

COUNTY OF BUTTE
STATE OF CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2011



Lake Oroville
Photo by Peggy Moak

Prepared Under the Supervision of:

David A. Houser
County Auditor-Controller

COUNTY OF BUTTE, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2011

Table of Contents

	<u>Page</u>
INTRODUCTORY SECTION:	
Table of Contents	i
Letter of Transmittal	v
Board of Supervisors and Principal County Officials	xi
Organization Chart	xii
GFOA Certificate of Achievement for Excellence in Financial Reporting	xiii
 FINANCIAL SECTION:	
Independent Auditor’s Report	1
Management’s Discussion and Analysis (Required Supplementary Information)	3
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Assets	13
Statement of Activities	14
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	17
Reconciliation of the Governmental Funds Balance Sheet to the Governmental-Wide Statement of Net Assets	18
Statement of Revenues, Expenditures, and Changes in Fund Balances	19
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Governmental-Wide Statement of Activities	20
Proprietary Funds:	
Statement of Net Assets	21
Statement of Revenues, Expenses, and Changes in Net Assets	22
Statement of Cash Flows	23
Fiduciary Funds:	
Statement of Fiduciary Net Assets	25
Statement of Changes in Net Assets – Investment Trust Fund	26

COUNTY OF BUTTE, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2011

FINANCIAL SECTION (CONTINUED):

Notes to the Basic Financial Statements	27
 Required Supplementary Information (other than MD&A):	
County Employee's Retirement Plan (Defined Pension Benefit Plan):	
Schedule of Funding Progress.....	71
Budgetary Comparison Schedule – General Fund	74
Budgetary Comparison Schedule – Welfare Fund	84
Budgetary Comparison Schedule – Public Health Fund	88
Budgetary Comparison Schedule – Behavioral Health Fund	92
Budgetary Comparison Schedule – Road Fund	96
Note to Required Supplementary Information - Budgetary Basis of Accounting	98

OTHER SUPPLEMENTARY INFORMATION:

Combining and Individual Fund Statements and Schedules:

Nonmajor Governmental Funds:

Combining Balance Sheet	101
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	104
Budgetary Comparison Schedules:	
Capital Projects Fund	107
Equipment Replacement Fund	110
Equipment Fund	112
State COPS Fund.....	113
Water Resources Fund	115
Fire Protection Fund.....	117
Library Fund.....	119
Transit Fund	121
Housing and Community Development Fund.....	122
Fish and Game Fund	124
Child Support Services Fund.....	125
County Service Areas Fund.....	126
IHSS Public Authority Fund	127
Impact Fees	128
Debt Service Fund.....	129

Combining and Individual Fund Statements and Schedules (Continued):

Internal Service Funds:

Combining Statement of Net Assets	135
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets	137
Combining Statement of Cash Flows.....	139

Fiduciary Funds:

Agency Funds:

Combining Statement of Fiduciary Assets and Liabilities	145
Combining Statement of Changes in Fiduciary Assets and Liabilities	146

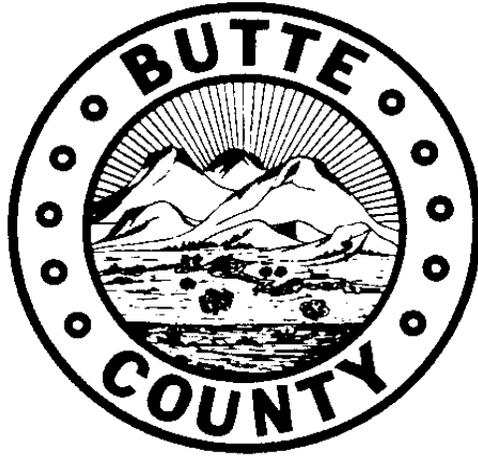
COUNTY OF BUTTE, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2011

STATISTICAL SECTION:

Net Assets by Component.....	151
Changes in Net Assets	152
Fund Balances, Governmental Funds	154
Changes in Fund Balances, Governmental Funds	155
Property Taxes Levies and Collections.....	156
Assessed Value of Taxable Property	157
Property Tax Rates – Direct and Overlapping Governments.....	158
Principal Property Tax Payers.....	159
Legal Debt Margin Information.....	160
Ratio of Net General Obligation Bonded Debt to Taxable Assessed Value and Net General Obligation Bonded Debt per Capita	161
Ratio of Outstanding by Debt by Type	162
Overlapping Bonded Debt	163
Ratio of General Bonded Debt Outstanding	164
Demographics and Economic Statistics.....	165
Miscellaneous Statistical Information.....	166
Principal Employers.....	167
Operating Indicators by Function	168
Capital Asset Statistics by Function.....	169
Full-Time Equivalent County Government Employees by Function/Program.....	170

GLOSSARY:

Glossary to the Comprehensive Annual Financial Report.....	171
--	-----



(This Page Intentionally Left Blank)



BUTTE COUNTY
25 COUNTY CENTER DRIVE
OROVILLE, CALIFORNIA 95965-3392
Telephone (530)-538-7607 Fax: (530)-538-7693

January 17, 2012

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, 2011, is hereby submitted in compliance with Sections 25250 and 25253 of the Government Code of the State of California (State). Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the County. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and present fairly the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2011, 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 and should be read in conjunction with it. The County's MD&A can be found on pages 3 through 12 of this report.

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

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

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

PROFILE OF THE GOVERNMENT

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

Biggs, Chico, Gridley, Oroville, and Paradise. The County's population is 221,388 with approximately 38% of the residents living in the unincorporated area.

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

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

MAJOR INITIATIVES

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

Significant County-wide Budget Cuts

During the 2010/2011 fiscal year, the County continued to be effected by the global recession and increasingly dire outlook from the California state government. The Board of Supervisors continues to act quickly and decisively to ensure that the County remains financially stable through the fiscal year and to create a prudent spending plan for the coming year. These actions included budget cuts and some reductions in employee benefit costs in the County. While these cuts have placed strain on County operations, the Board's decisions have enabled the County to continue to provide its necessary services to its citizens despite the uncertain economic climate.

FACTORS AFFECTING FINANCIAL CONDITION

Global Recession

Butte County continues to steer through the ongoing uncertainties in the financial markets and the budget concerns facing the State of California. The budget challenges faced by the county in the past fiscal year have been met and we are anticipating possible impacts in the current county budget as the State of California addresses possible reductions to be put in place based on lower revenue receipts that the State is experiencing.

Economy-driven impacts to County provided programs and services can be less severe with proactive management of the County's budget. Finance, the Treasurer and Auditor offices continue to work closely to manage the cash demands on the County as the economy shows some slow improvement.

Impact of State Fiscal Crisis

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

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

Internal Control

The management of the County is responsible for establishing and maintaining internal controls designed to ensure that the assets of the government are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles general accepted in the United States of America. Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) choices between these two concepts often require estimates and judgments by management.

Single Audit

As a recipient of federal and state financial assistance, the County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*. Information related to this single audit, include the schedule of federal awards, findings and questioned costs, and the independent auditor's report on internal control and compliance. The County is also responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. Internal controls are subject to periodic evaluation by management and the Auditor-Controller Division's internal audit staff. The 2009-10 Single Audit will be issued under separate cover and will be available by contacting the Auditor-Controller's office, after March 31, 2012.

Budgeting Controls

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

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

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

are reported as originally adopted and are amended during the fiscal year by resolutions approved by the Board of Supervisors.

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

The County also maintains an encumbrance accounting system as one technique of accomplishing budgetary control and cash planning. Open encumbrances at June 30, 2011, for all governmental fund types are reported as restricted fund balances. Unencumbered appropriations lapse at the end of each fiscal year.

Cash Management

Cash temporarily idle during the year may be invested in the Local Agency Investment Fund (managed by the California State Treasurer's Office), CalTrust (a public agency investment trust), money market accounts, mutual funds, time certificates, Agency investments and deposit accounts with financial institutions.

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

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

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

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Pools*, school districts and special district external investments pools are reported as investment trust funds. Of the Treasurer's total cash and investments pool of \$397,017,834 at June 30, 2011, \$233,463,928 relates to the external investment pool participants.

Risk Management

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

Employee Benefit Plans

The County participates in and contributes to the employee retirement plans with the CalPERS, which is an agent multiple-employer defined benefit retirement plan that acts as a common investment and administrative agent for various local and state governmental agencies within the state. CalPERS provides retirement, disability, and death benefits based on the employees' years of service, age, and final compensation. Copies of the CalPERS' annual financial report are available through CalPERS.

Post-retirement Health Care Benefits

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

OTHER INFORMATION

Independent Audit

County charter requires an annual audit by independent certified public accountants. The firm of Gallina, LLP was selected by the County to meet this requirement. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2011, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified ("clean") opinion that the County's basic financial statements for the fiscal year ended June 30, 2011, 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, 2010. The award was also given for the fiscal years ended June 30, 2008 and 2009. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

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

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "David A. Houser". The signature is fluid and cursive, with a long, sweeping underline.

David A. Houser
County Auditor-Controller

COUNTY OF BUTTE

BOARD OF SUPERVISORS AND PRINCIPAL COUNTY OFFICIALS

June 30, 2011

Board of Supervisors

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

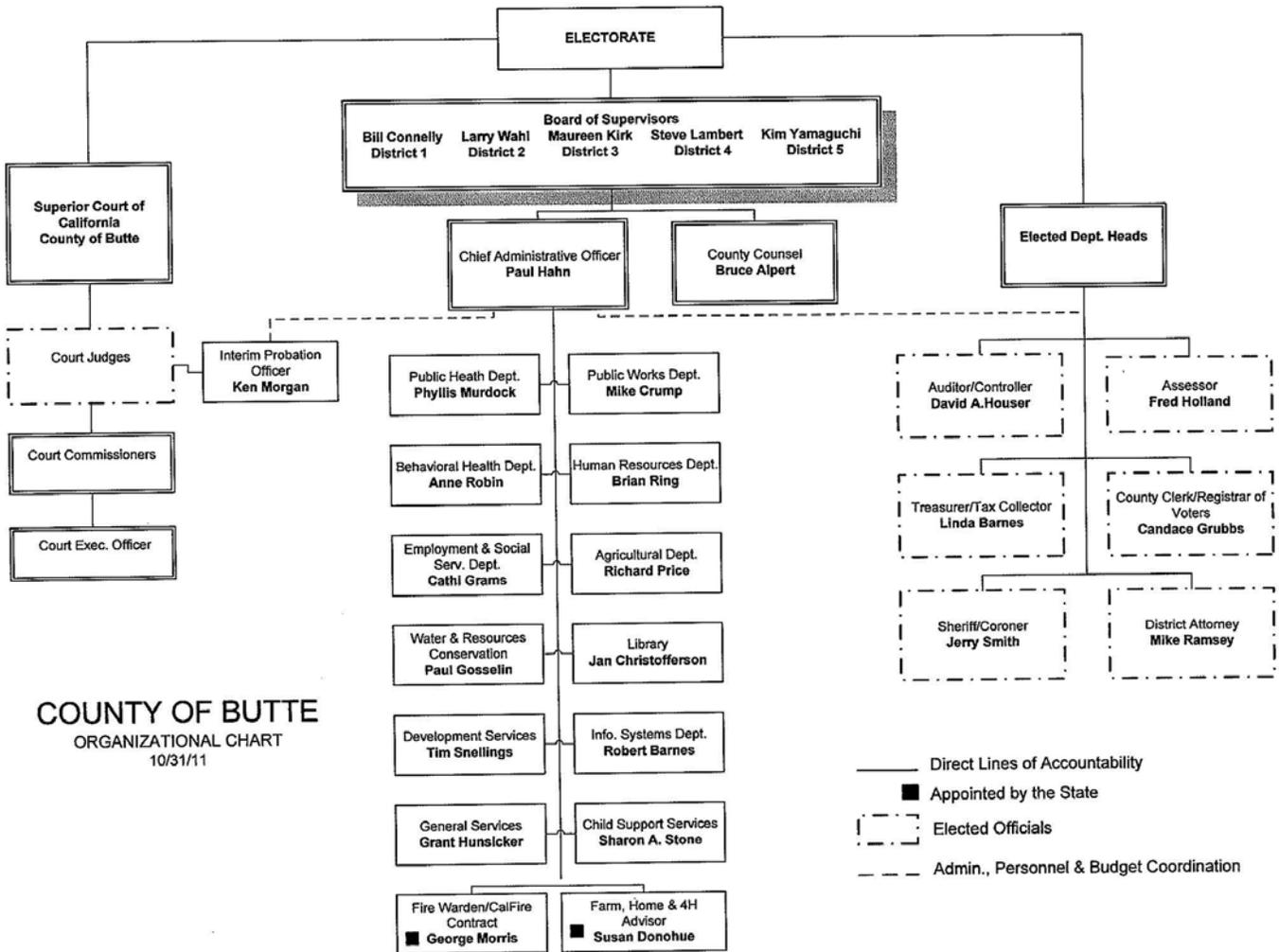
*Chosen annually at the first meeting in January.

County-wide Elected Officials

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

Appointed Officials

Chief Administrative Officer.....	Paul Hahn
County Counsel.....	Bruce Alpert



Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Butte California

For its Comprehensive Annual Financial Report
for the Fiscal Year Ended
June 30, 2010

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



President



Executive Director



INDEPENDENT AUDITOR'S REPORT

Board of Supervisors
County of Butte, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Butte, California, (the County), as of and for the year ended June 30, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we express no such opinion. An also audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued under separate cover, our report dated January 17, 2012, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

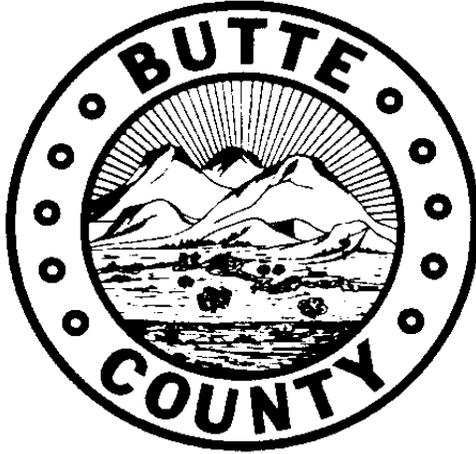
Board of Supervisors
County of Butte, California

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the other required supplementary 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.

Our audit was made 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 financial statements. The 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on it.

Gallina LLP

Roseville, California
January 17, 2012



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, 2011. It should be read in conjunction with the County's financial statements following this section. All dollar amounts are expressed in thousands in the text and tables unless otherwise indicated.

I. FINANCIAL HIGHLIGHTS

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$352,110 (net assets). Of this amount, \$16,760 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets decreased by \$25,958 during the fiscal year excluding prior period adjustments.
- As of June 30, 2011, the County's governmental funds reported combined ending fund balances of \$99,196, a net decrease of \$625 in comparison with the prior fiscal year, excluding the previous period adjustments. Amounts available for spending include restricted, committed, assigned and unassigned fund balances; these totaled \$98,750, or 99% of ending fund balance. Of this amount \$78,364 is restricted by law or externally imposed requirements, and \$2,629 is committed for specific purposes.
- At the end of the current fiscal year, the assigned and unassigned fund balances for the general fund was \$17,757 or 18.4% of total general fund expenditures.
- The County's total long-term obligations as of June 30, 2011 increased by \$3,419 over the prior period. The key factor in the increase was the addition of \$494 in Certificates of Participation notes, and the addition of \$2,865 in the OPEB obligation.

II. OVERVIEW OF THE FINANCIAL STATEMENTS

A. GASB 34 Financial Report Model

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

B. Government-Wide Financial Statements

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

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

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

Both of these government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, public protection, public ways and facilities, health and sanitation, public assistance, education, and recreation. The business-type activities of the County include the Butte County Neal Road Landfill.

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

C. Fund Financial Statements

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

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

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

Proprietary funds are of two types. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses an enterprise fund to account for its central landfill operations. Internal service funds are used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for 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 statements provide the same type of information as the part of government-wide financial statements pertaining to business-type activities, only in more detail. The County's internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements.

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

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

D. Required Supplementary Information

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

E. Combining Statements and Schedules

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

III. FINANCIAL ANALYSIS COUNTY-WIDE

Table 1 – Net Assets (in thousands)

	Governmental Activities		Business-type Activities		Total		Total	
	2011	2010	2011	2010	2011	2010	Dollar Change 2010 to 2011	% Change 2010 to 2011
Current and other assets	\$ 198,532	\$ 191,739	\$ 18,848	\$ 18,857	\$ 217,380	\$ 210,596	\$ (6,784)	(3.1)%
Capital assets	248,661	268,350	18,380	17,722	267,041	286,072	19,031	7.1 %
Total assets	447,193	460,089	37,228	36,579	484,421	496,668	12,247	2.5 %
Current and other liabilities	30,459	21,774	451	561	30,910	22,335	(8,575)	(27.7)%
Long-term liabilities	87,089	83,777	14,312	14,225	101,401	98,002	(3,399)	(3.4)%
Total liabilities	117,548	105,551	14,763	14,786	132,311	120,337	(11,974)	(9.1)%
Net assets:								
Invested in capital assets, net of related debt	243,321	263,205	8,912	7,162	252,233	270,367	18,134	7.2 %
Restricted net assets	78,364	55,903	4,753	2,200	83,117	58,103	(25,014)	(30.1)%
Unrestricted net assets	7,960	35,430	8,800	12,431	16,760	47,861	31,101	185.6 %
Total net assets	\$ 329,645	\$ 354,538	\$ 22,465	\$ 21,793	\$ 352,110	\$ 376,331	\$ 24,221	6.9 %

Investment in capital assets net of related debt reflects the County's investment in capital assets (i.e. its land, structures and improvements, infrastructure, and equipment). The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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

Unrestricted net assets represent 12.2% of the total net assets and may be used to meet the County's ongoing obligations to citizens and creditors.

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

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

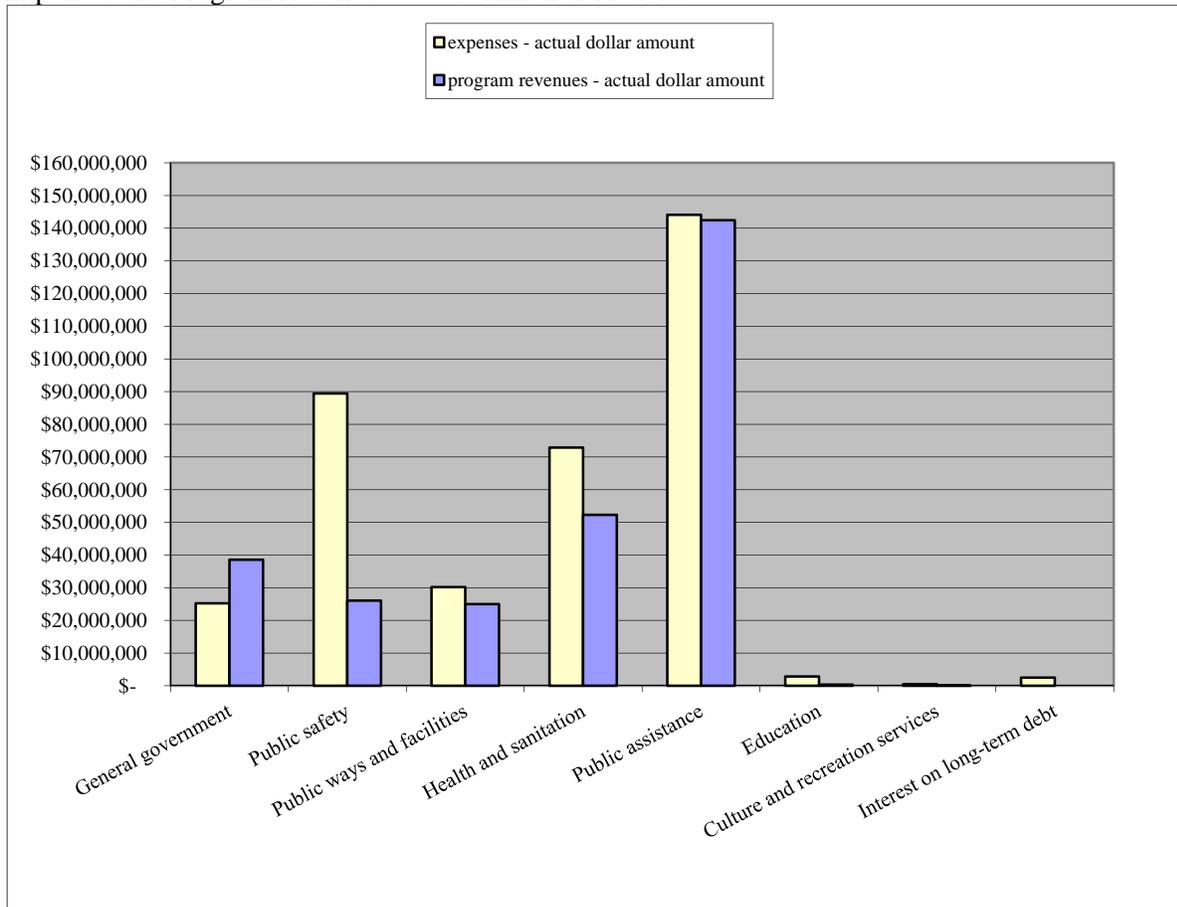
Table 2 – The Change in Net Assets (in thousands)

	Governmental Activities		Business-type Activities		Total		Total	
	2011	2010	2011	2010	2011	2010	Dollar Change 2010 to 2011	% Change 2010 to 2011
Revenues:								
Program revenues:								
Charges for services	\$ 41,720	\$ 41,207	\$ 6,516	\$ 6,151	\$ 48,236	\$ 47,358	\$ (878)	(1.8)%
Operating grants and contributions	227,348	222,575	161	160	227,509	222,735	(4,774)	(2.1)%
Capital grants and contributions	10,466	20,924	--	--	10,466	20,924	10,458	99.9 %
General revenues:								
Property taxes	47,576	49,822	--	--	47,576	49,822	2,246	4.7 %
Sales taxes	3,825	3,502	--	--	3,825	3,502	(323)	(8.4)%
Other taxes and related revenues	942	1,010	--	--	942	1,010	68	7.2 %
Unrestricted grants and contributions	16,753	15,504	--	--	16,753	15,504	(1,249)	(7.5)%
Unrestricted investment income	3,053	3,218	229	463	3,282	3,682	400	12.2 %
Miscellaneous revenues	4,886	4,522	--	--	4,886	4,522	(364)	(7.5)%
Total revenues	356,569	362,285	6,906	6,774	363,475	369,059	5,584	1.5 %
Program expenses:								
General government	29,168	25,115	--	--	29,168	25,115	(4,053)	(13.9)%
Public protection	91,167	88,791	--	--	91,167	88,791	(2,376)	(2.6)%
Public ways and facilities	36,686	30,009	--	--	36,686	30,009	(6,677)	(18.2)%
Health and sanitation	72,016	72,502	--	--	72,016	72,502	486	0.7 %
Public assistance	148,220	143,689	--	--	148,220	143,689	(4,531)	(3.1)%
Education	2,960	2,805	--	--	2,960	2,805	(155)	(5.2)%
Culture and recreation services	530	512	--	--	530	512	(18)	(3.3)%
Interest on long-term debt	2,701	2,499	--	--	2,701	2,499	(202)	(7.5)%
Sanitation	--	--	5,986	4,855	5,986	4,855	(1,131)	(18.9)%
Total expenses	383,448	365,923	5,986	4,855	389,434	370,778	(18,656)	(4.8)%
Change in net assets before transfers	(26,879)	(3,638)	920	1,919	(25,959)	(1,719)	24,240	(93.4)%
Transfers	20	14	(20)	(14)	--	--	--	--
Change in net assets	(26,859)	(3,624)	900	1,905	(25,959)	(1,719)	24,240	(93.4)%
Net assets at beginning of year - restated	354,538	358,163	21,565	22,466	376,103	380,629	4,526	1.2 %
Prior period adjustment	1,966	--	--	--	1,966	--	--	--
Net assets, ending, as restated	\$ 329,645	\$ 354,538	\$ 22,465	\$ 24,371	\$ 352,110	\$ 378,909	\$ 26,799	7.6 %

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

- Governmental Activities accounted for a decrease in net assets of \$26,858, primarily due to current year depreciation expense of the County’s infrastructure (roads and bridges), which amounted to \$24,282.
- Business-Type Activities accounted for an increase in net assets of \$900, primarily due to current year revenues exceeding expenses.

Expenses and Program Revenues – Governmental Activities



IV. FINANCIAL ANALYSIS OF FUNDS

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

Governmental funds The general government functions are included in the General, Special Revenue, Capital Project, and Debt Service Funds. Included in these funds are the special districts governed by the Board of Supervisors. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, 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, 2011, the County's governmental funds reported combined ending fund balances of \$99,196. The components of total fund balance are as follows:

- Nonspendable fund balance – \$445, 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 – \$78,364, consists of amounts with constraints put on their use by externally imposed creditors, grantors, contributions, laws, regulations or enabling legislation.
- Committed fund balance – \$2,629, are amounts for specific purposes determined by the Board of Supervisors, such as encumbrances of \$1,819, and debt service of \$723.
- Assigned fund balance – \$6,560 represents \$5,000 set aside for emergency reserves and \$1,559 as a reserve for contingencies.
- Unassigned fund balance – \$11,198, represents the residual classification for the County's General Fund.

Approximately 99%, or \$98,750, 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 can earmark a portion of fund balance to a particular function, project or activity, and can also earmark it 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's fund balance decreased by \$484 during the current fiscal year, excluding prior period adjustments. 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 35.8% of total fund expenditures, while spendable fund balance equates to 35.5% of total fund expenditures. Of the general fund spendable fund balance, \$13,842 or 40.0% is restricted, and \$2,629, or 7.7% is committed.

The welfare fund has a total fund balance of \$1,385. The entire amount, \$1,385 is restricted. The overall fund balance decreased by \$2,605 due to an increase in overall expenditures.

The public health fund has a total fund balance of \$13,092. The entire amount, \$13,092 is restricted. The overall fund balance decreased by \$1,819 due primarily to an increase in expenditures during the current fiscal year.

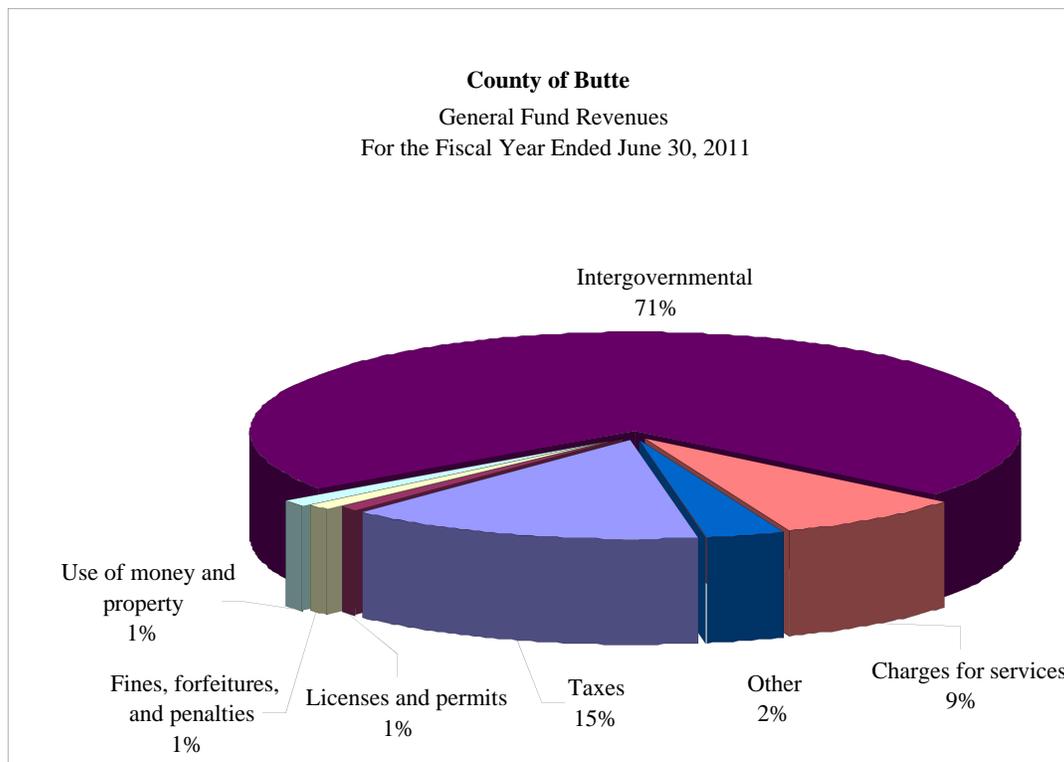
The behavioral health fund has a total fund balance of \$157. The entire amount, \$157 is restricted. The overall fund balance increased by \$1,356 due to an increase in revenue during the current fiscal year.

