                          |
| General government                                   | -                                     | -                                   | 132,956                          | -                        |
| Public protection                                    | 7,086,300                             | 464,641                             | 1,041,007                        | 16,092                   |
| Public ways and facilities                           | -                                     | 211,043                             | -                                | -                        |
| Health and sanitation                                | -                                     | 232,271                             | -                                | -                        |
| Public assistance                                    | -                                     | -                                   | -                                | -                        |
| Recreation and cultural services                     | -                                     | 116,409                             | -                                | -                        |
| Debt service   |                                       |                                     |                                  |                          |
| Principal  | -                                     | -                                   | -                                | -                        |
| Interest   | -                                     | -                                   | -                                | -                        |
| Total expenditures                                   | <u>7,086,300</u>                      | <u>1,024,364</u>                    | <u>1,173,963</u>                 | <u>16,092</u>            |
| Excess (deficiency) of revenues<br>over expenditures | <u>31,253</u>                         | <u>480,919</u>                      | <u>(1,089,046)</u>               | <u>2,436</u>             |
| <b>OTHER FINANCING SOURCES (USES):</b>               |                                       |                                     |                                  |                          |
| Sale of capital assets                               | -                                     | -                                   | 21,981                           | -                        |
| Issuance of debt                                     | -                                     | -                                   | -                                | -                        |
| Transfers in   | -                                     | -                                   | 2,100,593                        | -                        |
| Transfer out   | (96,254)                              | -                                   | (828,283)                        | -                        |
| Total other financing sources (uses)                 | <u>(96,254)</u>                       | <u>-</u>                            | <u>1,294,291</u>                 | <u>-</u>                 |
| Net change in fund balances                          | <u>(65,001)</u>                       | <u>480,919</u>                      | <u>205,245</u>                   | <u>2,436</u>             |
| Fund balances, beginning                             | <u>66,991</u>                         | <u>8,252,379</u>                    | <u>4,573,961</u>                 | <u>110,500</u>           |
| Fund balances, ending                                | <u>\$ 1,990</u>                       | <u>\$ 8,733,298</u>                 | <u>\$ 4,779,206</u>              | <u>\$ 112,936</u>        |

**COUNTY OF BUTTE, CALIFORNIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE (continued)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

|  | <u>Special Revenue Funds</u>                     |                                  |                     |                    |
|--|--|----------------------------------|---------------------|--------------------|
|  | <u>Housing and<br/>Community<br/>Development</u> | <u>IHSS Public<br/>Authority</u> | <u>Impact Fees</u>  | <u>Transit</u>     |
| <b>REVENUES</b>                                      |  |                                  |                     |                    |
| Taxes  | \$ -   | \$ -                             | \$ -                | \$ -               |
| Fines, forfeitures, and penalties                    | -  | -                                | -                   | -                  |
| Revenues from uses of money and property             | 380  |                                  | 117,497             | 7,690              |
| Aid from other governments                           | 76,398   | 259,092                          | -                   | 2,784,526          |
| Charges for services                                 | -  | -                                | 629,917             | -                  |
| Other  | -  | -                                | -                   | -                  |
| Total revenues                                       | <u>76,778</u>                                    | <u>259,092</u>                   | <u>747,414</u>      | <u>2,792,216</u>   |
| <b>EXPENDITURES:</b>                                 |  |                                  |                     |                    |
| Current:   |  |                                  |                     |                    |
| General government                                   | -  | -                                | -                   | -                  |
| Public protection                                    | -  | -                                | -                   | -                  |
| Public ways and facilities                           | -  | -                                | -                   | 1,412,057          |
| Health and sanitation                                | -  | -                                | -                   | -                  |
| Public assistance                                    | 548,646  | 261,997                          | -                   | -                  |
| Recreation and cultural services                     | -  | -                                | -                   | -                  |
| Debt service   |  |                                  |                     |                    |
| Principal  | -  | -                                | -                   | -                  |
| Interest   | -  | -                                | -                   | -                  |
| Total expenditures                                   | <u>548,646</u>                                   | <u>261,997</u>                   | <u>-</u>            | <u>1,412,057</u>   |
| Excess (deficiency) of revenues<br>over expenditures | <u>(471,868)</u>                                 | <u>(2,905)</u>                   | <u>747,414</u>      | <u>1,380,159</u>   |
| <b>OTHER FINANCING SOURCES (USES):</b>               |  |                                  |                     |                    |
| Sale of capital assets                               | -  | -                                | -                   | -                  |
| Issuance of debt                                     | -  | -                                | -                   | -                  |
| Transfers in   | -  | -                                | -                   | -                  |
| Transfer out   | -  | (771)                            | (671,748)           | (1,383,852)        |
| Total other financing sources (uses)                 | <u>-</u>   | <u>(771)</u>                     | <u>(671,748)</u>    | <u>(1,383,852)</u> |
| Net change in fund balances                          | <u>(471,868)</u>                                 | <u>(3,676)</u>                   | <u>75,666</u>       | <u>(3,693)</u>     |
| Fund balances, beginning                             | <u>4,667,824</u>                                 | <u>220,781</u>                   | <u>8,177,867</u>    | <u>10,988</u>      |
| Fund balances, ending                                | <u>\$ 4,195,956</u>                              | <u>\$ 217,105</u>                | <u>\$ 8,253,533</u> | <u>\$ 7,295</u>    |

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**COUNTY OF BUTTE, CALIFORNIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE (continued)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

|  | <u>Debt<br/>Service<br/>Fund</u> | <u>Capital<br/>Projects<br/>Fund</u> | <u>Permanent<br/>Fund</u> | <u>Total</u>         |
|--|----------------------------------|--------------------------------------|---------------------------|----------------------|
| <b>REVENUES</b>                                      |                                  |                                      |                           |                      |
| Taxes  | \$ -                             | \$ -                                 | \$ -                      | \$ 807,189           |
| Fines, forfeitures, and penalties                    | -                                | -                                    | -                         | 16,623               |
| Revenues from uses of money and property             | 163,999                          | 108,965                              | 263                       | 630,295              |
| Aid from other governments                           | 100,896                          | 88,369                               | -                         | 10,404,939           |
| Charges for services                                 | -                                | 671,593                              | -                         | 1,873,846            |
| Other  | -                                | -                                    | -                         | 2,974                |
| Total revenues                                       | <u>264,895</u>                   | <u>868,927</u>                       | <u>263</u>                | <u>13,735,866</u>    |
| <b>EXPENDITURES:</b>                                 |                                  |                                      |                           |                      |
| Current:   |                                  |                                      |                           |                      |
| General government                                   | (2,221)                          | 4,062,405                            | -                         | 4,193,140            |
| Public protection                                    | -                                | -                                    | -                         | 8,608,040            |
| Public ways and facilities                           | -                                | -                                    | -                         | 1,623,100            |
| Health and sanitation                                | -                                | -                                    | -                         | 232,271              |
| Public assistance                                    | -                                | -                                    | -                         | 810,643              |
| Recreation and cultural services                     | -                                | -                                    | -                         | 116,409              |
| Debt service   |                                  |                                      |                           |                      |
| Principal  | 2,269,421                        | -                                    | -                         | 2,269,421            |
| Interest   | 2,090,317                        | -                                    | -                         | 2,090,317            |
| Total expenditures                                   | <u>4,357,517</u>                 | <u>4,062,405</u>                     | <u>-</u>                  | <u>19,943,341</u>    |
| Excess (deficiency) of revenues<br>over expenditures | <u>(4,092,622)</u>               | <u>(3,193,478)</u>                   | <u>263</u>                | <u>(6,207,475)</u>   |
| <b>OTHER FINANCING SOURCES (USES):</b>               |                                  |                                      |                           |                      |
| Sale of capital assets                               | -                                | -                                    | -                         | 21,981               |
| Issuance of debt                                     | -                                | 3,203,805                            | -                         | 3,203,805            |
| Transfers in   | 5,322,213                        | 2,343,550                            | 16,024                    | 9,782,380            |
| Transfer out   | -                                | (1,116,097)                          | -                         | (4,097,005)          |
| Total other financing sources (uses)                 | <u>5,322,213</u>                 | <u>4,431,258</u>                     | <u>16,024</u>             | <u>8,911,161</u>     |
| Net change in fund balances                          | <u>1,229,591</u>                 | <u>1,237,780</u>                     | <u>16,287</u>             | <u>2,703,686</u>     |
| Fund balances, beginning                             | <u>9,940,403</u>                 | <u>5,048,408</u>                     | <u>-</u>                  | <u>41,070,102</u>    |
| Fund balances, ending                                | <u>\$ 11,169,994</u>             | <u>\$ 6,286,188</u>                  | <u>\$ 16,287</u>          | <u>\$ 43,773,788</u> |

**COUNTY OF BUTTE, CALIFORNIA**  
**BUDGET COMPARISON SCHEDULE-BUDGETARY BASIS**  
**CHILD SUPPORT SERVICES SPECIAL REVENUE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

|  | Budgeted Amounts |                  | Actual<br>Amounts   | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|------------------|---------------------|---|
|  | Original         | Final            |                     |   |
| <b>RESOURCES (inflows):</b>  |                  |                  |                     |   |
| Revenues from uses of money and property   | \$ 20,000        | \$ 20,000        | \$ 8,431            | \$ (11,569)   |
| Aid from other governments   | 9,153,472        | 9,153,472        | 7,084,514           | (2,068,958)   |
| Charges for services   | 29,000           | 29,000           | 24,608              | (4,392)   |
| Other  | 50               | 50               | -                   | (50)  |
| Amounts available for appropriation  | <u>9,202,522</u> | <u>9,202,522</u> | <u>7,117,553</u>    | <u>(2,084,969)</u>                                      |
| <b>CHARGES TO APPROPRIATIONS (outflows):</b>   |                  |                  |                     |   |
| <b>Public Assistance:</b>  |                  |                  |                     |   |
| Child Support Services:  |                  |                  |                     |   |
| Salaries and employee benefits   | 8,078,001        | 8,078,001        | 6,137,779           | 1,940,222   |
| Services and supplies  | 534,021          | 534,021          | 461,772             | 72,249  |
| Other charges  | 590,500          | 590,500          | 583,003             | 7,497   |
| Capital assets   | -                | -                | -                   | -   |
| Total Child Support Services   | <u>9,202,522</u> | <u>9,202,522</u> | <u>7,182,554</u>    | <u>2,019,968</u>  |
| Total Public Assistance  | <u>9,202,522</u> | <u>9,202,522</u> | <u>7,182,554</u>    | <u>2,019,968</u>  |
| <b>Total Charges to appropriations</b>   | <u>9,202,522</u> | <u>9,202,522</u> | <u>7,182,554</u>    | <u>2,019,968</u>  |
| Net change in fund balance   |                  |                  | (65,001)            |   |
| Budgetary fund balance,<br>Beginning of year   |                  |                  | <u>66,991</u>       |   |
| Budgetary Fund balances, ending  |                  |                  | <u>\$ 1,990</u>     |   |
| <i>Explanation of Differences between Budgetary Inflows and Outflows and USGAAP Revenues and Expenditures:</i>   |                  |                  |                     |   |
| <b>Uses/outflows of resources:</b>   |                  |                  |                     |   |
| Actual amounts (budgetary basis) "total charges to appropriations"<br>from the budgetary comparison schedule   |                  |                  | \$ 7,182,554        |   |
| Differences - budget to USGAAP:<br>Transfers to other funds are outflows of budgetary resources<br>but are not expenditures for financial reporting purposes |                  |                  | <u>(96,254)</u>     |   |
| Total expenditures as reported on the statement of revenues, expenditures, and<br>changes in fund balance  |                  |                  | <u>\$ 7,086,300</u> |   |

**COUNTY OF BUTTE, CALIFORNIA**  
**BUDGET COMPARISON SCHEDULE-BUDGETARY BASIS**  
**COUNTY SERVICE AREA SPECIAL REVENUE FUND (continued)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

|  | Budgeted Amounts |                  | Actual<br>Amounts   | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|------------------|---------------------|---|
|  | Original         | Final            |                     |   |
| <b>RESOURCES (inflows):</b>                  |                  |                  |                     |   |
| Taxes  | \$ 981,952       | \$ 981,952       | \$ 807,189          | \$ (174,763)  |
| Revenues from uses of money and property     | 49,024           | 49,024           | 138,615             | 89,591  |
| Aid from other governments                   | 11,783           | 11,783           | 11,144              | (639)   |
| Charges for services                         | 252,771          | 253,271          | 547,728             | 294,457   |
| Other  | -                | -                | 607                 | 607   |
| Amounts available for appropriation          | <u>1,295,530</u> | <u>1,296,030</u> | <u>1,505,283</u>    | <u>209,253</u>  |
| <b>CHARGES TO APPROPRIATIONS (outflows):</b> |                  |                  |                     |   |
| Public protection                            | 1,350,646        | 1,350,646        | 464,641             | 886,005   |
| Public ways and facilities                   | 591,892          | 605,971          | 211,043             | 394,928   |
| Health and sanitation                        | 747,484          | 747,484          | 232,271             | 515,213   |
| Recreation and cultural services             | 259,692          | 319,692          | 116,409             | 203,283   |
| <b>Total Charges to appropriations</b>       | <u>2,949,714</u> | <u>3,023,793</u> | <u>1,024,364</u>    | <u>1,999,429</u>  |
| Net change in fund balance                   |                  |                  | 480,919             |   |
| Budgetary fund balance,<br>Beginning of year |                  |                  | <u>8,252,379</u>    |   |
| Budgetary Fund balances, ending              |                  |                  | <u>\$ 8,733,298</u> |   |

**COUNTY OF BUTTE, CALIFORNIA**  
**BUDGET CAMPARISON SCHEDULE-BUDGETARY BASIS**  
**EQUIPMENT REPLACEMENT SPECIAL REVENUE FUND (continued)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

|  | Budgeted Amounts |                  | Actual<br>Amounts   | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|------------------|---------------------|---|
|  | Original         | Final            |                     |   |
| <b>RESOURCES (inflows):</b>                  |                  |                  |                     |   |
| Revenues from uses of money and property     | \$ -             | \$ -             | \$ 82,550           | \$ 82,550   |
| Other financing sources                      | 2,204,536        | 2,204,536        | 2,124,941           | (79,595)  |
| Amounts available for appropriation          | <u>2,204,536</u> | <u>2,204,536</u> | <u>2,207,491</u>    | <u>2,955</u>  |
| <b>CHARGES TO APPROPRIATIONS (outflows):</b> |                  |                  |                     |   |
| <b>General Government:</b>                   |                  |                  |                     |   |
| General Services Equipment Replacement       |                  |                  |                     |   |
| Other Charges                                | 2,990            | 2,990            | 2,964               | 26  |
| Capital assets                               | 96,000           | 96,000           | 88,529              | 7,471   |
| Total General Services Equip Replacement     | <u>98,990</u>    | <u>98,990</u>    | <u>91,493</u>       | <u>7,471</u>  |
| Information Systems Equipment Replacement    |                  |                  |                     |   |
| Other Charges                                | 895,236          | 794,236          | 26,916              | 767,320   |
| Capital assets                               | 402,000          | 402,000          | 14,547              | 387,453   |
| Other Financing Uses                         | -                | 136,000          | 828,283             | (692,283)   |
| Total Info Systems Equip Replacement         | <u>1,297,236</u> | <u>1,332,236</u> | <u>869,746</u>      | <u>462,490</u>  |
| Total General Government                     | <u>1,396,226</u> | <u>1,431,226</u> | <u>961,239</u>      | <u>469,961</u>  |
| <b>Public Protection:</b>                    |                  |                  |                     |   |
| Sheriff Equipment Replacement:               |                  |                  |                     |   |
| Other charges                                | 4,970            | 4,970            | 4,944               | 26  |
| Capital assets                               | 504,000          | 504,000          | 326,752             | 177,248   |
| Total Sheriff Equipment Replacement          | <u>508,970</u>   | <u>508,970</u>   | <u>331,696</u>      | <u>177,274</u>  |
| Fire Equipment Replacement:                  |                  |                  |                     |   |
| Other charges                                | (843)            | (843)            | (852)               | 9   |
| Capital assets                               | 610,000          | 1,177,893        | 710,163             | 467,730   |
| Total Fire Equipment Replacement             | <u>609,157</u>   | <u>1,177,050</u> | <u>709,311</u>      | <u>467,739</u>  |
| Total Public Protection                      | <u>1,118,127</u> | <u>1,686,020</u> | <u>1,041,007</u>    | <u>645,013</u>  |
| <b>Total Charges to appropriations</b>       | <u>2,514,353</u> | <u>3,117,246</u> | <u>2,002,246</u>    | <u>1,114,974</u>  |
| Net change in fund balance                   |                  |                  | 205,245             |   |
| Budgetary fund balance,<br>Beginning of year |                  |                  | <u>4,573,961</u>    |   |
| Budgetary Fund balances, ending              |                  |                  | <u>\$ 4,779,206</u> |   |

continued

**COUNTY OF BUTTE, CALIFORNIA**  
**BUDGET CAMPARISON SCHEDULE-BUDGETARY BASIS**  
**EQUIPMENT REPLACEMENT SPECIAL REVENUE FUND (continued)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

**Sources/inflows of resources:**

|  |                         |
|--|-------------------------|
| Actual amounts (budgetary basis) "total resources"<br>from the budgetary comparison schedule                                     | \$ 2,207,491            |
| Differences - budget to USGAAP:  |                         |
| Transfers from other funds are inflows of budgetary resources<br>but are not revenues for financial reporting purposes           | (2,100,593)             |
| Proceeds from sale of capital assets are inflows of budgetary resources<br>but are not revenues for financial reporting purposes | <u>(21,981)</u>         |
| Total revenues as reported on the statement of revenues, expenditures, and<br>changes in fund balance                            | <u><u>\$ 84,917</u></u> |

**Uses/outflows of resources:**

|   |                            |
|---|----------------------------|
| Actual amounts (budgetary basis) "total charges to appropriations"<br>from the budgetary comparison schedule              | \$ 2,002,246               |
| Differences - budget to USGAAP:   |                            |
| Transfers to other funds are outflows of budgetary resources<br>but are not expenditures for financial reporting purposes | <u>(828,283)</u>           |
| Total expenditures as reported on the statement of revenues, expenditures, and<br>changes in fund balance                 | <u><u>\$ 1,173,963</u></u> |

**COUNTY OF BUTTE, CALIFORNIA**  
**BUDGET CAMPARISON SCHEDULE-BUDGETARY BASIS**  
**FISH AND GAME SPECIAL REVENUE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

|  | Budgeted Amounts |           | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|-----------|-------------------|---|
|  | Original         | Final     |                   |   |
| <b>RESOURCES (inflows):</b>                  |                  |           |                   |   |
| Fines, forfeitures, and penalties            | \$ 21,000        | \$ 21,000 | \$ 16,623         | \$ (4,377)  |
| Revenues from uses of money and property     | 1,000            | 1,000     | 1,905             | 905   |
| Amounts available for appropriation          | 22,000           | 22,000    | 18,528            | (3,472)   |
| <b>CHARGES TO APPROPRIATIONS (outflows):</b> |                  |           |                   |   |
| <b>Public Protection:</b>                    |                  |           |                   |   |
| Fish and Game:                               |                  |           |                   |   |
| Services and supplies                        | 32,700           | 32,700    | 15,432            | 17,268  |
| Other charges                                | 670              | 670       | 660               | 10  |
| Total Fish and Game                          | 33,370           | 33,370    | 16,092            | 17,278  |
| Total Public Protection                      | 33,370           | 33,370    | 16,092            | 17,278  |
| <b>Total Charges to appropriations</b>       | 33,370           | 33,370    | 16,092            | 17,278  |
| Net change in fund balance                   |                  |           | 2,436             |   |
| Budgetary fund balance,<br>Beginning of year |                  |           | 110,500           |   |
| Budgetary Fund balances, ending              |                  |           | \$ 112,936        |   |

**COUNTY OF BUTTE, CALIFORNIA**  
**BUDGET CAMPARISON SCHEDULE-BUDGETARY BASIS**  
**HOUSING AND COMMUNITY DEVELOPMENT SPECIAL REVENUE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

|  | Budgeted Amounts |                | Actual<br>Amounts   | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|----------------|---------------------|---|
|  | Original         | Final          |                     |   |
| <b>RESOURCES (inflows):</b>                  |                  |                |                     |   |
| Revenues from uses of money and property     | \$ 600           | \$ 600         | \$ 380              | \$ (220)  |
| Aid from other governments                   | <u>752,210</u>   | <u>752,210</u> | <u>76,398</u>       | <u>(675,812)</u>  |
| Amounts available for appropriation          | <u>752,810</u>   | <u>752,810</u> | <u>76,778</u>       | <u>(676,032)</u>  |
| <b>CHARGES TO APPROPRIATIONS (outflows):</b> |                  |                |                     |   |
| <b>General Government:</b>                   |                  |                |                     |   |
| CDBG Administration:                         |                  |                |                     |   |
| Service and supplies                         | 222,700          | 222,700        | 96,900              | 125,800   |
| Other charges                                | <u>622,632</u>   | <u>596,632</u> | <u>451,746</u>      | <u>144,886</u>  |
| Total CDBG Administration                    | <u>845,332</u>   | <u>819,332</u> | <u>548,646</u>      | <u>144,886</u>  |
| Total General Government                     | <u>845,332</u>   | <u>819,332</u> | <u>548,646</u>      | <u>144,886</u>  |
| Total Charges to appropriations              | <u>845,332</u>   | <u>819,332</u> | <u>548,646</u>      | <u>144,886</u>  |
| Net change in fund balance                   |                  |                | (471,868)           |   |
| Budgetary fund balance,<br>Beginning of year |                  |                | <u>4,667,824</u>    |   |
| Budgetary Fund balances, ending              |                  |                | <u>\$ 4,195,956</u> |   |