The road fund has a total fund balance of \$16,015. Of this amount, \$323 is nonspendable, and the balance of \$15,692 is restricted. The overall fund balance decreased by \$1,436 during the current fiscal year, due to decreased revenues.

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

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

Revenue Sources	FY 2010		FY 2011		Change	
	Amount	% of total	Amount	% of total	Amount	% of change
Taxes	\$ 54,334	15.3%	\$ 52,344	14.8%	\$ (1,990)	(3.7%)
Licenses and permits	3,123	0.9%	3,146	0.9%	23	0.7%
Fines, forfeitures, and penalties	3,835	1.1%	3,303	0.9%	(532)	(13.9%)
Use of money and property	2,766	0.8%	2,833	0.8%	67	2.4%
Intergovernmental	258,984	73.1%	254,567	71.8%	(4,417)	(1.7%)
Charges for services	34,249	9.7%	33,316	9.4%	(933)	(2.7%)
Other	4,522	1.3%	4,886	1.4%	364	8.1%
Total	<u>\$ 361,813</u>	<u>102%</u>	<u>\$ 354,395</u>	<u>100%</u>	<u>\$ (7,418)</u>	<u>(2.1%)</u>



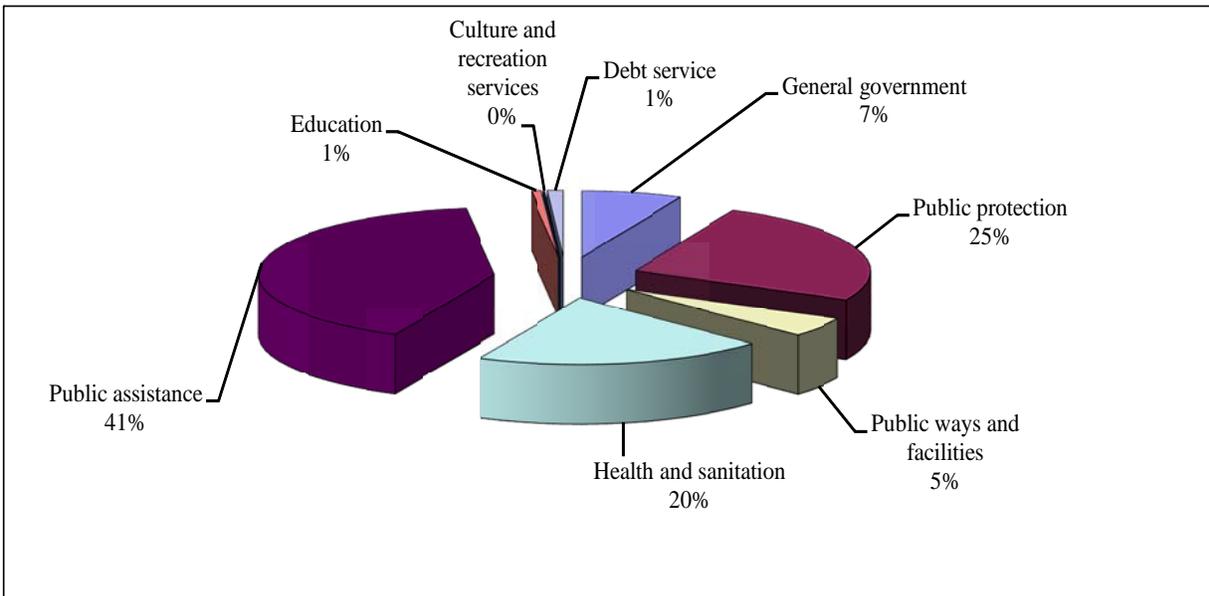
Significant changes for major revenue sources are explained below.

- Taxes – Residential and Secured Business Values declined resulting in reduced Property Tax Revenue.
- Fines, forfeitures, and penalties – There was a spike in collections of fines FY 2010 by 16.1%. FY 2011 dropped down to a normal trend of Fine Revenue.
- Other – Increased revenue under other is primarily due to increase in other sales.

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

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

Function	FY 2010		FY 2011		Change	
	Amount	% of total	Amount	% of total	Amount	% of change
General government	\$ 23,439	6.8%	\$ 24,604	6.9%	\$ 1,165	4.7%
Public protection	85,264	24.6%	90,860	25.4%	5,596	6.2%
Public ways and facilities	18,183	5.2%	17,281	4.8%	(902)	(5.2%)
Health and sanitation	71,610	20.6%	71,324	19.9%	(286)	(0.4%)
Public assistance	142,384	41.0%	147,195	41.1%	4,811	3.3%
Education	2,714	0.8%	2,857	0.8%	143	5.0%
Culture and recreation services	345	0.1%	349	0.1%	4	1.2%
Debt service	3,166	0.9%	3,799	1.1%	633	16.7%
Total	\$ 347,105	100%	\$ 358,269	100%	\$ 11,164	3.1%



Significant changes for major functions are explained below.

- General Government – The increase in this function is mainly due to increased expenditures for major maintenance in addition to an increase of managing facilities previously handled by PIC.
- Public protection – The increase in this function is mainly due to previously laid off fire protection staff being rehired resulting in the increase in salaries and wages.
- Public ways and facilities – The decrease in this function is due a decrease in construction contracts.
- Public Assistance – The increase in this function is mainly due to the weakened economy resulting in an increase of social service needs.
- Debt Service – The increase in this function is mainly due to an increase in POB debt service collection for interest rate stabilization.

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

The Landfill fund has total net assets of \$22,465. Of this amount, \$8,912 is invested in capital assets, net of related debt, \$4,753 is restricted, and the balance of \$8,780 is unreserved. Overall net assets increased by \$900 due to an increase in capital assets.

V. GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget for revenues were an increase of \$4,485. This increase was due to the County anticipating more aid from other governments than was originally anticipated.

During the fiscal year, actual revenues were more than budgetary estimates by \$447. The primary reason for the increase was the increased revenue received by aid from other governments.

VI. CAPITAL ASSETS AND DEBT ADMINISTRATION

A. Capital Assets

The County’s investment in capital assets for its governmental and business-type activities as of June 30, 2011, amounts to \$267,041 (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 7.0%. The decrease resulted from infrastructure depreciation exceeding infrastructure assets acquired by \$17,670.

Additional information on the County’s capital assets can be found in the Notes to the Financial Statements section of this report on page 48, note 5 – Capital Assets.

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

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

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

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	2010	2011	2010	2011	2010	2011
Land	\$ 3,500	\$ 2,281	\$ 431	\$ 431	\$ 3,931	\$ 2,712
Structures & improvements	42,854	42,539	83	13,760	42,937	56,299
Equipment	12,376	11,844	1,236	869	13,612	12,713
Infrastructure	209,299	189,674	--	--	209,299	189,674
Construction in progress	321	2,323	15,672	3,320	15,993	5,643
Total	\$ 268,350	\$ 248,661	\$ 17,422	\$ 18,380	\$ 285,772	\$ 267,041

B. Long-Term Obligations

At June 30, 2011, the County had total long-term obligations outstanding of \$101,401 consisting of \$13,124 in Certificates of Participation, capital lease obligations of \$848, bonds payable of \$49,895, loan payable of \$250, and notes payable of \$2,053. Additional long-term liabilities include compensated leave payable of \$14,383, actuarial claims liability of \$5,579 for general insurance and worker's compensation self insurance, landfill closure/post closure care liability of \$3,204, and OPEB obligation of \$12,065.

Additional information on the County's long-term liabilities can be found in the Notes to the Financial Statements section of this report on page 50, note 7 – Long-Term Obligations.

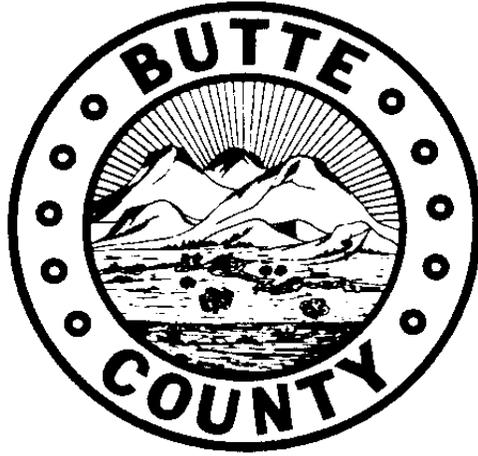
VII. Fiscal Outlook

The County adopted its fiscal year 2011-2012 Final Budget in the total amount of \$392,647, with a General Fund overall emergency reserve level of \$6,559. This emergency reserve consists of General Reserve for \$5,000 and an Appropriation for Contingency of \$1,559. The County will continue to face difficult fiscal challenges in the foreseeable future. Although the most critical fiscal uncertainty facing the County continues to be the impact on local government resulting from actions the State of California may take in addressing its own fiscal problems including the new public safety, health and human services realignment. Declining revenues, increasing social service and indigent health caseloads due to the declining economy will also impact the ability of the County to maintain current service levels.

VIII. Request for Information

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

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



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

COUNTY OF BUTTE, CALIFORNIA

STATEMENT OF NET ASSETS

JUNE 30, 2011

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 115,987,829	\$ 15,788,778	\$ 131,776,607
Cash and investments with fiscal agent	6,295,366	2,223,591	8,518,957
Imprest cash	87,420	2,800	90,220
Interest receivable	549,551	78,710	628,261
Accounts receivable	3,822,468	502,194	4,324,662
Due from other governments	19,605,438	-	19,605,438
Prepaid items	266	-	266
Deposits from others	127,797	-	127,797
Inventories	445,010	-	445,010
Loans receivable	1,787,555	-	1,787,555
Net pension asset	49,603,090	-	49,603,090
Deferred debt issuance costs	220,188	252,083	472,271
Capital assets, net			
Non-depreciable	4,604,291	3,750,883	8,355,174
Depreciable assets, net	244,056,819	14,629,131	258,685,950
Total assets	447,193,088	37,228,170	484,421,258
LIABILITIES			
Liabilities:			
Accounts payable	6,350,370	171,987	6,522,357
Salaries and benefits payable	7,347,370	62,852	7,410,222
Deposits payable	224,021	-	224,021
Unearned revenue	16,523,925	-	16,523,925
Accrued interest	12,951	216,250	229,201
Long term liabilities:			
Due within one year	4,601,255	881,545	5,482,800
Due in more than one year	82,487,923	13,430,340	95,918,263
Total liabilities	117,547,815	14,762,974	132,310,789
NET ASSETS			
Invested in capital assets, net of related debt	243,321,441	8,912,181	252,233,622
Restricted for:			
General restrictions	65,163,203	-	65,163,203
County Service Areas	6,905,328	-	6,905,328
Debt service	6,295,366	-	6,295,366
Landfill post-closure care requirements	-	4,753,072	4,753,072
Unrestricted	7,959,935	8,799,943	16,759,878
Total net assets	\$ 329,645,273	\$ 22,465,196	\$ 352,110,469

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, 2011**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
Primary government:			
Governmental activities:			
General government	\$ 29,168,334	\$ 22,092,523	\$ 21,640,576
Public safety	91,167,264	10,398,936	14,702,061
Public ways and facilities	36,686,173	2,216,854	2,783,261
Health and sanitation	72,015,960	5,785,533	46,528,845
Public assistance	148,220,091	1,079,724	141,407,534
Education	2,959,473	146,391	286,213
Culture and recreation services	530,319	-	-
Interest on long-term debt	2,701,482	-	-
Total Governmental Activities	<u>383,449,096</u>	<u>41,719,961</u>	<u>227,348,490</u>
Business-type activities:			
Sanitation	5,985,505	6,515,833	161,015
Total business-type activities	<u>5,985,505</u>	<u>6,515,833</u>	<u>161,015</u>
Total Primary Government	<u>\$ 389,434,601</u>	<u>\$ 48,235,794</u>	<u>\$ 227,509,505</u>

General revenues:

Taxes:

Property taxes

Sales and use taxes

Other taxes and related revenues

Grants and contributions not restricted to specific programs

Unrestricted interest and investment earnings

Other revenues

Transfers

Total general revenues

Change in net assets

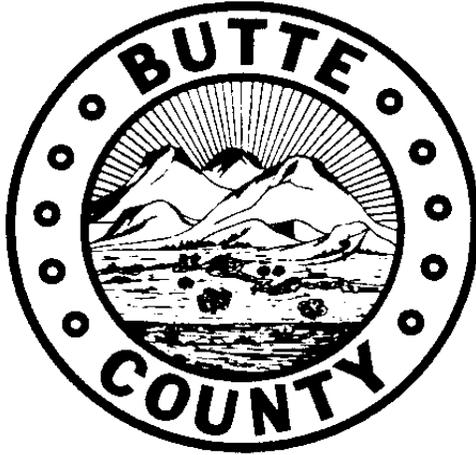
Net assets - beginning, as restated

Net assets - ending

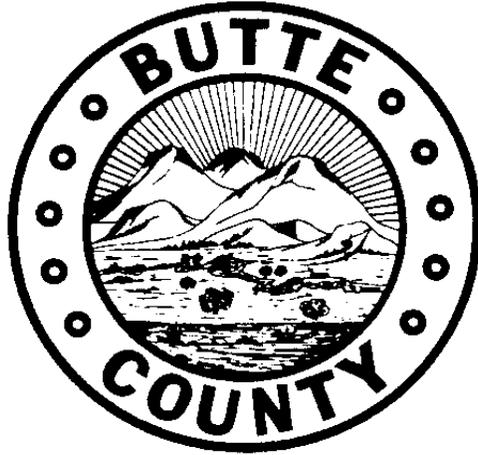
The accompanying notes are an integral part of these financial statements.

Program Revenues	Net (Expense) Revenue and Changes in Net Assets		
	Capital Grants and Contributions	Governmental Activities	Business-Type Activities
\$ -	\$ 14,564,765	\$ -	\$ 14,564,765
-	(66,066,267)	-	(66,066,267)
10,465,668	(21,220,390)	-	(21,220,390)
-	(19,701,582)	-	(19,701,582)
-	(5,732,833)	-	(5,732,833)
-	(2,526,869)	-	(2,526,869)
-	(530,319)	-	(530,319)
-	(2,701,482)	-	(2,701,482)
<u>10,465,668</u>	<u>(103,914,977)</u>	<u>-</u>	<u>(103,914,977)</u>
-	-	691,343	691,343
-	-	691,343	691,343
<u>\$ 10,465,668</u>	<u>(103,914,977)</u>	<u>691,343</u>	<u>(103,223,634)</u>
	47,576,400	-	47,576,400
	3,825,307	-	3,825,307
	942,242	-	942,242
	16,753,325	-	16,753,325
	3,053,171	228,783	3,281,954
	4,886,259	-	4,886,259
	19,784	(19,784)	-
	<u>77,056,488</u>	<u>208,999</u>	<u>77,265,487</u>
	(26,858,489)	900,342	(25,958,147)
	<u>356,503,762</u>	<u>21,564,854</u>	<u>378,068,616</u>
	<u>\$ 329,645,273</u>	<u>\$ 22,465,196</u>	<u>\$ 352,110,469</u>

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



(This Page Intentionally Left Blank)



**Basic Financial Statements-
Fund Financial Statements**

COUNTY OF BUTTE, CALIFORNIA

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011**

	General Fund	Welfare Fund	Public Health Fund	Behavioral Health Fund	Road Fund	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and investments	\$ 36,119,982	\$ 5,368,467	\$ 6,587,873	\$ 8,611,701	\$ 14,144,654	\$ 27,904,532	\$ 98,737,209
Restricted Assets:							
Cash with fiscal agent	752,992	-	-	-	-	5,542,374	6,295,366
Imprest cash	84,570	-	650	-	50	2,150	87,420
Due from other funds	286,565	1,460,126	6,395,043	-	-	1,818,613	9,960,347
Interest receivable	210,558	8,445	48,953	7,455	60,619	127,945	463,975
Accounts receivable	1,312,455	949,175	176,306	-	1,163,597	671,819	4,273,352
Due from other governments	5,770,384	3,312,647	876,515	6,460,083	1,811,742	912,249	19,143,620
Prepaid items	266	-	-	-	-	-	266
Deposits from others	2,500	-	-	-	-	297	2,797
Inventory	121,798	-	-	-	323,212	-	445,010
Loans receivable	-	-	-	-	-	1,787,555	1,787,555
Total assets	<u>\$ 44,662,070</u>	<u>\$ 11,098,860</u>	<u>\$ 14,085,340</u>	<u>\$ 15,079,239</u>	<u>\$ 17,503,874</u>	<u>\$ 38,767,534</u>	<u>\$ 141,196,917</u>
LIABILITIES							
Liabilities:							
Due to other funds	\$ 3,257,864	\$ 802	\$ -	\$ 6,415,116	\$ -	286,565	\$ 9,960,347
Accounts payable	1,780,544	44,299	275,116	1,697,069	1,154,139	1,207,095	6,158,262
Salaries and benefits payable	3,266,026	1,717,314	515,261	1,163,659	321,027	364,008	7,347,295
Deposits payable	224,021	-	-	-	-	-	224,021
Deferred revenue	1,783,002	7,951,386	202,672	5,646,265	13,906	2,714,249	18,311,480
Total liabilities	<u>10,311,457</u>	<u>9,713,801</u>	<u>993,049</u>	<u>14,922,109</u>	<u>1,489,072</u>	<u>4,571,917</u>	<u>42,001,405</u>
FUND BALANCES							
Nonspendable	122,064	-	-	-	323,212	-	445,276
Restricted	13,842,210	1,385,059	13,092,291	157,130	15,691,590	34,195,617	78,363,897
Committed	2,628,878	-	-	-	-	-	2,628,878
Assigned	6,559,485	-	-	-	-	-	6,559,485
Unassigned	11,197,976	-	-	-	-	-	11,197,976
Total fund balances	<u>34,350,613</u>	<u>1,385,059</u>	<u>13,092,291</u>	<u>157,130</u>	<u>16,014,802</u>	<u>34,195,617</u>	<u>99,195,512</u>
Total liabilities and fund balances	<u>\$ 44,662,070</u>	<u>\$ 11,098,860</u>	<u>\$ 14,085,340</u>	<u>\$ 15,079,239</u>	<u>\$ 17,503,874</u>	<u>\$ 38,767,534</u>	<u>\$ 141,196,917</u>

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 ASSETS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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

Fund balances-total governmental funds	\$	99,195,512
--	----	------------

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

Land	\$	2,281,119	
Construction in progress		2,323,172	
Infrastructure		590,523,872	
Structures and improvements		64,590,664	
Equipment		52,605,272	
Less: accumulated depreciation		<u>(463,674,072)</u>	
Total capital assets			248,650,027

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

Net pension asset		49,603,090	
Loans receivable		1,787,555	

Governmental funds report the effect of issuance costs and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the long-term debt issuance costs.	220,188
--	---------

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.	(12,951)
--	----------

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.	11,712,029
---	------------

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, 2011 are:

Certificates of participation		(2,439,235)	
Bonds payable		(49,895,000)	
Notes payable		(2,052,624)	
Capital leases		(847,810)	
Other postemployment benefits		(14,210,474)	
Compensated absences		<u>(12,065,034)</u>	
Total long-term liabilities			<u>(81,510,177)</u>

Net assets of governmental activities	\$	<u>329,645,273</u>
---------------------------------------	----	--------------------

COUNTY OF BUTTE, CALIFORNIA

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>General Fund</u>	<u>Welfare Fund</u>	<u>Public Health Fund</u>	<u>Behavioral Health Fund</u>	<u>Road Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES							
Taxes	\$ 51,516,125	\$ -	\$ -	\$ -	\$ -	\$ 827,825	\$ 52,343,950
Licenses and permits	2,986,415	-	109,088	-	50,184	-	3,145,687
Fines, forfeitures, and penalties	2,510,744	-	352,543	111,661	-	328,525	3,303,472
Revenue from use of money and property	1,577,542	12,093	146,193	82,039	590,229	424,496	2,832,593
Aid from other governments	32,076,398	134,049,072	16,602,422	46,679,748	10,465,668	14,694,175	254,567,483
Charges for services	23,212,798	940,991	2,871,874	2,340,367	2,166,670	1,782,952	33,315,652
Other	2,437,784	1,374,981	24,174	209,313	56,579	783,427	4,886,258
Total revenues	<u>116,317,806</u>	<u>136,377,137</u>	<u>20,106,294</u>	<u>49,423,128</u>	<u>13,329,330</u>	<u>18,841,400</u>	<u>354,395,095</u>
EXPENDITURES:							
Current:							
General government	23,867,483	-	-	-	-	736,678	24,604,161
Public protection	71,059,698	1,136,289	-	-	-	18,664,279	90,860,266
Public ways and facilities	-	-	-	-	16,498,716	781,829	17,280,545
Health and sanitation	-	-	22,470,089	48,182,896	-	670,593	71,323,578
Public assistance	552,822	139,360,293	-	-	-	7,281,960	147,195,075
Education	275,620	-	-	-	-	2,581,460	2,857,080
Recreation and cultural services	179,063	-	-	-	-	170,165	349,228
Debt Service:							
Principal	37,363	-	-	-	-	1,161,010	1,198,373
Interest	559,252	-	-	-	-	2,041,521	2,600,773
Total expenditures	<u>96,531,301</u>	<u>140,496,582</u>	<u>22,470,089</u>	<u>48,182,896</u>	<u>16,498,716</u>	<u>34,089,495</u>	<u>358,269,079</u>
Excess (deficiency) of revenues over (under) expenditures	<u>19,786,505</u>	<u>(4,119,445)</u>	<u>(2,363,795)</u>	<u>1,240,232</u>	<u>(3,169,386)</u>	<u>(15,248,095)</u>	<u>(3,873,984)</u>
OTHER FINANCING SOURCES (USES):							
Sales of capital assets	18,660	-	-	-	2,184	-	20,844
Transfers in	1,234,513	2,657,894	724,304	285,189	1,797,470	21,602,513	28,301,883
Transfer out	(23,542,367)	(515,141)	(198,971)	(449,967)	(103,867)	(3,157,054)	(27,967,367)
Issuance of debt	26,000	-	-	-	-	859,235	885,235
Total other financing sources (uses)	<u>(22,263,194)</u>	<u>2,142,753</u>	<u>525,333</u>	<u>(164,778)</u>	<u>1,695,787</u>	<u>19,304,694</u>	<u>1,240,595</u>
Net change in fund balances	<u>(2,476,689)</u>	<u>(1,976,692)</u>	<u>(1,838,462)</u>	<u>1,075,454</u>	<u>(1,473,599)</u>	<u>4,056,599</u>	<u>(2,633,389)</u>
Fund balances, beginning	34,835,011	3,990,310	14,911,101	(1,198,695)	17,450,712	29,832,810	99,821,249
Prior period adjustments	1,992,291	(628,559)	19,652	280,371	37,689	306,208	2,007,652
Fund balances - beginning, restated	<u>36,827,302</u>	<u>3,361,751</u>	<u>14,930,753</u>	<u>(918,324)</u>	<u>17,488,401</u>	<u>30,139,018</u>	<u>101,828,901</u>
Fund balances, ending	<u>\$ 34,350,613</u>	<u>\$ 1,385,059</u>	<u>\$ 13,092,291</u>	<u>\$ 157,130</u>	<u>\$ 16,014,802</u>	<u>\$ 34,195,617</u>	<u>\$ 99,195,512</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, 2011

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 Assets of Governmental Activities reported in the Statement of Activities, which is prepared on the full accrual basis.

Net change to fund balances-total governmental funds		\$ (2,633,389)
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	\$ 4,574,065	
Depreciation expense not reported in governmental funds	(24,282,485)	
Other capital asset adjustments	20,844	(19,687,576)
Governmental funds the effect of the pension asset when first paid, whereas the amount is deferred and amortized in the statement of activities.		
Decrease in pension asset		(1,848,446)
Repayment of long-term receivables is treated as revenue in governmental funds, but the repayment reduces long-term receivables in the Statement of Net Assets. Issuance of long-term receivables is treated as expenditures in th governmental funds, but the issuance increases long-term receivables in the Statement of Net Assets.		
Change in loans receivable		79,696
Debt proceeds provide current financial resources to governmental funds; however issuing debt increases long-term liabilities in the statement of net assets. Costs associated with the issuance of long-term debt are reported as expenditures in the governmental funds, but in the statement of net assets, the costs are deferred and amortized throughout the period during which the related debt is outstanding. Repayment of debt principal is an expenditure in the governmental funds, but in the statement of net assets the repayment reduces long-term liabilities.		
Principal payments	1,198,373	
Proceeds from issuance of debt	(885,235)	
Amortization expense of costs of issuance not reported in governmental funds	(101,751)	211,387
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).		
Interest payable	1,042	
Other postemployment benefits	(2,864,895)	
Compensated absences	(345,678)	(3,209,531)
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.		
		229,370
Change in net assets of governmental activities		\$ (26,858,489)

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

COUNTY OF BUTTE, CALIFORNIA

STATEMENT OF NET ASSETS

PROPRIETARY FUNDS

JUNE 30, 2011

			Governmental Activities
	Landfill	Total	Internal Service Funds
ASSETS			
Current assets:			
Cash and investments	\$ 15,788,778	\$ 15,788,778	\$ 17,250,620
Cash and investments with fiscal agent	2,223,591	2,223,591	-
Imprest cash	2,800	2,800	-
Due from other funds	-	-	119,371
Interest receivable	78,710	78,710	85,576
Accounts receivable	502,194	502,194	10,934
Deposits with others	-	-	125,000
Total current assets	<u>18,596,073</u>	<u>18,596,073</u>	<u>17,591,501</u>
Noncurrent assets:			
Deferred debt issuance costs	252,083	252,083	-
Capital assets:			
Nondepreciable:			
Land	430,939	430,939	-
Construction in progress	3,319,944	3,319,944	-
Depreciable:			
Structures	14,605,346	14,605,346	-
Equipment	4,262,634	4,262,634	19,582
Less: Accumulated depreciation	(4,238,849)	(4,238,849)	(8,499)
Total capital assets, net	<u>18,380,014</u>	<u>18,380,014</u>	<u>11,083</u>
Total noncurrent assets	<u>18,632,097</u>	<u>18,632,097</u>	<u>11,083</u>
Total assets	<u>37,228,170</u>	<u>37,228,170</u>	<u>17,602,584</u>
LIABILITIES			
Current liabilities:			
Due to other funds	-	-	119,371
Interest payable	216,250	216,250	-
Accounts payable	171,987	171,987	192,109
Accrued salaries and benefits	62,852	62,852	75
Compensated absences, current portion	38,000	38,000	-
Claims and judgments, current portion	-	-	2,400,000
COP payable, current portion	780,000	780,000	-
Loans payable, current portion	50,000	50,000	-
Total current liabilities	<u>1,319,089</u>	<u>1,319,089</u>	<u>2,711,555</u>
Noncurrent liabilities:			
Compensated absences, less current portion	134,358	134,358	-
Loans payable, less current portion	200,000	200,000	-
COP payable, less current portion	9,905,448	9,905,448	-
Claims and judgments, less current portion	-	-	3,179,000
Landfill closure/post-closure care costs	3,204,079	3,204,079	-
Total noncurrent liabilities	<u>13,443,885</u>	<u>13,443,885</u>	<u>3,179,000</u>
Total liabilities	<u>14,762,974</u>	<u>14,762,974</u>	<u>5,890,555</u>
NET ASSETS			
Invested in capital assets, net of related debt	8,912,181	8,912,181	11,083
Restricted for landfill closure costs	4,753,072	4,753,072	-
Unrestricted	8,799,943	8,799,943	11,700,946
Total net assets	<u>\$ 22,465,196</u>	<u>\$ 22,465,196</u>	<u>\$ 11,712,029</u>

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

COUNTY OF BUTTE, CALIFORNIA

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Landfill	Total	Governmental Activities Internal Service Funds
OPERATING REVENUES			
Charges for services	\$ -	\$ -	\$ 7,811,614
Landfill fees	6,482,167	6,482,167	-
Other revenue	33,666	33,666	1,078,338
Total operating revenues	<u>6,515,833</u>	<u>6,515,833</u>	<u>8,889,952</u>
OPERATING EXPENSES			
Salaries and employee benefits	1,366,255	1,366,255	456,744
Service and supplies	-	-	3,271,970
Claims and judgments	-	-	4,402,903
Operation and maintenance	2,503,298	2,503,298	-
Depreciation	764,048	764,048	-
Other expenses	-	-	434,811
Landfill closure/post-closure care cost	919,404	919,404	-
Total operating expenses	<u>5,553,005</u>	<u>5,553,005</u>	<u>8,566,428</u>
Operating income (loss)	<u>962,828</u>	<u>962,828</u>	<u>323,524</u>
NONOPERATING REVENUES (EXPENSES)			
Intergovernmental	161,015	161,015	-
Interest income	228,783	228,783	220,578
Interest expense	(432,500)	(432,500)	-
Total nonoperating revenues (expenses)	<u>(42,702)</u>	<u>(42,702)</u>	<u>220,578</u>
NET INCOME BEFORE TRANSFERS			
	920,126	920,126	544,102
Transfers out	(19,784)	(19,784)	(314,732)
Change in net assets	<u>900,342</u>	<u>900,342</u>	<u>229,370</u>
Net assets, beginning of year	22,036,309	22,036,309	11,525,012
Prior period adjustments	(471,455)	(471,455)	(42,353)
Net assets - beginning, restated	<u>21,564,854</u>	<u>21,564,854</u>	<u>11,482,659</u>
Net assets, end of year	<u>\$ 22,465,196</u>	<u>\$ 22,465,196</u>	<u>\$ 11,712,029</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, 2011

	Business-type Activities		Governmental Activities
	Landfill	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 6,249,747	\$ 6,249,747	\$ 8,879,017
Cash paid to suppliers for goods and services	(2,402,490)	(2,402,490)	(7,578,464)
Cash paid to employees for services	(1,366,192)	(1,366,192)	(456,670)
Internal activities - payments from (to) other funds	32,671	32,671	-
Net cash provided (used) by operating activities	2,513,736	2,513,736	843,883
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Aid from other governmental units	161,015	161,015	-
Principal repayment on loans payable	(50,000)	(50,000)	-
Transfers out	(19,784)	(19,784)	(314,732)
Net cash provided (used) by noncapital financing activities	91,231	91,231	(314,732)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Payments related to the acquisition of capital assets	(2,179,188)	(2,179,188)	-
Principal repayment on COP payable	(763,545)	(763,545)	-
Interest paid	(411,470)	(411,470)	-
Net cash provided (used) by capital and related financing activities	(3,354,203)	(3,354,203)	-
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	249,595	249,595	194,238
Net cash provided (used) by investing activities	249,595	249,595	194,238
Net increase (decrease) in cash and cash equivalents	(499,641)	(499,641)	723,389
Cash and cash equivalents, beginning	18,514,810	18,514,810	16,527,231
Cash and cash equivalents, ending	\$ 18,015,169	\$ 18,015,169	\$ 17,250,620
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET ASSETS:			
Cash and investments	\$ 15,788,778	\$ 15,788,778	\$ 17,250,620
Cash and investments with fiscal agent	2,223,591	2,223,591	-
Imprest cash	2,800	2,800	-
Total cash and investments	\$ 18,015,169	\$ 18,015,169	\$ 17,250,620

(continued)

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

COUNTY OF BUTTE, CALIFORNIA
STATEMENT OF CASH FLOWS (continued)
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Business-type Activities</u>		<u>Governmental Activities</u>
	<u>Landfill</u>	<u>Total</u>	<u>Internal Service Funds</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ 962,828	\$ 962,828	\$ 323,524
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	730,339	730,339	1,733
Changes in assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	(232,420)	(232,420)	(10,934)
Due from external parties	-	-	(35,000)
Prepaid items	-	-	22,815
Increase (decrease) in:			
Accounts payable	134,517	134,517	126,671
Due to other funds	(995)	(995)	-
Accrued salaries and benefits	(482)	(482)	74
Compensated absences	545	545	-
Landfill closure/post-closure cost	919,404	919,404	-
Claims and judgments	-	-	415,000
Net cash provided (used) by operating activities	<u>\$ 2,513,736</u>	<u>\$ 2,513,736</u>	<u>\$ 843,883</u>

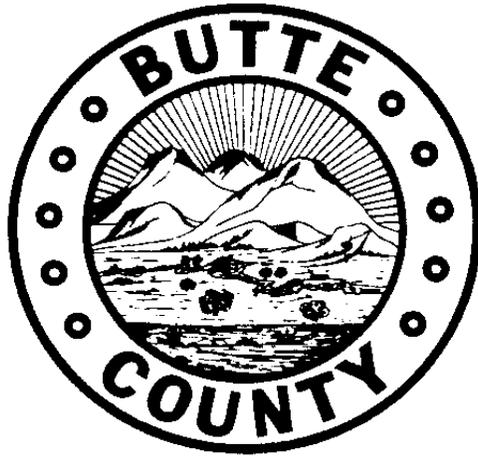
The accompanying notes are an integral part of these financial statements.

COUNTY OF BUTTE, CALIFORNIA

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS INVESTMENT TRUST FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Additions:	
Contributions to pooled investments	\$ 1,305,870,599
Interest and investment income	4,596,042
Total additions	<u>1,310,466,641</u>
Deductions:	
Distributions from investment pool	<u>(1,306,338,530)</u>
Total deductions	<u>(1,306,338,530)</u>
Net increase	4,128,111
Net assets, beginning	<u>230,428,403</u>
Net assets, ending	<u>\$ 234,556,514</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, 2011

1. Summary of Significant Accounting Policies

A. **The Financial Reporting Entity**

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

Blended component units, although legally separate entities are, in substance, part of the County's operations: therefore data from these units are combined with data of the primary government. Each blended component unit has a June 30, 2011 fiscal year-end.

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

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

County Service Area (CSA) – Lighting

CSA #11 Durham	CSA #14 East Chico
CSA #12 Stirling City Lighting	CSA #16 West Chico
CSA #17 South Oroville – Las Plumas Park	CSA #33 Oro-Wyandotte
CSA #27 Richvale	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

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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 #119 South Fork Estates
CSA #120 Oak Way Park
CSA #125 Willow Bend Subdivision
CSA #128 Wildflower Estates Subdivision
CSA #129 Orchard House Estates
CSA #133 Ceres Avenue Subdivision
CSA #154 Forebay Vista
CSA #177 Blossom Estates
CSA #181 Palm Crest Village Subdivision

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 – Sewer

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

CSA – Lighting & Maintenance

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

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

1. Summary of Significant Accounting Policies (continued)

A. The Financial Reporting Entity (continued)

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
CSA #158 Ishi Valley Estates– Lighting, Drainage, and Fire
CSA #163 Thorntee Industrial Park – Lighting, Drainage, and Fire
CSA #164 County of Butte – Animal Control
CSA #165 Justin Manor Subdivision – Lighting, Drainage, and Fire
CSA #169 Pheasant Landing #1 Subdivision and #2 – Lighting, Drainage, and Fire
CSA #169 Pheasant Landing #3 Subdivision – Lighting, Drainage, and Fire
CSA #169 Zone #4 of Sierra Moon Subdivision #1 – Lighting and Drainage
CSA #172 Autumn Park – Lighting, Drainage, and Fire
CSA #173 Melrose Estates – Lighting, Drainage, and Fire
CSA #174 Durham Land Estates – Lighting, Drainage, and Fire
CSA #176 Pheasant Landing Estates #3 – Lighting, Drainage, and Fire
CSA #178 Twin Palms Subdivision – Lighting, Drainage, and Fire
CSA #179 Chambers & Speedway Subdivision – Lighting, Drainage, and Fire
CSA #180 Red Hawk Ranch Subdivision – Lighting, Drainage, and Fire
CSA #183 Rare Earth Estates – Lighting, Drainage, and Fire

Excluded from the Reporting Entity

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

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

1. Summary of Significant Accounting Policies (continued)

A. The Financial Reporting Entity (continued)

Protection to Persons & Property

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

Recreation

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

Other Districts

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

Cemetery

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

Drainage

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

Health & Sanitation

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

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

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

1. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation

Government-Wide Financial Statements

The statement of net assets and statement of activities display information about the primary government (the County) and its blended component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the County. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

The statement of activities demonstrates the degree to which the program expenses of a given function are offset by program revenues. Program expenses include direct expenses, which are clearly identifiable with a specific function, and allocated indirect expenses. Program revenues include 1) fees, fines, and charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

Fund Financial Statements

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

Proprietary fund *operating* revenues, such as charges for services and operating expenses, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Nonoperating* revenues, such as subsidies and investment earnings and nonoperating expenses, result from nonexchange transactions or ancillary activities.

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

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

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

1. Summary of Significant Accounting Policies (continued)

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

The County reports the following major governmental funds:

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

The County reports the following major enterprise funds:

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

The County reports the following additional fund types:

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

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

1. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

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

C. Basis of Accounting

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

Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales tax are recognized when the underlying transactions take place. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligible requirements have been satisfied.

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

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

1. Summary of Significant Accounting Policies (continued)

C. Basis of Accounting (continued)

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

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

D. Cash and Cash Equivalents

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

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

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

The fair value of investments in the Pool is determined monthly based upon quoted market prices. The County has not provided nor obtained any legally binding guarantees during the fiscal year ended June 30, 2011 to support the values of shares in the Pool. However, management believes that the investments in the Pool are of high quality and that the risk of participation in the Pool is negligible. The Pool is subject to oversight by the Treasury Oversight Committee, as recommended by the California Debt and Investment Advisory Commission.

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

1. Summary of Significant Accounting Policies (continued)

D. Cash and Cash Equivalents (continued)

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

State law requires that the County Treasurer hold all operating monies of the County, school districts and certain special districts. Collectively, these mandatory deposits constituted approximately 92.5% of the funds on deposit in the County Treasury.

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

E. Inventories and Prepaid Items

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

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

F. Property Taxes

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

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

1. Summary of Significant Accounting Policies (continued)

F. **Property Taxes (continued)**

Alternative Method of Distribution of Tax Levies

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

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

G. **Loans Receivable**

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

H. **Capital Assets**

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

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

1. Summary of Significant Accounting Policies (continued)

H. Capital Assets (continued)

The estimated useful lives are as follows:

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

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

I. Compensated Absences

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

J. Interfund Receivables and Payables

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

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

K. Use of Estimates

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

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

1. Summary of Significant Accounting Policies (continued)

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

Governmental Accounting Standards Board Statement No. 54

For the fiscal year ended June 30, 2011, the County implemented Governmental Accounting Standards Board Statement No. 54 (GASB 54), “*Fund Balance Reporting and Governmental Fund Type Definitions.*” The requirements of this statement are effective for financial statement periods beginning after June 30, 2010.

GASB 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied, and it clarifies the existing governmental fund type definitions. It establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in government funds. These classifications are described in the Fund Equity section of this footnote.

GASB 54 also provides guidance for classifying stabilization amounts on the face of the balance sheet and requires disclosure of certain information about stabilization arrangements in the notes to the financial statements. The definitions of the General Fund, special revenue fund type, capital projects fund type, debt service fund type, and permanent fund type are also clarified by the provisions in this statement.

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

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

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

1. Summary of Significant Accounting Policies (continued)

N. Net Assets

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

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).
- *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 the Board of Supervisors. Commitments may be 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 be used to eliminate a projected budgetary deficit in the subsequent year's budget.
- *Unassigned Fund Balance* - the residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose.

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

2. Cash and Investments

Cash and investments as of June 30, 2011 are classified in the accompanying financial statements as follows:

Statement of net assets:

Primary government:

Cash and investments	\$ 131,776,607
Cash and investments with fiscal agents	8,518,957
Imprest cash	90,220

Fiduciary funds:

Cash and investments	256,623,654
Imprest cash	<u>8,396</u>

Total cash and investments	<u>\$ 397,017,834</u>
----------------------------	-----------------------

Cash and investments as of June 30, 2011 consist of the following:

Cash on hand	\$ 153,204
Deposits with financial institutions	16,639,979
Investments	394,594,666
Outstanding warrants	<u>(14,370,015)</u>
Total cash and investments	<u>\$ 397,017,834</u>

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

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

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

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

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

2. Cash and Investments (continued)

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

Disclosures Relating to Interest Rate Risk

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

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

2. Cash and Investments (continued)

Disclosures Relating to Interest Rate Risk (continued)

Investment Type	Fair Value	Remaining Maturity				
		Less than One year	One to Two years	Two to Three years	Three to Four years	Four to Five years
With Treasurer:						
FAMCA	\$ 15,389,099	\$ -	\$ -	\$ -	\$ 10,314,184	\$ 5,074,915
FFCB	62,649,091	9,244,149	11,119,308	19,322,740	13,016,174	9,946,720
FHLB	114,244,288	28,436,741	25,630,429	16,092,201	10,343,060	33,741,857
FHLMC	18,149,337	11,033,331	2,102,816	--	--	5,013,190
FNMA	40,080,610	10,012,715	--	--	--	30,067,895
TVA	8,590,867	3,173,352	5,417,515	--	--	--
BANK CD	750,000	--	--	250,000	500,000	--
Cal Trust	3,957	3,957	--	--	--	--
LAIF	95,941,108	95,941,108	--	--	--	--
MTN	10,271,600	10,271,600	--	--	--	--
Money Market Funds	20,028,911	20,028,911	--	--	--	--
Total with Treasurer	<u>386,098,868</u>	<u>188,145,864</u>	<u>44,270,068</u>	<u>35,664,941</u>	<u>34,173,418</u>	<u>83,844,577</u>
With fiscal agents:						
Money Market Funds	2,521,328	2,521,328	--	--	--	--
FHLB	410,914	--	--	410,914	--	--
FFCB	1,217,110	--	1,217,110	--	--	--
LAIF	4,346,446	4,346,446	--	--	--	--
Total with fiscal agent	<u>8,495,798</u>	<u>6,867,774</u>	<u>1,217,110</u>	<u>410,914</u>	<u>--</u>	<u>--</u>
Total investments	<u>\$ 394,594,666</u>	<u>\$ 195,013,638</u>	<u>\$ 45,487,178</u>	<u>\$ 36,075,855</u>	<u>\$ 34,173,418</u>	<u>\$ 83,844,577</u>

Disclosures Relating to Credit Risk

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

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

2. Cash and Investments (continued)

Disclosures Relating to Credit Risk (continued)

Investment Type	Fair Value	Minimum Legal Rating	Exempt From Disclosure	Rating as of Fiscal Year End			
				AAA	Aa	A1/P1	Not Rated
FAMCA	\$ 15,389,099	N/A	\$ --	\$ --	\$ --	\$ --	15,389,099
FFCB	62,649,091	N/A	62,649,091	--	--	--	--
FHLB	114,244,288	N/A	114,244,288	--	--	--	--
FHLMC	18,149,337	N/A	18,149,337	--	--	--	--
FNMA	40,080,610	N/A	40,080,610	--	--	--	--
TVA	8,590,867	N/A	8,590,867	--	--	--	--
BANK CD	750,000	N/A	--	--	--	--	750,000
Cal Trust	3,957	N/A	--	3,957	--	--	--
LAIF	95,941,108	N/A	--	--	--	--	95,941,108
MTN	10,271,600	N/A	10,271,600	--	--	--	--
Money Market Funds	20,028,911	A	24,532	--	--	--	20,004,379
Held by bond trustee:							
Money Market	2,521,328	A	2,521,328	--	--	--	--
FHLB	410,914	N/A	410,914	--	--	--	--
FFCB	1,217,110	A	1,217,110	--	--	--	--
LAIF	4,346,446	N/A	--	--	--	--	4,346,446
Total	\$ 394,594,666		\$ --	\$ 258,159,677	\$ 3,957	\$ --	\$ 136,431,032

Concentration of Credit Risk

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

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>
Federal Home Loan Bank	Federal agency securities	\$ 144,244,288
Federal Farm Credit Bank	Federal agency securities	62,649,091
Federal National Mortgage Assoc.	Federal agency securities	40,080,610

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

2. Cash and Investments (continued)

Custodial Credit Risk

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

Investment in State Investment Pool

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

Investment Trust of California Joint Powers Authority Pool

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

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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, 2011:

Statement of Net Assets	
Net Assets held for pool participants	\$ <u>388,400,260</u>
Equity of internal pool participants	\$ 154,936,332
Equity of external pool participants (voluntary and involuntary)	<u>233,463,928</u>
Total Equity	<u>\$ 388,400,260</u>
Statement of Changes in Net Assets	
Net Assets held for pool participants at July 1, 2010	\$ 386,862,876
Net change in investments by pool participants	<u>1,537,384</u>
Net Assets held for pool participants at June 30, 2011	<u>\$ 388,400,260</u>

3. Receivables/Deferred Revenue

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

<u>Governmental Activities:</u>	<u>Unavailable</u>	<u>Unearned</u>
General Fund:		
Resources received that do not meet the criteria for revenue	\$ --	\$ 1,783,002
Welfare Fund:		
Resources received that do not meet the criteria for revenue	--	7,951,386
Public Health Fund:		
Resources received that do not meet the criteria for revenue	--	202,672
Behavioral Health Fund:		
Resources received that do not meet the criteria for revenue	--	5,646,265
Road Fund:		
Resources received that do not meet the criteria for revenue	--	13,906
Other Governmental Funds:		
Resources received that do not meet the criteria for revenue		926,694
Resources unavailable for current expenditures	<u>1,787,555</u>	
	<u>\$ 1,787,555</u>	<u>\$ 16,523,925</u>

Management believes all of its receivables are collectible.

COUNTY OF BUTTE, CALIFORNIA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

4. Interfund Transactions

Interfund Receivables/Payables

The composition of interfund balances as of June 30, 2011 are as follows:

Balances due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 286,565
Welfare Fund	General Fund	1,440,053
	Behavioral Health Fund	<u>20,073</u>
		<u>1,460,126</u>
Public Health Fund	Behavioral Health Fund	<u>6,395,043</u>
		<u>6,395,043</u>
Nonmajor Governmental Funds	General Fund	1,817,811
	Welfare Fund	<u>802</u>
		<u>1,818,613</u>
Internal Service Funds	Internal Service Funds	119,371
Total		<u><u>10,079,718</u></u>

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

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

4. Interfund Transactions (continued)

Transfers to/ from other funds:

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

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Reason</u>
General Fund	Welfare Fund	\$ 2,657,894	Transfer for operating subsidy
	Public Health Fund	724,304	Transfer for county match
	Behavioral Health Fund	285,189	Transfer for county match
	Nonmajor Governmental Funds	13,304,380	Fire Protection
	Nonmajor Governmental Funds	288,877	Transfer for water operating subsidy
	Nonmajor Governmental Funds	2,218,334	Transfer for library operating subsidy
	Nonmajor Governmental Funds	1,596,643	Transfer for debt service
	Nonmajor Governmental Funds	1,313,693	Transfer for debt service - POB
	Nonmajor Governmental Funds	168,523	Transfer for CDBG program grants
	Nonmajor Governmental Funds	472,530	Transfer for capital projects
	Nonmajor Governmental Funds	<u>512,000</u>	Transfer for equipment replacement
		<u>23,542,367</u>	
Welfare Fund	Nonmajor Governmental Funds	515,141	Transfer for debt service - POB
Public Health Fund	Nonmajor Governmental Funds	31,388	Transfer for public health lab
	Nonmajor Governmental Funds	167,583	Transfer for debt service - POB
		<u>198,971</u>	
Behavioral Health Fund	Nonmajor Governmental Funds	118,368	Transfer for debt service - POB
	Nonmajor Governmental Funds	331,599	Transfer for remodel project
		<u>449,967</u>	
Road Fund	Nonmajor Governmental Funds	103,867	Transfer for debt service - POB
Landfill	Nonmajor Governmental Funds	19,784	Transfer for debt service - POB
Nonmajor Governmental Funds	Road Fund	1,797,470	Transfer for road operating subsidy - TDA
	General Fund	1,234,512	Transfer for road operating subsidy
	Nonmajor Governmental Funds	7,870	Transfer for debt service - POB
	Nonmajor Governmental Funds	117,202	Transfer for debt service - POB
		<u>3,157,054</u>	
Internal Service Funds	Nonmajor Governmental Funds	313,000	Transfer for debt service
	Nonmajor Governmental Funds	711	Transfer for equipment depreciation
	Nonmajor Governmental Funds	1,021	Transfer for equipment depreciation
		<u>314,732</u>	
Total		<u>\$ 28,301,883</u>	

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

5. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2011 was as follows:

	Restated Balance ¹ July 1, 2010	Additions	Retirements	Transfers and Adjustments	Balance June 30, 2011
Governmental Activities					
<i>Capital assets, not being depreciated:</i>					
Land	\$ 3,500,403	\$ 22,240	\$ (128,500)	\$ (1,113,024)	\$ 2,281,119
Construction in progress	321,496	2,001,676	--	--	2,323,172
Total capital assets, not being depreciated	3,821,899	2,023,916	(128,500)	(1,113,024)	4,604,291
<i>Capital assets, being depreciated:</i>					
Infrastructure	592,478,095	--	(1,954,223)	--	590,523,872
Structures and improvements	63,560,157	33,000	(115,517)	1,113,024	64,590,664
Equipment	50,740,200	2,867,962	(978,679)	(4,629)	52,624,854
Total capital assets, being depreciated	706,778,452	2,900,962	(3,048,419)	1,108,395	707,739,390
Less: accumulated depreciation for:					
Infrastructure	(383,179,718)	(19,604,802)	1,954,223	(19,472)	(400,849,769)
Structures and improvements	(20,705,878)	(1,384,944)	91,808	(52,647)	(22,051,661)
Equipment	(38,364,338)	(3,292,739)	978,679	(102,743)	(40,781,141)
Total accumulated depreciation	(442,249,934)	(24,282,485)	3,024,710	(174,862)	(463,682,571)
Total capital assets, being depreciated, net	264,528,518	(21,381,523)	(23,709)	933,533	244,056,819
Governmental activities capital assets, net	<u>\$ 268,350,417</u>	<u>\$ (19,357,607)</u>	<u>\$ (152,209)</u>	<u>\$ (179,491)</u>	<u>\$ 248,661,110</u>
Business-type Activities:					
<i>Capital assets, not being depreciated:</i>					
Land	\$ 430,940	\$ --	\$ --	\$ --	\$ 430,940
Construction in progress	1,233,758	2,131,738	--	(45,553)	3,319,943
Total capital assets, not being depreciated	1,664,698	2,131,738	--	(45,553)	3,750,883
<i>Capital assets, being depreciated:</i>					
Structures and improvements	14,559,793	--	--	45,553	14,605,346
Equipment	4,139,249	81,158	--	42,227	4,262,634
Total capital assets, being depreciated	18,699,042	81,158	--	87,780	18,867,980
Less: accumulated depreciation for:					
Structures and improvements	(529,631)	(315,227)	--	--	(844,858)
Equipment	(2,902,943)	(415,112)	--	(75,936)	(3,393,991)
Total accumulated depreciation	(3,432,574)	(730,339)	--	(75,936)	(4,238,849)
Total capital assets, being depreciated, net	15,266,468	(649,181)	--	11,844	14,629,131
Business-type activities capital assets, net	<u>\$ 16,931,166</u>	<u>\$ 1,482,557</u>	<u>\$ --</u>	<u>\$ (33,709)</u>	<u>\$ 18,380,014</u>

¹ The beginning balance of Governmental Activities was restated as explained in Note 14.

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

5. Capital Assets (continued)

Depreciation expense was changed to functions as follows:

Governmental Activities:

General government	\$ 1,196,333
Public protection	2,666,270
Public ways	19,561,394
Health and sanitation	412,264
Public assistance	137,978
Education	90,150
Recreation and cultural services	216,364
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of assets	1,732
	\$ 24,282,485

Business-Type Activities:

Solid Waste	\$ 730,339
	\$ 730,339

6. Short-Term Debt

Tax and Revenue Anticipation Notes

In July 2010, the County issued \$24,320,000 in tax anticipation notes in advance of property tax collections, depositing the proceeds in the general fund. These notes are necessary in order to fund operations prior to receipt of tax collections. During the fiscal year, the County satisfied the requirements of the notes.

Short-term debt activity for the fiscal year ended June 30, 2011, was as follows:

	Balance July 1, 2010	Additions	Retirements	Balance June 30, 2011
Governmental Activities:				
FY 2009-10 TRANs	\$ --	\$ 24,320,000	\$ 24,320,000	\$ --
Total governmental activities	\$ --	\$ 24,320,000	\$ 24,320,000	\$ --

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

7. Long-Term Obligations

Long-term obligations of the County consist of capital lease obligations, bonds, certificates of participation, notes, and other liabilities, which are payable from the General, Debt Service, Capital Projects, Enterprise, and Internal Service Funds. The calculated legal debt limit for the County is \$224,195,896.

A summary of long-term obligations follows:

Type of Indebtedness (Purpose)	Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2011
Governmental Activities:					
Pension Obligation Bonds:					
Series A	6/30/14-6/30/34	Variable	\$55,000-\$3,440,000	28,020,000	28,020,000
Series B	6/30/14-6/30/34	Variable	\$295,000-\$2,105,000	21,875,000	21,875,000
				49,895,000	49,895,000
Certificates of Participation					
2003 Certificates of Participation	7/1/04-7/1/14	2%-3.4%	\$325,000-\$415,000	5,150,000	1,580,000
2010 Bangor Fire Station #55 COP	8/1/50	4%	\$12,000-\$42,000	1,100,000	859,235
Total Certificates of Participation				6,250,000	2,439,235
Notes Payable					
California Energy Commission					
Solar Project - phase 1	6/22/19	3.95%	\$63,794-\$263,961	2,777,000	1,783,829
Solar Project - phase 2	6/22/20	3.95%	\$8,057-\$34,750	390,000	268,795
Total Notes Payable				3,167,000	2,052,624
Total Governmental Activities				\$ 59,312,000	\$ 54,386,859
Business-type Activities:					
Certificates of Participation	7/1/09-7/1/21	3.4%-4.5%	\$725,000-\$1,165,000	12,025,000	10,550,000
Loan-Neal Road Recycling & Waste Fac.	6/1/16	0%	\$50,000	500,000	250,000
Total Business-type Activities				\$12,525,000	\$10,800,000

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

7. Long-Term Obligations (continued)

Summary of Long-Term Debt

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

	Restated, Balance July 1, 2010	Additions	Retirements	Balance June 30, 2011	Amounts Due Within One Year
Governmental Activities:					
Capital lease obligations	\$ 922,273	26,000	\$ 100,463	\$ 847,810	\$ 80,294
Bonds payable	50,402,721		507,721	49,895,000	
Notes payable	2,277,811		225,187	2,052,624	233,961
Certificates of participation	1,945,000	859,235	365,000	2,439,235	387,000
Claims and judgments	5,164,000	4,907,903	4,492,903	5,579,000	2,400,000
Compensated absences	13,864,797	18,698,159	18,352,481	14,210,475	1,500,000
OPEB obligation	9,200,139	4,535,295	1,670,400	12,065,034	
Total governmental activities	<u>\$ 83,776,741</u>	<u>\$ 29,026,592</u>	<u>\$ 25,714,155</u>	<u>\$ 87,089,178</u>	<u>\$ 4,601,255</u>
Business-type Activities:					
Certificates of participation	11,300,000		750,000	10,550,000	780,000
Premium on debt	148,993		13,545	135,448	13,545
Landfill closure/post-closure care costs	2,284,675	919,404		3,204,079	
Loan payable	300,000		50,000	250,000	50,000
Compensated absences	171,813	146,065	145,520	172,358	38,000
Total business-type activities	<u>\$ 14,205,481</u>	<u>\$ 1,065,469</u>	<u>\$ 959,065</u>	<u>\$ 14,311,885</u>	<u>\$ 881,545</u>

COUNTY OF BUTTE, CALIFORNIA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

7. Long-Term Obligations (continued)

Capital Lease

The County leases equipment under capital leases. The following is a summary, by year, of future minimum lease payments, together with the present value of the minimum lease payments, as of June 30, 2011:

<u>Fiscal Year Ending June 30,</u>	<u>Governmental Activities</u>
2012	132,098
2013	132,098
2014	123,431
2015	123,431
2016	123,431
2017-2020	<u>493,723</u>
Total minimum lease payments	1,128,212
Less: Amount representing interest	<u>280,402</u>
Present value of minimum lease payments	<u>\$ 847,810</u>

The following is a schedule of net remaining property leased under capital leases at June 30, 2011:

	<u>Acquisition Value</u>	<u>Accumulated Depreciation</u>
Governmental Activities:		
Chico Memorial Halls	1,254,300	90,297
File management system	90,581	55,655
Vehicles	56,018	45,544
Megabyte Property Tax Acct. Reporting	26,000	1,806

Operating Leases

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

<u>Year Ended June 30,</u>	<u>Payments</u>
2012	\$ 4,238,508
2013	3,591,335
2014	3,540,763
2015	2,905,264
2016	<u>2,799,955</u>
Totals	<u>\$ 17,075,825</u>

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

7. Long-Term Obligations (continued)

Rental expense was \$4,440,013 for all funds for the year ended June 30, 2011.