**COUNTY OF BUTTE, CALIFORNIA**  
**BUDGET COMPARISON SCHEDULE-BUDGETARY BASIS**  
**IHSS PUBLIC AUTHORITY SPECIAL REVENUE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

|  | Budgeted Amounts |                | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|----------------|-------------------|---|
|  | Original         | Final          |                   |   |
| <b>RESOURCES (inflows):</b>  |                  |                |                   |   |
| Aid from other governments   | \$ -             | \$ 285,710     | \$ 259,092        | \$ (26,618)   |
| Amounts available for appropriation  | -                | 285,710        | 259,092           | (26,618)  |
| <b>CHARGES TO APPROPRIATIONS (outflows):</b>   |                  |                |                   |   |
| <b>Public Assistance:</b>  |                  |                |                   |   |
| IHSS Public Authority:   |                  |                |                   |   |
| Salaries and employee benefits   | 1,023            | 234,407        | 216,455           | 17,952  |
| Services and supplies  | -                | 36,611         | 35,418            | 1,193   |
| Other charges  | 6,090            | 14,690         | 10,895            | 3,795   |
| Total IHSS Public Authority  | 7,113            | 285,708        | 262,768           | 22,940  |
| Total Public Assistance  | 7,113            | 285,708        | 262,768           | 22,940  |
| <b>Total Charges to appropriations</b>   | <b>7,113</b>     | <b>285,708</b> | <b>262,768</b>    | <b>22,940</b>   |
| Net change in fund balance   |                  |                | (3,676)           |   |
| Budgetary fund balance,<br>Beginning of year   |                  |                | 220,781           |   |
| Budgetary Fund balances, ending  |                  |                | <u>\$ 217,105</u> |   |
| <i>Explanation of Differences between Budgetary Inflows and Outflows and USGAAP Revenues and Expenditures:</i>   |                  |                |                   |   |
| <b>Uses/outflows of resources:</b>   |                  |                |                   |   |
| Actual amounts (budgetary basis) "total charges to appropriations"<br>from the budgetary comparison schedule   |                  |                | \$ 262,768        |   |
| Differences - budget to USGAAP:<br>Transfers to other funds are outflows of budgetary resources<br>but are not expenditures for financial reporting purposes |                  |                | <u>(771)</u>      |   |
| Total expenditures as reported on the statement of revenues, expenditures, and<br>changes in fund balance  |                  |                | <u>\$ 261,997</u> |   |

**COUNTY OF BUTTE, CALIFORNIA**  
**BUDGET CAMPARISON SCHEDULE-BUDGETARY BASIS**  
**IMPACT FEES SPECIAL REVENUE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

|  | Budgeted Amounts |                  | Actual<br>Amounts          | Variance with<br>Final Budget |
|--|------------------|------------------|----------------------------|-------------------------------|
|  | Original         | Final            |                            | Positive<br>(Negative)        |
| <b>RESOURCES (inflows):</b>                  |                  |                  |                            |                               |
| Revenues from uses of money and property     | \$ -             | \$ -             | \$ 117,497                 | \$ 117,497                    |
| Charge for services                          | 782,708          | 782,708          | 629,917                    | (152,791)                     |
| Amounts available for appropriation          | <u>782,708</u>   | <u>782,708</u>   | <u>747,414</u>             | <u>(35,294)</u>               |
| <b>CHARGES TO APPROPRIATIONS (outflows):</b> |                  |                  |                            |                               |
| <b>General Government:</b>                   |                  |                  |                            |                               |
| Impact Fees                                  |                  |                  |                            |                               |
| Other charges                                | -                | 37,311           | -                          | 37,311                        |
| Other financing uses                         | 851,075          | 1,172,887        | 671,748                    | 501,139                       |
| Subtotal                                     | <u>851,075</u>   | <u>1,210,198</u> | <u>671,748</u>             | <u>538,450</u>                |
| <b>Total Charges to appropriations</b>       | <u>851,075</u>   | <u>1,210,198</u> | <u>671,748</u>             | <u>538,450</u>                |
| Net change in fund balance                   |                  |                  | 75,666                     |                               |
| Budgetary fund balance,<br>Beginning of year |                  |                  | <u>8,177,867</u>           |                               |
| Budgetary Fund balances, ending              |                  |                  | <u><u>\$ 8,253,533</u></u> |                               |

**COUNTY OF BUTTE, CALIFORNIA**  
**BUDGET COMPARISON SCHEDULE-BUDGETARY BASIS**  
**TRANSIT SPECIAL REVENUE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

|  | <u>Budgeted Amounts</u> |                  | Actual<br>Amounts | Variance with<br>Final Budget |
|--|-------------------------|------------------|-------------------|-------------------------------|
|  | <u>Original</u>         | <u>Final</u>     |                   | Positive<br>(Negative)        |
| <b>RESOURCES (inflows):</b>                  |                         |                  |                   |                               |
| Revenues from uses of money and property     | \$ 5,000                | \$ 5,000         | \$ 7,690          | \$ 2,690                      |
| Aid from other governments                   | <u>3,000,000</u>        | <u>3,000,000</u> | <u>2,784,526</u>  | <u>(215,474)</u>              |
| Amounts available for appropriation          | <u>3,005,000</u>        | <u>3,005,000</u> | <u>2,792,216</u>  | <u>(212,784)</u>              |
| <b>CHARGES TO APPROPRIATIONS (outflows):</b> |                         |                  |                   |                               |
| <b>Public Ways and Facilities:</b>           |                         |                  |                   |                               |
| <b>Transit - System Operations</b>           |                         |                  |                   |                               |
| Service and supplies                         | 1,505,000               | 1,505,000        | 1,392,041         | 112,959                       |
| Other charges                                | 20,029                  | 20,029           | 20,016            | 13                            |
| Other financing uses                         | <u>1,479,971</u>        | <u>1,479,971</u> | <u>1,383,852</u>  | <u>96,119</u>                 |
| Total Transit - System Operations            | <u>3,005,000</u>        | <u>3,005,000</u> | <u>2,795,909</u>  | <u>209,091</u>                |
| Total Public Ways and Facilities             | <u>3,005,000</u>        | <u>3,005,000</u> | <u>2,795,909</u>  | <u>209,091</u>                |
| <b>Total Charges to appropriations</b>       | <u>3,005,000</u>        | <u>3,005,000</u> | <u>2,795,909</u>  | <u>209,091</u>                |
| Net change in fund balance                   |                         |                  | (3,693)           |                               |
| Budgetary fund balance, beginning of year    |                         |                  | <u>10,988</u>     |                               |
| Budgetary Fund balances, ending              |                         |                  | <u>\$ 7,295</u>   |                               |

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

**Uses/outflows of resources:**

|  |                     |
|--|---------------------|
| Actual amounts (budgetary basis) "total charges to appropriations"<br>from the budgetary comparison schedule   | \$ 2,795,909        |
| Differences - budget to USGAAP:<br>Transfers to other funds are outflows of budgetary resources<br>but are not expenditures for financial reporting purposes | <u>(1,383,852)</u>  |
| Total expenditures as reported on the statement of revenues, expenditures, and<br>changes in fund balance  | <u>\$ 1,412,057</u> |

**COUNTY OF BUTTE, CALIFORNIA**  
**BUDGET CAMPARISON SCHEDULE-BUDGETARY BASIS**  
**DEBT SERVICE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

|  | Budgeted Amounts |           | Actual<br>Amounts | Variance with<br>Final Budget |
|--|------------------|-----------|-------------------|-------------------------------|
|  | Original         | Final     |                   | Positive<br>(Negative)        |
| <b>RESOURCES (inflows):</b>                  |                  |           |                   |                               |
| Revenues from uses of money and property     | \$ -             | \$ -      | 163,999           | \$ 163,999                    |
| Aid from other governments                   | -                | -         | 100,896           | 100,896                       |
| Other financing sources                      | 79,654           | 2,601,391 | 5,322,213         | 2,720,822                     |
| Amounts available for appropriation          | 79,654           | 2,601,391 | 5,587,108         | 2,985,717                     |
| <br>   |                  |           |                   |                               |
| <b>CHARGES TO APPROPRIATIONS (outflows):</b> |                  |           |                   |                               |
| <b>General Government:</b>                   |                  |           |                   |                               |
| CEC Solar:                                   |                  |           |                   |                               |
| Other charges                                | 313,000          | 313,000   | 443,722           | (130,722)                     |
| Total CEC Solar                              | 313,000          | 313,000   | 443,722           | (130,722)                     |
| Chico Memorial Hall 492 Rio Lindo:           |                  |           |                   |                               |
| Other charges                                | 60,975           | 60,975    | 60,977            | (2)                           |
| Total Chico Memorial Hall 492 Rio L.         | 60,975           | 60,975    | 60,977            | (2)                           |
| Chico Memorial Hall 554 Rio Lindo:           |                  |           |                   |                               |
| Other charges                                | 62,145           | 62,145    | 62,155            | (10)                          |
| Total Chico Memorial Hall 554 Rio L.         | 62,145           | 62,145    | 62,155            | (10)                          |
| Hall of Records                              |                  |           |                   |                               |
| Other charges                                | 378,250          | 378,250   | 566,921           | (188,671)                     |
| Total Hall of Records                        | 378,250          | 378,250   | 566,921           | (188,671)                     |
| POB Series A:                                |                  |           |                   |                               |
| Services and supplies                        | 6,703            | 6,703     | 6,675             | 28                            |
| Other charges                                | 1,871,752        | 1,871,752 | 1,871,748         | 4                             |
| Total POB Series A                           | 1,878,455        | 1,878,455 | 1,878,423         | 32                            |
| POB Series B:                                |                  |           |                   |                               |
| Services and supplies                        | 2,500            | 2,500     | 2,084             | 416                           |
| Other charges                                | 564,361          | 564,361   | 522,621           | 41,740                        |
| Total POB Series B                           | 566,861          | 566,861   | 524,705           | 42,156                        |

continued

**COUNTY OF BUTTE, CALIFORNIA**  
**BUDGET CAMPARISON SCHEDULE-BUDGETARY BASIS**  
**DEBT SERVICE FUND (continued)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

|  | Budgeted Amounts |               | Actual<br>Amounts    | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|---------------|----------------------|---|
|  | Original         | Final         |                      |   |
| Microsoft Licensing                          |                  |               |                      |   |
| Other charges                                | 767,313          | 767,313       | 767,313              | -   |
| Total Transfers                              | 767,313          | 767,313       | 767,313              | -   |
| Transfers                                    |                  |               |                      |   |
| Other Financing Uses                         | -                | 9,207,621     | -                    | 9,207,621   |
| Total Transfers                              | -                | 9,207,621     | -                    | 9,207,621   |
| Total General Government                     | \$ 4,026,999     | \$ 13,234,620 | \$ 4,304,216         | \$ 8,930,404  |
| <b>Public Protection:</b>                    |                  |               |                      |   |
| Bangor Fire Station                          |                  |               |                      |   |
| Other charges                                | 53,798           | 53,798        | 53,301               | 497   |
| Total Bangor Fire Station                    | 53,798           | 53,798        | 53,301               | 497   |
| Total Public Protection                      | 53,798           | 53,798        | 53,301               | 497   |
| <b>Total Charges to appropriations</b>       | 4,080,797        | 13,288,418    | 4,357,517            | 8,930,901   |
| Net change in fund balance                   |                  |               | 1,229,591            |   |
| Budgetary fund balance,<br>Beginning of year |                  |               | 9,940,403            |   |
| Budgetary Fund balances, ending              |                  |               | <u>\$ 11,169,994</u> |   |

**COUNTY OF BUTTE, CALIFORNIA**  
**BUDGET CAMPARISON SCHEDULE-BUDGETARY BASIS**  
**DEBT SERVICE FUND (continued)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

**Sources/inflows of resources:**

|   |                    |
|---|--------------------|
| Actual amounts (budgetary basis) "total resources"<br>from the budgetary comparison schedule  | \$ 5,587,108       |
| Differences - budget to USGAAP:<br>Transfers from other funds are inflows of budgetary resources<br>but are not revenues for financial reporting purposes | <u>(5,322,213)</u> |
| Total revenues as reported on the statement of revenues, expenditures, and<br>changes in fund balance   | <u>\$ 264,895</u>  |

**COUNTY OF BUTTE, CALIFORNIA**  
**BUDGET CAMPARISON SCHEDULE-BUDGETARY BASIS**  
**CAPITAL PROJECTS FUND (continued)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

|  | Budgeted Amounts |              | Actual<br>Amounts | Variance with<br>Final Budget |
|--|------------------|--------------|-------------------|-------------------------------|
|  | Original         | Final        |                   | Positive<br>(Negative)        |
| <b>RESOURCES (inflows):</b>                  |                  |              |                   |                               |
| Revenues from uses of money and property     | \$ -             | \$ -         | \$ 108,965        | \$ 108,965                    |
| Aid from other governments                   | 120,000          | 120,000      | 88,369            | (31,631)                      |
| Charges for services                         | 674,928          | 674,928      | 671,593           | (3,335)                       |
| Other  | 2,500,000        | 2,500,000    | 3,203,805         | 703,805                       |
| Other financing sources                      | 1,858,800        | 8,284,256    | 6,040,293         | (2,243,963)                   |
| Amounts available for appropriation          | 5,153,728        | 11,579,184   | 10,113,025        | (1,466,159)                   |
| <b>CHARGES TO APPROPRIATIONS (outflows):</b> |                  |              |                   |                               |
| <b>General Government:</b>                   |                  |              |                   |                               |
| Capital Projects Transfers                   |                  |              |                   |                               |
| Other financing uses                         | 59,356           | 3,687,480    | 3,676,496         | 10,984                        |
| Total Capital Projects Administration        | 59,356           | 3,687,480    | 3,676,496         | 10,984                        |
| 3 County Center Drive                        |                  |              |                   |                               |
| Other charges                                | -                | 18,462       | 7,129             | 11,333                        |
| Capital Assets                               | 160,000          | 141,538      | 15,219            | 126,319                       |
| Total Chico Public Works Yard                | 200,000          | 160,000      | 22,348            | 137,652                       |
| 25 County Center Drive                       |                  |              |                   |                               |
| Other charges                                | -                | 39,231       | 32,391            | 6,840                         |
| Capital Assets                               | 340,000          | 300,769      | 6,138             | 294,631                       |
| Total Debt Service Transfer                  | 340,000          | 340,000      | 38,529            | 301,471                       |
| Campus Infrastrucure Improvement:            |                  |              |                   |                               |
| Other charges                                | -                | 46,154       | 8,392             | 37,762                        |
| Capital assets                               | 400,000          | 353,846      | 67,769            | 286,077                       |
| Total Hall of Records                        | 400,000          | 400,000      | 76,161            | 323,839                       |
| Hall of Records                              |                  |              |                   |                               |
| Other charges                                | -                | 58,462       | 52,159            | 6,303                         |
| Capital assets                               | 2,500,000        | 2,144,491    | 2,070,419         | 74,072                        |
| Total Hall of Records                        | 2,500,000        | 2,202,953    | 2,122,578         | 80,375                        |
| Jail Projest Reserve                         |                  |              |                   |                               |
| Other financing uses                         | 200,000          | 1,340,000    | 1,136,344         | 203,656                       |
| Subtotal                                     | 200,000          | 1,340,000    | 1,136,344         | 203,656                       |
| La Dolce Infill                              |                  |              |                   |                               |
| Other charges                                | -                | 16,632       | 13,627            | 3,005                         |
| Capital assets                               | -                | 483,468      | 387,734           | 95,734                        |
| Total La Dolce Infill                        | -                | 500,100      | 401,361           | 98,739                        |
| Total General Government                     | \$ 3,699,356     | \$ 8,630,533 | \$ 7,473,817      | \$ 1,156,716                  |

**COUNTY OF BUTTE, CALIFORNIA**  
**BUDGET CAMPARISON SCHEDULE-BUDGETARY BASIS**  
**CAPITAL PROJECTS FUND (continued)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

|                                      | Budgeted Amounts |              | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--------------------------------------|------------------|--------------|-------------------|---|
|                                      | Original         | Final        |                   |   |
| <b>Public Protection:</b>            |                  |              |                   |   |
| Jail Program & Capital Expansion:    |                  |              |                   |   |
| Other charges                        | -                | 83,077       | 55,669            | 27,408  |
| Service & supplies                   | 200,000          | 571,923      | 376,920           | 195,003   |
| Total Jail Program and Capital Expan | 200,000          | 655,000      | 432,589           | 222,411   |
| Evidence Storage & Morgue:           |                  |              |                   |   |
| Other charges                        | -                | 43,077       | 14,023            | 29,054  |
| Capital assets                       | 200,000          | 256,923      | 127,970           | 128,953   |
| Total Evidence Storage & Morgue      | 200,000          | 300,000      | 141,993           | 158,007   |
| Parking lot by Station 63            |                  |              |                   |   |
| Other charges                        | -                | 35,432       | 179               | 35,253  |
| Capital assets                       | 307,000          | 271,568      | -                 | 271,568   |
| Total Parking Lot by Station 63      | 307,000          | 307,000      | 179               | 306,821   |
| Helicopter Hangar                    |                  |              |                   |   |
| Other charges                        | -                | 52,650       | 11,988            | 40,662  |
| Capital assets                       | -                | 580,848      | 44,017            | 536,831   |
| Total Helicopter Hangar              | -                | 633,498      | 56,005            | 577,493   |
| Total Public Protection              | \$ 707,000       | \$ 1,895,498 | \$ 630,766        | \$ 1,264,732  |
| <b>Public Ways and Facilities</b>    |                  |              |                   |   |
| BC Oroville Park & Ride:             |                  |              |                   |   |
| Other charges                        | -                | 9,000        | 327               | 8,673   |
| Capital assets                       | 78,000           | 69,000       | -                 | 69,000  |
| Total BC Oroville Park & Ride        | 78,000           | 78,000       | 327               | 77,673  |
| Total Public Ways and Facilities     | \$ 78,000        | \$ 78,000    | \$ 327            | \$ 77,673   |

**COUNTY OF BUTTE, CALIFORNIA**  
**BUDGET CAMPARISON SCHEDULE-BUDGETARY BASIS**  
**CAPITAL PROJECTS FUND (continued)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

|  | Budgeted Amounts  |                   | Actual<br>Amounts   | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|-------------------|-------------------|---------------------|---|
|  | Original          | Final             |                     |   |
| <b>Health and Sanitation:</b>                    |                   |                   |                     |   |
| Behavioral Health - Crisis Residential Facility: |                   |                   |                     |   |
| Other charges                                    | -                 | 22,855            | 20,809              | 2,046   |
| Capital assets                                   | 181,000           | 688,104           | 682,387             | 5,717   |
| Total BH -Crisis Residential Facility            | <u>181,000</u>    | <u>710,959</u>    | <u>703,196</u>      | <u>7,763</u>  |
| Total Health and Sanitation                      | <u>\$ 181,000</u> | <u>\$ 710,959</u> | <u>\$ 703,196</u>   | <u>\$ 7,763</u>   |
| <b>Public Assistance:</b>                        |                   |                   |                     |   |
| DESS 205 Mira Loma Sutie 30:                     |                   |                   |                     |   |
| Capital assets                                   | 243,000           | 184,000           | 37,569              | 146,431   |
| Total DESS 205 Mira Loma Suite 10                | <u>243,000</u>    | <u>184,000</u>    | <u>37,569</u>       | <u>146,431</u>  |
| Total Public Assistance                          | <u>\$ 243,000</u> | <u>\$ 184,000</u> | <u>\$ 37,569</u>    | <u>\$ 146,431</u>                                       |
| <b>Education</b>                                 |                   |                   |                     |   |
| Library Radio Frequency Identification           |                   |                   |                     |   |
| Service and supplies                             | -                 | -                 | 4,493               | (4,493)   |
| Total Library Radio Frequency ID                 | <u>-</u>          | <u>-</u>          | <u>4,493</u>        | <u>(4,493)</u>  |
| Total Education                                  | <u>\$ -</u>       | <u>\$ -</u>       | <u>\$ 4,493</u>     | <u>\$ (4,493)</u>                                       |
| <b>Recreation and Cultural Services</b>          |                   |                   |                     |   |
| Veterans Memorial Park                           |                   |                   |                     |   |
| Other charges                                    | -                 | 25,000            | 5,280               | 19,720  |
| Capital assets                                   | -                 | 194,250           | 19,797              | 174,453   |
| Total Veterans Memorial Park                     | <u>-</u>          | <u>219,250</u>    | <u>25,077</u>       | <u>194,173</u>  |
| Total Recreation & Cultural Services             | <u>\$ -</u>       | <u>\$ 219,250</u> | <u>\$ 25,077</u>    | <u>\$ 194,173</u>                                       |
| <b>Total Charges to appropriations</b>           | <u>4,908,356</u>  | <u>11,718,240</u> | <u>8,875,245</u>    | <u>2,842,995</u>  |
| Net change in fund balance                       |                   |                   | 1,237,780           |   |
| Budgetary fund balance,<br>Beginning of year     |                   |                   | <u>5,048,408</u>    |   |
| Budgetary Fund balances, ending                  |                   |                   | <u>\$ 6,286,188</u> |   |