Bonds Payable

At June 30, 2011, bonds outstanding consist of the following:

Sewer Bonds:

The sewer bonds were paid in full in December, 2010. The bonds were issued to provide sewer in the County Service Area No. 26.

Pension Obligation Bonds:

The pension obligation bonds were issued in three series (A, B, and C) in 2004. These bonds were issued to save future interest costs associated with the County's pension obligations. Series A has a fixed interest rate of 6.0486%; 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 2010/2011, the average rate paid for Series B was .55928%. The next payment of interest for Series A is due December 1, 2011, while the interest payments for Series B are calculated and paid the first business day of each month. Principal payments for both Series A and B are due beginning in fiscal year 2014 and ending in fiscal year 2034.

As of June 30, 2011, the estimated (Series B is a variable rate) annual debt service requirements to maturity for the Pension Obligation Bonds are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2012	\$ --	\$ 2,784,742	\$ 2,784,742
2013	--	2,784,742	2,784,742
2014	350,000	2,784,742	3,134,742
2015	470,000	2,767,017	3,237,017
2016	595,000	2,742,882	3,337,882
2017-2021	5,280,000	13,081,977	18,361,977
2022-2026	10,335,000	11,132,669	21,467,669
2027-2031	17,605,000	7,489,395	25,094,395
2032-2034	15,260,000	1,779,671	17,039,671
Total	\$ 49,895,000	\$ 47,347,837	\$ 97,242,837

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

7. Long-Term Obligations (continued)

Notes Payable

At June 30, 2011, notes outstanding consist of the following:

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

As of June 30, 2011, annual debt service requirements to maturity are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	233,961	79,007	312,968
2013	243,503	69,465	312,968
2014	253,216	59,751	312,967
2015	263,317	49,651	312,968
2016	273,721	39,246	312,967
2017-2020	784,906	51,191	836,097
Total	<u>\$ 2,052,624</u>	<u>\$ 348,311</u>	<u>\$ 2,400,935</u>

Certificates of Participation

Governmental Activities

2003 Certificates of Participation

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

2010 Bangor Fire Station Certificates of Participation

On August 11, 2010, the County issued \$1,100,000 in Certificates of Participation. The proceeds, which have been paid in installments, have funded the majority of the costs associated with the construction of improvements to Bangor Fire Station #55. Commencing with the interest only payment on February 1, 2011, a payment of interest only is due on February 1 of each year and a payment comprised of principal and interest is due on August 1 of each year. The interest rate is fixed at 4.0% per year. The final principal payment is due on August 1, 2050. As of June 30, 2011, \$859,235 of the \$1,100,000 loan proceeds had been received by the County.

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

7. Long-Term Obligations (continued)

Certificates of Participation (continued)

Fiscal Year Ending June 30,	Principal	Interest	Total
2012	\$ 387,000	\$ 81,906	\$ 468,906
2013	402,000	76,040	478,040
2014	413,000	63,290	476,290
2015	428,000	49,315	477,315
2016	14,000	41,720	55,720
2017-2021	77,000	199,780	276,780
2022-2026	93,000	182,780	275,780
2027-2031	115,000	162,100	277,100
2032-2036	140,000	136,600	276,600
2037-2041	168,000	105,920	273,920
2042-2046	202,235	77,309	279,544
Total	<u>\$ 2,439,235</u>	<u>\$ 1,176,760</u>	<u>\$ 3,615,995</u>

Business-Type Activities

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2012	\$ 780,000	\$ 416,900	\$ 1,196,900
2013	810,000	385,100	1,195,100
2014	845,000	352,000	1,197,000
2015	880,000	317,500	1,197,500
2016	915,000	281,600	1,196,600
2017-2021	5,155,000	797,325	5,952,325
2022	1,165,000	23,300	1,188,300
Total	<u>\$ 10,550,000</u>	<u>\$ 2,573,725</u>	<u>\$ 13,123,725</u>

COUNTY OF BUTTE, CALIFORNIA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

7. Long-Term Obligations (continued)

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 Landfill. Principal payments of \$50,000 are due annually beginning June 1, 2007 and ending June 1, 2016.

As of June 30, 2011, annual debt service requirements to maturity are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2012	\$ 50,000	\$ --	\$ 50,000
2013	50,000	--	50,000
2014	50,000	--	50,000
2015	50,000	--	50,000
2016	50,000	--	50,000
Total	<u>\$ 250,000</u>	<u>\$ --</u>	<u>\$ 250,000</u>

Compensated Absences

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

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

The compensated absences liability attributable to the governmental activities will be liquidated as follows: General Fund 50%, Welfare Fund 17%, Public Health Fund 7%, Behavioral Health Fund 14%, Road Fund 6%, and Nonmajor funds 6%.

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

7. Long-Term Obligations (continued)

Landfill Closure and Post-closure Costs

State and federal laws and regulations require the County to place a final cover on its Neal Road landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$3,204,079 reported as landfill closure and post-closure care liability at June 30, 2011, represents the cumulative amount reported to date based on the use of 19.29 percent of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and post-closure care of \$13,403,013 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2011. The County expects to close the landfill in the fiscal year 2031.

The County is required by state and federal laws and regulations to make annual contributions to a separate fund to finance closure and post-closure care. The County is in compliance with these requirements, and at June 30, 2011, investments of \$4,729,031 are held for these purposes. The County expects the future inflation costs will be paid from interest earnings on these annual contributions.

However, if interest earnings are inadequate or additional post-closure care requirements are determined; these costs may need to be covered by charges to future landfill users or from future tax revenue.

Annually, the Landfill adjusts the estimated closure and post-closure costs due to changes in inflation and capacity. Total estimated costs for closure and post-closure increased from \$12,416,318 at June 30, 2010 to \$16,607,092 at June 30, 2011, and the remaining capacity of the landfill decreased from 81.60 percent to 80.71 percent at June 30, 2010 and 2011, respectively. These changes resulted in an increase to the landfill closure and post-closure care liability and caused an increase in expense of \$919,404 at June 30, 2011.

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

Limitations and Restrictions

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

Deferred Debt Issuance Costs

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

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

7. Long-Term Obligations (continued)

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, 2011 does not expect to incur a liability.

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

8. Restricted Net Assets/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, 2011 is as follows:

	General	Welfare	Public Health	Behavioral Health	Road	Other Governmental Funds	Total Governmental Funds
Nonspendable:							
Inventory	\$ 121,798	\$ -	\$ -	\$ -	\$ 323,212	\$ -	\$ 445,010
Prepaid items	266	-	-	-	-	-	266
Total nonspendable fund balance	122,064	-	-	-	323,212	-	445,276
Restricted:							
Purpose of fund	-	1,385,059	13,092,291	157,130	15,691,590	34,195,617	64,521,687
Inmate Welfare	1,984,910	-	-	-	-	-	1,984,910
Childrens Restricted Cash	211,249	-	-	-	-	-	211,249
DNA-ID Local Share	216,668	-	-	-	-	-	216,668
Prob - Uncl Victim Restitu.	217,172	-	-	-	-	-	217,172
Env Impact Review	394,392	-	-	-	-	-	394,392
Sheriff - Civil Equipment	204,869	-	-	-	-	-	204,869
Criminal Justice Facility	1,501,939	-	-	-	-	-	1,501,939
Sheriff Veh & Equip Maint.	132,136	-	-	-	-	-	132,136
DA Dept. of Insurance WC	103,504	-	-	-	-	-	103,504
DA RL Est Fraud Prosecut.	180,919	-	-	-	-	-	180,919
Rock Creek Flood Project	119,268	-	-	-	-	-	119,268
New Era Reclamation	206,929	-	-	-	-	-	206,929
Planning 2nd Dwelling	256,626	-	-	-	-	-	256,626
Tax Collector Cost	251,369	-	-	-	-	-	251,369
Drug & Gang Activity	177,046	-	-	-	-	-	177,046
DA Env & Consumer Prot.	216,151	-	-	-	-	-	216,151
Juv Ed/Rec/Special Proj.	210,264	-	-	-	-	-	210,264
Sheriff-Fed Revenue Sh.	521,807	-	-	-	-	-	521,807
Prob. - Title IV/TANF	286,924	-	-	-	-	-	286,924
Table A Water	295,079	-	-	-	-	-	295,079
Recorder Micrographics	180,095	-	-	-	-	-	180,095
Recording System	2,462,919	-	-	-	-	-	2,462,919
GC27585 Survey Monum.	135,463	-	-	-	-	-	135,463
Lime Saddle Diso. Restit.	1,113,714	-	-	-	-	-	1,113,714
Indian Gaming Cash	527,253	-	-	-	-	-	527,253
Oprob. - YOBG Rest. Cash	1,112,405	-	-	-	-	-	1,112,405
Other	621,140	-	-	-	-	-	621,140
Total restricted fund balance	13,842,210	1,385,059	13,092,291	157,130	15,691,590	34,195,617	78,363,897
Committed:							
Encumbrances	1,818,816	-	-	-	-	-	1,818,816
Imprest cash	84,570	-	-	-	-	-	84,570
Deposits	2,500	-	-	-	-	-	2,500
Debt service	722,992	-	-	-	-	-	722,992
Total committed fund balance	2,628,878	-	-	-	-	-	2,628,878
Assigned:							
Emergency reserve	5,000,000	-	-	-	-	-	5,000,000
Contingencies	1,559,485	-	-	-	-	-	1,559,485
Total assigned fund balance	6,559,485	-	-	-	-	-	6,559,485
Unassigned fund balance:							
	11,197,976	-	-	-	-	-	11,197,976
Total Fund Balances	\$ 34,350,613	\$ 1,385,059	\$ 13,092,291	\$ 157,130	\$ 16,014,802	\$ 34,195,617	\$ 99,195,512

COUNTY OF BUTTE, CALIFORNIA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

8. Restricted Net Assets/Fund Balances (continued)

Net Assets

The government-wide statement of net assets reports \$52 million of restricted net assets, none of which is restricted by enabling legislation. Net assets invested in capital assets, net of related debt, was comprised of the following:

	Governmental Activities	Business-Type Activities
Capital assets, net of accumulated depreciation	\$ 248,661,110	\$ 18,380,014
Outstanding principal of capital-related debt	(5,339,669)	(9,467,833)
Net assets, invested in capital assets, net of related debt	\$ 243,321,441	\$ 8,912,181

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

Plan Description

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

Funding Policy

Employees under the Miscellaneous Plan are required to contribute 7% and employees under the Safety Plan are required to contribute 9% of their annual covered salary. The County is required to contribute at an actuarially determined rate of annual covered payroll; the current rate is 10.268% for non-safety employees and 15.726% for safety employees. The contribution requirements of plan members and the County are established and may be amended by CalPERS.

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

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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

Annual Pension Cost

For the year ended June 30, 2011, the County's annual pension cost of \$10,993,079 for CalPERS was equal to the County's required and actual contributions. The required contribution was determined as part of the June 30, 2007 actuarial valuation using the entry age actuarial cost method. This is a projected benefit cost method, which takes into account those benefits that are expected to be earned in the future as well as those already accrued. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses), (b) projected annual merit or seniority salary increases that vary by length of service, and (c) no post retirement benefit increases. Both (a) and (b) included an inflation component of 3.0%. The actuarial value of the County's CalPERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a thirty-year period (smoothed market value). The County's CalPERS unfunded actuarial accrued liability is being amortized as a level of percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2007 was 30 years for the Miscellaneous Plan and 30 years for the Safety Plan.

Funded Status and Funding Progress

The following is the funded status information for each plan as of June 30, 2010, the most recent actuarial valuation date:

	<u>Entry Age Normal Liability</u>	<u>Actuarial of Assets</u>	<u>Unfunded/ Liability</u>	<u>Ratio</u>	<u>Annual Payroll</u>	<u>% of Payroll</u>
Miscellaneous	\$ 458,068,571	\$ 409,783,064	\$ 48,285,507	89.5%	\$ 88,837,791	54.4%
Safety	101,887,180	112,862,174	10,974,994	90.3%	16,802,391	65.3%

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

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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

The County's annual pension cost and pension asset for the fiscal year ended June 30, 2011 were as follows:

	Miscellaneous	Safety	Total
Annual required contribution	\$ 9,528,013	\$ 4,071,564	\$ 13,599,577
Interest on beginning net pension asset	(2,876,004)	(1,228,990)	(4,104,994)
Adjustment to the annual required contribution	<u>2,344,904</u>	<u>1,002,038</u>	<u>3,346,942</u>
Annual pension cost	8,996,913	3,844,612	12,841,525
Contributions made	<u>7,701,872</u>	<u>3,291,207</u>	<u>10,993,079</u>
Decrease in net pension asset	(1,295,041)	(553,405)	(1,848,446)
Net pension asset, beginning of year	<u>36,047,511</u>	<u>15,404,025</u>	<u>51,451,536</u>
Net pension asset, end of year	<u>\$ 34,752,470</u>	<u>\$ 14,850,620</u>	<u>\$ 49,603,090</u>

Three-Year Trend Information for PERS

Miscellaneous

Fiscal Year Ending	Annual Pension Cost (APC)	Contribution	Percentage of APC Contributed	Net Pension Asset
6/30/2009	7,179,435	7,936,205	111%	36,784,189
6/30/2010	8,392,159	7,655,482	91%	36,047,511
6/30/2011	8,996,914	7,701,872	86%	34,752,470

Safety

Fiscal Year Ending	Annual Pension Cost (APC)	Contribution	Percentage of APC Contributed	Net Pension Asset
6/30/2009	3,067,956	3,391,343	111%	15,718,825
6/30/2010	3,586,184	3,271,384	91%	15,404,025
6/30/2011	3,844,611	3,291,207	86%	14,850,620

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

10. Other Post Employment Benefits (OPEB)

A. Plan Description

The County sponsors healthcare coverage under the California Public Employees Medical and Hospital Care Act ("PEMHCA"), commonly referred to as PERS Health. PEMHCA provides health insurance through a variety of Health Maintenance Organization (HMO) and Preferred Provider Organization (PPO) options. Participation in PEMHCA is financed in part by the County through a contribution to PEMHCA of \$105.00 per employee per month. The \$105.00 per month increased by law to \$108.00 on January 1, 2011, and will be indexed with medical inflation (CPI) for years 2012 and thereafter. Delta Dental (Premier and DPO), vision and life insurance are also available.

Post-Retirement Coverage

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

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

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

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

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

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

10. 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. For 2010, the monthly County contributions are \$89.25 and \$105.00 for Unequal and Equal Contribution Methods, respectively. For 2011, those amounts increased to \$97.20 and \$108.00, respectively.

Changes in Eligibility for Sick-Leave Buy-out

The County is eliminating eligibility for sick-leave buy-out for new hires. The cutoff hire date for eligibility varies by bargaining unit but is most commonly June 30, 2011. Provisions applicable only to future hires do not affect a closed-group valuation and as such have not been taken into account in this report, which is as of July 1, 2010.

Healthcare Premiums

The following table shows January 1, 2011 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 2009-10 are also included.

	Blue Shield HMO	Kaiser HMO	PERS Choice PPO	PERS Care PPO	Delta Premier Dental	Delta Dental PPO	Vision
<u>Basic Plan</u>							
Retiree	\$ 685.67	\$ 574.32	\$ 548.78	\$ 870.76	\$ 35.63	\$ 31.22	\$ 10.24
Retiree+1	1,371.34	1,148.64	1,097.56	1,741.52	76.99	68.06	10.24
Family	1,782.74	1,493.23	1,426.83	2,263.98	113.25	105.88	10.24
<u>Medicare Supplement</u>							
Retiree	337.88	282.30	375.88	433.66	N/A	N/A	N/A
Retiree+1	675.76	564.60	751.76	867.32	N/A	N/A	N/A
Family	1,013.64	846.90	1,127.64	1,300.98	N/A	N/A	N/A

B. 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.

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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

GASB 45 does not require pre-funding of OPEB benefits. Therefore, the County's funding policy is to continue to pay healthcare premiums for retirees as they fall due. The County has elected not to establish an irrevocable trust at this time.

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.

C. Annual OPEB Cost and Net OPEB Obligation/(Asset)

The following table shows the components of the County's Annual OPEB Cost for the fiscal years ended June 30, 2011, the amount actually contributed to the plan, and changes in the County's Net OPEB Obligation/(Asset):

Annual required contribution	\$ 4,673,770
Interest on net OPEB obligation	460,007
Adjustment of annual required contribution	<u>(598,482)</u>
Annual OPEB cost	4,535,295
Contributions made	<u>1,670,400</u>
Change in net OPEB obligation (Asset)	2,864,895
Net OPEB obligation (Asset) - beginning of year	<u>9,200,139</u>
Net OPEB obligation (Asset) - end of year	<u><u>\$ 12,065,034</u></u>

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, 2009, 2010, and 2011 are as follows:

Fiscal Year Ended	Annual OPEB Cost	Actual Employer Contribution	Annual OPEB Cost Contributed	Obligation (Asset)
6/30/2009	\$ 4,248,160	\$ 1,300,249	30.61%	\$ 6,015,223
6/30/2010	\$ 4,583,232	\$ 1,398,316	30.51%	\$ 9,200,139
6/30/2011	\$ 4,535,295	\$ 1,670,400	36.83%	\$ 12,065,034

COUNTY OF BUTTE, CALIFORNIA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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

D. Schedule of Funding Progress

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

Actuarial Valuation Date	Actuarial Value of Assets	Projected Unit Credit Actuarial Accrued Liability	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
July 1, 2007	\$0	\$27,660,497	\$27,660,497	0.00%	101,759,340	27.18%
July 1, 2009	\$0	\$33,471,811	\$33,471,811	0.00%	105,638,908	31.69%

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.

E. 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, 2009. In that valuation, the Projected Unit Credit (PUC) Cost Method was used. The actuarial assumptions included a 5 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 7 percent initially, reduced by decrements to an ultimate rate of 5 percent after 2 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, 2010 was 30 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, 2011

11. Risk Management

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

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

- General Liability Insurance
- Unemployment Insurance
- Worker's Compensation Insurance

For general liability and workers' compensation claims, the County is a participant in the California State Association of Counties (CSAC) – Excess Insurance Authority excess liability insurance program. The County maintains a self-insured retention (SIR) of \$100,000 per occurrence for its general liability program and \$125,000 for its workers' compensation program. The purpose of the pool is to spread the adverse effects of losses among the member agencies. The County pays an annual basic premium for excess coverage and is assessed an annual risk premium based on an actuarial review that estimates each

of the program's participant's ultimate liabilities. Should actual losses among participants be greater than anticipated, the County will be assessed its pro rata share of that deficiency. Conversely, if the actual losses are less than anticipated, the County will be refunded its pro rata share of the excess. Commercial insurance covers claims between \$100,000 and \$20,000,000 for general liability. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

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

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

All operating funds participate in the program and make payments to the insurance funds based on actuarial estimates of the amounts needed to pay prior and current year claims, and to allow accrual of estimated incurred but not reported claims. These claims liability estimates are based on the requirements of GASB Statements No. 10 and 30 and include estimate claims incurred but not yet reported as of June 30, 2011. The claims liability includes all allocated loss adjustment expenses. Changes in the insurance funds' claims liability amount during the fiscal years ended June 30, 2010 and 2011 were as follows:

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

11. Risk Management (continued)

Fiscal Year	Claims Liability July 1	Current Year Claims and Changes in Estimates	Current Year Claims	Claims Liability June 30
2009-2010	\$ 4,805,000	\$ (3,065,383)	\$ 3,424,383	\$ 5,164,000
2010-2011	\$ 5,164,000	\$ (4,492,903)	\$ 4,907,903	\$ 5,579,000

12. Affiliated Organization

The Butte County Air Quality Management District (the District) was established in 1967 by the State Legislature through the “Mulford-Carrell Air Resources Act” which provided local air districts with the primary responsibility for the control of non-vehicular sources of air pollution. The District’s Board is composed of ten members, of which five members are the County’s Board of Supervisors. Effective August 2003, the District became a separate legal entity and is no longer considered a part of the County. The District has financial statements prepared and they can be obtained from management at the District. Condensed financial statements for the District as of June 30, 2010, the most current year available, are presented below:

	Amount
Statement of Net Assets	
Assets	\$ 674,514
Liabilities	315,407
Equity	\$ 359,107
Revenue and Expenses	
Revenues	\$ 1,785,668
Expenses	2,166,756
Net Income (Loss)	\$ (381,088)

13. Contingencies

Grants

The County participates in a number of grant programs funded, in whole or part, by federal, state and other sources. These programs are subject to program compliance audits by the grantors or their representatives. The audits of these programs for or including the fiscal year ended June 30, 2011, 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.

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

13. Contingencies (continued)

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, 2011 financial statements.

14. Restatement of Fund Equity/Net Assets

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

	Government-Wide Statement of Activities		Fund Statements					Government-Wide Statement of Activities	
	Governmental Activities	General Fund	Welfare	Public Health	Behavioral Health	Road Fund	Other Governmental Funds	Business-Type Activities/ Landfill	
Fund balance/net assets, June 30, 2010, as previously reported	\$ 354,538,463	\$ 34,835,011	\$ 3,990,310	\$ 14,911,101	\$ (1,198,695)	\$ 17,450,712	\$ 29,832,810	\$ 22,036,309	
Restatements:									
Correct prior year Public Safety Sales Tax accrual	2,052,313	2,052,313	--	--	--	--	--	--	
Reclassify prior year revenue recorded in current year	(221,704)	--	(517,739)	--	296,035	--	--	--	
Depreciation on completed prior year projects	--	--	--	--	--	--	--	(491,141)	
Other - fund statements	177,043	(60,022)	(110,820)	19,652	(15,664)	37,689	306,208	--	
Other - government-wide	(42,353)	--	--	--	--	--	--	19,686	
Total Restatements	1,965,299	1,992,291	(628,559)	19,652	280,371	37,689	306,208	(471,455)	
Fund balance/net assets, July 1, 2010, as restated	\$ 356,503,762	\$ 36,827,302	\$ 3,361,751	\$ 14,930,753	\$ (918,324)	\$ 17,488,401	\$ 30,139,018	\$ 21,564,854	

15. Subsequent Events

Tax and Revenue Anticipation Notes

In July 2011, the County issued \$15,252,750 in notes in anticipation of operating expenditures during the 2011-2012 fiscal year. The notes will be redeemed by June 30, 2012.

California State Budget

The State is the source for a significant amount of Butte County's revenues and much of these funds are at risk for deferral or cuts in order to balance the State budget.

COUNTY OF BUTTE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

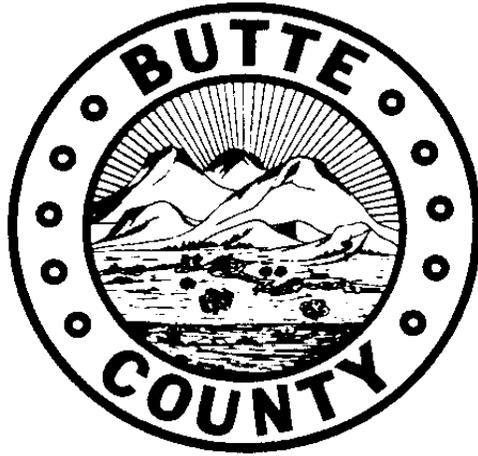
15. Subsequent Events (continued)

California State Budget (continued)

The County has taken these deferrals and cuts into account with its 2012 budget, but the risk exists that further decreases in revenue may be realized when the State finally comes to agreement on its spending plan. Many of these decreases in funding will be associated with State-mandated programs. The County remains committed to prudent fiscal management while providing quality services to its citizens.

Special Revenue Funds

As of July 1, 2011 the Water Resources Fund, Fire Protection Fund and the Library Fund are included in the General Fund.



Required Supplementary Information

COUNTY OF BUTTE, CALIFORNIA

County Employee's Retirement Plan (Defined Benefit Pension Plan) Schedule of Funding Progress For the Fiscal Year Ended June 30, 2011

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

Valuation Date	Assets (A)	Liability (B)	Liability (B-A)	Ratio (A/B)	Payroll (C)	Payroll ((B-A)/C)
6/30/2008:						
Misc.	\$ 369,399,324	\$ 403,167,840	\$ 33,768,516	91.6%	\$ 93,987,646	35.9%
Safety	91,770,029	96,570,462	4,800,433	95.0%	17,200,721	27.9%
Total	<u>\$ 461,169,353</u>	<u>\$ 499,738,302</u>	<u>\$ 38,568,949</u>	<u>92.3%</u>	<u>\$ 111,188,367</u>	<u>34.7%</u>
6/30/2009:						
Misc.	\$ 389,091,737	\$ 435,914,875	\$ 46,823,138	89.3%	\$ 88,613,206	52.8%
Safety	96,658,588	107,030,449	10,371,861	90.3%	17,025,702	60.9%
Total	<u>\$ 485,750,325</u>	<u>\$ 542,945,324</u>	<u>\$ 57,194,999</u>	<u>89.5%</u>	<u>\$ 105,638,908</u>	<u>54.1%</u>
6/30/2010:						
Misc.	\$ 409,783,064	\$ 458,068,571	\$ 48,285,507	89.5%	\$ 88,837,791	54.4%
Safety	101,887,180	112,862,174	10,974,994	90.3%	16,802,391	65.3%
Total	<u>\$ 511,670,244</u>	<u>\$ 570,930,745</u>	<u>\$ 59,260,501</u>	<u>89.6%</u>	<u>\$ 105,640,182</u>	<u>56.1%</u>

COUNTY OF BUTTE, CALIFORNIA

Other Post Employment Benefits (OPEB) Plan Schedule of Funding Progress For the Fiscal Year Ended June 30, 2011

Actuarial Valuation Date	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded ratio	(4) Unfunded Actuarial Accrued Liability (UAAL) (2) - (1)	(5) Annual Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (4) ÷ (5)
7/1/2007	\$ -	\$ 27,660,497	0.00%	\$ 27,660,497	\$ 101,759,340	27.18%
7/1/2009	\$ -	33,471,811	0.00%	33,471,811	105,638,908	31.69%

Notes to Required Supplementary Information

1. This information is intended to help users assess the County's OPEB plan's status on a going-concern basis, assess progress made in accumulating assets to pay benefits when due, and make comparisons with other public employers.
2. Because this is the second valuation under GASB 45, there are only two years of historical information provided. In the future, information from the three most recent valuations will be presented.

COUNTY OF BUTTE

General Fund

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

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE-GENERAL FUND- BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, beginning of year - restated	\$ 36,827,302	\$ 36,827,302	\$ 36,827,302	\$ -
RESOURCES (inflows):				
Taxes	52,264,260	52,264,260	51,516,125	(748,135)
Licenses and permits	3,251,786	3,251,786	2,986,415	(265,371)
Fines, forfeitures, and penalties	2,318,109	2,318,109	2,510,744	192,635
Revenues from uses of money and property	948,860	948,860	1,577,542	628,682
Aid from other governments	28,243,491	28,243,491	32,076,398	3,832,907
Charges for services	21,947,918	21,947,918	23,212,798	1,264,880
Other	3,903,057	3,903,057	2,437,784	(1,465,273)
Other financing sources	560,000	560,000	1,279,173	719,173
Amounts available for appropriation	113,437,481	113,437,481	117,596,979	4,159,498
CHARGES TO APPROPRIATIONS (outflows):				
General Government:				
Board of Supervisors:				
Salaries and employee benefits	700,638	700,638	692,143	8,495
Services and supplies	170,075	173,045	129,428	43,617
Other charges	-	4,604	4,604	-
Capital assets	4,604	-	-	-
Other financing uses	1,250,613	1,250,633	1,250,628	5
Total Board of Supervisors	2,125,930	2,128,920	2,076,803	52,117
Administrative Office:				
Salaries and employee benefits	2,983,432	2,993,432	2,865,936	127,496
Services and supplies	1,046,665	3,019,083	1,642,088	1,376,995
Other charges	-	252,916	211,465	41,451
Capital assets	56,374	608,389	267,704	340,685
Other financing uses	(484,055)	(471,055)	(515,335)	44,280
Total Administrative Office	3,602,416	6,402,765	4,471,858	1,930,907
Auditor-Controller:				
Salaries and employee benefits	1,516,830	1,516,830	1,433,886	82,944
Services and supplies	158,604	186,604	161,454	25,150
Other charges	8,487	8,487	8,487	-
Other financing uses	(337,636)	(337,636)	(338,088)	452
Total Auditor-Controller	1,346,285	1,374,285	1,265,739	108,546

(continued)

COUNTY OF BUTTE, CALIFORNIA

**BUDGET COMPARISON SCHEDULE-GENERAL FUND - BUDGETARY BASIS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
General Government (continued):				
General Services:				
Salaries and employee benefits	\$ 3,269,331	\$ 3,254,334	\$ 3,210,007	\$ 44,327
Services and supplies	2,834,990	4,465,800	2,529,026	1,936,774
Other charges	41,000	172,086	167,427	4,659
Capital assets	103,905	140,819	54,000	86,819
Other financing uses	(2,800,599)	(2,820,559)	(2,875,924)	55,365
Total Purchasing	3,448,627	5,212,480	3,084,536	2,127,944
Treasurer-Tax Collector:				
Salaries and employee benefits	1,777,662	1,787,662	1,733,931	53,731
Services and supplies	925,604	960,776	824,577	136,199
Other charges	-	6,918	6,913	5
Capital assets	14,268	7,500	7,500	-
Other financing uses	38,445	38,495	38,472	23
Total Treasurer-Tax Collector	2,755,979	2,801,351	2,611,393	189,958
Assessor:				
Salaries and employee benefits	2,972,524	2,963,858	2,713,609	250,249
Services and supplies	249,106	243,933	232,070	11,863
Other charges	7,500	43,467	43,114	353
Capital assets	21,301	26,000	26,000	-
Other financing uses	262,077	262,077	262,068	9
Total Assessor	3,512,508	3,539,335	3,276,861	262,474
Human Resources:				
Salaries and employee benefits	1,516,526	1,482,569	1,467,755	14,814
Services and supplies	262,415	360,218	313,257	46,961
Other charges	2,118.00	2,118	2,118	-
Other financing uses	(681,572)	(681,572)	(681,576)	4
Total Human Resources	1,099,487	1,163,333	1,101,554	61,779
County Counsel:				
Salaries and employee benefits	1,189,234	1,189,234	1,201,134	(11,900)
Services and supplies	786,431	935,710	1,034,722	(99,012)
Other charges	9,645.00	9,645	9,645	-
Other financing uses	(1,590,726)	(1,590,726)	(1,590,708)	(18)
Total County Counsel	394,584	543,863	654,793	(110,930)
Elections:				
Salaries and employee benefits	981,922	985,222	946,321	38,901
Services and supplies	548,370	747,370	601,254	146,116
Other charges	-	6,907	6,834	73
Capital assets	72,407	395,483	40,301	355,182
Other financing uses	204,045	204,095	204,060	35
Total Elections	1,806,744	2,339,077	1,798,770	540,307

(continued)

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE-GENERAL FUND - BUDGETARY BASIS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
General Government (continued):				
Information Systems:				
Salaries and employee benefits	\$ 2,458,613	\$ 2,450,313	\$ 2,450,217	\$ 96
Services and supplies	1,596,503	1,473,811	1,187,410	286,401
Other charges	-	364,780	364,233	547
Capital assets	357,475	125,145	71,515	53,630
Other financing uses	(1,182,003)	(1,181,998)	(1,182,000)	2
Total Information Systems	<u>3,230,588</u>	<u>3,232,051</u>	<u>2,891,375</u>	<u>340,676</u>
Public Works General Services:				
Services and supplies	11,685	11,685	11,520	165
Other charges	85,394	85,384	90,852	(5,468)
Other financing uses	2,423	2,433	2,424	9
Total Public Works General Services	<u>99,502</u>	<u>99,502</u>	<u>104,796</u>	<u>(5,294)</u>
Community Action Agency				
Services and supplies	9,331	9,331	9,336	(5)
Other charges	344	344	344	-
Other financing uses	11,647	11,647	11,652	(5)
Total SPCL Grant Requirement	<u>21,322</u>	<u>21,322</u>	<u>21,332</u>	<u>(10)</u>
Tax and Revenue Anticipation Notes:				
Other charges	308,500	308,500	558,542	(250,042)
Total Tax and Revenue Anticipation Notes	<u>308,500</u>	<u>308,500</u>	<u>558,542</u>	<u>(250,042)</u>
Retired Employee Benefits:				
Salaries and employee benefits	359,620	474,620	470,313	4,307
Other financing uses	2,297	2,297	2,304	(7)
Total Retired Employee Benefits	<u>361,917</u>	<u>476,917</u>	<u>472,617</u>	<u>4,300</u>
Table A Water:				
Services and supplies	1,200,000	1,135,000	1,133,152	1,848
Total Table A Water	<u>1,200,000</u>	<u>1,135,000</u>	<u>1,133,152</u>	<u>1,848</u>
Unallocated A-87:				
Services and supplies	63,145	63,145	63,143	2
Other charges	24,066	24,066	24,066	-
Other financing uses	922,762	922,762	922,764	(2)
Total Unallocated A-87	<u>1,009,973</u>	<u>1,009,973</u>	<u>1,009,973</u>	<u>-</u>
General Revenue and Transfers:				
Other financing uses	20,564,438	20,944,198	21,070,205	(126,007)
Total General Revenue and Transfers	<u>20,564,438</u>	<u>20,944,198</u>	<u>21,070,205</u>	<u>(126,007)</u>
Total General Government	<u>45,688,800</u>	<u>52,732,872</u>	<u>47,604,299</u>	<u>5,126,725</u>
Public Protection:				
Emergency Services:				
Services and supplies	194	194	-	194
Total Emergency Services	<u>194</u>	<u>194</u>	<u>-</u>	<u>194</u>
Grand Jury:				
Services and supplies	109,400	109,400	94,609	14,791
Other financing uses	12,795	12,795	12,792	3
Total Grand Jury	<u>122,195</u>	<u>122,195</u>	<u>107,401</u>	<u>14,794</u>

(continued)

COUNTY OF BUTTE, CALIFORNIA

**BUDGET COMPARISON SCHEDULE-GENERAL FUND - BUDGETARY BASIS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Protection (continued):				
County Share Trial Courts:				
Services and supplies	\$ 98,317	\$ 98,317	\$ 92,322	\$ 5,995
Other charges	1,905,023	1,905,023	1,880,965	24,058
Other financing uses	36,522	36,522	36,528	(6)
Total County Share Trial Courts	<u>2,039,862</u>	<u>2,039,862</u>	<u>2,009,815</u>	<u>30,047</u>
District Attorney - Criminal:				
Salaries and employee benefits	8,136,883	7,957,339	7,791,798	165,541
Services and supplies	897,903	997,535	839,785	157,750
Other charges	29,700	144,016	136,558	7,458
Capital assets	37,439.00	27,632	14,395	13,237
Other financing uses	192,869	321,454	320,823	631
Total District Attorney - Criminal	<u>9,294,794</u>	<u>9,447,976</u>	<u>9,103,359</u>	<u>344,617</u>
District Attorney - Child Abduction Unit:				
Salaries and employee benefits	178,452	175,867	178,998	(3,131)
Services and supplies	6,873	9,458	9,422	36
Other financing uses	44,055	44,055	42,956	1,099
Total District Attorney - Child Abduction Unit	<u>229,380</u>	<u>229,380</u>	<u>231,376</u>	<u>(1,996)</u>
District Attorney - Welfare Fraud Investigation:				
Salaries and employee benefits	550,144	550,144	548,140	2,004
Services and supplies	15,832	15,832	11,566	4,266
Other financing uses	134,024	134,024	110,685	23,339
Total District Attorney - Welfare Fraud Invest.	<u>700,000</u>	<u>700,000</u>	<u>670,391</u>	<u>29,609</u>
District Attorney - IHSS Fraud:				
Salaries and employee benefits	171,454	171,454	170,775	679
Services and supplies	-	8,099	4,454	3,645
Total District Attorney - IHSS Fraud	<u>171,454</u>	<u>179,553</u>	<u>175,229</u>	<u>4,324</u>
Public Defender:				
Services and supplies	2,722,200	2,672,200	2,538,949	133,251
Other financing uses	39,304	39,304	39,312	(8)
Total Public Defender	<u>2,761,504</u>	<u>2,711,504</u>	<u>2,578,261</u>	<u>133,243</u>
Sheriff - Coroner:				
Salaries and employee benefits	23,265,201	23,485,794	23,004,552	481,242
Services and supplies	8,287,557	8,862,201	8,356,099	506,102
Other charges	251,500	679,027	678,534	493
Capital assets	395,527	171,661	111,458	60,203
Other financing uses	1,455,038	1,728,544	1,627,906	100,638
Total Sheriff - Coroner Administration	<u>33,654,823</u>	<u>34,927,227</u>	<u>33,778,549</u>	<u>1,148,678</u>

(continued)

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE-GENERAL FUND - BUDGETARY BASIS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Protection (continued):				
Criminal Justice Construction:				
Other financing uses	1,421,463	1,421,463	1,369,879	51,584
Total Criminal Justice Construction	<u>1,421,463</u>	<u>1,421,463</u>	<u>1,369,879</u>	<u>51,584</u>
Juvenile Hall General:				
Salaries and employee benefits	3,769,227	3,794,827	3,794,744	83
Services and supplies	847,182	870,869	809,960	60,909
Other charges	3,000	17,248	16,568	680
Capital assets	14,248	-	-	-
Other financing uses	440,366	710,326	463,235	247,091
Total Juvenile Hall General	<u>5,074,023</u>	<u>5,393,270</u>	<u>5,084,507</u>	<u>308,763</u>
Probation Victim Witness:				
Salaries and employee benefits	249,961	249,961	216,027	33,934
Services and supplies	19,271	19,271	8,995	10,276
Other financing uses	20,196	20,196	20,196	-
Total Probation Victim Witness	<u>289,428</u>	<u>289,428</u>	<u>245,218</u>	<u>44,210</u>
Probation General Services:				
Salaries and employee benefits	7,217,371	7,343,418	6,913,239	430,179
Services and supplies	1,260,036	1,382,245	947,921	434,324
Other charges	101,230	323,588	215,766	107,822
Capital assets	5,464	-	-	-
Other financing uses	690,924	871,255	733,332	137,923
Total Probation General Services	<u>9,275,025</u>	<u>9,920,506</u>	<u>8,810,258</u>	<u>1,110,248</u>

(continued)

COUNTY OF BUTTE, CALIFORNIA

**BUDGET COMPARISON SCHEDULE-GENERAL FUND - BUDGETARY BASIS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Protection (continued):				
Probation BD/CON:				
Salaries and employee benefits	\$ 151,998	\$ 151,998	\$ 126,466	\$ 25,532
Services and supplies	146,023	146,013	83,693	62,320
Other financing uses	10,168	10,178	10,176	2
Total Probation BD/CON	<u>308,189</u>	<u>308,189</u>	<u>220,335</u>	<u>87,854</u>
Development Services:				
Salaries and employee benefits	2,405,319	2,405,319	2,379,581	25,738
Services and supplies	729,135	1,236,158	405,601	830,557
Other charges	15,000	17,444	17,441	3
Capital assets	2,394	6,000	-	6,000
Other financing uses	378,034	378,059	378,036	23
Total Development Services	<u>3,529,882</u>	<u>4,042,980</u>	<u>3,180,659</u>	<u>862,321</u>
Subdivision Inspection:				
Salaries and employee benefits	457,673	450,663	446,848	3,815
Services and supplies	35,173	19,173	18,352	821
Other charges	14,025	37,397	36,780	617
Capital assets	1,443	1,071	-	1,071
Other financing uses	33,496	33,506	33,504	2
Total Subdivision Inspection	<u>541,810</u>	<u>541,810</u>	<u>535,484</u>	<u>6,326</u>
Agriculture General Services:				
Salaries and employee benefits	1,769,889	1,764,889	1,748,039	16,850
Services and supplies	221,129	246,961	229,514	17,447
Other charges	20,000	35,146	35,134	12
Capital assets	21,846	37,000	35,751	1,249
Other financing uses	217,469	217,469	217,464	5
Total Agriculture General Services	<u>2,250,333</u>	<u>2,301,465</u>	<u>2,265,902</u>	<u>35,563</u>
Recorder:				
Salaries and employee benefits	954,226	954,226	716,327	237,899
Services and supplies	214,553	333,853	164,067	169,786
Other charges	8,308	8,958	8,908	50
Other financing uses	120,830	120,880	120,840	40
Total Recorder	<u>1,297,917</u>	<u>1,417,917</u>	<u>1,010,142</u>	<u>407,775</u>
LAFCO Contribution				
Other charges	198,753	198,753	198,753	-
Total LAFCO Contribution	<u>198,753</u>	<u>198,753</u>	<u>198,753</u>	<u>-</u>
 Total Public Protection	 <u>73,161,029</u>	 <u>76,193,672</u>	 <u>71,575,518</u>	 <u>4,618,154</u>

(continued)

COUNTY OF BUTTE, CALIFORNIA

**BUDGET COMPARISON SCHEDULE-GENERAL FUND - BUDGETARY BASIS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Assistance:				
Children's' Trust Fund - AB2994:				
Services and supplies	\$ 155,000	\$ 155,000	\$ 100,082	\$ 54,918
Other financing uses	400	400	396	4
Total Children's' Trust Fund - AB2994	<u>155,400</u>	<u>155,400</u>	<u>100,478</u>	<u>54,922</u>
Welfare Domestic Violence:				
Services and supplies	133,000	133,000	132,996	4
Total Welfare Domestic Violence	<u>133,000</u>	<u>133,000</u>	<u>132,996</u>	<u>4</u>
Institutional/ Correction:				
Services and supplies	225,000	355,762	52,757	303,005
Other charges	45,681	45,681	17,370	28,311
Other financing uses	1,982	1,982	1,980	2
Total Institutional/ Correction	<u>272,663</u>	<u>403,425</u>	<u>72,107</u>	<u>331,318</u>
Juvenile Court Wards:				
Other charges	500	500	-	500
Total Juvenile Court Wards	<u>500</u>	<u>500</u>	<u>-</u>	<u>500</u>
Veteran's Service Officer:				
Salaries and employee benefits	172,860	200,261	151,662	48,599
Services and supplies	83,125	86,509	77,465	9,044
Other charges	213	213	213	
Other financing uses	20,147	20,162	20,160	2
Total Veteran's Service Officer	<u>276,345</u>	<u>307,145</u>	<u>249,500</u>	<u>57,645</u>
Total Public Assistance	<u>837,908</u>	<u>999,470</u>	<u>555,081</u>	<u>444,389</u>
Education:				
Farm, Home, and 4H Department:				
Salaries and employee benefits	125,228	125,228	124,761	467
Services and supplies	59,167	56,167	55,953	214
Other charges	5,000	8,950	9,952	(1,002)
Capital assets	950	-	-	-
Other financing uses	86,675	86,675	86,664	11
Total Farm, Home, and 4H Department	<u>277,020</u>	<u>277,020</u>	<u>277,330</u>	<u>(310)</u>
Total Education	<u>277,020</u>	<u>277,020</u>	<u>277,330</u>	<u>(310)</u>
Recreation and cultural services:				
Butte Meadows Recreation Grant:				
Services and supplies	\$ 60,000	\$ 65,010	\$ 60,000	\$ 5,010
Other charges	-	580	576	4
Other financing uses	8,111	7,521	864	6,657
Total Butte Meadows Recreation Grant	<u>68,111</u>	<u>73,111</u>	<u>61,440</u>	<u>11,671</u>
Provisions for Contingencies:				
Appropriation Contingencies	<u>10,530,698</u>	<u>9,119,358</u>	<u>-</u>	<u>9,119,358</u>
Total Charges to appropriations	<u>130,563,566</u>	<u>139,395,503</u>	<u>120,073,668</u>	<u>19,319,987</u>
Budgetary Fund balances, ending	<u>\$ 19,701,217</u>	<u>\$ 10,869,280</u>	<u>\$ 34,350,613</u>	<u>\$ 23,479,484</u>

(continued)

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE-GENERAL FUND - BUDGETARY BASIS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

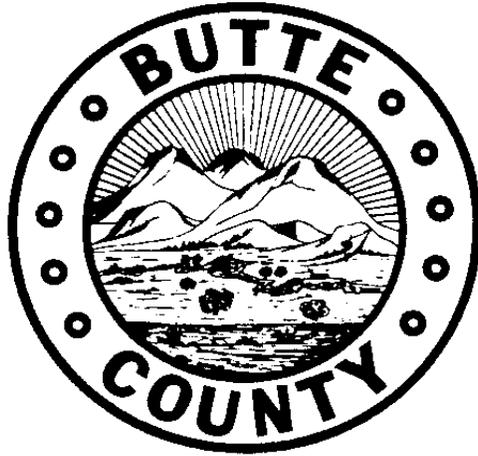
Explanation of Differences between Budgetary Inflows and Outflows and USGAAP Revenues and Expenditures:

Sources/inflows of resources:

Actual amounts (budgetary basis) "total resources" from the budgetary comparison schedule	\$ 117,596,979
Differences - budget to USGAAP:	
Proceeds from sale of capital assets are inflows of budgetary resources but are not revenues for financial reporting purposes	(18,660)
 Transfers in are inflows of budgetary resources but are not revenues for financial reporting purposes	<u>(1,234,513)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance - general fund	<u><u>\$ 116,317,806</u></u>

Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 120,073,668
Differences - budget to USGAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(23,542,367)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance - general fund	<u><u>\$ 96,531,301</u></u>



(This Page Intentionally Left Blank)

COUNTY OF BUTTE

Welfare Fund

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

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE-WELFARE FUND-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, beginning of year - restated	\$ 3,361,751	\$ 3,361,751	\$ 3,361,751	\$ -
RESOURCES (inflows):				
Revenues from uses of money and property	-	-	12,093	12,093
Aid from other governments	133,913,416	135,996,068	134,049,072	(1,946,996)
Charges for services	827,077	944,105	940,991	(3,114)
Other	4,832,787	4,832,787	1,374,981	(3,457,806)
Other financing sources	3,674,582	3,674,582	2,657,894	(1,016,688)
Amounts available for appropriation	<u>143,247,862</u>	<u>145,447,542</u>	<u>139,035,032</u>	<u>(6,412,511)</u>
CHARGES TO APPROPRIATIONS (outflows):				
Public Protection:				
Welfare - Public Guardian:				
Salaries and employee benefits	432,357	436,357	436,262	95
Services and supplies	3,300	1,300	1,253	47
Other charges	134,220	145,220	144,929	291
Other financing uses	518,470	561,470	560,666	804
Total Welfare - Public Guardian	<u>1,088,347</u>	<u>1,144,347</u>	<u>1,143,110</u>	<u>1,237</u>
Total Public Protection	<u>1,088,347</u>	<u>1,144,347</u>	<u>1,143,110</u>	<u>1,237</u>
Public Assistance:				
Welfare Administration:				
Salaries and employee benefits	11,373,618	10,056,112	10,056,112	-
Services and supplies	3,977,849	3,854,546	3,767,392	87,154
Other charges	3,443,747	3,452,484	3,452,484	-
Capital assets	43,000	161,713	161,713	-
Other financing uses	(18,838,214)	(17,400,735)	(17,400,947)	212
Total Welfare Administration	<u>-</u>	<u>124,120</u>	<u>36,754</u>	<u>87,366</u>
Welfare - Eligibility:				
Salaries and employee benefits	13,439,435	13,733,077	12,979,729	753,348
Services and supplies	49,278	116,467	73,464	43,003
Other charges	239,990	240,300	163,426	76,874
Other financing uses	3,819,220	3,895,588	3,815,690	79,898
Total Welfare - Eligibility	<u>17,547,923</u>	<u>17,985,432</u>	<u>17,032,309</u>	<u>953,123</u>
Welfare Protective Services:				
Salaries and employee benefits	8,608,870	8,693,130	8,692,796	334
Services and supplies	1,950,766	2,433,035	1,715,040	717,995
Other charges	1,206,109	1,365,164	1,111,881	253,283
Other financing uses	6,453,537	6,489,413	5,998,842	490,571
Total Welfare Protective Services	<u>18,219,282</u>	<u>18,980,742</u>	<u>17,518,559</u>	<u>1,462,183</u>

(continued)

COUNTY OF BUTTE, CALIFORNIA

**BUDGET COMPARISON SCHEDULE-WELFARE FUND-BUDGETARY BASIS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Welfare CALWORKS Program:				
Salaries and employee benefits	\$ 4,477,733	\$ 4,277,733	\$ 4,220,810	\$ 56,923
Services and supplies	5,219,478	6,989,050	5,834,740	1,154,310
Other charges	1,429,126	1,837,355	1,483,376	353,979
Other financing uses	8,046,987	7,886,871	7,025,749	861,122
Total Welfare CALWORKS Program	<u>19,173,324</u>	<u>20,991,009</u>	<u>18,564,675</u>	<u>2,426,334</u>
Welfare Aids:				
Services and supplies	5,000	8,530	930	7,600
Other charges	90,406,084	87,604,259	86,715,101	889,158
Total Welfare Aids	<u>90,411,084</u>	<u>87,612,789</u>	<u>86,716,031</u>	<u>896,758</u>
Welfare General Relief:				
Services and supplies	-	2,170	-	2,170
Other charges	-	300	285	15
Total Welfare General Relief	<u>-</u>	<u>2,470</u>	<u>285</u>	<u>2,185</u>
Total Public Assistance	<u>145,351,613</u>	<u>145,696,563</u>	<u>139,868,613</u>	<u>5,827,950</u>
Total Charges to appropriations	<u>146,439,960</u>	<u>146,840,910</u>	<u>141,011,723</u>	<u>5,829,187</u>
Budgetary Fund balances, ending	<u>\$ 169,653</u>	<u>\$ 1,968,384</u>	<u>\$ 1,385,060</u>	<u>\$ (583,324)</u>

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "total resources"
from the budgetary comparison schedule \$ 139,035,032

Differences - budget to USGAAP:

Transfers in are inflows of budgetary resources
but are not revenues for financial reporting purposes (2,657,894)

Total revenues as reported on the statement of revenues, expenditures, and
changes in fund balance \$ 136,377,137

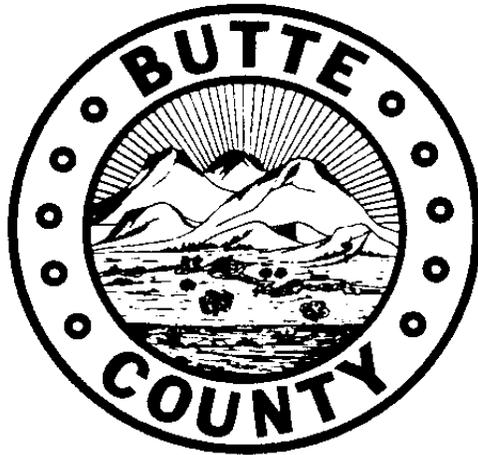
Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations"
from the budgetary comparison schedule \$ 141,011,723

Differences - budget to USGAAP:

Transfers to other funds are outflows of budgetary resources
but are not expenditures for financial reporting purposes (515,141)

Total expenditures as reported on the statement of revenues, expenditures, and
changes in fund balance \$ 140,496,582



(This Page Intentionally Left Blank)

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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, beginning of year - restated	\$ 14,930,753	\$ 14,930,753	\$ 14,930,753	\$ -
RESOURCES (inflows):				
Licenses and permits	95,000	95,000	109,088	14,088
Fines, forfeitures, and penalties	360,000	360,000	352,543	(7,457)
Revenues from uses of money and property	-	-	146,193	146,193
Aid from other governments	18,523,463	18,734,261	16,602,422	(2,131,839)
Charges for services	2,944,906	3,031,156	2,871,874	(159,282)
Other	19,050	19,050	24,174	5,124
Other financing sources	724,304	724,304	724,304	-
Amounts available for appropriation	<u>22,666,723</u>	<u>22,963,771</u>	<u>20,830,598</u>	<u>(2,133,173)</u>
CHARGES TO APPROPRIATIONS (outflows):				
Health and Sanitation:				
Public Health General Services:				
Salaries and employee benefits	12,695,548	12,646,239	11,239,373	1,406,866
Services and supplies	10,076,822	10,786,412	9,576,376	1,210,036
Other charges	2,329,864	2,878,406	1,624,048	1,254,358
Capital assets	203,196	432,219	197,875	234,344
Other financing uses	-	32,000	31,388	612
Total Public Health General Services	<u>25,305,430</u>	<u>26,775,276</u>	<u>22,669,060</u>	<u>4,106,216</u>
Total Health and Sanitation	<u>25,305,430</u>	<u>26,775,276</u>	<u>22,669,060</u>	<u>4,106,216</u>
Total Charges to appropriations	<u>25,305,430</u>	<u>26,775,276</u>	<u>22,669,060</u>	<u>4,106,216</u>
Budgetary Fund balances, ending	<u>\$ 12,292,046</u>	<u>\$ 11,119,248</u>	<u>\$ 13,092,291</u>	<u>\$ 1,973,043</u>

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE-PUBLIC HEALTH FUND-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

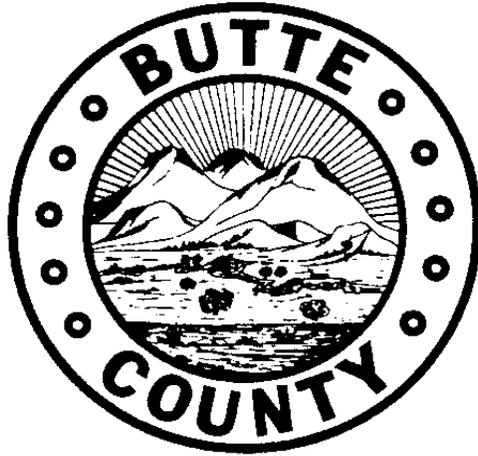
Explanation of Differences between Budgetary Inflows and Outflows and USGAAP Revenues and Expenditures:

Sources/inflows of resources:

Actual amounts (budgetary basis) "total resources" from the budgetary comparison schedule	\$ 20,830,598
Differences - budget to USGAAP:	
Transfers in are inflows of budgetary resources but are not revenues for financial reporting purposes	<u>(724,304)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance	<u>\$ 20,106,294</u>

Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 22,669,060
Differences - budget to USGAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(198,971)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance	<u>\$ 22,470,089</u>



(This Page Intentionally Left Blank)