**COUNTY OF BUTTE, CALIFORNIA**  
**BUDGET COMPARISON SCHEDULE-BUDGETARY BASIS**  
**CAPITAL PROJECTS FUND (continued)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

**Sources/inflows of resources:**

|  |                    |
|--|--------------------|
| Actual amounts (budgetary basis) "total resources"<br>from the budgetary comparison schedule   | \$ 10,113,025      |
| Proceeds from borrowing are reported as financing sources in<br>governmental funds, however issuing debt increases long-term<br>liabilities in the statement of net position | (3,203,805)        |
| Differences - budget to USGAAP:<br>Transfers from other funds are inflows of budgetary resources<br>but are not revenues for financial reporting purposes                    | (2,343,550)        |
| Transfers within the fund group are inflows of budgetary resources<br>but not revenues for financial reporting purposes  | <u>(3,696,743)</u> |
| Total revenues as reported on the statement of revenues, expenditures, and<br>changes in fund balance  | <u>\$ 868,927</u>  |

**Uses/outflows of resources:**

|  |                     |
|--|---------------------|
| Actual amounts (budgetary basis) "total charges to appropriations"<br>from the budgetary comparison schedule   | \$ 8,875,245        |
| Differences - budget to USGAAP:<br>Transfers to other funds are outflows of budgetary resources<br>but are not expenditures for financial reporting purposes | (1,116,097)         |
| Transfers within the fund group are outflows of budgetary resources<br>but not revenues for financial reporting purposes                                     | <u>(3,696,743)</u>  |
| Total expenditures as reported on the statement of revenues, expenditures, and<br>changes in fund balance  | <u>\$ 4,062,405</u> |

**COUNTY OF BUTTE, CALIFORNIA**  
**BUDGET CAMPARISON SCHEDULE-BUDGETARY BASIS**  
**PERMANENT FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

|  | Budgeted Amounts |       | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|-------|-------------------|---|
|  | Original         | Final |                   |   |
| <b>RESOURCES (inflows):</b>                  |                  |       |                   |   |
| Revenues from uses of money and property     | \$ -             | \$ -  | \$ 263            | \$ 263  |
| Other financing sources                      | -                | -     | 16,024            | 16,024  |
| Amounts available for appropriation          |                  |       | 16,287            | 16,287  |
| <br>   |                  |       |                   |   |
| Net change in fund balance                   |                  |       | 16,287            |   |
| <br>   |                  |       |                   |   |
| Budgetary fund balance,<br>Beginning of year |                  |       | -                 |   |
| <br>   |                  |       |                   |   |
| Budgetary Fund balances, ending              |                  |       | \$ 16,287         |   |

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

**Sources/inflows of resources:**

|  |           |
|--|-----------|
| Actual amounts (budgetary basis) "total resources"<br>from the budgetary comparison schedule   | \$ 16,287 |
| <br>   |           |
| Differences - budget to USGAAP:<br>Transfers to other funds are outflows of budgetary resources<br>but are not expenditures for financial reporting purposes | (16,024)  |
| <br>   |           |
| Total revenues as reported on the statement of revenues, expenditures, and<br>changes in fund balance  | \$ 263    |



## Internal Service Funds

## COUNTY OF BUTTE

### Internal Service Funds

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

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

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

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

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

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

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

**COUNTY OF BUTTE, CALIFORNIA**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**JUNE 30, 2016**

|  | <u>Self<br/>Insurance</u> | <u>Worker's<br/>Compensation</u> | <u>Unemployment<br/>Insurance</u> |
|--|---------------------------|----------------------------------|-----------------------------------|
| <b>ASSETS</b>                              |                           |                                  |                                   |
| Current assets:                            |                           |                                  |                                   |
| Cash and investments                       | \$ 2,890,139              | \$ 9,022,773                     | \$ 283,101                        |
| Cash with fiscal agent                     | -                         | 187,015                          | -                                 |
| Interest receivable                        | 5,946                     | 21,023                           | 689                               |
| Total current assets                       | <u>2,896,085</u>          | <u>9,230,811</u>                 | <u>283,790</u>                    |
| Noncurrent assets:                         |                           |                                  |                                   |
| Capital assets:                            |                           |                                  |                                   |
| Depreciable:                               |                           |                                  |                                   |
| Equipment                                  | 10,671                    | 34,790                           | -                                 |
| Less: Accumulated depreciation             | (6,580)                   | (33,848)                         | -                                 |
| Total capital assets, net                  | <u>4,091</u>              | <u>942</u>                       | <u>-</u>                          |
| Total noncurrent assets                    | <u>4,091</u>              | <u>942</u>                       | <u>-</u>                          |
| Total assets                               | <u>2,900,176</u>          | <u>9,231,753</u>                 | <u>283,790</u>                    |
| <b>LIABILITIES</b>                         |                           |                                  |                                   |
| Current liabilities:                       |                           |                                  |                                   |
| Due to other funds                         | 711                       | 5,346                            | -                                 |
| Accounts payable                           |                           | 262                              | 418                               |
| Claims and judgments, current portion      | 600,000                   | 2,000,000                        | -                                 |
| Total current liabilities                  | <u>600,711</u>            | <u>2,005,608</u>                 | <u>418</u>                        |
| Noncurrent liabilities:                    |                           |                                  |                                   |
| Claims and judgments, less current portion | 686,000                   | 4,547,000                        | -                                 |
| Total noncurrent liabilities               | <u>686,000</u>            | <u>4,547,000</u>                 | <u>-</u>                          |
| Total liabilities                          | <u>1,286,711</u>          | <u>6,552,608</u>                 | <u>418</u>                        |
| <b>NET POSITION</b>                        |                           |                                  |                                   |
| Net investment in capital assets           | 4,091                     | 942                              | -                                 |
| Unrestricted                               | 1,609,374                 | 2,678,203                        | 283,372                           |
| Total net position                         | <u>\$ 1,613,465</u>       | <u>\$ 2,679,145</u>              | <u>\$ 283,372</u>                 |

continued

**COUNTY OF BUTTE, CALIFORNIA**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS (continued)**  
**JUNE 30, 2016**

|  | Medical<br>Liability | Miscellaneous<br>Insurance | Utilities<br>Clearing | Total               |
|--|----------------------|----------------------------|-----------------------|---------------------|
| <b>ASSETS</b>                              |                      |                            |                       |                     |
| Current assets:                            |                      |                            |                       |                     |
| Cash and investments                       | \$ 13,152            | \$ 30,398                  | \$ 342,625            | \$ 12,582,188       |
| Cash with fiscal agent                     | -                    | -                          | -                     | 187,015             |
| Interest receivable                        | 23                   | 64                         | 1,350                 | 29,095              |
| Total current assets                       | <u>13,175</u>        | <u>30,462</u>              | <u>343,975</u>        | <u>12,798,298</u>   |
| Noncurrent assets:                         |                      |                            |                       |                     |
| Capital assets:                            |                      |                            |                       |                     |
| Depreciable:                               |                      |                            |                       |                     |
| Equipment                                  | -                    | -                          | -                     | 45,461              |
| Less: Accumulated depreciation             | -                    | -                          | -                     | (40,428)            |
| Total capital assets, net                  | <u>-</u>             | <u>-</u>                   | <u>-</u>              | <u>5,033</u>        |
| Total noncurrent assets                    | <u>-</u>             | <u>-</u>                   | <u>-</u>              | <u>5,033</u>        |
| Total assets                               | <u>13,175</u>        | <u>30,462</u>              | <u>343,975</u>        | <u>12,803,331</u>   |
| <b>LIABILITIES</b>                         |                      |                            |                       |                     |
| Current liabilities:                       |                      |                            |                       |                     |
| Due to other funds                         | -                    | -                          | -                     | 6,057               |
| Accounts payable                           | -                    | -                          | 28,416                | 29,096              |
| Claims and judgments, current portion      | -                    | -                          | -                     | 2,600,000           |
| Total current liabilities                  | <u>-</u>             | <u>-</u>                   | <u>28,416</u>         | <u>2,635,153</u>    |
| Noncurrent liabilities:                    |                      |                            |                       |                     |
| Claims and judgments, less current portion | -                    | -                          | -                     | 5,233,000           |
| Total noncurrent liabilities               | <u>-</u>             | <u>-</u>                   | <u>-</u>              | <u>5,233,000</u>    |
| Total liabilities                          | <u>-</u>             | <u>-</u>                   | <u>28,416</u>         | <u>7,868,153</u>    |
| <b>NET POSITION</b>                        |                      |                            |                       |                     |
| Net investment in capital assets           | -                    | -                          | -                     | 5,033               |
| Unrestricted                               | <u>13,175</u>        | <u>30,462</u>              | <u>315,559</u>        | <u>4,930,145</u>    |
| Total net position                         | <u>\$ 13,175</u>     | <u>\$ 30,462</u>           | <u>\$ 315,559</u>     | <u>\$ 4,935,178</u> |

**COUNTY OF BUTTE, CALIFORNIA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

|   | Self<br>Insurance   | Worker's<br>Compensation | Unemployment<br>Insurance |
|---|---------------------|--------------------------|---------------------------|
| <b>OPERATING REVENUES</b>                 |                     |                          |                           |
| Charges for services                      | \$ 1,195,764        | \$ 3,078,708             | \$ -                      |
| Total operating revenue                   | <u>1,195,764</u>    | <u>3,078,708</u>         | <u>-</u>                  |
| <b>OPERATING EXPENSES</b>                 |                     |                          |                           |
| Salaries and employee benefits            | -                   | -                        | 300,763                   |
| Service and supplies                      | 645,331             | 539,673                  | 3,532                     |
| Claims and judgments                      | 954,355             | 4,525,733                | -                         |
| Depreciation and amortization             | 711                 | 5,346                    | -                         |
| Total operating expenses                  | <u>1,600,397</u>    | <u>5,070,752</u>         | <u>304,295</u>            |
| Operating income (loss)                   | <u>(404,633)</u>    | <u>(1,992,044)</u>       | <u>(304,295)</u>          |
| Nonoperating revenues (expenses)          |                     |                          |                           |
| Interest received (paid)                  | 46,001              | 155,323                  | 6,222                     |
| Total nonoperating revenue (expense)      | <u>46,001</u>       | <u>155,323</u>           | <u>6,222</u>              |
| <b>Net Income (Loss) Before Transfers</b> | (358,632)           | (1,836,721)              | (298,073)                 |
| Transfers out                             | <u>(1,422)</u>      | <u>(11,118)</u>          | <u>-</u>                  |
| Change in net position                    | (360,054)           | (1,847,839)              | (298,073)                 |
| Net position, beginning                   | <u>1,973,519</u>    | <u>4,526,984</u>         | <u>581,445</u>            |
| Total net position, ending                | <u>\$ 1,613,465</u> | <u>\$ 2,679,145</u>      | <u>\$ 283,372</u>         |

**COUNTY OF BUTTE, CALIFORNIA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**INTERNAL SERVICE FUNDS (continued)**  
**FOR THE YEAR ENDED JUNE 30, 2016**

|   | Medical<br>Liability | Miscellaneous<br>Insurance | Utilities<br>Clearing | Total               |
|---|----------------------|----------------------------|-----------------------|---------------------|
| <b>OPERATING REVENUES</b>                 |                      |                            |                       |                     |
| Charges for services                      | \$ 145,000           | \$ 126,196                 | \$ 2,247,037          | \$ 6,792,705        |
| Total operating revenue                   | <u>145,000</u>       | <u>126,196</u>             | <u>2,247,037</u>      | <u>6,792,705</u>    |
| <b>OPERATING EXPENSES</b>                 |                      |                            |                       |                     |
| Salaries and employee benefits            | -                    | -                          | -                     | 300,763             |
| Service and supplies                      | 2,928                | 2,089                      | 2,273,130             | 3,466,683           |
| Claims and judgments                      | 132,556              | 131,457                    | -                     | 5,744,101           |
| Depreciation and amortization             | -                    | -                          | -                     | 6,057               |
| Total operating expenses                  | <u>135,484</u>       | <u>133,546</u>             | <u>2,273,130</u>      | <u>9,517,604</u>    |
| Operating income (loss)                   | <u>9,516</u>         | <u>(7,350)</u>             | <u>(26,093)</u>       | <u>(2,724,899)</u>  |
| Nonoperating revenues (expenses)          |                      |                            |                       |                     |
| Interest received (paid)                  | 169                  | 638                        | 9,834                 | 218,187             |
| Total nonoperating revenue (expense)      | <u>169</u>           | <u>638</u>                 | <u>9,834</u>          | <u>218,187</u>      |
| <b>Net Income (Loss) Before Transfers</b> | 9,685                | (6,712)                    | (16,259)              | (2,506,712)         |
| Transfers out                             | -                    | -                          | (444,179)             | (456,719)           |
| Change in net position                    | 9,685                | (6,712)                    | (460,438)             | (2,963,431)         |
| Net position, beginning                   | <u>3,490</u>         | <u>37,174</u>              | <u>775,997</u>        | <u>7,898,610</u>    |
| Total net position, ending                | <u>\$ 13,175</u>     | <u>\$ 30,462</u>           | <u>\$ 315,559</u>     | <u>\$ 4,935,178</u> |

continued

**COUNTY OF BUTTE, CALIFORNIA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

|  | <u>Self<br/>Insurance</u>  | <u>Worker's<br/>Compensation</u> | <u>Unemployment<br/>Insurance</u> |
|--|----------------------------|----------------------------------|-----------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>                                   |                            |                                  |                                   |
| Cash received from customers   | \$ 1,195,764               | \$ 3,101,985                     | \$ -                              |
| Cash paid to suppliers for goods and services                                  | (1,668,498)                | (4,265,516)                      | (3,532)                           |
| Cash paid to employees for services  | -                          | -                                | (300,763)                         |
| Net cash provided (used) by operating activities                               | <u>(472,734)</u>           | <u>(1,163,531)</u>               | <u>(304,295)</u>                  |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>                        |                            |                                  |                                   |
| Transfers out  | <u>(1,422)</u>             | <u>(11,118)</u>                  | <u>-</u>                          |
| Net cash provided (used) by noncapital financing activities                    | <u>(1,422)</u>             | <u>(11,118)</u>                  | <u>-</u>                          |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>                                   |                            |                                  |                                   |
| Interest received (paid)   | <u>40,055</u>              | <u>134,300</u>                   | <u>5,533</u>                      |
| Net cash provided by investing activities                                      | <u>40,055</u>              | <u>134,300</u>                   | <u>5,533</u>                      |
| Net increase (decrease) in cash and cash equivalents                           | (434,101)                  | (1,040,349)                      | (298,762)                         |
| Cash and cash equivalents, beginning   | <u>3,324,240</u>           | <u>10,250,137</u>                | <u>581,863</u>                    |
| Cash and cash equivalents, ending  | <u><u>2,890,139</u></u>    | <u><u>9,209,788</u></u>          | <u><u>283,101</u></u>             |
| <b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET ASSETS:</b> |                            |                                  |                                   |
| Cash and investments   | 2,890,139                  | 9,022,773                        | 283,101                           |
| Cash with fiscal agent   | <u>-</u>                   | <u>187,015</u>                   | <u>-</u>                          |
| Total cash and investments   | <u><u>\$ 2,890,139</u></u> | <u><u>\$ 9,209,788</u></u>       | <u><u>\$ 283,101</u></u>          |

continued

**COUNTY OF BUTTE, CALIFORNIA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS (continued)**  
**FOR THE YEAR ENDED JUNE 30, 2016**

|  | Medical<br>Liability    | Miscellaneous<br>Insurance | Utilities<br>Clearing    | Total                       |
|--|-------------------------|----------------------------|--------------------------|-----------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>                                   |                         |                            |                          |                             |
| Cash received from customers   | \$ 145,000              | \$ 126,196                 | \$ 2,247,037             | \$ 6,815,982                |
| Cash paid to suppliers for goods and service                                   | (135,484)               | (133,546)                  | (2,284,995)              | (8,491,571)                 |
| Cash paid to employees for services  | -                       | -                          | -                        | (300,763)                   |
| Net cash provided (used) by operating activities                               | <u>9,516</u>            | <u>(7,350)</u>             | <u>(37,958)</u>          | <u>(1,976,352)</u>          |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>                        |                         |                            |                          |                             |
| Transfers out  | -                       | -                          | (444,179)                | (456,719)                   |
| Net cash provided (used) by noncapital financing activities                    | <u>-</u>                | <u>-</u>                   | <u>(444,179)</u>         | <u>(456,719)</u>            |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>                                   |                         |                            |                          |                             |
| Interest received  | <u>146</u>              | <u>574</u>                 | <u>8,484</u>             | <u>189,092</u>              |
| Net cash provided by investing activities                                      | <u>146</u>              | <u>574</u>                 | <u>8,484</u>             | <u>189,092</u>              |
| Net increase (decrease) in cash and cash equivalents                           | 9,662                   | (6,776)                    | (473,653)                | (2,243,979)                 |
| Cash and cash equivalents, beginning   | <u>3,490</u>            | <u>37,174</u>              | <u>816,278</u>           | <u>15,013,182</u>           |
| Cash and cash equivalents, ending  | <u><u>13,152</u></u>    | <u><u>30,398</u></u>       | <u><u>342,625</u></u>    | <u><u>12,769,203</u></u>    |
| <b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET ASSETS:</b> |                         |                            |                          |                             |
| Cash and investments   | 13,152                  | 30,398                     | 342,625                  | 12,582,188                  |
|  | <u>-</u>                | <u>-</u>                   | <u>-</u>                 | <u>187,015</u>              |
| Total cash and investments   | <u><u>\$ 13,152</u></u> | <u><u>\$ 30,398</u></u>    | <u><u>\$ 342,625</u></u> | <u><u>\$ 12,769,203</u></u> |

continued

**COUNTY OF BUTTE, CALIFORNIA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS (continued)**  
**FOR THE FISCAL YEAR JUNE 30, 2016**

|  | <u>Self<br/>Insurance</u>   | <u>Worker's<br/>Compensation</u> | <u>Unemployment<br/>Insurance</u> |
|--|-----------------------------|----------------------------------|-----------------------------------|
| <b>Reconciliation of Operating Income (Loss)<br/>to Net Cash Provided (Used) by Operating Activities:</b>  |                             |                                  |                                   |
| Operating income (loss)  | \$ (404,633)                | \$ (1,992,044)                   | \$ (304,295)                      |
| Adjustment to reconcile operating income (loss)<br>to net cash provided (used) by<br>operating activities: |                             |                                  |                                   |
| Depreciation   | 711                         | 5,346                            | -                                 |
| Changes in assets and liabilities:   |                             |                                  |                                   |
| (Increase) decrease in:  |                             |                                  |                                   |
| Decrease in deposits held  |                             |                                  |                                   |
| Accounts receivable  | -                           | 23,277                           | -                                 |
| Increase (decrease) in:  |                             |                                  |                                   |
| Accounts payable   | (52,812)                    | 2,890                            | -                                 |
| Claims and judgments   | (16,000)                    | 797,000                          | -                                 |
|  | <u>                    </u> | <u>                    </u>      | <u>                    </u>       |
| Net cash provided (used) by<br>operating activities  | <u>\$ (472,734)</u>         | <u>\$ (1,163,531)</u>            | <u>\$ (304,295)</u>               |

**COUNTY OF BUTTE, CALIFORNIA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS (continued)**  
**FOR THE FISCAL YEAR JUNE 30, 2016**

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|   | Medical<br>Liability | Miscellaneous<br>Insurance | Utilities<br>Clearing | Total          |
|---|----------------------|----------------------------|-----------------------|----------------|
| <b>Reconciliation of Operating Income (Loss)</b>            |                      |                            |                       |                |
| <b>to Net Cash Provided (Used) by Operating Activities:</b> |                      |                            |                       |                |
| Operating income (loss)                                     | \$ 9,516             | \$ (7,350)                 | \$ (26,093)           | \$ (2,724,899) |
| Adjustment to reconcile operating income (loss)             |                      |                            |                       |                |
| to net cash provided (used) by                              |                      |                            |                       |                |
| operating activities:                                       |                      |                            |                       |                |
| Depreciation  | -                    | -                          | -                     | 6,057          |
| Changes in assets and liabilities:                          |                      |                            |                       |                |
| (Increase) decrease in:                                     |                      |                            |                       |                |
| Decrease in deposits held                                   |                      |                            |                       |                |
| Accounts receivable   | -                    | -                          | -                     | 23,277         |
| Increase (decrease) in:                                     |                      |                            |                       |                |
| Accounts payable  | -                    | -                          | (11,865)              | (61,787)       |
| Claims and judgments  | -                    | -                          | -                     | 781,000        |
|   | \$ 9,516             | \$ (7,350)                 | \$ (37,958)           | \$ (1,976,352) |
| Net cash provided (used) by                                 |                      |                            |                       |                |
| operating activities  | \$ 9,516             | \$ (7,350)                 | \$ (37,958)           | \$ (1,976,352) |



## **Fiduciary Funds**

# COUNTY OF BUTTE

## **Fiduciary Fund Types**

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

### **Agency Funds**

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

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

**COUNTY OF BUTTE, CALIFORNIA**  
**COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**JUNE 30, 2016**

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|                              | Other                | Tax Resources        | Total                |
|------------------------------|----------------------|----------------------|----------------------|
| <b>ASSETS</b>                |                      |                      |                      |
| Cash and investments         | \$ 16,428,526        | \$ 6,450,397         | \$ 22,878,923        |
| Due from other governments   | 23,167               | -                    | 23,167               |
| Interest receivable          | 12,685               | 83,040               | 95,725               |
| Property tax receivable      | -                    | 10,728,094           | 10,728,094           |
|                              | <u>16,464,378</u>    | <u>17,261,531</u>    | <u>33,725,909</u>    |
| <b>LIABILITIES</b>           |                      |                      |                      |
| Agency funds held for others | <u>16,464,378</u>    | <u>17,261,531</u>    | <u>33,725,909</u>    |
| Total liabilities            | <u>\$ 16,464,378</u> | <u>\$ 17,261,531</u> | <u>\$ 33,725,909</u> |

**COUNTY OF BUTTE, CALIFORNIA**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

|                              | Balance<br>July 1, 2015 | Additions         | (Deductions)        | Balance<br>June 30, 2016 |
|------------------------------|-------------------------|-------------------|---------------------|--------------------------|
| <b>OTHER</b>                 |                         |                   |                     |                          |
| <b>ASSETS</b>                |                         |                   |                     |                          |
| Cash and investments         | \$ 14,900,742           | \$ -              | \$ 1,527,784        | \$ 16,428,526            |
| Due from other governments   | 23,167                  | -                 | -                   | 23,167                   |
| Interest receivable          | -                       | 12,685            | -                   | 12,685                   |
| Total assets                 | <u>14,923,909</u>       | <u>12,685</u>     | <u>1,527,784</u>    | <u>16,464,378</u>        |
| <b>LIABILITIES</b>           |                         |                   |                     |                          |
| Agency funds held for others | <u>14,923,909</u>       | <u>12,685</u>     | <u>1,527,784</u>    | <u>16,464,378</u>        |
| Total liabilities            | <u>14,923,909</u>       | <u>12,685</u>     | <u>1,527,784</u>    | <u>16,464,378</u>        |
| <b>TAX RESOURCES</b>         |                         |                   |                     |                          |
| <b>ASSETS</b>                |                         |                   |                     |                          |
| Cash and investments         | 6,164,858               | 285,539           |                     | 6,450,397                |
| Interest receivable          | -                       | 83,040            |                     | 83,040                   |
| Property tax receivable      | 12,000,498              | -                 | 1,272,404           | 10,728,094               |
| Total assets                 | <u>18,165,356</u>       | <u>368,579</u>    | <u>1,272,404</u>    | <u>17,261,531</u>        |
| <b>LIABILITIES</b>           |                         |                   |                     |                          |
| Agency funds held for others | <u>18,165,356</u>       | <u>368,579</u>    | <u>1,272,404</u>    | <u>17,261,531</u>        |
| Total liabilities            | <u>18,165,356</u>       | <u>368,579</u>    | <u>1,272,404</u>    | <u>17,261,531</u>        |
| <b>TOTAL AGENCY FUNDS</b>    |                         |                   |                     |                          |
| <b>ASSETS</b>                |                         |                   |                     |                          |
| Cash and investments         | 21,065,600              | 285,539           | 1,527,784           | 22,878,923               |
| Due from other governments   | 23,167                  | -                 | -                   | 23,167                   |
| Interest receivable          | -                       | 95,725            | -                   | 95,725                   |
| Property tax receivable      | 12,000,498              | -                 | (1,272,404)         | 10,728,094               |
| Total assets                 | <u>33,089,265</u>       | <u>381,264</u>    | <u>255,380</u>      | <u>33,725,909</u>        |
| <b>LIABILITIES</b>           |                         |                   |                     |                          |
| Agency funds held for others | <u>33,089,265</u>       | <u>381,264</u>    | <u>2,800,188</u>    | <u>33,725,909</u>        |
| Total liabilities            | <u>\$ 33,089,265</u>    | <u>\$ 381,264</u> | <u>\$ 2,800,188</u> | <u>\$ 33,725,909</u>     |

COUNTY OF BUTTE



**DETAIL SCHEDULE OF EXPENDITURES  
ACTUAL TO BUDGET**

**COUNTY OF BUTTE, CALIFORNIA**  
**GENERAL FUND**  
**DETAIL SCHEDULE OF EXPENDITURES BUDGET TO ACTUAL COMPARISON**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

|                                     | Budgeted Amounts |                  | Actual<br>Amounts | Variance with<br>Final Budget |
|-------------------------------------|------------------|------------------|-------------------|-------------------------------|
|                                     | Original         | Final            |                   |                               |
| <b>General Government:</b>          |                  |                  |                   |                               |
| County Administration:              |                  |                  |                   |                               |
| Salaries and employee benefits      | \$ 2,932,872     | \$ 2,857,872     | \$ 2,539,556      | \$ 318,316                    |
| Services and supplies               | 1,194,341        | 1,194,341        | 752,227           | 442,114                       |
| Other charges                       | (391,060)        | (391,060)        | (480,732)         | 89,672                        |
| Total Administrative Office         | <u>3,736,153</u> | <u>3,661,153</u> | <u>2,811,051</u>  | <u>850,102</u>                |
| Assessor:                           |                  |                  |                   |                               |
| Salaries and employee benefits      | 3,003,878        | 3,003,878        | 2,641,010         | 362,868                       |
| Services and supplies               | 235,638          | 235,638          | 218,066           | 17,572                        |
| Other charges                       | 559,549          | 559,549          | 380,328           | 179,221                       |
| Total Assessor                      | <u>3,799,065</u> | <u>3,799,065</u> | <u>3,239,404</u>  | <u>559,661</u>                |
| Auditor-Controller:                 |                  |                  |                   |                               |
| Salaries and employee benefits      | 1,802,517        | 1,777,517        | 1,751,993         | 25,524                        |
| Services and supplies               | 164,706          | 189,706          | 181,559           | 8,147                         |
| Other charges                       | (18,623)         | (18,623)         | (81,586)          | 62,963                        |
| Total Auditor-Controller            | <u>1,948,600</u> | <u>1,948,600</u> | <u>1,851,966</u>  | <u>96,634</u>                 |
| Board of Supervisors:               |                  |                  |                   |                               |
| Salaries and employee benefits      | 722,868          | 722,868          | 673,798           | 49,070                        |
| Services and supplies               | 205,014          | 205,014          | 102,181           | 102,833                       |
| Other charges                       | 674,670          | 674,670          | 643,839           | 30,831                        |
| Total Board of Supervisors          | <u>1,602,552</u> | <u>1,602,552</u> | <u>1,419,818</u>  | <u>182,734</u>                |
| County Counsel:                     |                  |                  |                   |                               |
| Salaries and employee benefits      | 1,411,519        | 1,411,519        | 1,319,288         | 92,231                        |
| Services and supplies               | 768,884          | 768,884          | 466,161           | 302,723                       |
| Other charges                       | (1,415,438)      | (1,415,438)      | (1,452,840)       | 37,402                        |
| Total County Counsel                | <u>764,965</u>   | <u>764,965</u>   | <u>332,609</u>    | <u>432,356</u>                |
| Elections:                          |                  |                  |                   |                               |
| Salaries and employee benefits      | 868,700          | 788,700          | 774,334           | 14,366                        |
| Services and supplies               | 907,258          | 962,963          | 956,233           | 6,730                         |
| Other charges                       | 95,406           | 95,406           | 95,381            | 25                            |
| Capital assets                      | -                | 75,070           | 75,068            | 2                             |
| Total Elections                     | <u>1,871,364</u> | <u>1,922,139</u> | <u>1,901,016</u>  | <u>21,123</u>                 |
| General Revenue and Transfers:      |                  |                  |                   |                               |
| Other charges                       | -                | 2,805            | 2,805             | -                             |
| Total General Revenue and Transfers | <u>-</u>         | <u>2,805</u>     | <u>2,805</u>      | <u>-</u>                      |

**COUNTY OF BUTTE, CALIFORNIA**  
**GENERAL FUND**  
**DETAIL SCHEDULE OF EXPENDITURES BUDGET TO ACTUAL COMPARISON**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

|  | Budgeted Amounts     |                      | Actual<br>Amounts    | Variance with<br>Final Budget |
|--|----------------------|----------------------|----------------------|-------------------------------|
|  | Original             | Final                |                      |                               |
| <b>General Government (continued):</b> |                      |                      |                      |                               |
| General Services:                      |                      |                      |                      |                               |
| Salaries and employee benefits         | 4,116,838            | 4,354,375            | 3,932,174            | 422,201                       |
| Services and supplies                  | 5,297,782            | 4,240,281            | 3,633,326            | 606,955                       |
| Other charges                          | (4,466,387)          | (3,033,223)          | (3,059,912)          | 26,689                        |
| Total General Services                 | <u>4,948,233</u>     | <u>5,561,433</u>     | <u>4,505,588</u>     | <u>1,055,845</u>              |
| Human Resources:                       |                      |                      |                      |                               |
| Salaries and employee benefits         | 1,892,214            | 1,950,606            | 1,587,887            | 362,719                       |
| Services and supplies                  | 357,909              | 385,204              | 385,204              | -                             |
| Other charges                          | (631,844)            | (627,696)            | (627,696)            | -                             |
| Total Human Resources                  | <u>1,618,279</u>     | <u>1,708,114</u>     | <u>1,345,395</u>     | <u>362,719</u>                |
| Information Systems:                   |                      |                      |                      |                               |
| Salaries and employee benefits         | 2,869,954            | 2,717,454            | 2,615,253            | 102,201                       |
| Services and supplies                  | 1,009,822            | 1,254,117            | 1,238,567            | 15,550                        |
| Other charges                          | (1,607,296)          | (1,626,646)          | (1,712,378)          | 85,732                        |
| Total Information Systems              | <u>2,272,480</u>     | <u>2,344,925</u>     | <u>2,141,442</u>     | <u>203,483</u>                |
| Table A Water:                         |                      |                      |                      |                               |
| Services and supplies                  | 4,000,000            | 4,000,000            | 1,930,108            | 2,069,892                     |
| Total Table A Water                    | <u>4,000,000</u>     | <u>4,000,000</u>     | <u>1,930,108</u>     | <u>2,069,892</u>              |
| Treasurer-Tax Collector:               |                      |                      |                      |                               |
| Salaries and employee benefits         | 1,852,644            | 1,852,644            | 1,755,309            | 97,335                        |
| Services and supplies                  | 1,345,378            | 1,332,612            | 940,385              | 392,227                       |
| Other charges                          | 207,737              | 220,503              | 157,857              | 62,646                        |
| Total Treasurer-Tax Collector          | <u>3,405,759</u>     | <u>3,405,759</u>     | <u>2,853,551</u>     | <u>552,208</u>                |
| Unallocated A-87:                      |                      |                      |                      |                               |
| Services and supplies                  | 68,748               | 68,748               | 37,688               | 31,060                        |
| Other charges                          | 755,146              | 755,146              | 376,841              | 378,305                       |
| Total Unallocated A-87                 | <u>823,894</u>       | <u>823,894</u>       | <u>414,529</u>       | <u>409,365</u>                |
| <b>Total General Government</b>        | <u>\$ 30,791,344</u> | <u>\$ 31,545,404</u> | <u>\$ 24,749,282</u> | <u>\$ 6,796,122</u>           |

**COUNTY OF BUTTE, CALIFORNIA**  
**GENERAL FUND**  
**DETAIL SCHEDULE OF EXPENDITURES BUDGET TO ACTUAL COMPARISON**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

|   | Budgeted Amounts |                  | Actual<br>Amounts | Variance with<br>Final Budget |
|---|------------------|------------------|-------------------|-------------------------------|
|   | Original         | Final            |                   |                               |
| <b>Public Protection:</b>                   |                  |                  |                   |                               |
| Administration Emergency Management:        |                  |                  |                   |                               |
| Salaries and employee benefits              | \$ 197,444       | \$ 197,444       | \$ 220,590        | \$ (23,146)                   |
| Services and supplies                       | 70,334           | 311,646          | 226,827           | 84,819                        |
| Other charges                               | 39,991           | 301,591          | 279,748           | 21,843                        |
| Capital Assets                              | -                | 30,000           | 28,371            | 1,629                         |
| Total Admin Emergency Mgt                   | <u>307,769</u>   | <u>840,681</u>   | <u>755,536</u>    | <u>85,145</u>                 |
| Agriculture General Services:               |                  |                  |                   |                               |
| Salaries and employee benefits              | 1,804,271        | 1,804,271        | 1,664,525         | 139,746                       |
| Services and supplies                       | 281,849          | 271,467          | 229,278           | 42,189                        |
| Other charges                               | 239,986          | 247,370          | 214,640           | 32,730                        |
| Capital Assets                              | 28,000           | 30,998           | 30,997            | 1                             |
| Total Agriculture General Services          | <u>2,354,106</u> | <u>2,354,106</u> | <u>2,139,440</u>  | <u>214,666</u>                |
| Butte Meadows Recreation Grant:             |                  |                  |                   |                               |
| Services and supplies                       | 210,597          | 210,597          | 48,882            | 161,715                       |
| Other charges                               | 9,781            | 9,781            | 4,053             | 5,728                         |
| Total Butte Meadows Rec Grant               | <u>220,378</u>   | <u>220,378</u>   | <u>52,935</u>     | <u>167,443</u>                |
| County Share Trial Courts:                  |                  |                  |                   |                               |
| Services and supplies                       | 67,083           | 67,083           | 17,190            | 49,893                        |
| Other charges                               | 2,066,109        | 2,066,109        | 1,325,813         | 740,296                       |
| Total County Share Trial Courts             | <u>2,133,192</u> | <u>2,133,192</u> | <u>1,343,003</u>  | <u>790,189</u>                |
| Development Services:                       |                  |                  |                   |                               |
| Salaries and employee benefits              | 3,143,146        | 3,143,146        | 2,783,760         | 359,386                       |
| Services and supplies                       | 1,323,962        | 1,317,978        | 936,960           | 381,018                       |
| Other charges                               | 364,425          | 370,409          | 366,625           | 3,784                         |
| Capital Assets                              | 33,000           | 33,000           | 30,862            | 2,138                         |
| Total Development Services                  | <u>4,864,533</u> | <u>4,864,533</u> | <u>4,118,207</u>  | <u>746,326</u>                |
| District Attorney - Prosecution Division:   |                  |                  |                   |                               |
| Salaries and employee benefits              | 4,940,264        | 4,940,264        | 4,369,426         | 570,838                       |
| Services and supplies                       | 614,915          | 662,416          | 459,641           | 202,775                       |
| Other charges                               | 279,642          | 279,642          | 285,642           | (6,000)                       |
| Total DA - Prosecution Division             | <u>5,834,821</u> | <u>5,882,322</u> | <u>5,114,709</u>  | <u>767,613</u>                |
| District Attorney - Investigation Division: |                  |                  |                   |                               |
| Salaries and employee benefits              | 2,922,058        | 2,922,058        | 3,078,493         | (156,435)                     |
| Services and supplies                       | 235,581          | 248,981          | 182,487           | 66,494                        |
| Other charges                               | 215,210          | 217,709          | 213,614           | 4,095                         |
| Total DA -Investigation Division            | <u>3,372,849</u> | <u>3,388,748</u> | <u>3,474,594</u>  | <u>(85,846)</u>               |

**COUNTY OF BUTTE, CALIFORNIA**  
**GENERAL FUND**  
**DETAIL SCHEDULE OF EXPENDITURES BUDGET TO ACTUAL COMPARISON**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

|  | Budgeted Amounts  |                   | Actual<br>Amounts | Variance with<br>Final Budget |
|--|-------------------|-------------------|-------------------|-------------------------------|
|  | Original          | Final             |                   |                               |
| <b>Public Protection (continued):</b>        |                   |                   |                   |                               |
| District Attorney - Administrative Division: |                   |                   |                   |                               |
| Salaries and employee benefits               | 1,911,393         | 1,975,936         | 1,909,898         | 66,038                        |
| Services and supplies                        | 375,454           | 375,454           | 465,261           | (89,807)                      |
| Other charges                                | 608,799           | 630,999           | 213,057           | 417,942                       |
| Total DA- Administration Division :          | <u>2,895,646</u>  | <u>2,982,389</u>  | <u>2,588,216</u>  | <u>394,173</u>                |
| Fire Protection - Grant Division:            |                   |                   |                   |                               |
| Services and supplies                        | 443,798           | 443,798           | 227,033           | 216,765                       |
| Total Fire Protection - Grant Division       | <u>443,798</u>    | <u>443,798</u>    | <u>227,033</u>    | <u>216,765</u>                |
| Fire Protection - Regular Services:          |                   |                   |                   |                               |
| Services and supplies                        | 16,043,427        | 16,039,535        | 15,741,590        | 297,945                       |
| Other charges                                | 294,506           | 298,398           | 298,098           | 300                           |
| Total Fire Prot - Regular Services           | <u>16,337,933</u> | <u>16,337,933</u> | <u>16,039,688</u> | <u>298,245</u>                |
| Fire Protection - Voluntary Program:         |                   |                   |                   |                               |
| Salaries and employee benefits               | 134,218           | 134,218           | 98,307            | 35,911                        |
| Services and supplies                        | 570,984           | 570,984           | 456,034           | 114,950                       |
| Other charges                                | 245,537           | 245,537           | 87,040            | 158,497                       |
| Capital assets                               | 541,000           | 552,316           | 551,088           | 1,228                         |
| Total Fire Prot - Voluntary Program          | <u>1,491,739</u>  | <u>1,503,055</u>  | <u>1,192,469</u>  | <u>310,586</u>                |
| Grand Jury:                                  |                   |                   |                   |                               |
| Services and supplies                        | 116,495           | 116,495           | 65,084            | 51,411                        |
| Other charges                                | 35,341            | 35,341            | 35,316            | 25                            |
| Total Grand Jury                             | <u>151,836</u>    | <u>151,836</u>    | <u>100,400</u>    | <u>51,436</u>                 |
| Juvenile Hall General:                       |                   |                   |                   |                               |
| Salaries and employee benefits               | 4,092,413         | 4,092,413         | 4,125,006         | (32,593)                      |
| Services and supplies                        | 949,163           | 949,163           | 865,997           | 83,166                        |
| Other charges                                | 347,952           | 347,952           | 348,063           | (111)                         |
| Total Juvenile Hall General                  | <u>5,389,528</u>  | <u>5,389,528</u>  | <u>5,339,066</u>  | <u>50,462</u>                 |
| LAFCO Contribution:                          |                   |                   |                   |                               |
| Other charges                                | 274,000           | 274,000           | 263,994           | 10,006                        |
| Total LAFCO Contribution                     | <u>274,000</u>    | <u>274,000</u>    | <u>263,994</u>    | <u>10,006</u>                 |