COUNTY OF BUTTE

Behavioral Health Fund

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

COUNTY OF BUTTE, CALIFORNIA

**BUDGET COMPARISON SCHEDULE - BEHAVIORAL HEALTH FUND-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

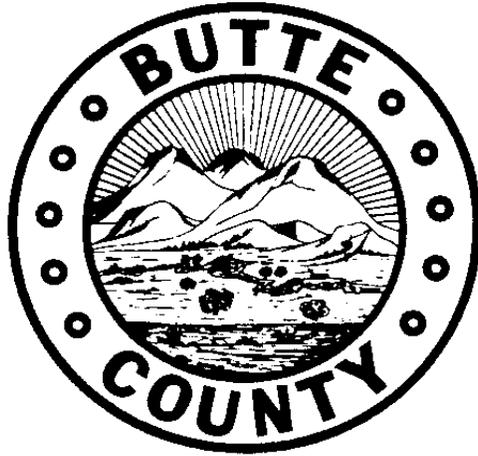
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, beginning of year - restated	\$ (918,324)	\$ (918,324)	\$ (918,324)	\$ -
RESOURCES (inflows):				
Fines, forfeitures, and penalties	-	-	111,661	111,661
Revenues from uses of money and property	-	-	82,039	82,039
Aid from other governments	50,521,343	53,145,725	46,679,748	(6,465,977)
Charges for services	2,003,436	2,318,071	2,340,367	22,296
Other	316,167	316,167	209,313	(106,854)
Other financing sources	285,189	285,189	285,189	-
Amounts available for appropriation	<u>53,126,135</u>	<u>56,065,152</u>	<u>49,708,317</u>	<u>(6,356,835)</u>
CHARGES TO APPROPRIATIONS (outflows):				
Health and Sanitation:				
Behavioral Health General Services:				
Salaries and employee benefits	23,711,795	22,490,025	22,120,003	370,022
Services and supplies	21,817,916	28,184,153	19,243,835	8,940,318
Other charges	2,945,030	3,360,683	2,971,072	389,611
Capital assets	6,488	618,903	286,412	332,491
Other financing uses	-	519,000	118,368	400,632
Total Mental Health General Services	<u>48,481,229</u>	<u>55,172,764</u>	<u>44,739,690</u>	<u>10,433,074</u>
Mental Health Substance Abuse:				
Salaries and employee benefits	2,045,850	2,318,103	2,315,426	2,677
Services and supplies	1,220,873	1,421,411	1,088,220	333,191
Other charges	387,145	691,372	489,527	201,845
Total Mental Health Substance Abuse	<u>3,653,868</u>	<u>4,430,886</u>	<u>3,893,173</u>	<u>537,713</u>
Behavioral Health Proposition 36:				
Other charges	-	25,354	-	25,354
Total Behavioral Health Proposition 36	<u>-</u>	<u>25,354</u>	<u>-</u>	<u>25,354</u>
Total Health and Sanitation	<u>52,135,097</u>	<u>59,629,004</u>	<u>48,632,863</u>	<u>10,996,141</u>
Total Charges to appropriations	<u>52,135,097</u>	<u>59,629,004</u>	<u>48,632,863</u>	<u>10,996,141</u>
Budgetary Fund balances, ending	<u>\$ 72,714</u>	<u>\$ (4,482,176)</u>	<u>\$ 157,130</u>	<u>\$ 4,639,306</u>

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BEHAVIORAL HEALTH FUND-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "total resources" from the budgetary comparison schedule	\$ 49,708,317
Differences - budget to USGAAP:	
Transfers in are inflows of budgetary resources but are not revenues for financial reporting purposes	<u>(285,189)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance	<u><u>\$ 49,423,128</u></u>
 Uses/outflows of resources:	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 48,632,863
Differences - budget to USGAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(449,967)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance	<u><u>\$ 48,182,896</u></u>



(This Page Intentionally Left Blank)

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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, beginning of year - restated	\$ 17,488,401	\$ 17,488,401	\$ 17,488,401	\$ -
RESOURCES (inflows):				
Licenses and permits	49,000	49,000	50,184	1,184
Revenues from uses of money and property	140,000	140,000	590,229	450,229
Aid from other governments	11,194,230	11,194,230	10,465,668	(728,562)
Charges for services	2,449,925	2,449,925	2,166,670	(283,255)
Other	613,800	613,800	56,579	(557,221)
Other financing sources	705,000	2,091,146	1,799,654	(291,492)
Amounts available for appropriation	<u>15,151,955</u>	<u>16,538,101</u>	<u>15,128,984</u>	<u>(1,409,117)</u>
CHARGES TO APPROPRIATIONS (outflows):				
Public Ways and Facilities:				
Road Operations:				
Salaries and employee benefits	7,480,275	7,480,275	7,300,470	179,805
Services and supplies	8,806,649	11,146,954	7,861,075	3,285,879
Other charges	987,317	1,020,040	944,502	75,538
Capital assets	670,267	946,857	496,536	450,321
Total Road Operations	<u>17,944,508</u>	<u>20,594,126</u>	<u>16,602,583</u>	<u>3,991,543</u>
Total Public Assistance	<u>17,944,508</u>	<u>20,594,126</u>	<u>16,602,583</u>	<u>3,991,543</u>
Provisions for Contingencies:				
Appropriation Contingencies	<u>1,000,000</u>	<u>800,345</u>	<u>-</u>	<u>800,345</u>
Total Charges to appropriations	<u>18,944,508</u>	<u>21,394,471</u>	<u>16,602,583</u>	<u>4,791,888</u>
Budgetary Fund balances, ending	<u>\$ 13,695,848</u>	<u>\$ 12,632,031</u>	<u>\$ 16,014,802</u>	<u>\$ 3,382,771</u>

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - ROAD FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "total resources"
from the budgetary comparison schedule \$ 15,128,984

Differences - budget to USGAAP:

Transfers in are inflows of budgetary resources
but are not revenues for financial reporting purposes (1,797,470)

Proceeds from sale of capital assets are inflows of budgetary resources
but are not revenues for financial reporting purposes (2,184)

Total revenues as reported on the statement of revenues, expenditures, and
changes in fund balance \$ 13,329,330

Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations"
from the budgetary comparison schedule \$ 16,602,583

Differences - budget to USGAAP:

Transfers to other funds are outflows of budgetary resources
but are not expenditures for financial reporting purposes (103,867)

Total expenditures as reported on the statement of revenues, expenditures, and
changes in fund balance \$ 16,498,716

COUNTY OF BUTTE, CALIFORNIA

Note to Required Supplementary Information For the Fiscal Year Ended June 30, 2011

BUDGETARY BASIS OF ACCOUNTING

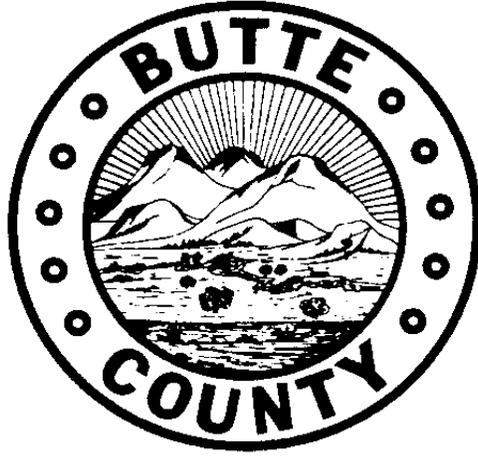
In accordance with the provisions of Sections 29000 and 29143, inclusive, of the California Government Code and other statutory provisions, commonly known as the County Budget Act, the County prepares a budget for each fiscal year on or before August 30. Budgeted expenditures are enacted into law through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

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

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

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

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



**Combining Nonmajor
Governmental Fund Statements**

COUNTY OF BUTTE

Nonmajor Governmental Funds

CAPITAL PROJECTS FUND

Capital Project Fund is used to account for financial resources to be used for the acquisition of land or acquisition and construction of major facilities other than those financed by the proprietary fund types.

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

COUNTY OF BUTTE

Nonmajor Governmental Funds (Continued)

SPECIAL REVENUE FUNDS (Continued)

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

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

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

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

DEBT SERVICE FUND

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

COUNTY OF BUTTE, CALIFORNIA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011**

	Capital Projects Fund	Special Revenue Funds				Fire Protection
		Equipment Replacement	Equipment	State COPS	Water Resources	
ASSETS						
Cash and investments	\$ 717,750	\$ 2,114,724	\$ 2,204,175	\$ 805,716	\$ 71,721	\$ 1,452,875
Cash and investments with fiscal agent	-	151,475	-	-	-	-
Imprest cash	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	1,538,783
Interest receivable	5,414	11,266	9,438	3,552	1,361	5,225
Accounts receivable	-	-	-	204,109	-	461,818
Due from other governments	-	-	-	-	248,935	221,802
Deposits from others	-	-	-	-	-	-
Loans receivable	-	-	-	-	-	-
Total assets	<u>\$ 723,164</u>	<u>\$ 2,277,465</u>	<u>\$ 2,213,613</u>	<u>\$ 1,013,377</u>	<u>\$ 322,017</u>	<u>\$ 3,680,503</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Due to other funds	\$ -	\$ -	\$ -	\$ 266,344	\$ 17,092	\$ -
Accounts payable	6,009	30,653	-	141,986	95,001	748,760
Salaries and benefits payable	-	-	-	-	19,591	1,023
Deferred revenue	-	-	-	-	-	-
Total liabilities	<u>6,009</u>	<u>30,653</u>	<u>-</u>	<u>408,330</u>	<u>131,684</u>	<u>749,783</u>
Fund balances:						
Restricted	<u>717,154</u>	<u>2,246,812</u>	<u>2,213,613</u>	<u>605,047</u>	<u>190,333</u>	<u>2,930,720</u>
Total fund balances	<u>717,154</u>	<u>2,246,812</u>	<u>2,213,613</u>	<u>605,047</u>	<u>190,333</u>	<u>2,930,720</u>
Total liabilities and fund balances	<u>\$ 723,163</u>	<u>\$ 2,277,465</u>	<u>\$ 2,213,613</u>	<u>\$ 1,013,377</u>	<u>\$ 322,017</u>	<u>\$ 3,680,503</u>

continued

COUNTY OF BUTTE, CALIFORNIA

**COMBINING BALANCE SHEET (Continued)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011**

	<u>Special Revenue Funds</u>				
	<u>Library</u>	<u>Transit</u>	<u>Housing and Community Development</u>	<u>Fish and Game</u>	<u>Child Support Services</u>
ASSETS					
Cash and investments	\$ 104,814	\$ 117,202	\$ 190,193	\$ 137,069	\$ 1,313,859
Cash and investments with fiscal agent	-	-	-	-	-
Imprest cash	150	-	-	-	2,000
Due from other funds	110,505	-	168,523	-	802
Interest receivable	276	1,952	903	668	8,060
Accounts receivable	-	-	-	-	-
Due from other governments	403	247,733	-	-	-
Deposits from others	297	-	-	-	-
Loans receivable	-	-	1,787,555	-	-
Total assets	<u>\$ 216,445</u>	<u>\$ 366,887</u>	<u>\$ 2,147,174</u>	<u>\$ 137,737</u>	<u>\$ 1,324,721</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	24,166	188	-	3,861	3,341
Salaries and benefits payable	76,968	-	-	-	255,082
Deferred revenue	-	-	1,787,555	-	926,694
Total liabilities	<u>101,134</u>	<u>188</u>	<u>1,787,555</u>	<u>3,861</u>	<u>1,185,117</u>
Fund balances:					
Restricted	<u>115,311</u>	<u>366,699</u>	<u>359,619</u>	<u>133,876</u>	<u>139,604</u>
Total fund balances	<u>115,311</u>	<u>366,699</u>	<u>359,619</u>	<u>133,876</u>	<u>139,604</u>
Total liabilities and fund balances	<u>\$ 216,445</u>	<u>\$ 366,887</u>	<u>\$ 2,147,174</u>	<u>\$ 137,737</u>	<u>\$ 1,324,721</u>

continued

COUNTY OF BUTTE, CALIFORNIA

**COMBINING BALANCE SHEET (Continued)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011**

	Special Revenue Funds			Debt Service Fund	Total
	County Service Areas	IHSS Public Authority	Impact Fees		
ASSETS					
Cash and investments	\$ 6,936,569	\$ 7,794	\$ 8,334,355	\$ 3,395,716	\$ 27,904,532
Cash and investments with fiscal agent	-	-	-	5,390,899	5,542,374
Imprest cash	-	-	-	-	2,150
Due from other funds	-	-	-	-	1,818,613
Interest receivable	31,836	3,115	37,859	7,020	127,945
Accounts receivable	5,892	-	-	-	671,819
Due from other governments	79,121	114,255	-	-	912,249
Deposits from others	-	-	-	-	297
Loans receivable	-	-	-	-	1,787,555
Total assets	<u>\$ 7,053,418</u>	<u>\$ 125,164</u>	<u>\$ 8,372,214</u>	<u>\$ 8,793,635</u>	<u>\$ 38,767,534</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Due to other funds	\$ -	\$ -	\$ 3,129	\$ -	\$ 286,565
Accounts payable	148,089	41	-	5,000	1,207,095
Salaries and benefits payable	-	11,344	-	-	364,008
Deferred revenue	-	-	-	-	2,714,249
Total liabilities	<u>148,089</u>	<u>11,385</u>	<u>3,129</u>	<u>5,000</u>	<u>4,571,917</u>
Fund balances:					
Restricted	<u>6,905,329</u>	<u>113,779</u>	<u>8,369,085</u>	<u>8,788,635</u>	<u>34,195,616</u>
Total fund balances	<u>6,905,329</u>	<u>113,779</u>	<u>8,369,085</u>	<u>8,788,635</u>	<u>34,195,617</u>
Total liabilities and fund balances	<u>\$ 7,053,418</u>	<u>\$ 125,164</u>	<u>\$ 8,372,214</u>	<u>\$ 8,793,635</u>	<u>\$ 38,767,534</u>

COUNTY OF BUTTE, CALIFORNIA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Capital Projects Fund	Special Revenue Funds				
		Equipment Replacement	Equipment	State COPS	Water Resources	Fire Protection
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines, forfeitures, and penalties	-	-	-	-	-	-
Revenues from uses of money and property	9,608	39,607	25,252	18,704	2,072	4,860
Aid from other governments	-	56,280	-	708,460	1,152,712	1,572,146
Charges for services	656,908	-	420,514	-	-	115,948
Other	3,899	10,173	-	-	285,263	225,830
Total revenues	<u>670,415</u>	<u>106,060</u>	<u>445,766</u>	<u>727,164</u>	<u>1,440,047</u>	<u>1,918,784</u>
EXPENDITURES:						
Current:						
General government	90,566	-	354,572	-	-	-
Public protection	1,802,383	674,608	-	93,475	1,625,573	13,973,688
Public ways and facilities	-	-	-	-	-	-
Health and sanitation	130,018	-	-	-	-	-
Public assistance	-	-	-	-	-	-
Education	-	-	-	-	-	-
Recreation and cultural services	-	-	-	-	-	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	<u>2,022,967</u>	<u>674,608</u>	<u>354,572</u>	<u>93,475</u>	<u>1,625,573</u>	<u>13,973,688</u>
Excess (deficiency) of revenues over expenditures	<u>(1,352,552)</u>	<u>(568,548)</u>	<u>91,194</u>	<u>633,689</u>	<u>(185,526)</u>	<u>(12,054,904)</u>
OTHER FINANCING SOURCES (USES):						
Transfers in	622,287	512,000	1,732	-	288,877	13,304,380
Transfer out	(7,870)	-	-	(418,527)	(6,975)	-
Issuance of debt	859,235	-	-	-	-	-
Total other financing sources (uses)	<u>1,473,652</u>	<u>512,000</u>	<u>1,732</u>	<u>(418,527)</u>	<u>281,902</u>	<u>13,304,380</u>
Net change in fund balances	<u>121,100</u>	<u>(56,548)</u>	<u>92,926</u>	<u>215,162</u>	<u>96,376</u>	<u>1,249,476</u>
Fund balances, beginning	596,054	2,303,360	2,120,687	259,885	90,098	1,681,499
Prior period adjustment	-	-	-	130,000	3,859	(255)
Fund balances - beginning, restated	<u>596,054</u>	<u>2,303,360</u>	<u>2,120,687</u>	<u>389,885</u>	<u>93,957</u>	<u>1,681,244</u>
Fund balances, ending	<u>\$ 717,154</u>	<u>\$ 2,246,812</u>	<u>\$ 2,213,613</u>	<u>\$ 605,047</u>	<u>\$ 190,333</u>	<u>\$ 2,930,720</u>

continued

COUNTY OF BUTTE, CALIFORNIA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (Continued)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Special Revenue Funds				
	<u>Library</u>	<u>Transit</u>	<u>Housing and Community Development</u>	<u>Fish and Game</u>	<u>Child Support Services</u>
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Fines, forfeitures, and penalties	-	-	-	21,545	-
Revenues from uses of money and property	605	7,984	4,771	1,261	25,962
Aid from other governments	286,213	2,783,261	142,646	-	7,016,757
Charges for services	146,391	-	-	-	29,000
Other	122,150	-	126,532	5,000	4,580
Total revenues	<u>555,359</u>	<u>2,791,245</u>	<u>273,949</u>	<u>27,806</u>	<u>7,076,299</u>
EXPENDITURES:					
Current:					
General government	-	-	251,409	-	-
Public protection	-	-	-	44,953	-
Public ways and facilities	-	781,829	-	-	-
Health and sanitation	-	-	-	-	-
Public assistance	-	-	-	-	6,988,372
Education	2,581,460	-	-	-	-
Recreation and cultural services	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>2,581,460</u>	<u>781,829</u>	<u>251,409</u>	<u>44,953</u>	<u>6,988,372</u>
Excess (deficiency) of revenues over expenditures	<u>(2,026,101)</u>	<u>2,009,416</u>	<u>22,540</u>	<u>(17,147)</u>	<u>87,927</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	2,218,334	-	168,523	-	-
Transfer out	(22,297)	(1,797,470)	-	-	(87,929)
Issuance of debt	-	-	-	-	-
Total other financing sources (uses)	<u>2,196,037</u>	<u>(1,797,470)</u>	<u>168,523</u>	<u>-</u>	<u>(87,929)</u>
Net change in fund balances	<u>169,936</u>	<u>211,946</u>	<u>191,063</u>	<u>(17,147)</u>	<u>(2)</u>
Fund balances, beginning	(58,716)	154,753	168,556	151,023	130,112
Prior period adjustment	4,091	-	-	-	9,494
Fund balances - beginning, restated	<u>(54,625)</u>	<u>154,753</u>	<u>168,556</u>	<u>151,023</u>	<u>139,606</u>
Fund balances, ending	<u>\$ 115,311</u>	<u>\$ 366,699</u>	<u>\$ 359,619</u>	<u>\$ 133,876</u>	<u>\$ 139,604</u>

continued

COUNTY OF BUTTE, CALIFORNIA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (Continued)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Special Revenue Funds</u>				<u>Total</u>
	<u>County Service Areas</u>	<u>IHSS Public Authority</u>	<u>Impact Fees</u>	<u>Debt Service Fund</u>	
REVENUES					
Taxes	\$ 827,825	\$ -	\$ -	\$ -	\$ 827,825
Fines, forfeitures, and penalties	-	-	306,980	-	328,525
Revenues from uses of money and property	101,094	(1,306)	102,057	81,965	424,496
Aid from other governments	633,995	341,705	-	-	14,694,175
Charges for services	336,420	77,771	-	-	1,782,952
Other	-	-	-	-	783,427
Total revenues	<u>1,899,334</u>	<u>418,170</u>	<u>409,037</u>	<u>81,965</u>	<u>18,841,400</u>
EXPENDITURES:					
Current:					
General government	-	-	23,023	17,109	736,678
Public protection	449,599	-	-	-	18,664,279
Public ways and facilities	-	-	-	-	781,829
Health and sanitation	540,575	-	-	-	670,593
Public assistance	-	293,588	-	-	7,281,960
Education	-	-	-	-	2,581,460
Recreation and cultural services	170,165	-	-	-	170,165
Debt Service:					
Principal	523,060	-	-	637,950	1,161,010
Interest	14	-	-	2,041,507	2,041,521
Total expenditures	<u>1,683,413</u>	<u>293,588</u>	<u>23,023</u>	<u>2,696,566</u>	<u>34,089,495</u>
Excess (deficiency) of revenues over expenditures	<u>215,921</u>	<u>124,582</u>	<u>386,014</u>	<u>(2,614,601)</u>	<u>(15,248,095)</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	4,486,380	21,602,513
Transfer out	-	-	-	(815,986)	(3,157,054)
Issuance of debt	-	-	-	-	859,235
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,670,394</u>	<u>19,304,694</u>
Net change in fund balances	<u>215,921</u>	<u>124,582</u>	<u>386,014</u>	<u>1,055,793</u>	<u>4,056,599</u>
Fund balances, beginning	6,677,241	(157,568)	7,983,071	7,732,755	29,832,810
Prior period adjustment	12,167	146,765	-	87	306,208
Fund balances - beginning, restated	<u>6,689,408</u>	<u>(10,803)</u>	<u>7,983,071</u>	<u>7,732,842</u>	<u>30,139,018</u>
Fund balances, ending	<u>\$ 6,905,329</u>	<u>\$ 113,779</u>	<u>\$ 8,369,085</u>	<u>\$ 8,788,635</u>	<u>\$ 34,195,617</u>

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, beginning of year - restated	\$ 603,430	\$ 188,981	\$ 596,054	\$ 407,073
RESOURCES (inflows):				
Revenues from uses of money and property	-	-	9,608	9,608
Aid from other governments	-	142,500	-	(142,500)
Charges for services	662,430	662,430	656,908	(5,522)
Other	1,291,493	1,291,493	3,899	(1,287,594)
Other financing sources	832,250	1,823,781	622,287	(1,201,494)
Amounts available for appropriation	<u>2,786,173</u>	<u>3,920,204</u>	<u>1,292,702</u>	<u>(2,627,502)</u>
CHARGES TO APPROPRIATIONS (outflows):				
General Government:				
Capital Projects Administration:				
Other charges	\$ 61,764	\$ 61,764	\$ 61,764	\$ -
Total Capital Projects Administration	<u>61,764</u>	<u>61,764</u>	<u>61,764</u>	<u>-</u>
County Center Master Plan:				
Services and supplies	185,257	193,557	-	193,557
Other charges	-	1,700	1,672	28
Total County Center Master Plan	<u>185,257</u>	<u>195,257</u>	<u>1,672</u>	<u>193,585</u>
General Services Building:				
Services and supplies	-	13,666	13,473	193
Total General Services Building	<u>-</u>	<u>13,666</u>	<u>13,473</u>	<u>193</u>
Veterans Memorial Park:				
Other charges	-	14,300	5,583	8,717
Capital assets	-	142,500	8,074	134,426
Total Veterans Memorial Park	<u>-</u>	<u>156,800</u>	<u>13,657</u>	<u>143,143</u>
Total General Government	<u>247,021</u>	<u>427,487</u>	<u>90,566</u>	<u>336,921</u>

(continued)

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS
CAPITAL PROJECTS FUND (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Protection:				
Bangor Fire Station #55:				
Services and supplies	\$ -	\$ 50,562	\$ 45,687	\$ 4,875
Other charges	-	25,000	23,042	1,958
Capital assets	1,254,210	1,209,913	1,002,248	207,665
Total Bangor Fire Station #55	<u>1,254,210</u>	<u>1,285,475</u>	<u>1,070,977</u>	<u>214,498</u>
Jail Security System:				
Other charges	-	3,672	3,672	-
Capital assets	-	1,067,763	735,603	332,160
Total Jail Security System	<u>-</u>	<u>1,071,435</u>	<u>739,275</u>	<u>332,160</u>
Total Public Protection	<u>1,254,210</u>	<u>2,356,910</u>	<u>1,810,252</u>	<u>546,658</u>
Health and Sanitation:				
Public Health Lab:				
Services and supplies	\$ 100,000	\$ 97,200	\$ 5,890	\$ 91,310
Other charges	-	2,800	2,719	81
Capital assets	712,512	712,512	3,041	709,471
Total Public Health Lab	<u>812,512</u>	<u>812,512</u>	<u>11,650</u>	<u>800,862</u>
Behavioral Health Remodel:				
Other charges	-	7,700	7,632	68
Capital assets	-	511,300	110,736	400,564
Total Behavioral Health Remodel	<u>-</u>	<u>519,000</u>	<u>118,368</u>	<u>400,632</u>
Total Health and Sanitation	<u>812,512</u>	<u>1,331,512</u>	<u>130,018</u>	<u>1,201,494</u>
Total Charges to appropriations	<u>2,313,743</u>	<u>4,115,909</u>	<u>2,030,836</u>	<u>2,085,073</u>
Budgetary Fund balances, ending	<u>\$ 1,075,860</u>	<u>\$ (6,724)</u>	<u>\$ (142,080)</u>	<u>\$ (135,356)</u>

(continued)

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS
CAPITAL PROJECTS FUND (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "total resources"
from the budgetary comparison schedule \$ 1,292,702

Transfers from other funds are inflows of budgetary resources
but are not revenues for financial reporting purposes (622,287)

Total revenues as reported on the statement of revenues, expenditures, and
changes in fund balance \$ 670,415

Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations"
from the budgetary comparison schedule \$ 2,030,836

Differences - budget to USGAAP:
Transfers to other funds are outflows of budgetary resources
but are not expenditures for financial reporting purposes (7,870)

Total expenditures as reported on the statement of revenues, expenditures, and
changes in fund balance \$ 2,022,966

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS
EQUIPMENT REPLACEMENT SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, beginning of year - restated	\$ 2,407,752	\$ 2,320,752	\$ 2,303,360	\$ (17,392)
RESOURCES (inflows):				
Revenues from uses of money and property	25,000	25,000	39,607	14,607
Aid from other governments	-	-	56,280	56,280
Other	-	-	10,173	10,173
Other financing sources	562,714	562,714	512,000	(50,714)
Amounts available for appropriation	<u>587,714</u>	<u>587,714</u>	<u>618,060</u>	<u>30,346</u>
CHARGES TO APPROPRIATIONS (outflows):				
Public Protection:				
Sheriff Equipment Replacement:				
Services and supplies	-	30	28	2
Other charges	128	138	132	6
Capital assets	704,000	703,960	674,388	29,572
Total Sheriff Equipment Replacement	<u>704,128</u>	<u>704,128</u>	<u>674,548</u>	<u>29,580</u>
Fire Equipment Replacement:				
Other charges	-	60	60	-
Total Fire Equipment Replacement	<u>-</u>	<u>60</u>	<u>60</u>	<u>-</u>
Total Public Protection	<u>704,128</u>	<u>704,188</u>	<u>674,608</u>	<u>29,580</u>
Total Charges to appropriations	<u>704,128</u>	<u>704,188</u>	<u>674,608</u>	<u>29,580</u>
Budgetary Fund balances, ending	<u>\$ 2,291,338</u>	<u>\$ 2,204,278</u>	<u>\$ 2,246,812</u>	<u>\$ (16,626)</u>

(continued)

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS
EQUIPMENT REPLACEMENT SPECIAL REVENUE FUND (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "total resources"
from the budgetary comparison schedule \$ 618,060

Differences - budget to USGAAP:

Transfers from other funds are inflows of budgetary resources
but are not revenues for financial reporting purposes (512,000)

Total revenues as reported on the statement of revenues, expenditures, and
changes in fund balance \$ 106,060

Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations"
from the budgetary comparison schedule \$ 674,608

Differences - budget to USGAAP:

Transfers to other funds are outflows of budgetary resources
but are not expenditures for financial reporting purposes 0

Total expenditures as reported on the statement of revenues, expenditures, and
changes in fund balance \$ 674,608