**COUNTY OF BUTTE, CALIFORNIA**  
**GENERAL FUND**  
**DETAIL SCHEDULE OF EXPENDITURES BUDGET TO ACTUAL COMPARISON**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

|                                       | Budgeted Amounts  |                   | Actual<br>Amounts | Variance with<br>Final Budget |
|---------------------------------------|-------------------|-------------------|-------------------|-------------------------------|
|                                       | Original          | Final             |                   |                               |
| <b>Public Protection (continued):</b> |                   |                   |                   |                               |
| Probation General Services:           |                   |                   |                   |                               |
| Salaries and employee benefits        | 9,427,860         | 9,540,617         | 8,597,275         | 943,342                       |
| Services and supplies                 | 2,278,226         | 2,402,630         | 1,894,818         | 507,812                       |
| Other charges                         | 1,038,786         | 1,390,236         | 1,296,109         | 94,127                        |
| Capital assets                        | -                 | 93,833            | 86,636            | 7,197                         |
| Total Probation General Services      | <u>12,744,872</u> | <u>13,427,316</u> | <u>11,874,838</u> | <u>1,552,478</u>              |
| Public Defender:                      |                   |                   |                   |                               |
| Services and supplies                 | 3,235,965         | 3,235,965         | 3,342,972         | (107,007)                     |
| Other charges                         | 38,175            | 38,175            | 38,535            | (360)                         |
| Total Public Defender                 | <u>3,274,140</u>  | <u>3,274,140</u>  | <u>3,381,507</u>  | <u>(107,367)</u>              |
| Public Works General Services:        |                   |                   |                   |                               |
| Services and supplies                 | 12,079            | 12,079            | 12,072            | 7                             |
| Other charges                         | 93,414            | 93,414            | 93,396            | 18                            |
| Total Public Defender                 | <u>105,493</u>    | <u>105,493</u>    | <u>105,468</u>    | <u>25</u>                     |
| Recorder:                             |                   |                   |                   |                               |
| Salaries and employee benefits        | 1,016,519         | 1,016,519         | 919,175           | 97,344                        |
| Services and supplies                 | 608,787           | 533,420           | 483,400           | 50,020                        |
| Other charges                         | 143,075           | 146,406           | 146,430           | (24)                          |
| Capital assets                        | -                 | 72,036            | 72,036            | 0                             |
| Total Recorder                        | <u>1,768,381</u>  | <u>1,768,381</u>  | <u>1,621,041</u>  | <u>147,340</u>                |
| Sheriff - Coroner:                    |                   |                   |                   |                               |
| Salaries and employee benefits        | 28,709,625        | 29,251,026        | 28,775,618        | 475,408                       |
| Services and supplies                 | 10,629,044        | 11,124,788        | 10,175,519        | 949,269                       |
| Other charges                         | 2,695,177         | 2,792,041         | 2,791,894         | 147                           |
| Capital assets                        | 189,496           | 259,915           | 244,135           | 15,780                        |
| Total Sheriff - Coroner               | <u>42,223,342</u> | <u>43,427,770</u> | <u>41,987,166</u> | <u>1,440,604</u>              |
| Subdivision Inspection:               |                   |                   |                   |                               |
| Salaries and employee benefits        | 472,468           | 485,022           | 485,022           | -                             |
| Services and supplies                 | 74,913            | 62,359            | 34,003            | 28,356                        |
| Other charges                         | 91,398            | 91,398            | 38,085            | 53,313                        |
| Total Subdivision Inspection          | <u>638,779</u>    | <u>638,779</u>    | <u>557,110</u>    | <u>81,669</u>                 |
| Sutter-Butte Flood Control            |                   |                   |                   |                               |
| Other charges                         | 8,116             | 8,116             | 8,073             | 43                            |
| Total Sutter-Butte Flood Control      | <u>8,116</u>      | <u>8,116</u>      | <u>8,073</u>      | <u>43</u>                     |

**COUNTY OF BUTTE, CALIFORNIA**  
**GENERAL FUND**  
**DETAIL SCHEDULE OF EXPENDITURES BUDGET TO ACTUAL COMPARISON**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

|  | Budgeted Amounts      |                       | Actual<br>Amounts     | Variance with<br>Final Budget |
|--|-----------------------|-----------------------|-----------------------|-------------------------------|
|  | Original              | Final                 |                       |                               |
| <b>Public Protection (continued):</b>  |                       |                       |                       |                               |
| Water Services:                        |                       |                       |                       |                               |
| Salaries and employee benefits         | 537,855               | 537,855               | 508,668               | 29,187                        |
| Services and supplies                  | 325,183               | 368,962               | 289,657               | 79,305                        |
| Other charges                          | 31,735                | 32,956                | 32,919                | 37                            |
| Total Water Services                   | <u>894,773</u>        | <u>939,773</u>        | <u>831,244</u>        | <u>108,529</u>                |
| <b>Total Public Protection</b>         | <u>\$ 107,730,024</u> | <u>\$ 110,356,267</u> | <u>\$ 103,115,737</u> | <u>\$ 7,240,530</u>           |
| <b>Education:</b>                      |                       |                       |                       |                               |
| Farm, Home and 4-H Department:         |                       |                       |                       |                               |
| Salaries and employee benefits         | \$ 192,397            | \$ 192,397            | \$ 178,923            | \$ 13,474                     |
| Services and supplies                  | 79,226                | 79,226                | 47,139                | 32,087                        |
| Other charges                          | 87,776                | 87,776                | 87,161                | 615                           |
| Total Farm, Home, and 4H Dept          | <u>359,399</u>        | <u>359,399</u>        | <u>313,223</u>        | <u>46,176</u>                 |
| Libraries:                             | 1,822,601             | 1,856,177             | 1,740,452             | 115,725                       |
| Salaries and employee benefits         | 482,469               | 565,862               | 546,967               | 18,895                        |
| Services and supplies                  | 1,413,159             | 1,413,159             | 1,042,712             | 370,447                       |
| Other charges                          | -                     | 11,000                | 10,668                | 332                           |
| Total Libraries                        | <u>3,718,229</u>      | <u>3,846,198</u>      | <u>3,340,799</u>      | <u>505,399</u>                |
| <b>Total Education:</b>                | <u>\$ 4,077,628</u>   | <u>\$ 4,205,597</u>   | <u>\$ 3,654,022</u>   | <u>\$ 1,115,266</u>           |
| <b>Debt Service:</b>                   | <u>\$ 9,235</u>       | <u>\$ 9,235</u>       | <u>\$ 9,235</u>       | <u>\$ -</u>                   |
| <b>Total General Fund Expenditures</b> | <u>\$ 142,608,231</u> | <u>\$ 146,116,503</u> | <u>\$ 131,528,276</u> | <u>\$ 15,151,918</u>          |

**COUNTY OF BUTTE, CALIFORNIA**  
**SOCIAL SERVICES FUND**  
**DETAIL SCHEDULE OF EXPENDITURES BUDGET TO ACTUAL COMPARISON**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

|                                 | Budgeted Amounts |               | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------|------------------|---------------|-------------------|---|
|                                 | Original         | Final         |                   |   |
| <b>Public Protection:</b>       |                  |               |                   |   |
| Welfare - Public Guardian:      |                  |               |                   |   |
| Salaries and employee benefits  | \$ 510,457       | \$ 510,457    | \$ 457,922        | \$ 52,535   |
| Services and supplies           | 57,940           | 57,940        | 13,958            | 43,982  |
| Other charges                   | 208,615          | 208,615       | 132,722           | 75,893  |
| Total Welfare - Public Guardian | 777,012          | 777,012       | 604,602           | 172,410   |
| <b>Total Public Protection</b>  | \$ 777,012       | \$ 777,012    | \$ 604,602        | \$ 172,410  |
| <b>Public Assistance:</b>       |                  |               |                   |   |
| Welfare Administration:         |                  |               |                   |   |
| Salaries and employee benefits  | \$ 13,475,146    | \$ 13,224,646 | \$ 11,998,657     | \$ 1,225,989  |
| Services and supplies           | 6,735,835        | 6,903,436     | 6,483,935         | 419,501   |
| Other charges                   | 4,242,788        | 4,384,687     | 4,151,794         | 232,893   |
| Capital assets                  | 123,916          | 144,916       | 138,962           | 5,954   |
| Total Welfare Administration    | 24,577,685       | 24,657,685    | 22,773,348        | 1,884,337   |
| Welfare Eligibility:            |                  |               |                   |   |
| Salaries and employee benefits  | 16,659,589       | 16,499,589    | 16,817,077        | (317,488)   |
| Services and supplies           | 747,930          | 747,930       | 450,793           | 297,137   |
| Other charges                   | 311,000          | 311,000       | 185,457           | 125,543   |
| Total Welfare - Eligibility     | 17,718,519       | 17,558,519    | 17,453,327        | 105,192   |
| Welfare Services                |                  |               |                   |   |
| Salaries and employee benefits  | 10,927,025       | 10,927,025    | 10,030,320        | 896,705   |
| Services and supplies           | 1,114,800        | 401,409       | 243,833           | 157,576   |
| Other charges                   | 5,098,581        | 5,709,291     | 5,031,386         | 677,905   |
| Total Welfare Services          | 17,140,406       | 17,037,725    | 15,305,539        | 1,732,186   |
| Welfare CALWORKS Program:       |                  |               |                   |   |
| Salaries and employee benefits  | 4,296,072        | 4,296,072     | 3,548,124         | 747,948   |
| Services and supplies           | 1,702,977        | 2,224,103     | 2,084,655         | 139,448   |
| Other charges                   | 4,916,766        | 5,099,056     | 4,291,781         | 807,275   |
| Total Welfare CALWORKS Program  | 10,915,815       | 11,619,231    | 9,924,560         | 1,694,671   |
| Veteran's Service Officer:      |                  |               |                   |   |
| Salaries and employee benefits  | 250,902          | 250,902       | 245,573           | 5,329   |
| Services and supplies           | 31,075           | 31,075        | 17,114            | 13,961  |
| Other charges                   | 20,005           | 20,005        | 19,956            | 49  |
| Total Veteran's Service Officer | 301,982          | 301,982       | 282,643           | 19,339  |

**COUNTY OF BUTTE, CALIFORNIA**  
**SOCIAL SERVICES FUND**  
**DETAIL SCHEDULE OF EXPENDITURES BUDGET TO ACTUAL COMPARISON**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

|  | Budgeted Amounts      |                       | Actual<br>Amounts    | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|-----------------------|-----------------------|----------------------|---|
|  | Original              | Final                 |                      |   |
| <b>Public Assistance (continued):</b>          |                       |                       |                      |   |
| Children's Trust:                              |                       |                       |                      |   |
| Services and supplies                          | 52,000                | 52,000                | 42,000               | 19,140  |
| Other charges                                  | 1,504                 | 1,504                 | -                    | 738   |
| Total Children's Trust                         | <u>53,504</u>         | <u>53,504</u>         | <u>42,000</u>        | <u>19,878</u>   |
| Domestic Violence:                             |                       |                       |                      |   |
| Salaries and employee benefits                 | -                     | -                     | -                    | -   |
| Services and supplies                          | 50,000                | 50,000                | 40,016               | 9,984   |
| Total Domestic Violence                        | <u>50,000</u>         | <u>50,000</u>         | <u>40,016</u>        | <u>9,984</u>  |
| Assistance:                                    |                       |                       |                      |   |
| Services and supplies                          | 5,000                 | 5,000                 | -                    | 5,000   |
| Other charges                                  | 59,626,742            | 62,389,328            | 62,240,959           | 148,369   |
| Total Assistance                               | <u>59,631,742</u>     | <u>62,394,328</u>     | <u>62,240,959</u>    | <u>153,369</u>  |
| <b>Total Public Assistance</b>                 | <u>\$ 130,389,653</u> | <u>\$ 133,672,974</u> | <u>\$128,062,392</u> | <u>\$ 5,618,956</u>                                     |
| <b>Total Social Services Fund Expenditures</b> | <u>\$ 131,166,665</u> | <u>\$ 134,449,986</u> | <u>\$128,666,994</u> | <u>\$ 5,782,992</u>                                     |

**COUNTY OF BUTTE, CALIFORNIA**  
**PUBLIC HEALTH FUND**  
**DETAIL SCHEDULE OF EXPENDITURES BUDGET TO ACTUAL COMPARISON**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

|   | <u>Budgeted Amounts</u>     |                             | <u>Actual<br/>Amounts</u>   | Variance with<br>Final Budget |
|---|-----------------------------|-----------------------------|-----------------------------|-------------------------------|
|   | <u>Original</u>             | <u>Final</u>                |                             | Positive<br>(Negative)        |
| <b>Health and Sanitation</b>            |                             |                             |                             |                               |
| Public Health General Services:         |                             |                             |                             |                               |
| Salaries and employee benefits          | \$ 13,377,678               | \$ 13,386,671               | \$ 10,839,909               | \$ 2,546,762                  |
| Services and supplies                   | 5,746,579                   | 5,753,363                   | 4,252,530                   | 1,500,833                     |
| Other charges                           | 1,987,432                   | 1,987,432                   | 1,380,600                   | 606,832                       |
| Capital assets                          | 293,000                     | 293,000                     | 132,131                     | 160,869                       |
| Total Public Health General Services    | <u>21,404,689</u>           | <u>21,420,466</u>           | <u>16,605,170</u>           | <u>4,815,296</u>              |
| <b>Total Health and Sanitation</b>      | <u>\$ 21,404,689</u>        | <u>\$ 21,420,466</u>        | <u>\$ 16,605,170</u>        | <u>\$ 4,815,296</u>           |
| <b>Total Public Health Expenditures</b> | <u><u>\$ 21,404,689</u></u> | <u><u>\$ 21,420,466</u></u> | <u><u>\$ 16,605,170</u></u> | <u><u>\$ 4,815,296</u></u>    |

**COUNTY OF BUTTE, CALIFORNIA**  
**BEHAVIORAL HEALTH FUND**  
**DETAIL SCHEDULE OF EXPENDITURES BUDGET TO ACTUAL COMPARISON**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

|   | Budgeted Amounts     |                      | Actual<br>Amounts    | Variance with                          |
|---|----------------------|----------------------|----------------------|--|
|   | Original             | Final                |                      | Final Budget<br>Positive<br>(Negative) |
| <b>Health and Sanitation:</b>               |                      |                      |                      |  |
| Behavioral Health General Services:         |                      |                      |                      |  |
| Salaries and employee benefits              | \$ 27,284,301        | \$ 26,434,796        | \$ 23,453,273        | \$ 2,981,523                           |
| Services and supplies                       | 24,121,145           | 27,111,614           | 22,426,544           | 4,685,070                              |
| Other charges                               | 2,858,432            | 3,414,164            | 3,019,629            | 394,535                                |
| Capital assets                              | 388,200              | 402,705              | 298,250              | 104,455                                |
| Total Behavioral Health General Svcs        | <u>54,652,078</u>    | <u>57,363,279</u>    | <u>49,197,696</u>    | <u>8,165,583</u>                       |
| Mental Health Substance Abuse:              |                      |                      |                      |  |
| Salaries and employee benefits              | 2,783,191            | 2,830,291            | 2,552,016            | 278,275                                |
| Services and supplies                       | 3,453,041            | 3,672,965            | 3,214,086            | 458,879                                |
| Other charges                               | 390,818              | 386,068              | 333,639              | 52,429                                 |
| Total Mental Health Substance Abuse         | <u>6,627,050</u>     | <u>6,889,324</u>     | <u>6,099,741</u>     | <u>789,583</u>                         |
| <b>Total Health and Sanitation</b>          | <u>\$ 61,279,128</u> | <u>\$ 64,252,603</u> | <u>\$ 55,297,437</u> | <u>\$ 8,955,166</u>                    |
| <b>Total Behavioral Health Expenditures</b> | <u>\$ 61,279,128</u> | <u>\$ 64,252,603</u> | <u>\$ 55,297,437</u> | <u>\$ 8,955,166</u>                    |

**COUNTY OF BUTTE, CALIFORNIA**  
**ROAD FUND**  
**DETAIL SCHEDULE OF EXPENDITURES BUDGET TO ACTUAL COMPARISON**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

|                                    | <u>Budgeted Amounts</u>     |                             | <u>Actual<br/>Amounts</u>   | <u>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|------------------------------------|-----------------------------|-----------------------------|-----------------------------|---|
|                                    | <u>Original</u>             | <u>Final</u>                |                             |   |
| <b>Public Ways and Facilities:</b> |                             |                             |                             |   |
| Road Fund Operations               |                             |                             |                             |   |
| Salaries and employee benefits     | \$ 7,830,748                | \$ 7,830,748                | \$ 7,548,520                | \$ 282,228  |
| Services and supplies              | 11,843,994                  | 11,848,994                  | 5,829,579                   | 6,019,415   |
| Other charges                      | 1,424,183                   | 1,449,083                   | 1,140,318                   | 308,765   |
| Capital assets                     | 952,000                     | 983,000                     | 746,383                     | 236,617   |
| Total Road Fund                    | <u>\$ 22,050,925</u>        | <u>\$ 22,111,825</u>        | <u>\$ 15,264,800</u>        | <u>\$ 6,847,025</u>   |
| <b>Total Road Expenditures</b>     | <u><u>\$ 22,050,925</u></u> | <u><u>\$ 22,111,825</u></u> | <u><u>\$ 15,264,800</u></u> | <u><u>\$ 6,847,025</u></u>  |





## Statistical Section

## Statistical Section

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

### CONTENTS

#### FINANCIAL TRENDS

These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

#### REVENUE CAPACITY

These schedules contain trend information to help the reader assess the County's most significant local revenue source, which is property tax.

#### DEBT CAPACITY

These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

#### ECONOMIC AND DEMOGRAPHIC INFORMATION

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

#### OPERATING INFORMATION

These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial reports relate to the services the County provides and the activities it performs.

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

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

|  | 2007               | 2008               | 2009               | 2010               | 2011               | 2012               | 2013               | 2014               | 2015              | 2016              |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-------------------|-------------------|
| <b><u>Governmental activities:</u></b> |                    |                    |                    |                    |                    |                    |                    |                    |                   |                   |
| Net investment in capital assets       | \$ 299,087,057     | \$ 280,126,245     | \$ 269,571,545     | \$ 263,205,332     | \$ 243,321,441     | \$ 209,052,322     | \$ 209,080,492     | \$ 191,735,949     | \$ 168,982,913    | \$ 151,756,436    |
| Restricted                             | 26,321,708         | 45,999,726         | 51,089,379         | 49,225,674         | 78,363,897         | 84,780,705         | 79,227,923         | 16,595,483         | 95,931,964        | 136,834,213       |
| Unrestricted                           | 44,293,530         | 19,565,376         | 29,823,697         | 35,430,215         | 7,959,935          | (9,893,841)        | 588,586            | 389,388,834        | (210,556,320)     | (241,054,922)     |
| Total government net position          | <u>369,702,295</u> | <u>345,691,347</u> | <u>350,484,621</u> | <u>347,861,221</u> | <u>329,645,273</u> | <u>283,939,186</u> | <u>288,897,001</u> | <u>597,720,266</u> | <u>54,358,557</u> | <u>47,535,727</u> |

**Business-type activities:**

|                                  |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
|----------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Net investment in capital assets | 1,792,507         | 4,389,846         | 5,046,136         | 7,162,066         | 8,912,181         | 19,287,944        | 10,161,697        | (9,160,848)       | 1,129,555         | 16,065,466        |
| Restricted                       | 4,083,228         | 4,300,259         | 4,421,316         | 5,547,422         | 4,753,072         | 3,685,767         | 0                 | 0                 | 0                 | 0                 |
| Unrestricted                     | 11,463,088        | 10,256,700        | 10,664,266        | 9,326,821         | 8,799,943         | 2,489,032         | 15,111,391        | 34,433,936        | 14,404,403        | 10,768,515        |
| Total business net position      | <u>17,338,823</u> | <u>18,946,805</u> | <u>20,131,718</u> | <u>22,036,309</u> | <u>22,465,196</u> | <u>25,462,743</u> | <u>25,273,088</u> | <u>25,273,088</u> | <u>25,699,958</u> | <u>26,833,981</u> |

**Primary government:**

|   |                       |                       |                       |                       |                       |                       |                       |                       |                      |                      |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------|----------------------|
| Net investment in capital assets          | 300,879,564           | 284,516,091           | 274,617,681           | 270,367,398           | 252,233,622           | 228,340,266           | 219,242,189           | 182,575,101           | 180,278,468          | 167,821,902          |
| Restricted                                | 30,404,936            | 50,299,985            | 55,510,695            | 54,773,096            | 83,116,969            | 88,466,472            | 79,227,923            | 16,595,483            | 95,931,964           | 136,834,213          |
| Unrestricted                              | 55,756,618            | 29,822,076            | 40,487,963            | 44,757,037            | 16,759,878            | (7,404,809)           | 15,699,977            | 423,822,770           | (196,151,917)        | (230,286,407)        |
| Total primary government,<br>net position | <u>\$ 387,041,118</u> | <u>\$ 364,638,152</u> | <u>\$ 370,616,339</u> | <u>\$ 369,897,531</u> | <u>\$ 352,110,469</u> | <u>\$ 309,401,929</u> | <u>\$ 314,170,089</u> | <u>\$ 622,993,354</u> | <u>\$ 80,058,515</u> | <u>\$ 74,369,708</u> |

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

|  | 2007                   | 2008                  | 2009                  | 2010                   | 2011                  | 2012                  | 2013                   | 2014                   | 2015                  | 2016                  |
|--|------------------------|-----------------------|-----------------------|------------------------|-----------------------|-----------------------|------------------------|------------------------|-----------------------|-----------------------|
| <b>Governmental activities</b>                               |                        |                       |                       |                        |                       |                       |                        |                        |                       |                       |
| <b>Expenses</b>  |                        |                       |                       |                        |                       |                       |                        |                        |                       |                       |
| General government   | \$ 28,108,571          | \$ 16,617,793         | \$ 19,086,835         | \$ 20,865,771          | \$ 20,710,290         | \$ 25,025,047         | \$ 29,168,334          | \$ 30,060,660          | \$ 33,284,793         | \$ 19,494,479         |
| Public protection  | 82,634,178             | 81,999,331            | 87,500,747            | 96,664,267             | 94,362,185            | 88,781,607            | 91,167,264             | 93,246,404             | 104,222,488           | 109,431,367           |
| Public ways and facilities                                   | 17,520,672             | 31,531,708            | 34,623,721            | 39,999,631             | 34,975,071            | 30,108,420            | 36,686,173             | 37,081,727             | 34,940,310            | 33,073,748            |
| Health and sanitation  | 56,395,525             | 58,593,884            | 64,268,283            | 72,458,490             | 67,582,300            | 72,502,065            | 72,015,960             | 75,317,142             | 63,592,673            | 68,462,617            |
| Public assistance  | 130,935,568            | 130,966,814           | 135,871,668           | 142,125,227            | 142,615,875           | 143,688,838           | 148,220,091            | 141,998,777            | 121,695,661           | 129,102,977           |
| Education  | 2,723,315              | 2,905,270             | 3,117,432             | 3,394,070              | 3,291,233             | 2,805,328             | 2,959,473              | 3,208,699              | 3,382,972             | 3,256,166             |
| Culture and recreation services                              | 499,967                | 658,741               | 604,386               | 374,615                | 524,852               | 512,353               | 530,319                | 583,937                | 274,130               | 270,721               |
| Interest on long-term debt                                   | 3,608,601              | 4,183,940             | 4,315,186             | 3,696,005              | 2,659,630             | 2,499,474             | 2,701,482              | 2,488,759              | 1,921,981             | 2,090,317             |
| <b>Total</b>   | <b>322,426,397</b>     | <b>327,457,481</b>    | <b>349,388,258</b>    | <b>379,578,076</b>     | <b>366,721,436</b>    | <b>365,923,132</b>    | <b>383,449,096</b>     | <b>383,986,105</b>     | <b>363,315,008</b>    | <b>365,182,392</b>    |
| <b>Program revenue</b>                                       |                        |                       |                       |                        |                       |                       |                        |                        |                       |                       |
| Charges for services:  |                        |                       |                       |                        |                       |                       |                        |                        |                       |                       |
| General government   | 16,760,879             | 16,779,891            | 19,903,572            | 20,463,697             | 16,567,360            | 21,694,710            | 22,092,523             | 19,859,373             | 8,482,864             | 17,099,501            |
| Public protection  | 6,461,794              | 5,581,142             | 5,285,862             | 6,000,509              | 9,180,534             | 10,708,534            | 10,398,936             | 9,364,760              | 9,345,835             | 8,176,255             |
| Public ways and facilities                                   | 2,680,446              | 2,932,837             | 3,439,296             | 3,547,975              | 4,082,071             | 2,225,165             | 2,216,854              | 2,286,810              | 347,898               | 857,994               |
| Health and sanitation  | 4,109,596              | 4,041,916             | 5,011,027             | 5,176,893              | 5,673,115             | 5,756,094             | 5,785,533              | 5,607,738              | 2,877,011             | 4,293,783             |
| Public assistance  | 393,023                | 205,520               | 354,261               | 543,906                | 711,842               | 676,610               | 1,079,724              | 1,012,741              | 373,010               | 1,138,165             |
| Education  | 72,532                 | 118,108               | 101,360               | 89,362                 | 113,684               | 146,212               | 146,391                | 146,391                | 120,413               | 171,464               |
| Culture and recreation services                              | 0                      | 101,775               | 115,716               | 120,209                | 0                     | 0                     | 0                      | 0                      | 317,359               | 68,258                |
| Operating grants and contributions                           | 184,501,125            | 194,629,899           | 206,381,946           | 214,119,802            | 222,937,925           | 222,575,034           | 227,348,490            | 238,623,299            | 227,391,828           | 212,696,494           |
| Capital grants and contributions                             | 14,939,327             | 11,982,196            | 13,136,901            | 12,981,464             | 16,299,993            | 20,924,224            | 10,465,668             | 13,263,837             | 15,754,932            | 12,186,193            |
| <b>Total governmental activities program revenues</b>        | <b>229,918,722</b>     | <b>236,373,284</b>    | <b>253,729,941</b>    | <b>263,043,817</b>     | <b>275,566,524</b>    | <b>284,706,583</b>    | <b>279,534,119</b>     | <b>290,164,949</b>     | <b>265,011,150</b>    | <b>256,688,107</b>    |
| <b>Net expense</b>   | <b>(92,507,675)</b>    | <b>(91,084,197)</b>   | <b>(95,658,317)</b>   | <b>(116,534,259)</b>   | <b>(91,154,912)</b>   | <b>(81,216,549)</b>   | <b>(103,914,977)</b>   | <b>(93,821,156)</b>    | <b>(98,303,858)</b>   | <b>(108,494,285)</b>  |
| <b>General revenue and transfers</b>                         |                        |                       |                       |                        |                       |                       |                        |                        |                       |                       |
| Taxes:   |                        |                       |                       |                        |                       |                       |                        |                        |                       |                       |
| Property taxes   | 34,260,317             | 41,656,548            | 45,641,947            | 47,928,940             | 49,534,039            | 49,822,100            | 47,576,400             | 46,504,613             | 62,251,988            | 58,629,417            |
| Sales taxes  | 4,952,509              | 3,371,227             | 4,551,967             | 4,006,588              | 3,525,252             | 3,502,003             | 3,825,307              | 3,809,695              | 4,715,299             | 4,338,344             |
| Other taxes and related revenues                             | 1,935,715              | 1,624,332             | 1,356,479             | 989,470                | 1,031,960             | 1,010,109             | 942,242                | 1,022,342              | 986,621               | 1,302,226             |
| Grants and contributions not restricted to specific programs | 18,526,669             | 25,122,030            | 21,030,134            | 21,299,136             | 17,253,122            | 15,503,952            | 16,753,325             | 17,747,085             | 15,399,497            | 34,030,358            |
| Unrestricted investment earnings                             | 3,291,173              | 1,474,933             | 5,558,955             | 5,367,056              | 4,832,431             | 3,218,361             | 3,053,171              | 1,751,760              | 3,801,898             | 3,042,352             |
| Gain (Loss) on sale of assets                                | (66,147)               | 19,610                | 0                     | 0                      | 0                     | 0                     | 0                      | 0                      | 0                     | 0                     |
| Miscellaneous  | 19,507,815             | 8,327,670             | 11,430,359            | 12,932,121             | 11,688,662            | 4,521,606             | 4,886,259              | 3,934,721              | 6,927,395             | 328,758               |
| Transfers  | 0                      | 0                     | (8,770)               | 0                      | 0                     | 0                     | 0                      | 14,788                 | 0                     | 0                     |
| <b>Total</b>   | <b>82,408,051</b>      | <b>81,596,350</b>     | <b>89,561,071</b>     | <b>92,523,311</b>      | <b>87,865,466</b>     | <b>77,578,131</b>     | <b>77,036,704</b>      | <b>74,785,004</b>      | <b>94,082,698</b>     | <b>101,671,455</b>    |
| <b>Change in net assets governmental activities</b>          | <b>\$ (10,099,624)</b> | <b>\$ (9,487,847)</b> | <b>\$ (6,097,246)</b> | <b>\$ (24,010,948)</b> | <b>\$ (3,289,446)</b> | <b>\$ (3,638,418)</b> | <b>\$ (26,878,273)</b> | <b>\$ (19,036,152)</b> | <b>\$ (4,221,160)</b> | <b>\$ (6,822,830)</b> |

continued

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

|  | 2007           | 2008           | 2009            | 2010           | 2011           | 2012           | 2013            | 2014           | 2015           | 2016           |
|--|----------------|----------------|-----------------|----------------|----------------|----------------|-----------------|----------------|----------------|----------------|
| <b>Business-type activities</b>                          |                |                |                 |                |                |                |                 |                |                |                |
| <b>Expenses</b>  |                |                |                 |                |                |                |                 |                |                |                |
| Sanitation   | \$ 4,664,895   | \$ 4,680,195   | \$ 4,403,172    | \$ 5,486,248   | \$ 5,804,049   | \$ 4,855,077   | \$ 5,281,891    | \$ 5,867,934   | \$ 6,151,270   | \$ 7,534,619   |
| Transit  | 2,528,381      | 23,907         | 388,537         | 0              | 0              | 0              | 0               | 0              | 0              | 0              |
| Total business-type activities                           | 7,193,276      | 4,704,102      | 4,791,709       | 5,486,248      | 5,804,049      | 4,855,077      | 5,281,891       | 6,151,270      | 6,151,270      | 7,534,619      |
| <b>Program revenue</b>                                   |                |                |                 |                |                |                |                 |                |                |                |
| Charges for services:                                    |                |                |                 |                |                |                |                 |                |                |                |
| Sanitation   | 5,579,396      | 6,499,022      | 6,662,729       | 5,981,595      | 6,094,380      | 6,150,774      | 6,626,025       | 6,729,881      | 7,548,245      | 8,405,871      |
| Transit  | 478,840        | 71,499         | 0               | 0              | 0              | 0              | 0               | 0              | 0              | 0              |
| Operating grants and contributions                       | 1,605,044      | 465,263        | 70,717          | 108,566        | 83,808         | 159,913        | 0               | 0              | 0              | 0              |
| Total business-type activities program revenues          | 7,663,280      | 7,035,784      | 6,733,446       | 6,090,161      | 6,178,188      | 6,310,686      | 6,626,025       | 7,548,245      | 7,548,245      | 8,405,871      |
| <b>Net revenue (expense)</b>                             | 470,004        | 2,331,682      | 1,941,737       | 603,913        | 374,139        | 1,455,610      | 1,344,134       | 861,947        | 1,396,975      | 871,252        |
| <b>General revenues</b>                                  |                |                |                 |                |                |                |                 |                |                |                |
| Unrestricted investment earnings                         | 384,442        | 89,643         | 701,950         | 1,004,069      | 810,774        | 463,350        | 196,221         | 182,000        | 199,250        | 233,271        |
| Gain (loss) on sale of assets                            | 0              | (2,528,082)    | 0               | 0              | 0              | 0              | 0               | 0              | 0              | 0              |
| Miscellaneous  | 152,947        | 186,366        | 0               | 0              | 0              | 0              | 0               | 107,674        | 0              | 29,500         |
| Transfers  | 0              | 0              | 8,770           | 0              | 0              | 0              | (14,788)        | 24,770         | 0              | 0              |
| Total general revenues                                   | 537,389        | (2,252,073)    | 710,720         | 1,004,069      | 810,774        | 463,350        | 181,433         | 314,444        | 199,250        | 262,771        |
| <b>Change in net position - business-type activities</b> | \$ 1,007,393   | \$ 79,609      | \$ 2,652,457    | \$ 1,607,982   | \$ 1,184,913   | \$ 1,918,960   | \$ 1,525,567    | \$ 1,176,391   | \$ 1,596,225   | \$ 1,134,023   |
| <b>Primary Government</b>                                |                |                |                 |                |                |                |                 |                |                |                |
| <b>Expenses</b>  |                |                |                 |                |                |                |                 |                |                |                |
| Governmental activities                                  | \$ 327,457,481 | \$ 349,388,258 | \$ 379,578,076  | \$ 366,721,436 | \$ 365,923,132 | \$ 365,923,133 | \$ 383,986,105  | \$ 369,672,540 | \$ 363,315,008 | \$ 365,182,392 |
| Business-type activities                                 | 7,193,276      | 4,704,102      | 4,791,709       | 5,486,248      | 5,804,049      | 4,855,077      | 5,281,891       | 5,867,934      | 6,151,270      | 7,534,619      |
| Total  | 334,650,757    | 354,092,360    | 384,369,785     | 372,207,684    | 371,727,181    | 370,778,210    | 389,267,996     | 375,540,474    | 369,466,278    | 372,717,011    |
| <b>Program revenue</b>                                   |                |                |                 |                |                |                |                 |                |                |                |
| Governmental activities                                  | 236,373,284    | 253,729,941    | 263,043,817     | 275,566,524    | 284,706,583    | 284,706,583    | 290,164,949     | 265,011,150    | 265,011,150    | 256,688,107    |
| Business-type activities                                 | 7,663,280      | 7,035,784      | 6,733,446       | 6,090,161      | 6,178,188      | 6,310,686      | 6,626,025       | 7,548,245      | 7,548,245      | 8,405,871      |
| Total  | 244,036,564    | 260,765,725    | 269,777,263     | 281,656,685    | 290,884,771    | 291,017,269    | 296,790,974     | 272,559,395    | 272,559,395    | 265,093,978    |
| <b>Net expense</b>                                       |                |                |                 |                |                |                |                 |                |                |                |
| Governmental activities                                  | (91,084,197)   | (95,658,317)   | (116,534,259)   | (91,154,912)   | (81,216,549)   | (81,216,550)   | (93,821,156)    | (104,661,390)  | (98,303,858)   | (108,494,285)  |
| Business-type activities                                 | 470,004        | 2,331,682      | 1,941,737       | 603,913        | 374,139        | 1,455,610      | 1,344,134       | 1,680,311      | 1,396,975      | 871,252        |
| Total  | (90,614,193)   | (93,326,635)   | (114,592,522)   | (90,550,999)   | (80,842,410)   | (79,760,940)   | (92,477,022)    | (102,981,079)  | (96,906,883)   | (107,623,033)  |
| <b>General revenue</b>                                   |                |                |                 |                |                |                |                 |                |                |                |
| Governmental activities                                  | 81,596,350     | 89,561,071     | 92,523,311      | 87,865,466     | 77,578,131     | 77,578,131     | 74,785,004      | 94,082,698     | 94,082,698     | 101,671,455    |
| Business-type activities                                 | 537,389        | (2,252,073)    | 710,720         | 1,004,069      | 810,774        | 463,350        | 181,433         | 132,444        | 199,250        | 262,771        |
| Total  | 82,133,739     | 87,308,998     | 93,234,031      | 88,869,535     | 78,388,905     | 78,041,481     | 74,966,437      | 94,215,142     | 94,281,948     | 101,934,226    |
| <b>Change in net position</b>                            |                |                |                 |                |                |                |                 |                |                |                |
| Governmental activities                                  | (9,487,847)    | (6,097,246)    | (24,010,948)    | (3,289,446)    | (3,638,418)    | (3,638,419)    | (19,036,152)    | (10,578,692)   | (4,221,160)    | (6,822,830)    |
| Business-type activities                                 | 1,007,393      | 79,609         | 2,652,457       | 1,607,982      | 1,184,913      | 1,918,960      | 1,525,567       | 1,176,391      | 1,596,225      | 1,134,023      |
| Total primary government change in net position          | \$ (8,480,454) | \$ (6,017,637) | \$ (21,358,491) | \$ (1,681,464) | \$ (2,453,505) | \$ (1,719,459) | \$ (17,510,585) | \$ (8,765,937) | \$ (2,624,935) | \$ (5,688,807) |

Source: Auditor Controller, County of Butte

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

For the Fiscal Year Ended June 30,

|                                   | 2007              | 2008              | 2009              | 2010              |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------|
| <b>General Fund</b>               |                   |                   |                   |                   |
| Reserved for:                     |                   |                   |                   |                   |
| Encumbrances                      | \$ 2,829,192      | \$ 4,164,873      | \$ 2,437,136      | \$ 2,348,768      |
| Imprest cash                      | 45,595            | 44,095            | 44,245            | 84,345            |
| Prepaid items                     | 1,138             | 0                 | 1,888             | 1,848             |
| Deposits with others              | 2,500             | 2,500             | 2,500             | 2,500             |
| General restrictions              | 5,586,824         | 10,611,120        | 11,560,087        | 13,844,851        |
| Debt service                      | 808,994           | 801,259           | 1,127,040         | 1,572,685         |
| Inventory                         | 0                 | 0                 | 0                 | 154,369           |
| Unreserved:                       |                   |                   |                   |                   |
| Designated                        | 3,894,494         | 91,826            | 232,510           | 115,000           |
| Undesignated                      | 16,857,031        | 10,160,457        | 9,059,057         | 16,710,645        |
| <b>Total general fund balance</b> | <b>30,025,768</b> | <b>25,876,130</b> | <b>24,464,463</b> | <b>34,835,011</b> |

**All other Governmental Funds**

|   |                   |                   |                   |                   |
|---|-------------------|-------------------|-------------------|-------------------|
| Reserved for:                                 |                   |                   |                   |                   |
| Encumbrances                                  | 10,563,974        | 17,850,098        | 11,526,534        | 10,662,956        |
| Imprest cash                                  | 1,815             | 1,750             | 1,700             | 2,700             |
| Prepaid items                                 | 1,766             | 0                 | 4,088             | 8,945             |
| Deposits with others                          | 297               | 297               | 297               | 297               |
| Long-term loans receivable                    | 0                 | 0                 | 0                 | 0                 |
| Legislative/ Grant restrictions               | 1,961,755         | 21,963,318        | 22,424,759        | 25,932,333        |
| Debt service                                  | 8,970,613         | 5,522,525         | 7,943,619         | 7,875,805         |
| Inventories                                   | 231,586           | 293,954           | 273,707           | 284,270           |
| Unreserved:                                   |                   |                   |                   |                   |
| Designated, reported in:                      |                   |                   |                   |                   |
| Special revenue funds                         | 23,931,864        | 0                 | 4,558,541         | 4,460,824         |
| Undesignated, reported in:                    |                   |                   |                   |                   |
| Special revenue funds                         | 8,439,849         | 1,249,734         | 12,604,968        | 15,206,987        |
| Capital projects funds                        | 220,031           | 848,587           | 295,664           | 551,122           |
| <b>Total other governmental fund balances</b> | <b>54,323,550</b> | <b>47,730,263</b> | <b>59,633,877</b> | <b>64,986,239</b> |

|                                     | 2011                 | 2012                 | 2013                 | 2014                 | 2015                 | 2016                 |
|-------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>General Fund</b>                 |                      |                      |                      |                      |                      |                      |
| Nonspendable                        | 122,064              | 290,483              | 150,080              | 157,012              | 607,460              | 238,618              |
| Restricted                          | 13,842,210           | 18,714,771           | 15,812,903           | 19,171,026           | 26,840,249           | 27,132,083           |
| Committed                           | 2,628,878            | 808,712              | 5,709,505            | 5,831,455            | 0                    | 7,500,000            |
| Assigned                            | 6,559,485            | 5,059,485            | 714,346              | 30,278               | 28,259               | 28,867               |
| Unassigned                          | 11,197,976           | 12,396,380           | 17,267,531           | 14,708,683           | 23,993,723           | 23,371,872           |
|                                     | <b>34,350,613</b>    | <b>37,269,831</b>    | <b>39,898,454</b>    | <b>39,898,454</b>    | <b>51,469,691</b>    | <b>58,271,440</b>    |
| <b>All other Governmental Funds</b> |                      |                      |                      |                      |                      |                      |
| Nonspendable                        | 323,212              | 364,031              | 340,758              | 322,391              | 314,201              | 287,987              |
| Restricted                          | 64,521,687           | 64,470,569           | 63,415,020           | 67,838,156           | 75,587,815           | 78,274,786           |
| Committed                           | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    |
| Assigned                            | 0                    | 0                    | (2,203,060)          | 0                    | 0                    | 0                    |
| Unassigned                          | 0                    | (1,726,040)          | 0                    | 0                    | 0                    | 0                    |
|                                     | <b>\$ 64,844,899</b> | <b>\$ 63,108,560</b> | <b>\$ 68,160,547</b> | <b>\$ 75,902,016</b> | <b>\$ 75,902,016</b> | <b>\$ 78,562,773</b> |