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS
EQUIPMENT SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, beginning of year - restated	\$ 1,994,947	\$ 1,713,667	\$ 2,120,687	\$ 407,020
RESOURCES (inflows):				
Revenues from uses of money and property	-	-	25,252	25,252
Charges for services	420,514	420,514	420,514	-
Other financing sources	-	-	1,732	1,732
Amounts available for appropriation	420,514	420,514	447,498	26,984
CHARGES TO APPROPRIATIONS (outflows):				
General Government:				
ISF Equipment Replacement:				
Other charges	693,860	1,019,673	353,236	666,437
Capital assets	-	1,500	1,337	163
Total ISF Equipment Replacement	693,860	1,021,173	354,573	666,600
Total General Government	693,860	1,021,173	354,573	666,600
Total Charges to appropriations	693,860	1,021,173	354,573	666,600
Budgetary Fund balances, ending	\$ 1,721,601	\$ 1,113,008	\$ 2,213,612	\$ 1,100,604

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "total resources" from the budgetary comparison schedule	\$ 447,498
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	(1,732)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance	\$ 445,766

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS
STATE COPS SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, beginning of year - restated	\$ 324,623	\$ 80,133	\$ 389,885	\$ 309,752
RESOURCES (inflows):				
Revenues from uses of money and property	-	-	18,704	18,704
Aid from other governments	695,900	695,900	708,460	12,560
Amounts available for appropriation	695,900	695,900	727,164	31,264
CHARGES TO APPROPRIATIONS (outflows):				
Public Protection:				
District Attorney - State COPS:				
Services and supplies	44,929	91,882	20,282	71,600
Other charges	971	971	960	11
Total District Attorney - State COPS	45,900	92,853	21,242	71,611
Sheriff - State COPS - Jail:				
Services and supplies	-	49,890	28,202	21,688
Other charges	50,000	-	-	-
Capital assets	-	44,122	44,031	91
Total Sheriff - State COPS - Jail	50,000	94,012	72,233	21,779
Juvenile Justice Plan:				
Services and supplies	40,000	40,000	-	40,000
Other financing uses	560,000	560,000	418,527	141,473
Total Juvenile Justice Plan	600,000	600,000	418,527	181,473
Total Public Protection	695,900	786,865	512,002	274,863
Total Charges to appropriations	695,900	786,865	512,002	274,863
Budgetary Fund balances, ending	\$ 324,623	\$ (10,832)	\$ 605,047	\$ 615,879

(continued)

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS
STATE COPS SPECIAL REVENUE FUND (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "total resources" from the budgetary comparison schedule	\$ 727,164
--	------------

Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	0
--	---

Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance	<u>\$ 727,164</u>
--	-------------------

Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 512,002
--	------------

Differences - budget to USGAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(418,527)</u>

Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance	<u>\$ 93,475</u>
--	------------------

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS
WATER RESOURCES SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, beginning of year - restated	\$ 7,400	\$ 7,400	\$ 93,957	\$ 86,557
RESOURCES (inflows):				
Revenues from uses of money and property	-	-	2,072	2,072
Aid from other governments	1,321,327	1,321,327	1,152,712	(168,615)
Other	100,000	100,000	285,263	185,263
Other financing sources	326,563	326,563	288,877	(37,686)
Amounts available for appropriation	<u>1,747,890</u>	<u>1,747,890</u>	<u>1,728,924</u>	<u>(18,966)</u>
CHARGES TO APPROPRIATIONS (outflows):				
Public Protection:				
Water Services:				
Salaries and employee benefits	474,752	474,752	445,899	28,853
Services and supplies	1,199,502	2,077,539	1,112,711	964,828
Other charges	72,899	73,961	73,938	23
Capital assets	737	-	-	-
Total Water Services	<u>1,747,890</u>	<u>2,626,252</u>	<u>1,632,548</u>	<u>993,704</u>
Total Public Protection	<u>1,747,890</u>	<u>2,626,252</u>	<u>1,632,548</u>	<u>993,704</u>
Total Charges to appropriations	<u>1,747,890</u>	<u>2,626,252</u>	<u>1,632,548</u>	<u>993,704</u>
Budgetary Fund balances, ending	<u>\$ 7,400</u>	<u>\$ (870,962)</u>	<u>\$ 190,333</u>	<u>\$ 1,061,295</u>

(continued)

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS
WATER RESOURCES SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "total resources"
from the budgetary comparison schedule \$ 1,728,924

Differences - budget to USGAAP:

Transfers from other funds are inflows of budgetary resources
but are not revenues for financial reporting purposes (288,877)

Total revenues as reported on the statement of revenues, expenditures, and
changes in fund balance \$ 1,440,047

Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations"
from the budgetary comparison schedule \$ 1,632,548

Differences - budget to USGAAP:

Transfers to other funds are outflows of budgetary resources
but are not expenditures for financial reporting purposes (6,975)

Total expenditures as reported on the statement of revenues, expenditures, and
changes in fund balance \$ 1,625,573

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS
FIRE PROTECTION SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Budgetary fund balance, beginning of year - restated	\$ 1,816,504	\$ 1,743,785	\$ 1,681,244	\$ (62,541)
RESOURCES (inflows):				
Revenues from uses of money and property	-	-	4,860	4,860
Aid from other governments	-	1,277,032	1,572,146	295,114
Charges for services	-	132,990	115,948	(17,042)
Other	-	504,092	225,830	(278,262)
Other financing sources	-	13,556,527	13,304,380	(252,147)
Amounts available for appropriation	-	15,470,641	15,223,164	(247,477)
CHARGES TO APPROPRIATIONS (outflows):				
Public Protection:				
Fire Protection - Regular Service:				
Services and supplies	11,544,961	13,380,525	12,232,704	1,147,821
Other charges	421,436	437,516	437,509	7
Other financing uses	-	50,714		50,714
Total Fire Protection - Regular Service	11,966,397	13,868,755	12,670,213	1,198,542
Fire Protection - Voluntary Program:				
Salaries and employee benefits	32,674	29,272	22,397	6,875
Services and supplies	459,837	775,181	712,260	62,921
Other charges	8,040	99,412	99,396	16
Capital assets	-	354,863	114,479	240,384
Total Fire Protection - Voluntary Program	500,551	1,258,728	948,532	310,196
Fire Protection - Ancillary Services:				
Services and supplies	391,786	1,305,931	346,344	959,587
Other charges	214	485	480	5
Capital assets	20,494	8,200	8,119	81
Total Fire Protection - Ancillary Services	412,494	1,314,616	354,943	959,673
 Total Public Protection	 12,879,442	 16,442,099	 13,973,688	 2,468,411
Total Charges to appropriations	12,879,442	16,442,099	13,973,688	2,468,411
Budgetary Fund balances, ending	\$(11,062,938)	\$ 772,327	\$ 2,930,720	\$ 2,158,393

(continued)

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS
FIRE PROTECTION SPECIAL REVENUE FUND (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "total resources" from the budgetary comparison schedule	\$ 15,223,164
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	<u>(13,304,380)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance	<u><u>\$ 1,918,784</u></u>

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS
LIBRARY SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, beginning of year - restated	\$ 40,717	\$ (17,572)	\$ (54,625)	\$ (37,053)
RESOURCES (inflows):				
Revenues from uses of money and property	-	-	605	605
Aid from other governments	261,779	299,279	286,213	(13,066)
Charges for services	143,937	151,784	146,391	(5,393)
Other	120,000	155,835	122,150	(33,685)
Interfund transfers	1,980,996	2,004,084	2,218,334	214,250
Amounts available for appropriation	<u>2,506,712</u>	<u>2,610,982</u>	<u>2,773,693</u>	<u>162,711</u>
CHARGES TO APPROPRIATIONS (outflows):				
Education:				
Libraries - Literacy Grant:				
Salaries and employee benefits	181,618	191,372	191,369	3
Services and supplies	23,391	38,828	38,828	-
Other charges	10,604	14,204	14,129	75
Total Libraries - Literacy Grant	<u>215,613</u>	<u>244,404</u>	<u>244,326</u>	<u>78</u>
Libraries				
Salaries and employee benefits	1,494,180	1,472,668	1,446,452	26,216
Services and supplies	310,754	459,464	406,038	53,426
Other charges	434,941	506,960	506,941	19
Capital assets	71,419			
Total Libraries	<u>2,311,294</u>	<u>2,439,092</u>	<u>2,359,431</u>	<u>79,661</u>
Total Education	<u>2,526,907</u>	<u>2,683,496</u>	<u>2,603,757</u>	<u>79,739</u>
Total Charges to appropriations	<u>2,526,907</u>	<u>2,683,496</u>	<u>2,603,757</u>	<u>79,739</u>
Budgetary Fund balances, ending	<u>\$ 20,522</u>	<u>\$ (90,086)</u>	<u>\$ 115,311</u>	<u>\$ 205,397</u>

(continued)

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS
LIBRARY SPECIAL REVENUE FUND (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "total resources" from the budgetary comparison schedule	\$ 2,773,693
Differences - budget to USGAAP: Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	<u>(2,218,334)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance	<u><u>\$ 555,359</u></u>

Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 2,603,757
Differences - budget to USGAAP: Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(22,297)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance	<u><u>\$ 2,581,460</u></u>

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS
TRANSIT SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Budgetary fund balance, beginning of year - restated	\$ 439,430	\$ 441,430	\$ 154,753	\$ (286,677)
RESOURCES (inflows):				
Revenues from uses of money and property	10,000	10,000	7,984	(2,016)
Aid from other governments	1,540,000	2,926,146	2,783,261	(142,885)
Amounts available for appropriation	<u>1,550,000</u>	<u>2,936,146</u>	<u>2,791,245</u>	<u>(144,901)</u>
CHARGES TO APPROPRIATIONS (outflows):				
Public Ways and Facilities:				
Transit - System Operations				
Other charges	1,556,066	2,942,212	2,579,299	362,913
Total Transit - System Operations	<u>1,556,066</u>	<u>2,942,212</u>	<u>2,579,299</u>	<u>362,913</u>
Total Public Ways and Facilities	<u>1,556,066</u>	<u>2,942,212</u>	<u>2,579,299</u>	<u>362,913</u>
Total Charges to appropriations	<u>1,556,066</u>	<u>2,942,212</u>	<u>2,579,299</u>	<u>362,913</u>
Budgetary Fund balances, ending	<u>\$ 433,364</u>	<u>\$ 435,364</u>	<u>\$ 366,699</u>	<u>\$ (68,665)</u>

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

Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations"
from the budgetary comparison schedule \$ 2,579,299

Differences - budget to USGAAP:

Transfers to other funds are outflows of budgetary resources
but are not expenditures for financial reporting purposes (1,797,470)

Total expenditures as reported on the statement of revenues, expenditures, and
changes in fund balance \$ 781,829

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS
HOUSING AND COMMUNITY DEVELOPMENT SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, beginning of year - restated	\$ 364,289	\$ 321,000	\$ 168,556	\$ (152,444)
RESOURCES (inflows):				
Revenues from uses of money and property	2,000	2,000	4,771	2,771
Aid from other governments	-	741,925	142,646	(599,279)
Other	298,512	298,512	126,532	(171,980)
Interfund transfers	-	700	168,523	167,823
Amounts available for appropriation	300,512	1,043,137	442,472	(600,665)
CHARGES TO APPROPRIATIONS (outflows):				
General Government:				
05-STBG-1621:				
Services and supplies	-	15,389	7,877	7,512
Total 05-STBG-1621	-	15,389	7,877	7,512
08-EDEF-5887:				
Services and supplies	-	182,706	134,371	48,335
Other charges	-	5,125	5,109	16
Total 06-EDBG-2769	-	187,831	139,480	48,351
08-PTAG-5358:				
Other charges	-	1,800	1,787	13
Total 04-EDBG-1027	-	1,800	1,787	13
09-EDEF-6537:				
Services and supplies	-	286,123	1,136	284,987
Other charges	-	6,000	-	6,000
Total 09-EDEF-6537	-	292,123	1,136	290,987
09-PTAE-6559:				
Services and supplies	-	34,825	2,343	32,482
Other charges	-	875	-	875
Total 09-PTAE-6559	-	35,700	2,343	33,357
10-STBG-6700:				
Services and supplies	-	370,998	-	370,998
Other charges	-	29,002	-	29,002
Total 10-STBG-6700	-	400,000	-	400,000
HCD - Revolving Loan:				
Services and supplies	285,050	289,434	26,127	263,307
Other charges	49,931	80,631	72,659	7,972
Total HCD - Revolving Loan	334,981	370,065	98,786	271,279
Total General Government	334,981	1,302,908	251,409	1,051,499
Total Charges to appropriations	334,981	1,302,908	251,409	1,051,499
Budgetary Fund balances, ending	\$ 329,820	\$ 61,229	\$ 359,619	\$ 298,390

(continued)

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS
HOUSING AND COMMUNITY DEVELOPMENT SPECIAL REVENUE FUND (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "total resources"
from the budgetary comparison schedule \$ 442,472

Differences - budget to USGAAP:

Transfers from other funds are inflows of budgetary resources
but are not revenues for financial reporting purposes (168,523)

Total revenues as reported on the statement of revenues, expenditures, and
changes in fund balance \$ 273,949

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS
FISH AND GAME SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary fund balance, beginning of year - restated	\$ 110,410	\$ 89,588	\$ 151,023	\$ 61,435
RESOURCES (inflows):				
Fines, forfeitures, and penalties	16,497	16,497	21,545	5,048
Revenues from uses of money and property	-	-	1,261	1,261
Other	5,276	5,276	5,000	(276)
Amounts available for appropriation	<u>21,773</u>	<u>21,773</u>	<u>27,806</u>	<u>6,033</u>
CHARGES TO APPROPRIATIONS (outflows):				
Public Protection:				
Fish and Game:				
Services and supplies	49,245	56,270	40,573	15,697
Other charges	4,383	4,383	4,380	3
Total Fish and Game	<u>53,628</u>	<u>60,653</u>	<u>44,953</u>	<u>15,700</u>
Total Public Protection	<u>53,628</u>	<u>60,653</u>	<u>44,953</u>	<u>15,700</u>
Total Charges to appropriations	<u>53,628</u>	<u>60,653</u>	<u>44,953</u>	<u>15,700</u>
Budgetary Fund balances, ending	<u>\$ 78,555</u>	<u>\$ 50,708</u>	<u>\$ 133,876</u>	<u>\$ 83,168</u>

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS
CHILD SUPPORT SERVICES SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Budgetary fund balance, beginning of year - restated	\$ 80,111	\$ 130,111	\$ 139,606	\$ 9,495
RESOURCES (inflows):				
Revenues from uses of money and property	36,000	36,000	25,962	(10,038)
Aid from other governments	8,988,329	8,988,329	7,016,757	(1,971,572)
Charges for services	29,000	29,000	29,000	-
Other	100	100	4,580	4,480
Amounts available for appropriation	<u>9,053,429</u>	<u>9,053,429</u>	<u>7,076,299</u>	<u>(1,977,130)</u>
CHARGES TO APPROPRIATIONS (outflows):				
Public Assistance:				
Child Support Services:				
Salaries and employee benefits	7,635,640	7,635,640	6,050,307	1,585,333
Services and supplies	700,743	700,743	448,417	252,326
Other charges	717,046	717,046	577,578	139,468
Total Child Support Services	<u>9,053,429</u>	<u>9,053,429</u>	<u>7,076,302</u>	<u>1,977,127</u>
Total Public Assistance	<u>9,053,429</u>	<u>9,053,429</u>	<u>7,076,302</u>	<u>1,977,127</u>
Total Charges to appropriations	<u>9,053,429</u>	<u>9,053,429</u>	<u>7,076,302</u>	<u>1,977,127</u>
Budgetary Fund balances, ending	<u>\$ 80,111</u>	<u>\$ 130,111</u>	<u>\$ 139,603</u>	<u>\$ 9,492</u>

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

Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations"
from the budgetary comparison schedule \$ 7,076,302

Differences - budget to USGAAP:
Transfers to other funds are outflows of budgetary resources
but are not expenditures for financial reporting purposes (87,929)

Total expenditures as reported on the statement of revenues, expenditures, and
changes in fund balance \$ 6,988,373

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS
COUNTY SERVICE AREAS SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary fund balance, beginning of year - restated	\$ 5,242,696	\$ 5,558,929	\$ 6,689,408	\$ 1,130,479
RESOURCES (inflows):				
Taxes	791,613	791,613	827,825	36,212
Revenues from uses of money and property	160,559	160,559	101,094	(59,465)
Aid from other governments	228,513	228,513	633,995	405,482
Charges for services	344,689	344,689	336,420	(8,269)
Amounts available for appropriation	<u>1,525,374</u>	<u>1,525,374</u>	<u>1,899,334</u>	<u>373,960</u>
CHARGES TO APPROPRIATIONS (outflows):				
Public protection	-	557,034	449,599	107,435
Health and sanitation	-	1,799,610	540,575	1,259,035
Recreation and cultural services	-	202,688	170,165	32,523
Other charges	-	-	523,074	(523,074)
Total Charges to appropriations	<u>-</u>	<u>2,559,332</u>	<u>1,683,413</u>	<u>875,919</u>
Budgetary Fund balances, ending	<u>\$ 6,768,070</u>	<u>\$ 4,524,971</u>	<u>\$ 6,905,329</u>	<u>\$ 2,380,358</u>

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS
IHSS PUBLIC AUTHORITY SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary fund balance, beginning of year - restated	\$ -	\$ (115,780)	\$ (10,803)	\$ 104,977
RESOURCES (inflows):				
Revenues from uses of money and property	-	-	(1,306)	(1,306)
Aid from other governments	-	340,077	341,705	1,628
Charges for services	-	-	77,771	77,771
Amounts available for appropriation	<u>-</u>	<u>340,077</u>	<u>418,170</u>	<u>78,093</u>
CHARGES TO APPROPRIATIONS (outflows):				
Public Assistance:				
IHSS Public Authority:				
Salaries and employee benefits	-	281,922	262,974	18,948
Services and supplies	-	40,940	13,394	27,546
Other charges	-	17,215	17,220	(5)
Total IHSS Public Authority	<u>-</u>	<u>340,077</u>	<u>293,588</u>	<u>46,489</u>
Total Public Assistance	<u>-</u>	<u>340,077</u>	<u>293,588</u>	<u>46,489</u>
Total Charges to appropriations	<u>-</u>	<u>340,077</u>	<u>293,588</u>	<u>46,489</u>
Budgetary Fund balances, ending	<u>\$ -</u>	<u>\$ (115,780)</u>	<u>\$ 113,779</u>	<u>229,559</u>

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS
IMPACT FEES SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary fund balance, beginning of year - restated	\$ 8,432,158	\$ 7,296,880	\$ 7,983,071	\$ 686,191
RESOURCES (inflows):				
Fines, forfeitures, and penalties	373,002	373,002	306,980	(66,022)
Revenues from uses of money and property	152,290	152,290	102,057	(50,233)
Amounts available for appropriation	<u>525,292</u>	<u>525,292</u>	<u>409,037</u>	<u>(116,255)</u>
CHARGES TO APPROPRIATIONS (outflows):				
Public Assistance:				
IHSS Public Authority:				
Other charges	92,894	92,894	23,023	69,871
Total IHSS Public Authority	<u>92,894</u>	<u>92,894</u>	<u>23,023</u>	<u>69,871</u>
Total Public Assistance	<u>92,894</u>	<u>92,894</u>	<u>23,023</u>	<u>69,871</u>
Total Charges to appropriations	<u>92,894</u>	<u>92,894</u>	<u>23,023</u>	<u>69,871</u>
Budgetary Fund balances, ending	<u>\$ 8,864,556</u>	<u>\$ 7,729,278</u>	<u>\$ 8,369,085</u>	<u>\$ 500,065</u>

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, beginning of year - restated	\$ 3,751,332	\$ 7,805,463	\$ 7,732,842	\$ (72,621)
RESOURCES (inflows):				
Revenues from uses of money and property	-	-	81,965	81,965
Interfund transfers	-	4,945,182	4,486,380	(458,802)
Amounts available for appropriation	-	4,945,182	4,568,345	(376,837)
CHARGES TO APPROPRIATIONS (outflows):				
General Government:				
POB Series A:				
Services and supplies	2,500	10,694	9,287	1,407
Other charges	1,690,992	1,689,606	1,690,992	(1,386)
Total POB Series A	1,693,492	1,700,300	1,700,279	21
POB Series B:				
Services and supplies	2,500	5,033	5,024	9
Other charges	1,490,000	1,487,500	127,097	1,360,403
Total POB Series B	1,492,500	1,492,533	132,121	1,360,412
Chico Memorial Hall 492 Rio Lindo:				
Other charges	61,158	61,157	61,157	-
Total Chico Memorial Hall 492 Rio L.	61,158	61,157	61,157	-
Chico Memorial Hall 554 Rio Lindo:				
Other charges	62,275	62,275	62,275	-
Total Chico Memorial Hall 554 Rio L.	62,275	62,275	62,275	-
CEC Solar:				
Other charges	312,967	312,968	312,967	1
Total CEC Solar	312,967	312,968	312,967	1
Total General Government	3,622,392	3,629,233	2,268,799	1,360,434

(continued)

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS (continued)
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Protection:				
Justice Facility:				
Services and supplies	-	2,874	2,798	76
Other charges	423,148	468,638	419,879	48,759
Total Justice Facility	<u>423,148</u>	<u>471,512</u>	<u>422,677</u>	<u>48,835</u>
DA-Ford Motor Credit x16373:				
Other charges	8,586	3,577	-	3,577
Total DA-Ford Motor Credit x16373	<u>8,586</u>	<u>3,577</u>	<u>-</u>	<u>3,577</u>
2003 COP Fire Trucks				
Other charges	-	816,000	815,985	15
Total 2003 COP Fire Trucks	<u>-</u>	<u>816,000</u>	<u>815,985</u>	<u>15</u>
Bangor Fire Station				
Other charges	-	25,000	5,091	19,909
Total Bangor Fire Station	<u>-</u>	<u>25,000</u>	<u>5,091</u>	<u>19,909</u>
Total Public Protection	<u>431,734</u>	<u>1,316,089</u>	<u>1,243,753</u>	<u>72,336</u>
Total Charges to appropriations	<u>4,054,126</u>	<u>4,945,322</u>	<u>3,512,552</u>	<u>1,432,770</u>
Budgetary Fund balances, ending	<u>\$ (302,794)</u>	<u>\$ 7,805,323</u>	<u>\$ 8,788,635</u>	<u>\$ 983,312</u>

(continued)

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS (continued)
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "total resources" from the budgetary comparison schedule	\$ 4,568,345
--	--------------

Differences - budget to USGAAP:

Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	<u>(4,486,380)</u>
--	--------------------

Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance	<u><u>\$ 81,965</u></u>
--	-------------------------

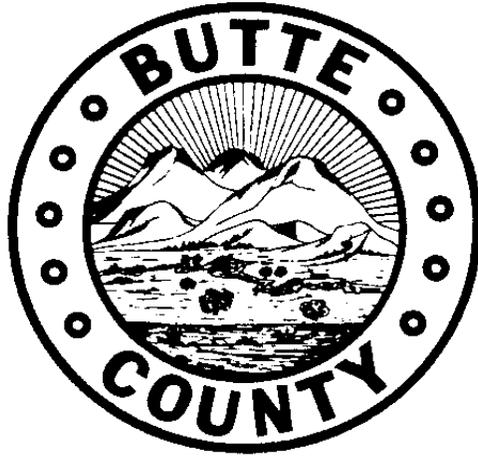
Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 3,512,552
--	--------------

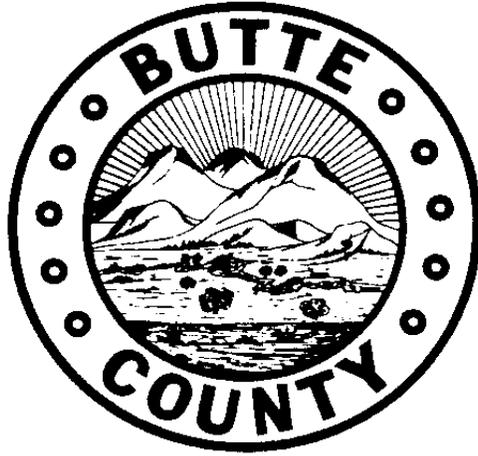
Differences - budget to USGAAP:

Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(815,986)</u>
---	------------------

Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance	<u><u>\$ 2,696,566</u></u>
--	----------------------------



(This Page Intentionally Left Blank)



Internal Service Funds

COUNTY OF BUTTE

Internal Service Funds

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

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

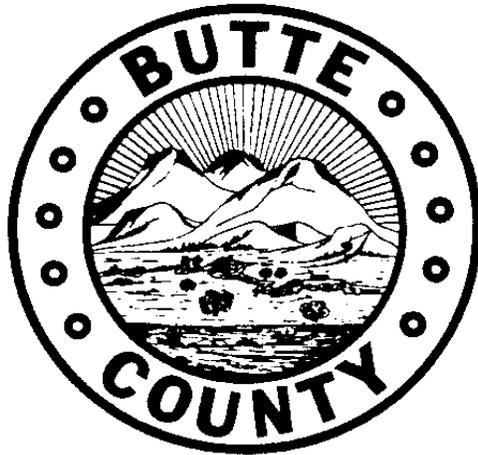
The *Worker's Compensation Insurance Fund* accounts for the disability, medical, and rehabilitation expenses and related costs associated with on-the-job injuries.