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

|  | 2007          | 2008          | 2009            | 2010          | 2011          | 2012          | 2013           | 2014          | 2015          | 2016          |
|--|---------------|---------------|-----------------|---------------|---------------|---------------|----------------|---------------|---------------|---------------|
| <b>REVENUE</b>   |               |               |                 |               |               |               |                |               |               |               |
| Taxes  | \$ 47,395,136 | \$ 52,384,206 | \$ 53,797,238   | \$ 54,091,251 | \$ 54,334,212 | \$ 51,336,650 | \$ 52,446,752  | \$ 54,343,606 | \$ 67,953,905 | \$ 64,269,987 |
| License and permits  | 4,322,084     | 4,861,476     | 4,604,498       | 3,720,735     | 3,123,312     | 3,120,393     | 3,316,514      | 3,808,020     | 3,896,371     | 3,603,798     |
| Fines, forfeitures and penalties                           | 2,446,572     | 2,728,930     | 3,139,816       | 3,307,221     | 3,835,387     | 3,233,042     | 3,138,357      | 2,173,480     | 3,147,613     | 8,144,022     |
| Revenues from use of money                                 | 1,337,150     | 5,285,289     | 4,982,969       | 4,063,901     | 2,766,269     | 1,570,990     | 3,167,371      | 3,719,926     | 3,801,896     | 6,866,665     |
| Aid from other governments                                 | 231,688,344   | 240,529,554   | 248,376,861     | 256,476,762   | 258,983,988   | 269,779,236   | 266,362,753    | 245,850,909   | 255,545,197   | 256,811,754   |
| Charges for services                                       | 22,885,477    | 26,645,205    | 27,757,939      | 29,300,650    | 34,248,627    | 30,672,237    | 16,483,576     | 16,810,792    | 14,787,538    | 29,675,113    |
| Other  | 8,327,670     | 11,430,359    | 12,932,121      | 11,688,660    | 4,521,606     | 3,934,721     | 5,041,631      | 4,459,273     | 6,891,119     | 3,539,473     |
| Total revenue  | 318,402,433   | 343,865,019   | 355,591,442     | 362,649,180   | 361,813,401   | 363,647,269   | 349,956,954    | 331,166,006   | 356,023,639   | 372,910,812   |
| <b>EXPENDITURES</b>  |               |               |                 |               |               |               |                |               |               |               |
| Current  |               |               |                 |               |               |               |                |               |               |               |
| General government   | 18,353,948    | 20,440,643    | 21,640,700      | 21,456,259    | 23,348,016    | 29,192,387    | 29,382,721     | 34,986,797    | 31,817,707    | 28,942,422    |
| Public protection  | 80,525,118    | 89,379,218    | 97,512,700      | 93,854,161    | 84,903,509    | 92,590,332    | 89,451,403     | 87,074,775    | 97,118,079    | 112,321,201   |
| Public ways and facilities                                 | 14,332,609    | 17,037,110    | 18,547,425      | 22,211,130    | 18,282,672    | 18,433,994    | 22,205,964     | 21,242,482    | 19,082,142    | 16,887,900    |
| Health and sanitation                                      | 59,429,613    | 65,632,200    | 72,966,299      | 67,928,959    | 71,610,453    | 74,748,465    | 70,982,915     | 65,096,539    | 64,445,786    | 72,134,878    |
| Public assistance  | 131,916,991   | 137,501,206   | 142,597,681     | 143,751,638   | 142,735,533   | 140,936,590   | 135,233,719    | 112,558,764   | 121,408,562   | 128,880,213   |
| Education  | 2,819,417     | 3,056,164     | 3,397,317       | 3,227,903     | 2,714,077     | 3,149,286     | 2,407,061      | 2,508,004     | 3,255,644     | 3,654,022     |
| Recreation and cultural services                           | 540,284       | 475,794       | 574,995         | 538,899       | 344,806       | 363,065       | 76,733         | 252,717       | 463,469       | 116,409       |
| Debt service (1)   |               |               |                 |               |               |               |                |               |               |               |
| Principal  | 5,562,451     | 2,854,718     | 6,774,954       | 746,483       | 767,210       | 765,957       | 738,305        | 1,105,042     | 2,028,202     | 2,278,656     |
| Interest   | 4,218,911     | 4,226,524     | 3,599,724       | 2,597,561     | 2,398,702     | 2,387,171     | 2,001,044      | 1,969,457     | 1,923,814     | 2,090,317     |
| Cost of issuance   | 19,300        | 0             | 0               | 0             | 0             | 0             | 0              | 0             | 0             | 0             |
| Total expenditures   | 317,718,642   | 340,603,577   | 367,611,795     | 356,312,993   | 347,104,978   | 362,567,247   | 352,479,865    | 326,794,577   | 3,411,543,405 | 367,306,018   |
| Excess (deficiency) of revenues<br>over expenditures       | 683,791       | 3,261,442     | (12,020,353)    | 6,336,187     | 14,708,423    | 1,080,022     | (2,522,911)    | 4,371,429     | 14,480,234    | 5,604,794     |
| <b>OTHER FINANCING SOURCES (USES)</b>                      |               |               |                 |               |               |               |                |               |               |               |
| Sales of capital assets                                    | 22,973        | 24,014        | 463,507         | 72,392        | 68,894        | 169,364       | 96,457         | 238,595       | 36,275        | 163,128       |
| Capital lease  |               |               |                 |               |               |               |                |               |               | 34,059        |
| Transfers in   | 23,387,710    | 19,802,941    | 24,328,799      | 20,862,960    | 21,674,746    | 7,814,774     | 23,917,358     | 31,781,697    | 26,978,872    | 15,818,443    |
| Transfers out  | (19,446,663)  | (19,292,699)  | (23,638,040)    | (20,574,185)  | (20,525,060)  | (7,492,219)   | (23,131,187)   | (31,079,686)  | (26,978,872)  | (15,361,724)  |
| Proceeds from issuance of debt                             | 1,254,300     | 23,535        | 123,162         | 0             | 0             | 272,915       | 0              | 1,539,884     | 4,796,195     | 3,203,805     |
| Total other financing sources                              | 5,218,320     | 557,791       | 1,277,428       | 361,167       | 1,218,580     | 764,834       | 882,628        | 2,480,490     | 4,832,470     | 3,857,711     |
| Net change in fund balance                                 | \$ 5,902,111  | \$ 3,819,233  | \$ (10,742,925) | \$ 6,697,354  | \$ 15,927,003 | \$ 1,844,856  | \$ (1,640,283) | \$ 6,851,919  | \$ 19,312,704 | \$ 9,462,505  |
| Debt service as a percentage of noncapital<br>expenditures | 3%            | 3.1%          | 2.1%            | 2.9%          | 1.0%          | 0.9%          | 0.8%           | 0.9%          | 1.2%          | 1.2%          |

Source: Auditor Controller, County of Butte

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

| Fiscal<br>Year | Total Tax<br>Levy for<br>Fiscal Year | Collected within the<br>Fiscal Year of the Levy |                       | Collections of<br>Delinquent Tax<br>from Prior Years(1) | Total Collections to Date (2) |                       |
|----------------|--------------------------------------|---|-----------------------|---|-------------------------------|-----------------------|
|                |                                      | Amount<br>Collected                             | Percentage<br>of Levy |   | Amount<br>Collected           | Percentage<br>of Levy |
| 2007           | 172,109,368                          | 166,686,660                                     | 96.85%                | 3,058,897   | 169,745,557                   | 98.63%                |
| 2008           | 188,829,719                          | 181,185,658                                     | 95.95%                | 4,143,155   | 185,328,813                   | 98.15%                |
| 2009           | 198,409,898                          | 189,418,909                                     | 95.47%                | 4,496,295   | 193,915,204                   | 97.73%                |
| 2010           | 199,175,438                          | 190,591,457                                     | 95.69%                | 4,447,409   | 195,038,866                   | 97.92%                |
| 2011           | 193,037,125                          | 186,558,046                                     | 96.64%                | 2,945,199   | 189,503,245                   | 98.17%                |
| 2012           | 190,697,309                          | 185,141,785                                     | 97.09%                | 2,537,452   | 187,679,237                   | 98.42%                |
| 2013           | 188,546,914                          | 183,835,994                                     | 97.50%                | 2,528,186   | 186,364,180                   | 98.84%                |
| 2014           | 196,435,975                          | 192,402,835                                     | 97.95%                | -   | 192,402,835                   | 97.95%                |
| 2015           | 203,133,678                          | 198,864,507                                     | 97.90%                | -   | 198,864,507                   | 97.90%                |
| 2016           | 212,108,378                          | 207,989,382                                     | 98.06%                | -   | 207,989,382                   | 98.06%                |

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

Note 2: Includes current collections.

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

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| Fiscal<br>Year | Secured<br>Roll | Utility<br>Roll | Unsecured<br>Roll | Assessed<br>Value |
|----------------|-----------------|-----------------|-------------------|-------------------|
| 2007           | 16,635,665,987  | 8,367,262       | 772,641,464       | 17,416,674,713    |
| 2008           | 17,533,281,603  | 7,930,798       | 836,615,856       | 18,377,828,257    |
| 2009           | 17,425,202,572  | 7,930,548       | 867,695,459       | 18,300,828,579    |
| 2010           | 17,072,831,203  | 5,152,377       | 867,854,918       | 17,945,838,498    |
| 2011           | 16,727,958,629  | 4,882,202       | 915,364,830       | 17,648,205,661    |
| 2012           | 16,485,706,992  | 4,857,082       | 905,984,882       | 17,396,548,956    |
| 2013           | 16,742,852,223  | 4,821,511       | 933,668,753       | 17,681,342,487    |
| 2014           | 17,332,622,639  | 6,270,694       | 986,767,326       | 18,325,660,659    |
| 2015           | 17,610,137,111  | 6,270,694       | 987,011,434       | 18,603,419,239    |
| 2016           | 18,500,757,968  | 6,270,694       | 1,002,100,240     | 19,509,128,902    |

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

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| Fiscal<br>Year | Secured<br>Roll | Utility<br>Roll | Unsecured<br>Roll | Assessed<br>Value |
|----------------|-----------------|-----------------|-------------------|-------------------|
| 2007           | 16,635,665,987  | 8,367,262       | 772,641,464       | 17,416,674,713    |
| 2008           | 17,533,281,603  | 7,930,798       | 836,615,856       | 18,377,828,257    |
| 2009           | 17,425,202,572  | 7,930,548       | 867,695,459       | 18,300,828,579    |
| 2010           | 17,072,831,203  | 5,152,377       | 867,854,918       | 17,945,838,498    |
| 2011           | 16,727,958,629  | 4,882,202       | 915,364,830       | 17,648,205,661    |
| 2012           | 16,485,706,992  | 4,857,082       | 905,984,882       | 17,396,548,956    |
| 2013           | 16,742,852,223  | 4,821,511       | 933,668,753       | 17,681,342,487    |
| 2014           | 17,332,622,639  | 6,270,694       | 986,767,326       | 18,325,660,659    |
| 2015           | 17,610,137,111  | 6,270,694       | 987,011,434       | 18,603,419,239    |
| 2016           | 18,500,757,968  | 6,270,694       | 1,002,100,240     | 19,509,128,902    |

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

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

| Fiscal Year | Basic           |               |                  |         | Butte         |                |                | Paradise     |                     | Total   |
|-------------|-----------------|---------------|------------------|---------|---------------|----------------|----------------|--------------|---------------------|---------|
|             | Countywide Levy | City of Chico | City of Oroville | Schools | Butte College | County Schools | Richvale Sewer | Lake Madrone | Irrigation District |         |
| 2007        | 1.00%           | 0.000%        | 0.000%           | 0.1997% | 0.0209%       | 0.000%         | 0.0000%        | 1.020%       | 0.027%              | 2.2676% |
| 2008        | 1.00%           | 0.000%        | 0.000%           | 0.1939% | 0.0209%       | 0.000%         | 0.0000%        | 1.020%       | 0.024%              | 2.2588% |
| 2009        | 1.00%           | 0.000%        | 0.000%           | 0.1899% | 0.0209%       | 0.000%         | 0.0000%        | 1.020%       | 0.022%              | 2.2528% |
| 2010        | 1.00%           | 0.000%        | 0.000%           | 0.1822% | 0.0209%       | 0.000%         | 0.0000%        | 1.020%       | 0.026%              | 2.2491% |
| 2011        | 1.00%           | 0.000%        | 0.000%           | 0.1620% | 0.0209%       | 0.000%         | 0.0000%        | 1.150%       | 0.024%              | 2.3569% |
| 2012        | 1.00%           | 0.000%        | 0.000%           | 0.3479% | 0.0209%       | 0.000%         | 0.0000%        | 1.250%       | 0.028%              | 2.6468% |
| 2013        | 1.00%           | 0.000%        | 0.000%           | 0.1603% | 0.0209%       | 0.000%         | 0.0000%        | 1.400%       | 0.026%              | 2.6072% |
| 2014        | 1.00%           | 0.000%        | 0.000%           | 0.1955% | 0.0209%       | 0.000%         | 0.0000%        | 2.000%       | 0.021%              | 3.2373% |
| 2015        | 1.00%           | 0.000%        | 0.000%           | 0.1866% | 0.0209%       | 0.000%         | 0.0000%        | 2.000%       | 0.025%              | 3.2325% |
| 2016        | 1.00%           | 0.000%        | 0.000%           | 0.1628% | 0.0209%       | 0.000%         | 0.0000%        | 2.000%       | 0.021%              | 3.2047% |

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**

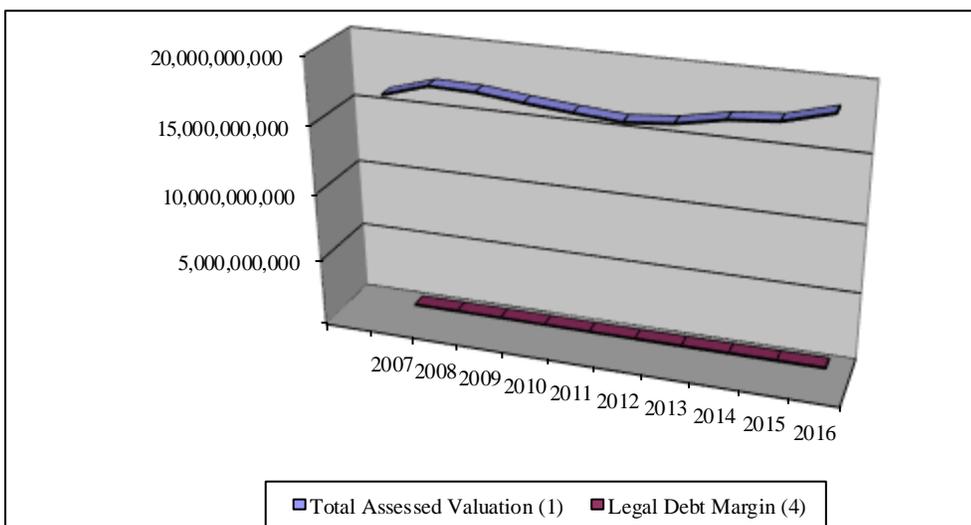
| Taxpayer   | 2016 |                          |                              | 2007 |                          |                              |
|--|------|--------------------------|------------------------------|------|--------------------------|------------------------------|
|  | Rank | Assessed Valuation       | Percentage of Total Assessed | Rank | Assessed Valuation       | Percentage of Total Assessed |
| Pacific Gas and Electric Company                     | 1    | \$ 583,601,139           | 3.153%                       | 1    | \$ 353,157,582           | 2.146%                       |
| Wild Goose Storage LLC                               | 2    | 130,120,306              | 0.703%                       | 2    | 93,536,832               | 0.569%                       |
| Farmland Reserve, Inc.                               | 3    | 71,763,341               | 0.388%                       | 5    | 33,186,158               | 0.202%                       |
| Pacific Bell California                              | 4    | 50,622,499               | 0.274%                       | 3    | 47,466,021               | 0.288%                       |
| Pacific Realty Associates L P                        | 5    | 48,818,529               | 0.264%                       |      | -                        |                              |
| Chico Mall Investors LP                              | 6    | 41,504,413               | 0.224%                       | 4    | 37,389,566               | 0.227%                       |
| Merle A Webb & Sons                                  | 7    | 43,707,492               | 0.236%                       |      | -                        |                              |
| Union Pacific Railroad Company                       | 8    | 36,097,088               | 0.195%                       |      | -                        |                              |
| Chico Crossroads LP                                  | 9    | 38,469,624               | 0.208%                       |      | -                        |                              |
| Butte County Rice Growers Assn                       | 10   | 37,395,370               | 0.202%                       |      |                          |                              |
| <hr/>  |      |                          |                              |      |                          |                              |
| Largest Secured Property Valuation                   |      | 1,082,099,801            | <u>5.847%</u>                |      | 564,736,159              | <u>3.432%</u>                |
| Other Secured Taxpayers                              |      | <u>17,424,928,861</u>    |                              |      | <u>15,769,813,537</u>    |                              |
| Total Secured Property Valuation - net of exemptions |      | <u>\$ 18,507,028,662</u> |                              |      | <u>\$ 16,453,060,602</u> |                              |
| Other Secured Taxpayers                              |      | <u>\$ 18,507,028,662</u> |                              |      | <u>\$ 16,453,060,602</u> |                              |
| Total Secured Property Valuation - net of exemptions |      | <u>\$ 18,507,028,662</u> |                              |      | <u>\$ 16,453,060,602</u> |                              |

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

| Fiscal Year | Total Assessed Valuation (1) | Legal Debt Limit (2) | Total Net Debt Applicable to Limit (3) | Legal Debt Margin (4) | Legal Debt Margin/Debt Limit |
|-------------|------------------------------|----------------------|--|-----------------------|------------------------------|
| 2007        | 17,416,674,713               | 217,708,434          | -                                      | 217,708,434           | 100%                         |
| 2008        | 18,377,828,257               | 229,722,853          | -                                      | 229,722,853           | 100%                         |
| 2009        | 18,300,828,579               | 228,760,357          | -                                      | 228,760,357           | 100%                         |
| 2010        | 17,945,838,498               | 224,322,981          | -                                      | 224,322,981           | 100%                         |
| 2011        | 17,648,205,661               | 220,602,571          | -                                      | 220,602,571           | 100%                         |
| 2012        | 17,396,548,956               | 217,456,862          | -                                      | 217,456,862           | 100%                         |
| 2013        | 17,681,342,487               | 221,016,781          | -                                      | 221,016,781           | 100%                         |
| 2014        | 18,325,660,659               | 229,070,758          | -                                      | 229,070,758           | 100%                         |
| 2015        | 18,603,419,239               | 232,542,740          | -                                      | 232,542,740           | 100%                         |
| 2016        | 19,509,128,902               | 243,864,111          | -                                      | 243,864,111           | 100%                         |

Note:

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



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

| Fiscal<br>Year | County<br>Population (1) | Assessed<br>Value | Gross<br>Bonded<br>Debt | Debt<br>Payable from<br>Enterprise<br>Revenue | Net<br>Debt | Ratio of                                | Net                          |
|----------------|--------------------------|-------------------|-------------------------|---|-------------|---|------------------------------|
|                |                          |                   |                         |   |             | Net Bonded<br>Debt to<br>Assessed Value | Bonded<br>Debt per<br>Capita |
| 2007           | 218,069                  | 17,416,674,713    | -                       |   |             |   |                              |
| 2008           | 220,407                  | 18,377,828,257    |                         |   |             |   |                              |
| 2009           | 220,748                  | 18,300,828,579    |                         |   |             |   |                              |
| 2010           | 221,331                  | 17,945,838,498    |                         |   |             |   |                              |
| 2011           | 221,388                  | 17,648,205,661    |                         |   |             |   |                              |
| 2012           | 221,273                  | 17,396,548,956    |                         |   |             |   |                              |
| 2013           | 221,485                  | 17,681,342,487    |                         |   |             |   |                              |
| 2014           | 222,316                  | 18,325,660,659    |                         |   |             |   |                              |
| 2015           | 224,323                  | 18,603,419,239    |                         |   |             |   |                              |
| 2016           | 224,601                  | 19,509,128,902    |                         |   |             |   |                              |

Source:

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

**COUNTY OF BUTTE, CALIFORNIA  
RATIO OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
(IN THOUSANDS, EXCEPT PER CAPITA)**

| Fiscal<br>Year | Governmental Activities |                     |                 |                   | Business-type Activities |               |                   | Total<br>Primary<br>Government | Percentage<br>of Assessed<br>Value | Percentage<br>of Personal<br>Income | Per<br>Capita |
|----------------|-------------------------|---------------------|-----------------|-------------------|--------------------------|---------------|-------------------|--------------------------------|------------------------------------|-------------------------------------|---------------|
|                | Certificates            |                     |                 |                   | Certificates             |               |                   |                                |                                    |                                     |               |
|                | Bonds                   | of<br>Participation | Loans/<br>Notes | Capital<br>Leases | Loans                    | Participation | Capital<br>Leases |                                |                                    |                                     |               |
| 2007           | 56,424                  | 3,290               | 2,903           | 1,097             | 450                      | 12,025        | 303               | 76,491                         | 0.4649%                            | 1.18%                               | 351           |
| 2008           | 50,575                  | 2,650               | 2,703           | 1,134             | 400                      | 12,025        |                   | 69,486                         | 0.3854%                            | 0.98%                               | 315           |
| 2009           | 50,492                  | 2,300               | 2,494           | 1,029             | 350                      | 12,025        | 20                | 68,710                         | 0.3754%                            | 1.02%                               | 311           |
| 2010           | 50,403                  | 1,945               | 2,278           | 922               | 300                      | 11,300        | 20                | 67,167                         | 0.3743%                            | 0.94%                               | 303           |
| 2011           | 49,895                  | 2,439               | 2,053           | 848               | 250                      | 10,550        | -                 | 66,035                         | 0.3742%                            | 0.88%                               | 298           |
| 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           | 49,545                  | 1,412               | 1,322           | 611               | 100                      | 8,210         | 951               | 62,151                         | 0.3391%                            | 0.75%                               | 280           |
| 2015           | 49,075                  | 5,791               | 1,059           | 1,284             | 50                       | 7,235         | 744               | 65,238                         | 0.3507%                            | n/a (1)                             | 291           |
| 2016           | 48,480                  | 8,583               | 654             | 450               |                          | 6,320         | 534               | 65,021                         | 0.3333%                            | n/a (1)                             | 289           |

(1) Personal Income statistic for 2015 is not available for calculation as reporting date.

**COUNTY OF BUTTE, CALIFORNIA**  
**OVERLAPPING BONDED DEBT**  
**JUNE 30, 2016**

2015-16 Assessed Valuation: \$20,378,712,486 (includes unitary utility valuation and railroad)

|  | Total Debt<br><u>6/30/16</u> | <u>% Applicable (1)</u> | County's Share of<br><u>Debt 6/30/16</u> |
|--|------------------------------|-------------------------|--|
| <b><u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u></b>                                     |                              |                         |  |
| Butte-Glenn Community College District   | \$ 63,993,079                | 87.575%                 | \$ 56,041,939                            |
| Yuba Joint Community College District  | 163,114,797                  | 0.160                   | 260,984                                  |
| Chico Unified School District  | 57,285,000                   | 100.                    | 57,285,000                               |
| Marysville Joint Unified School District   | 65,568,777                   | 1.191                   | 780,924                                  |
| Gridley Unified School District School Facilities Improvement District No. 1           | 2,450,000                    | 100.                    | 2,450,000                                |
| Oroville Union High School District  | 15,736,385                   | 100.                    | 15,736,385                               |
| Manzanita School District  | 530,000                      | 100.                    | 530,000                                  |
| Oroville School District   | 2,606,411                    | 100.                    | 2,606,411                                |
| Thermalito Union School District   | 1,570,001                    | 100.                    | 1,570,001                                |
| Sutter Butte Flood Control Agency Assessment District                                  | 87,910,000                   | 7.011                   | <u>6,163,370</u>                         |
| TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT  |                              |                         | \$143,425,014                            |
| <b><u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u></b>                                |                              |                         |  |
| <b>Butte County Certificates of Participation</b>                                      | <b>\$15,200,333</b>          | <b>100. %</b>           | <b>\$15,200,333</b>                      |
| <b>Butte County Pension Obligation Bonds</b>   | <b>48,480,000</b>            | <b>100.</b>             | <b>48,480,000</b>                        |
| Butte-Glenn Community College District General Fund Obligations                        | 1,775,000                    | 87.575                  | 1,554,456                                |
| Yuba Joint Community College District General Fund Obligations                         | 14,883,685                   | 0.160                   | 23,814                                   |
| Chico Unified School District Certificates of Participation                            | 350,000                      | 100.                    | 350,000                                  |
| Paradise Unified School District Certificates of Participation                         | 685,000                      | 100.                    | 685,000                                  |
| City of Oroville Pension Obligation Bonds  | 4,970,000                    | 100.                    | 4,970,000                                |
| City of Paradise Pension Obligation Bonds  | 6,651,452                    | 100.                    | <u>6,651,452</u>                         |
| TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT                                   |                              |                         | \$77,915,055                             |
| Less: <b>Butte County Certificates of Participation supported by landfill revenues</b> |                              |                         | <b><u>6,320,000</u></b>                  |
| TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT                                     |                              |                         | \$71,595,055                             |
| <b><u>OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):</u></b>                     | <b>\$117,965,000</b>         | <b>100. %</b>           | <b>\$117,965,000</b>                     |
| <b>TOTAL GROSS DIRECT DEBT</b>   |                              |                         | <b>\$63,680,333</b>                      |
| <b>TOTAL NET DIRECT DEBT</b>   |                              |                         | <b>\$57,360,333</b>                      |
| TOTAL OVERLAPPING DEBT   |                              |                         | \$275,624,736                            |
| GROSS COMBINED TOTAL DEBT  |                              |                         | \$339,305,069 (2)                        |
| NET COMBINED TOTAL DEBT  |                              |                         | \$332,985,069                            |

- (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 2015-16 Assessed Valuation:

|  |              |
|--|--------------|
| Total Overlapping Tax and Assessment Debt.....     | 0.70%        |
| <b>Total Gross Direct Debt (\$63,680,333).....</b> | <b>0.31%</b> |
| <b>Total Net Direct Debt (\$57,360,333).....</b>   | <b>0.28%</b> |
| Gross Combined Total Debt.....                     | 1.66%        |
| Net Combined Total Debt.....                       | 1.63%        |

Ratios to Redevelopment Successor Agencies Incremental Valuation (\$3,539,476,807):

|   |       |
|---|-------|
| Total Overlapping Tax Increment Debt..... | 3.33% |
|---|-------|

AB:(\$475)

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

|                                | 2007              | 2008              | 2009              | 2010              | 2011              | 2012              | 2013              | 2014              | 2015              | 2016              |
|--------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>General Obligation</b>      |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| <b>Bonds</b>                   | 56,423,916        | 50,575,340        | 50,491,664        | 50,402,721        | 49,895,000        | 49,895,000        | 49,895,000        | 49,545,000        | 49,075,000        | 48,480,000        |
| <b>Less:</b>                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Amounts Available in           |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Debt Service Fund              | 8,536,527         | 5,385,967         | 7,805,458         | 7,732,755         | 8,788,635         | 8,802,439         | 8,844,215         | 9,355,363         | 9,940,403         | 11,169,994        |
| <b>Total Net Obligation</b>    |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| <b>Bonds Outstanding (1)</b>   | <u>47,887,389</u> | <u>45,189,373</u> | <u>42,686,206</u> | <u>42,669,966</u> | <u>41,106,365</u> | <u>41,092,561</u> | <u>41,050,785</u> | <u>40,189,637</u> | <u>39,134,597</u> | <u>37,310,006</u> |
| <b>Percentage of Estimated</b> |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| <b>Actual Taxable Value</b>    |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| <b>of Property</b>             | 0.27%             | 0.25%             | 0.23%             | 0.24%             | 0.23%             | 0.24%             | 0.23%             | 0.22%             | 0.21%             | 0.19%             |
| <b>Per Capita</b>              | \$ 219.6          | \$ 205.0          | \$ 193.4          | \$ 192.8          | \$ 185.7          | \$ 185.7          | \$ 185.3          | \$ 180.8          | \$ 174.5          | \$ 166.1          |

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

| Fiscal<br>Year | Population (1) | Personal<br>Income (2) | Per Capita             |                          | Unemployment<br>Rate (1) |
|----------------|----------------|------------------------|------------------------|--------------------------|--------------------------|
|                |                |                        | Personal<br>Income (2) | School<br>Enrollment (3) |                          |
| 2007           | 218,069        | 6,494,706,000          | 29,783                 | 32,827                   | 6.1%                     |
| 2008           | 220,407        | 7,100,740,000          | 32,216                 | 32,559                   | 8.2%                     |
| 2009           | 220,748        | 6,752,580,000          | 30,590                 | 32,069                   | 13.2%                    |
| 2010           | 221,331        | 7,163,944,000          | 32,368                 | 31,539                   | 13.1%                    |
| 2011           | 221,388        | 7,500,846,828          | 33,881                 | 31,226                   | 13.1%                    |
| 2012           | 221,273        | 7,643,654,512          | 34,544                 | 31,255                   | 12.6%                    |
| 2013           | 221,485        | 7,347,286,000          | 33,356                 | 31,262                   | 12.2%                    |
| 2014           | 222,316        | 8,298,110,000          | 37,326                 | 31,069                   | 8.3%                     |
| 2015           | 224,323        | 8,774,842,791          | 39,117                 | 31,002                   | 8.6%                     |
| 2016           | 224,601        | 8,989,495,795          | 40,024                 | 31,155                   | 7.3%                     |

**Detail of estimated population, as January, 2016:**

Incorporated Cities/Towns:

|                                |                |
|--------------------------------|----------------|
| City of Biggs                  | 1,899          |
| City of Chico                  | 92,464         |
| City of Gridley                | 6,575          |
| City of Oroville               | 17,996         |
| Town of Paradise               | 25,405         |
| <b>Total of incorporated</b>   | <b>144,339</b> |
| <b>Total of unincorporated</b> | <b>80,262</b>  |
| <b>Total Population</b>        | <b>224,601</b> |

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

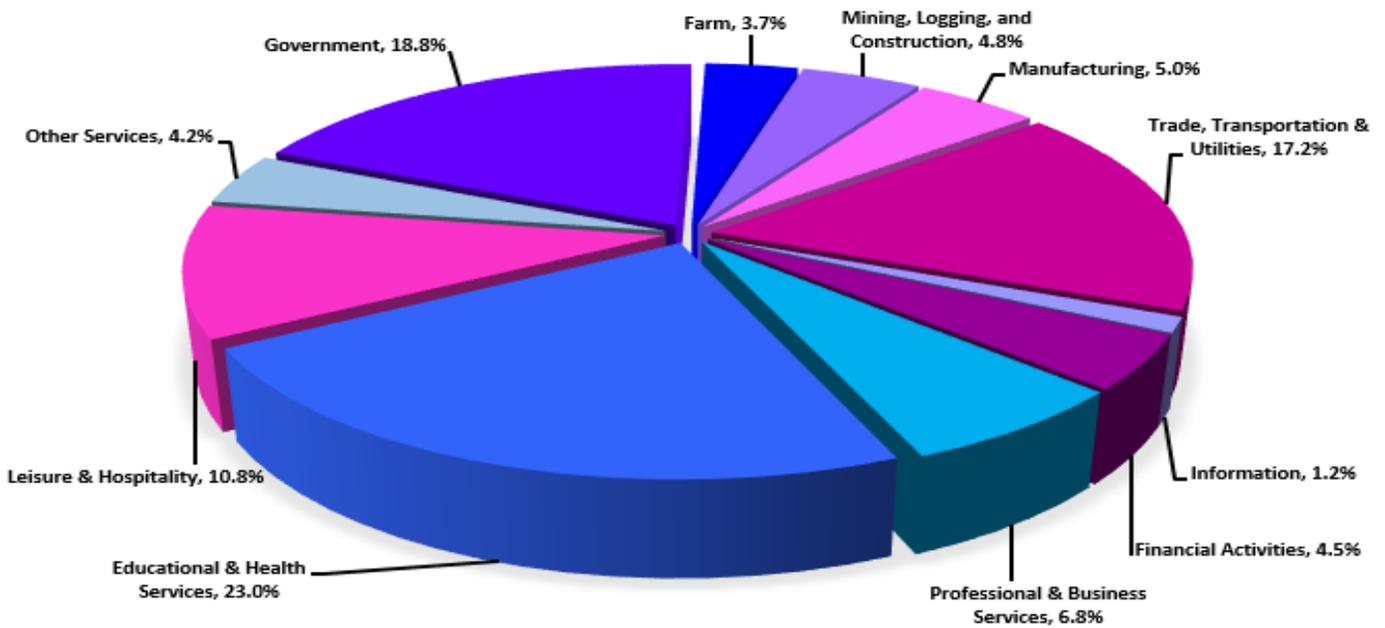
Sources:

- (1) State of California, Employment Development Department, Labor Market Information Division ([www.labormarketinfo.edd.ca.gov/cgi/dataanalysis/](http://www.labormarketinfo.edd.ca.gov/cgi/dataanalysis/))
- (2) Bureau of Economic Analysis ([www.bea.gov/bea/regional/reis/](http://www.bea.gov/bea/regional/reis/)).
- (3) California Dept. of Education (<http://dq.cde.ca.gov/dataquest/Enrollment>)

**COUNTY OF BUTTE, CALIFORNIA  
COUNTY INDUSTRY EMPLOYMENT DISTRIBUTION  
JUNE 30, 2016**

**Industry Employment Distribution (2016 Annual Average):**

|                                   |       |
|-----------------------------------|-------|
| Farm                              | 3.7%  |
| Mining, Logging, and Construction | 4.8%  |
| Manufacturing                     | 5.0%  |
| Trade, Transportation & Utilities | 17.2% |
| Information                       | 1.2%  |
| Financial Activities              | 4.5%  |
| Professional & Business Services  | 6.8%  |
| Educational & Health Services     | 23.0% |
| Leisure & Hospitality             | 10.8% |
| Other Services                    | 4.2%  |
| Government                        | 18.8% |



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

**COUNTY OF BUTTE, CALIFORNIA**  
**MISCELLANEOUS STATISTICAL INFORMATION**  
JUNE 30, 2016

**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:** 2,270 as of June 30, 2016

**COUNTY OF BUTTE, CALIFORNIA  
PRINCIPAL EMPLOYERS  
JUNE 30, 2016 AND TEN YEARS AGO**

**Major County Employers**

| Company                            | 2016          |      |   | 2007         |      |   |
|------------------------------------|---------------|------|---|--------------|------|---|
|                                    | Employees     | Rank | Percentage<br>of Total County<br>Employment | Employees    | Rank | Percentage<br>of Total County<br>Employment |
| Enloe Medical Center, Inc.         | 3,000         | 1    | 3.17%                                       | 1,800        | 3    | 1.86%                                       |
| Butte County                       | 2,456         | 2    | 2.60%                                       | 2,092        | 1    | 2.17%                                       |
| Chico Unified School District      | 2,100         | 3    | 2.22%                                       | n/a          | n/a  | n/a   |
| California State University, Chico | 1,706         | 4    | 1.80%                                       | 300          | 12   | 0.31%                                       |
| Oroville Hospital                  | 1,452         | 5    | 1.53%                                       | 920          | 4    | 0.95%                                       |
| Butte Glenn Community College      | 1,349         | 6    | 1.43%                                       | 410          | 8    | 0.42%                                       |
| Butte County Office of Education   | 1,324         | 7    | 1.40%                                       | 400          | 9    | 0.41%                                       |
| Feather River Hospital             | 1,293         | 8    | 1.37%                                       | 620          | 5    | 0.64%                                       |
| Pacific Coast Producers            | 1,150         | 9    | 1.22%                                       | 200          | 20   | 0.21%                                       |
| Associated Students California     | 842           | 10   | 0.89%                                       | 600          | 6    | 0.62%                                       |
| Total                              | <u>16,672</u> |      | <u>17.48%</u>                               | <u>7,342</u> |      | <u>7.59%</u>                                |

Note: June 30, 2007 complete information is not available.

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

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

| <b>Function/Program</b>              | <b>2007</b> | <b>2008</b> | <b>2009</b> | <b>2010</b> | <b>2011</b> | <b>2012</b> | <b>2013</b> | <b>2014</b> | <b>2015</b> | <b>2016</b> |
|--------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Sheriff</b>                       |             |             |             |             |             |             |             |             |             |             |
| Number of Bookings                   | 13,920      | 12,693      | 14,241      | 13,487      | 12,792      | 13,285      | 12,597      | 13,009      | 11,613      | 12,037      |
| Coroner Case Load                    | 1,709       | 1,632       | 1,677       | 1,734       | 1,606       | 1,656       | 1,729       | 1,521       | 1,741       | 1,832       |
| Calls for Services - Unincorp. Areas | 56,131      | 64,121      | 63,871      | 63,787      | 60,499      | 58,843      | 63,664      | 62,065      | 63,239      | 66,236      |
| <b>Fire</b>                          |             |             |             |             |             |             |             |             |             |             |
| Medical Assistance                   | 8,287       | 8,101       | 8,021       | 11,941      | 12,054      | 12,511      | 12,255      | 11,148      | 12,527      | 11,644      |
| Fires Extinguished                   | 753         | 1,311       | 1,089       | 2,169       | 2,022       | 2,311       | 2,426       | 2,167       | 2,713       | 1,789       |
| <b>Probation</b>                     |             |             |             |             |             |             |             |             |             |             |
| Juveniles in Detention (bed days)    | 21,484      | 19,242      | 17,949      | 17,564      | 17,789      | 17,593      | 17,086      | 12,466      | 11,877      | 9,801       |
| <b>Waste Management</b>              |             |             |             |             |             |             |             |             |             |             |
| Landfill Tonnage                     | 196,153     | 192,073     | 163,370     | 152,257     | 152,822     | 154,531     | 153,691     | 135,919     | 151,865     | 166,783     |
| Recycling Tonnage                    | 26,484      | 23,377      | 19,390      | 13,768      | 12,420      | 12,094      | 11,643      | 13,183      | 11,775      | 11,704      |
| <b>County Libraries</b>              |             |             |             |             |             |             |             |             |             |             |
| Total Circulation                    | 744,881     | 826,821     | 910,249     | 840,078     | 918,069     | 963,052     | 748,756     | 980,903     | 978,698     | 920,489     |
| Reference Questions Answered         | 36,948      | 38,546      | 42,366      | 27,449      | 32,526      | 39,798      | 39,798      | 50,391      | 55,110      | 46,163      |
| Patrons                              | 90,702      | 93,616      | 94,574      | 79,326      | 74,057      | 80,135      | 87,954      | 103,439     | 105,479     | 113,524     |
| Programs Offered                     | 1,019       | 1,214       | 1,353       | 1,415       | 1,377       | 1,510       | 1,510       | 2,010       | 1,865       | 2,060       |
| Program Attendance                   | 23,439      | 30,916      | 34,764      | 28,395      | 32,943      | 36,751      | 6,036       | 27,554      | 36,146      | 33,452      |
| Visitor Count                        | 656,949     | 723,460     | 756,901     | 642,112     | 640,096     | 672,851     | 672,851     | 622,692     | 648,421     | 620,782     |
| <b>Clerk-Recorder</b>                |             |             |             |             |             |             |             |             |             |             |
| Official Records Recorded            | 77,497      | 61,002      | 51,388      | 52,738      | 52,863      | 53,996      | 62,605      | 51,662      | 52,826      | 54,854      |
| Vital Records Copies Issued          | 13,903      | 13,629      | 13,689      | 12,430      | 12,393      | 11,771      | 10,785      | 11,410      | 10,913      | 8,492       |
| Official Records Copies Issued       | 6,442       | 6,172       | 5,408       | 4,272       | 5,431       | 5,161       | 4,954       | 4,347       | 4,276       | 4,379       |
| <b>Public Social Services</b>        |             |             |             |             |             |             |             |             |             |             |
| CalWORKS Clients                     | 121,734     | 105,953     | 103,947     | 102,663     | 103,267     | 101,884     | 100,669     | 97,567      | 94,415      | 88,239      |
| Food Stamp Clients                   | 221,324     | 228,513     | 251,732     | 290,417     | 311,695     | 339,557     | 356,989     | 365,153     | 377,296     | 386,989     |
| Medi-Cal Clients                     | 144,901     | 159,384     | 157,048     | 169,544     | 245,592     | 230,464     | 211,106     | 242,111     | 380,421     | 439,199     |
| In-Home Support Services             | 36,416      | 35,951      | 37,593      | 36,322      | 33,376      | 33,660      | 33,749      | 31,952      | 33,747      | 36,001      |
| Foster Care Placements               | 8,343       | 8,417       | 7,542       | 7,065       | 5,812       | 5,070       | 4,402       | 4,615       | 5,084       | 5,262       |
| Child Welfare Services               | 11,130      | 12,282      | 11,237      | 10,150      | 9,800       | 8,936       | 7,441       | 6,581       | 7,802       | 7,732       |

Source: Auditor Controller, County of Butte

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

| Function/Program        | 2007       | 2008       | 2009       | 2010       | 2011       | 2012       | 2013       | 2014       | 2015       | 2016       |
|-------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| <b>Sheriff</b>          |            |            |            |            |            |            |            |            |            |            |
| Patrol Stations         | 4          | 4          | 4          | 4          | 4          | 4          | 4          | 4          | 4          | 4          |
| Patrol Vehicles         | 60         | 60         | 50         | 50         | 61         | 82         | 81         | 92         | 97         | 97         |
| <b>Fire</b>             |            |            |            |            |            |            |            |            |            |            |
| Stations                | 26         | 26         | 26         | 26         | 26         | 26         | 26         | 26         | 26         | 26         |
| Trucks                  | 40         | 40         | 40         | 40         | 40         | 40         | 40         | 40         | 40         | 40         |
| <b>Waste Management</b> |            |            |            |            |            |            |            |            |            |            |
| Landfills               | 1          | 1          | 1          | 1          | 1          | 1          | 1          | 1          | 1          | 1          |
| Capacity in Tons        | 12,257,452 | 12,088,756 | 11,931,691 | 11,793,202 | 11,652,343 | 11,509,906 | 11,367,858 | 11,233,172 | 11,081,307 | 10,963,435 |
| <b>County Libraries</b> |            |            |            |            |            |            |            |            |            |            |
| Branch Libraries        | 6          | 6          | 6          | 6          | 6          | 6          | 6          | 6          | 6          | 6          |
| Book Mobiles            | 1          | 1          | 1          | 1          | 1          | 1          | 1          | 1          | 1          | 1          |
| Books in Collection     | 309,681    | 306,155    | 321,799    | 302,828    | 243,280    | 256,893    | 246,731    | 222,150    | 214,510    | 204,358    |
| Electronic Books        | n/a        | n/a        | n/a        | n/a        | n/a        | n/a        | 3,406      | 581        | 716        | 55,426     |



## Glossary

# COUNTY OF BUTTE

## Glossary for the Comprehensive Annual Report

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

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

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

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

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

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

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

**AGENCY FUND.** A fund normally used to account for assets held by a government in a custodial capacity for individuals, private organizations or other governments and/or other funds.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**CAPITAL PROJECTS FUND.** A fund created to account for financial resources that are restricted, committed or assigned for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

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

# COUNTY OF BUTTE

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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## Glossary for the Comprehensive Annual Report

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

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

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

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

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

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

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

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

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

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

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

# COUNTY OF BUTTE

## Glossary for the Comprehensive Annual Report

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

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

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

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

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

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

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

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

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

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

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

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

# COUNTY OF BUTTE

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

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

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

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

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

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

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

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

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

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

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

# COUNTY OF BUTTE

## Glossary for the Comprehensive Annual Report

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

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS.** Is required supplementary information that introduces the basic financial statements and provides an analytical overview of the government's financial activities.

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

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

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

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

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

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

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

**PROGRAM REVENUES.** Term used in connection with the government-wide statement of activities. Revenues that derive directly from the program itself or from parties outside the reporting government's tax base directly related to the program. They reduce the net cost of the function to be financed from the government's general revenues.

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

**REBATABLE ARBITRAGE.** A requirement to remit to the federal government interest earnings in excess of interest costs when the proceeds from the sale of tax-exempt securities are reinvested in materially higher yielding taxable securities.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## COUNTY OF BUTTE

### Glossary for the Comprehensive Annual Report

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

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