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

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

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

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



(This Page Intentionally Left Blank)

COUNTY OF BUTTE, CALIFORNIA

COMBINING STATEMENT OF FUND NET ASSETS INTERNAL SERVICE FUNDS JUNE 30, 2011

	Self Insurance	Worker's Compensation	Unemployment Insurance
ASSETS			
Current assets:			
Cash and investments	\$ 2,655,490	\$ 12,722,044	\$ 1,375,608
Due from other funds	119,371	-	-
Interest receivable	11,982	64,314	7,393
Accounts receivable	8,088	-	-
Deposits with others	-	125,000	-
Total current assets	2,794,931	12,911,358	1,383,001
Noncurrent assets:			
Capital assets:			
Depreciable:			
Equipment	10,671	8,911	-
Less: Accumulated depreciation	(3,023)	(5,476)	-
Total capital assets, net	7,648	3,435	-
Total noncurrent assets	7,648	3,435	-
Total assets	2,802,579	12,914,793	1,383,001
LIABILITIES			
Current liabilities:			
Due to other funds	-	119,371	-
Accounts payable	55,964	109,811	-
Accrued salaries and benefits	-	75	-
Claims and judgments, current portion	400,000	2,000,000	-
Total current liabilities	455,964	2,229,257	-
Noncurrent liabilities:			
Claims and judgments, less current portion	426,000	2,753,000	-
Total noncurrent liabilities	426,000	2,753,000	-
Total liabilities	881,964	4,982,257	-
NET ASSETS			
Invested in capital assets, net of related debt	7,648	3,435	-
Unrestricted	1,912,967	7,929,101	1,383,001
Total net assets	\$ 1,920,615	\$ 7,932,536	\$ 1,383,001

COUNTY OF BUTTE, CALIFORNIA

**COMBINING STATEMENT OF FUND NET ASSETS
INTERNAL SERVICE FUNDS
JUNE 30, 2011**

	Medical Liability	Miscellaneous Insurance	Utilities Clearing	Total
ASSETS				
Current assets:				
Cash and investments	\$ 82,395	\$ 43,627	\$ 371,456	\$ 17,250,620
Due from other funds	-	-	-	119,371
Interest receivable	377	209	1,301	85,576
Accounts receivable	-	-	2,846	10,934
Deposits with others	-	-	-	125,000
Total current assets	<u>82,772</u>	<u>43,836</u>	<u>375,603</u>	<u>17,591,501</u>
Noncurrent assets:				
Capital assets:				
Depreciable:				
Equipment	-	-	-	19,582
Less: Accumulated depreciation	-	-	-	(8,499)
Total capital assets, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,083</u>
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,083</u>
Total assets	<u>82,772</u>	<u>43,836</u>	<u>375,603</u>	<u>17,602,584</u>
LIABILITIES				
Current liabilities:				
Due to other funds	-	-	-	119,371
Accounts payable	-	-	26,334	192,109
Accrued salaries and benefits	-	-	-	75
Claims and judgments, current portion	-	-	-	2,400,000
Total current liabilities	<u>-</u>	<u>-</u>	<u>26,334</u>	<u>2,711,555</u>
Noncurrent liabilities:				
Claims and judgments, less current portion	-	-	-	3,179,000
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,179,000</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>26,334</u>	<u>5,890,555</u>
NET ASSETS				
Invested in capital assets, net of related debt	-	-	-	11,083
Unrestricted	82,772	43,836	349,269	11,700,946
Total net assets	<u>\$ 82,772</u>	<u>\$ 43,836</u>	<u>\$ 349,269</u>	<u>\$ 11,712,029</u>

COUNTY OF BUTTE, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS

**INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Self Insurance	Worker's Compensation	Unemployment Insurance
OPERATING REVENUES			
Charges for services	\$ 2,980,812	\$ 1,959,516	\$ 229,454
Other revenue	276,730	796,532	-
Total operating revenue	<u>3,257,542</u>	<u>2,756,048</u>	<u>229,454</u>
OPERATING EXPENSES			
Salaries and employee benefits	-	-	456,744
Service and supplies	472,726	736,837	1,135
Claims and judgments	1,627,734	2,775,169	-
Other expenses	75,843	316,440	3,984
Total operating expenses	<u>2,176,303</u>	<u>3,828,446</u>	<u>461,863</u>
Operating income (loss)	<u>1,081,239</u>	<u>(1,072,398)</u>	<u>(232,409)</u>
Nonoperating revenues (expenses)			
Interest income	28,393	168,708	17,400
Total nonoperating revenue (expense)	<u>28,393</u>	<u>168,708</u>	<u>17,400</u>
NET INCOME (LOSS) BEFORE TRANSFERS	1,109,632	(903,690)	(215,009)
Transfers out	<u>(711)</u>	<u>(1,021)</u>	<u>-</u>
Change in net assets	1,108,921	(904,711)	(215,009)
Net assets, beginning of year	811,694	8,879,600	1,598,010
Prior period adjustments	-	(42,353)	-
Net assets, beginning, restated	<u>811,694</u>	<u>8,837,247</u>	<u>1,598,010</u>
Total net assets, ending	<u>\$ 1,920,615</u>	<u>\$ 7,932,536</u>	<u>\$ 1,383,001</u>

COUNTY OF BUTTE, CALIFORNIA

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Medical Liability	Miscellaneous Insurance	Utilities Clearing	Total
OPERATING REVENUES				
Charges for services	\$ 139,500	\$ 125,744	\$ 2,376,588	7,811,614
Other revenue	-	-	5,076	1,078,338
Total operating revenue	<u>139,500</u>	<u>125,744</u>	<u>2,381,664</u>	<u>8,889,952</u>
OPERATING EXPENSES				
Salaries and employee benefits	-	-	-	456,744
Service and supplies	79,228	100,694	1,881,350	3,271,970
Claims and judgments	-	-	-	4,402,903
Other expenses	1,752	1,428	35,364	434,811
Total operating expenses	<u>80,980</u>	<u>102,122</u>	<u>1,916,714</u>	<u>8,566,428</u>
Operating income (loss)	<u>58,520</u>	<u>23,622</u>	<u>464,950</u>	<u>323,524</u>
Nonoperating revenues (expenses)				
Interest income	<u>2,912</u>	<u>1,125</u>	<u>2,040</u>	<u>220,578</u>
Total nonoperating revenue (expense)	<u>2,912</u>	<u>1,125</u>	<u>2,040</u>	<u>220,578</u>
NET INCOME (LOSS) BEFORE TRANSFERS	61,432	24,747	466,990	544,102
Transfers out	<u>-</u>	<u>-</u>	<u>(313,000)</u>	<u>(314,732)</u>
Change in net assets	61,432	24,747	153,990	229,370
Total net assets, beginning	21,340	19,089	195,279	11,525,012
Prior period adjustments	-	-	-	(42,353)
Net assets, beginning, restated	<u>21,340</u>	<u>19,089</u>	<u>195,279</u>	<u>11,482,659</u>
Total net assets, ending	<u>\$ 82,772</u>	<u>\$ 43,836</u>	<u>\$ 349,269</u>	<u>\$ 11,712,029</u>

COUNTY OF BUTTE, CALIFORNIA

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Self Insurance	Worker's Compensation	Unemployment Insurance
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 3,249,454	\$ 2,756,047	\$ 229,454
Cash paid to suppliers for goods and services	(2,229,153)	(3,250,075)	(5,496)
Cash paid to employees for services	-	74	(456,744)
Net cash provided (used) by operating activities	<u>1,020,301</u>	<u>(493,954)</u>	<u>(232,786)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers out	<u>(711)</u>	<u>(1,021)</u>	<u>-</u>
Net cash provided (used) by noncapital financing activities	<u>(711)</u>	<u>(1,021)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	<u>26,551</u>	<u>143,234</u>	<u>18,591</u>
Net cash provided by investing activities	<u>26,551</u>	<u>143,234</u>	<u>18,591</u>
Net increase (decrease) in cash and cash equivalents	1,046,141	(351,741)	(214,196)
Cash and cash equivalents, beginning	<u>1,609,349</u>	<u>13,073,784</u>	<u>1,589,804</u>
Cash and cash equivalents, ending	<u><u>\$ 2,655,490</u></u>	<u><u>\$ 12,722,043</u></u>	<u><u>\$ 1,375,608</u></u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET ASSETS:			
Cash and investments	<u>\$ 2,655,490</u>	<u>\$ 12,722,044</u>	<u>\$ 1,375,608</u>
Total cash and investments	<u><u>\$ 2,655,490</u></u>	<u><u>\$ 12,722,044</u></u>	<u><u>\$ 1,375,608</u></u>

COUNTY OF BUTTE, CALIFORNIA

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Medical Liability</u>	<u>Miscellaneous Insurance</u>	<u>Utilities Clearing</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers	\$ 139,500	\$ 125,744	\$ 2,378,818	8,879,017
Cash paid to suppliers for goods and services	(80,980)	(102,122)	(1,910,638)	(7,578,464)
Cash paid to employees for services	-	-	-	(456,670)
Net cash provided (used) by operating activities	<u>58,520</u>	<u>23,622</u>	<u>468,180</u>	<u>843,883</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers out	-	-	(313,000)	(314,732)
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>-</u>	<u>(313,000)</u>	<u>(314,732)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received	<u>2,532</u>	<u>929</u>	<u>2,401</u>	<u>194,238</u>
Net cash provided by investing activities	<u>2,532</u>	<u>929</u>	<u>2,401</u>	<u>194,238</u>
Net increase (decrease) in cash and cash equivalents	61,052	24,551	157,581	723,389
Cash and cash equivalents, beginning	<u>21,343</u>	<u>19,076</u>	<u>213,875</u>	<u>16,527,231</u>
Cash and cash equivalents, ending	<u><u>\$ 82,395</u></u>	<u><u>\$ 43,627</u></u>	<u><u>\$ 371,456</u></u>	<u><u>\$ 17,250,620</u></u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET ASSETS:				
Cash and investments	<u>\$ 82,395</u>	<u>\$ 43,627</u>	<u>\$ 371,456</u>	<u>\$ 17,250,620</u>
Total cash and investments	<u><u>\$ 82,395</u></u>	<u><u>\$ 43,627</u></u>	<u><u>\$ 371,456</u></u>	<u><u>\$ 17,250,620</u></u>

COUNTY OF BUTTE, CALIFORNIA

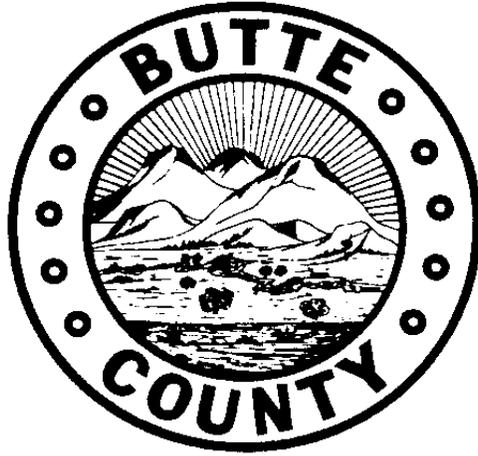
**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Self Insurance</u>	<u>Worker's Compensation</u>	<u>Unemployment Insurance</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ 1,081,239	\$ (1,072,398)	\$ (232,409)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	712	1,021	-
Changes in assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	(8,088)	-	-
Deposits with others	-	(35,000)	-
Prepaid items	22,815	-	-
Increase (decrease) in:			
Accounts payable	13,623	107,349	(377)
Accrued salaries and benefits	-	74	-
Claims and judgments	(90,000)	505,000	-
 Net cash provided (used) by operating activities	 <u>\$ 1,020,301</u>	 <u>\$ (493,954)</u>	 <u>\$ (232,786)</u>

COUNTY OF BUTTE, CALIFORNIA

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Medical Liability</u>	<u>Miscellaneous Insurance</u>	<u>Utilities Clearing</u>	<u>Total</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ 58,520	\$ 23,622	\$ 464,950	\$ 323,524
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	-	-	-	1,733
Changes in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	-	-	(2,846)	(10,934)
Deposits with others	-	-	-	(35,000)
Prepaid items	-	-	-	22,815
Increase (decrease) in:				
Accounts payable	-	-	6,076	126,671
Accrued salaries and benefits	-	-	-	74
Claims and judgments	-	-	-	415,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net cash provided (used) by operating activities	<u>\$ 58,520</u>	<u>\$ 23,622</u>	<u>\$ 468,180</u>	<u>\$ 843,883</u>



Fiduciary Funds

COUNTY OF BUTTE

Fiduciary Fund Types

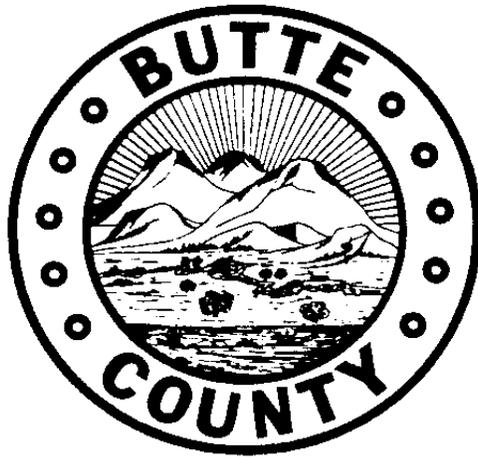
Fiduciary Funds account for assets held by the County in a trustee capacity, or as an agent for private organizations, other governmental units, or other funds. The following are the County's Fiduciary Funds:

Agency Funds

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

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

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



(This Page Intentionally Left Blank)

COUNTY OF BUTTE, CALIFORNIA
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2011

	Other	Tax Resources	Butte County SB-620	Total
ASSETS				
Cash and investments	\$ 15,436,580	\$ 7,722,531	\$ 613	\$ 23,159,724
Interest receivable	-	62,775	26	62,801
Property tax receivable	-	15,554,053	-	15,554,053
Total assets	\$ 15,436,580	\$ 23,339,359	\$ 639	\$ 38,776,578
LIABILITIES				
Agency funds held for others	\$ 15,436,580	\$ 23,339,359	\$ 639	\$ 38,776,578
Total liabilities	\$ 15,436,580	\$ 23,339,359	\$ 639	\$ 38,776,578

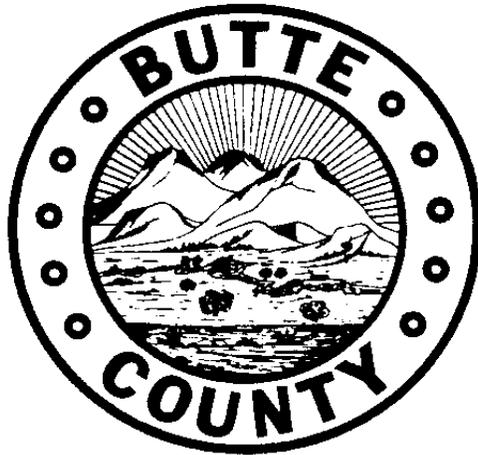
COUNTY OF BUTTE, CALIFORNIA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Other	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
ASSETS				
Cash and investments	\$ 39,786,554	\$ 17,505,082	\$ 41,855,056	\$ 15,436,580
Total assets	<u>\$ 39,786,554</u>	<u>\$ 17,505,082</u>	<u>\$ 41,855,056</u>	<u>\$ 15,436,580</u>
LIABILITIES				
Agency funds held for others	\$ 39,786,554	\$ 17,505,082	\$ 41,855,056	\$ 15,436,580
Total liabilities	<u>\$ 39,786,554</u>	<u>\$ 17,505,082</u>	<u>\$ 41,855,056</u>	<u>\$ 15,436,580</u>
Tax Resources				
ASSETS				
Cash and investments	\$ 4,861,709	\$ 16,542,272	\$ 13,681,450	\$ 7,722,531
Interest receivable	73,015	62,775	73,015	62,775
Property tax receivable	16,469,257	15,554,053	16,469,257	15,554,053
Total assets	<u>\$ 21,403,981</u>	<u>\$ 32,159,100</u>	<u>\$ 30,223,722</u>	<u>\$ 23,339,359</u>
LIABILITIES				
Agency funds held for others	\$ 21,403,981	\$ 32,159,100	\$ 30,223,722	\$ 23,339,359
Total liabilities	<u>\$ 21,403,981</u>	<u>\$ 32,159,100</u>	<u>\$ 30,223,722</u>	<u>\$ 23,339,359</u>
Butte County SB-325				
ASSETS				
Cash and investments	\$ 1	\$ -	\$ 1	\$ -
Interest receivable	179	-	179	-
Total assets	<u>\$ 180</u>	<u>\$ -</u>	<u>\$ 180</u>	<u>\$ -</u>
LIABILITIES				
Agency funds held for others	\$ 180	\$ -	\$ 180	\$ -
Total liabilities	<u>\$ 180</u>	<u>\$ -</u>	<u>\$ 180</u>	<u>\$ -</u>

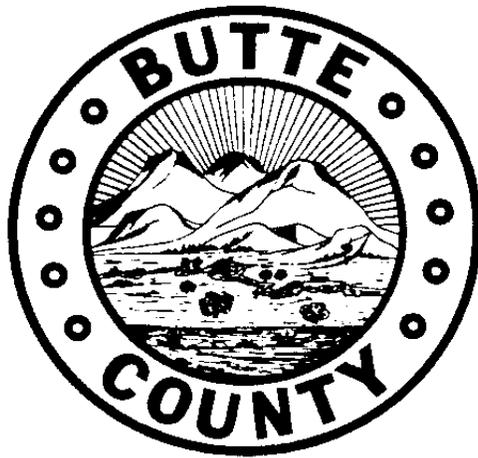
(continued)

COUNTY OF BUTTE, CALIFORNIA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
<hr/>				
Butte County SB-620				
<hr/>				
ASSETS				
Cash and investments	\$ -	\$ 613	\$ -	\$ 613
Interest receivable	-	26	-	26
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ -</u>	<u>\$ 639</u>	<u>\$ -</u>	<u>\$ 639</u>
LIABILITIES				
Agency funds held for others	-	639	-	639
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	<u>\$ -</u>	<u>\$ 639</u>	<u>\$ -</u>	<u>\$ 639</u>
Total Agency Funds				
<hr/>				
ASSETS				
Cash and investments	\$ 44,648,264	\$ 34,047,967	\$ 55,536,507	\$ 23,159,724
Interest receivable	73,194	62,801	73,194	62,801
Property tax receivable	16,469,257	15,554,053	16,469,257	15,554,053
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 61,190,715</u>	<u>\$ 49,664,821</u>	<u>\$ 72,078,958</u>	<u>\$ 38,776,578</u>
LIABILITIES				
Agency funds held for others	\$ 61,190,715	\$ 49,664,821	\$ 72,078,958	\$ 38,776,578
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	<u>\$ 61,190,715</u>	<u>\$ 49,664,821</u>	<u>\$ 72,078,958</u>	<u>\$ 38,776,578</u>



(This Page Intentionally Left Blank)



Statistical Section

Statistical Section

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

CONTENTS

FINANCIAL TRENDS

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

REVENUE CAPACITY

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

DEBT CAPACITY

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

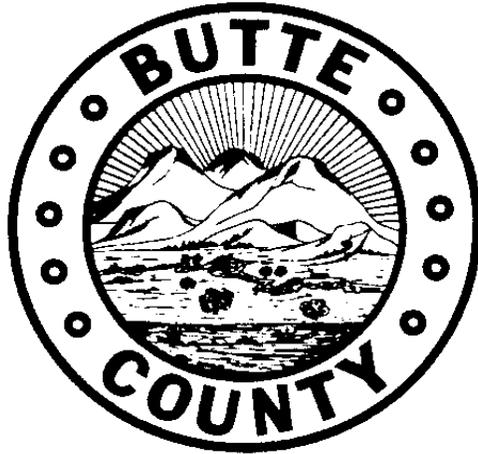
ECONOMIC AND DEMOGRAPHIC INFORMATION

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

OPERATING INFORMATION

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

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



(This Page Intentionally Left Blank)

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

For the Fiscal Year Ended June 30,

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities:										
Invested in capital assets, net of related debt	\$ 361,051,836	\$ 346,872,973	\$ 287,229,222	\$ 328,573,058	\$ 313,955,354	\$ 299,087,057	\$ 280,126,245	\$ 269,571,545	\$ 263,205,332	\$ 243,321,441
Restricted	50,627,806	43,991,120	29,106,697	14,971,692	16,696,959	26,321,708	45,999,726	51,089,379	49,225,674	78,363,897
Unrestricted	14,396,314	23,109,853	28,188,079	39,547,523	45,147,228	44,293,530	19,565,376	29,823,697	35,430,215	7,959,935
Total governmental activities net assets	<u>\$ 426,075,956</u>	<u>\$ 413,973,946</u>	<u>\$ 344,523,998</u>	<u>\$ 383,092,273</u>	<u>\$ 375,799,541</u>	<u>\$ 369,702,295</u>	<u>\$ 345,691,347</u>	<u>\$ 350,484,621</u>	<u>\$ 347,861,222</u>	<u>\$ 329,645,273</u>
Business-type activities:										
Invested in capital assets, net of related debt	\$ 3,715,815	\$ 4,389,868	\$ 6,799,310	\$ 8,402,774	\$ 8,748,541	\$ 1,792,507	\$ 4,389,846	\$ 5,046,136	\$ 7,162,066	\$ 8,912,181
Restricted	-	-	6,196,080	6,434,145	6,691,502	4,083,228	4,300,259	4,421,316	5,547,422	4,753,072
Unrestricted	5,987,239	9,311,498	520,516	(313,620)	(753,677)	11,463,088	10,256,700	10,664,266	9,326,821	8,799,943
Total business-type activities net assets	<u>\$ 9,703,054</u>	<u>\$ 13,701,366</u>	<u>\$ 13,515,906</u>	<u>\$ 14,523,299</u>	<u>\$ 14,686,366</u>	<u>\$ 17,338,823</u>	<u>\$ 18,946,805</u>	<u>\$ 20,131,718</u>	<u>\$ 22,036,309</u>	<u>\$ 22,465,196</u>
Primary government:										
Invested in capital assets, net of related debt	\$ 364,767,651	\$ 351,262,841	\$ 294,028,532	\$ 336,975,832	\$ 322,703,895	\$ 300,879,564	\$ 284,516,091	\$ 274,617,681	\$ 270,367,398	\$ 252,233,622
Restricted	50,627,806	43,991,120	35,302,777	21,405,837	23,388,461	30,404,936	50,299,985	55,510,695	54,773,096	83,116,969
Unrestricted	20,383,553	32,421,351	28,708,595	39,233,903	44,393,551	55,756,618	29,822,076	40,487,963	44,757,037	16,759,878
Total primary government net assets	<u>\$ 435,779,010</u>	<u>\$ 427,675,312</u>	<u>\$ 358,039,904</u>	<u>\$ 397,615,572</u>	<u>\$ 390,485,907</u>	<u>\$ 387,041,118</u>	<u>\$ 364,638,152</u>	<u>\$ 370,616,339</u>	<u>\$ 369,897,531</u>	<u>\$ 352,110,469</u>

Source: Auditor-Controller, County of Butte

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

For the Fiscal Year Ended June 30,

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities:										
Expenses										
General government	\$ 12,073,217	\$ 13,403,744	\$ 19,988,028	\$ 28,108,571	\$ 16,617,793	\$ 19,086,835	\$ 20,865,771	\$ 20,710,290	\$ 25,025,047	\$ 29,168,334
Public protection	61,195,775	67,875,626	69,137,314	82,634,178	81,999,331	87,500,747	96,664,267	94,362,185	88,781,607	91,167,264
Public ways and facilities	27,590,645	28,463,533	28,079,018	17,520,672	31,531,708	34,623,721	39,999,631	34,975,071	30,108,420	36,686,173
Health and sanitation	49,121,198	55,095,207	55,942,561	56,395,525	58,593,884	64,268,283	72,458,490	67,582,300	72,502,065	72,015,960
Public assistance	123,118,708	127,500,579	126,530,857	130,935,568	130,966,814	135,871,668	142,125,227	142,615,875	143,688,838	148,220,091
Education	2,453,904	2,522,005	2,749,824	2,723,315	2,905,270	3,117,432	3,394,070	3,291,233	2,805,328	2,959,473
Culture and recreation services	430,377	533,602	393,637	499,967	658,741	604,386	374,615	524,852	512,353	530,319
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
Total governmental activities expense	275,983,824	295,394,296	302,821,239	322,426,397	327,457,481	349,388,258	379,578,076	366,721,436	365,923,132	383,449,096
Program Revenues										
Charges for services:										
General government	6,399,673	5,856,655	6,461,374	16,760,879	16,779,891	19,903,572	20,463,697	16,567,360	21,694,710	22,092,523
Public protection	12,695,131	13,731,788	8,021,648	6,461,794	5,581,142	5,285,862	6,000,509	9,180,534	10,708,534	10,398,936
Public ways and facilities	1,787,913	2,631,921	925,783	2,680,446	2,932,837	3,439,296	3,547,975	4,082,071	2,225,165	2,216,854
Health and sanitation	5,424,164	6,391,541	5,929,611	4,109,596	4,041,916	5,011,027	5,176,893	5,673,115	5,756,094	5,785,533
Public assistance	834,080	1,157,862	2,289,201	393,023	205,520	354,261	543,906	711,842	676,610	1,079,724
Education	164,024	327,068	72,357	72,532	118,108	101,360	89,362	113,684	146,212	146,391
Culture and recreation services	52,988	57,256	58,789	-	101,775	115,716	120,209	-	-	-
Operating grants and contributions	197,761,213	205,178,971	207,564,618	184,501,125	194,629,899	206,381,946	214,119,802	222,937,925	222,575,034	227,348,490
Capital grants and contributions	11,051,195	2,643,929	3,151,868	14,939,327	11,982,196	13,136,901	12,981,464	16,299,993	20,924,224	10,465,668
Total governmental activities program revenues	236,170,381	237,976,991	234,475,249	229,918,722	236,373,284	253,729,941	263,043,817	275,566,524	284,706,583	279,534,119
Net Expense¹	(39,813,443)	(57,417,305)	(68,345,990)	(92,507,675)	(91,084,197)	(95,658,317)	(116,534,259)	(91,154,912)	(81,216,549)	(103,914,977)
General Revenues and Transfers										
Taxes:										
Property taxes	14,269,289	17,798,624	18,770,212	34,260,317	41,656,548	45,641,947	47,928,940	49,534,039	49,822,100	47,576,400
Sales taxes	3,278,612	3,517,481	3,846,573	4,952,509	3,371,227	4,551,967	4,006,588	3,525,252	3,502,003	3,825,307
Other taxes and related revenues	3,689,600	2,353,498	2,715,949	1,935,715	1,624,332	1,356,479	989,470	1,031,960	1,010,109	942,242
Grants and contributions not restricted to specific programs	16,632,649	15,056,401	12,405,825	18,526,669	25,122,030	21,030,134	21,299,136	17,253,122	15,503,952	16,753,325
Unrestricted investment earnings	2,470,163	1,587,619	1,936,913	3,291,173	1,474,933	5,558,955	5,367,056	4,832,431	3,218,361	3,053,171
Gain (Loss) on Sale/Disposal of Capital Assets	23,321	-	(5,569)	(66,147)	19,610	-	-	-	-	-
Miscellaneous	3,505,351	5,008,578	8,326,140	19,507,815	8,327,670	11,430,359	12,932,121	11,688,662	4,521,606	4,886,259
Transfers	-	(6,906)	-	-	-	(8,770)	-	-	-	19,784
Total general revenues and transfers	43,868,985	45,315,295	47,996,043	82,408,051	81,596,350	89,561,071	92,523,311	87,865,466	77,578,131	77,056,488
Change in net assets-										
-governmental activities	\$ 4,055,542	\$ (12,102,010)	\$ (20,349,947)	\$ (10,099,624)	\$ (9,487,847)	\$ (6,097,246)	\$ (24,010,948)	\$ (3,289,446)	\$ (3,638,418)	\$ (26,858,489)

¹ Net expense is the difference between the expenses and program revenues of a function or program. It indicates the degree to which a function or program supports itself with its own fees and grants versus its reliance upon funding from taxes and other general revenues. Numbers in parentheses are net expenses, indicating that expenses were greater than program revenues and general revenues were needed to finance that function or program.

(continued)

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

	For the Fiscal Year Ended June 30,									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Business-Type activities:										
Expenses										
Sanitation	\$ 4,780,855	\$ 1,425,942	\$ 5,129,527	\$ 4,664,895	\$ 4,680,195	\$ 4,403,172	\$ 5,486,248	\$ 5,804,049	\$ 4,855,077	\$ 5,985,505
Transit	1,796,178	2,192,068	2,243,837	2,528,381	23,907	388,537	-	-	-	-
Total business-type activities	6,577,033	3,618,010	7,373,364	7,193,276	4,704,102	4,791,709	5,486,248	5,804,049	4,855,077	5,985,505
Program Revenues										
Charges for services:										
Sanitation	4,167,002	4,553,286	4,373,835	5,579,396	6,499,022	6,662,729	5,981,595	6,094,380	6,150,774	6,515,833
Transit	231,793	314,320	199,588	478,840	71,499	-	-	-	-	-
Operating grants and contributions	1,600,402	2,097,391	2,103,588	1,605,044	465,263	70,717	108,566	83,808	159,913	161,015
Total business-type activities program revenues	5,999,197	6,964,997	6,677,011	7,663,280	7,035,784	6,733,446	6,090,161	6,178,188	6,310,686	6,676,848
Net Expense¹	(577,836)	3,346,987	(696,353)	470,004	2,331,682	1,941,737	603,913	374,139	1,455,610	691,343
General revenues										
Unrestricted investment earnings	700,798	632,463	522,399	384,442	89,643	701,950	1,004,069	810,774	463,350	228,783
Gain (Loss) on Sale/Disposal of Capital Assets	(22,132)	-	-	-	(2,528,082)	-	-	-	-	-
Miscellaneous	209,152	18,862	(11,506)	152,947	186,366	-	-	-	-	-
Transfers	-	-	-	-	-	8,770	-	-	-	(19,784.00)
Total general revenues	887,818	651,325	510,893	537,389	(2,252,073)	710,720	1,004,069	810,774	463,350	208,999
Change in net assets										
-business-type activities	\$ 309,982	\$ 3,998,312	\$ (185,460)	\$ 1,007,393	\$ 79,609	\$ 2,652,457	\$ 1,607,982	\$ 1,184,913	\$ 1,918,960	\$ 900,342
Primary Government										
Expenses										
Governmental activities	\$ 275,983,824	\$ 295,394,296	\$ 302,821,239	\$ 322,426,397	\$ 327,457,481	\$ 349,388,258	\$ 379,578,076	\$ 366,721,436	\$ 365,923,133	\$ 383,449,096
Business-type activities	6,577,033	3,618,010	7,373,364	7,193,276	4,704,102	4,791,709	5,486,248	5,804,049	4,855,077	5,985,505
Total primary government expenses	282,560,857	299,012,306	310,194,603	329,619,673	332,161,583	354,179,967	385,064,324	372,525,485	370,778,210	389,434,601
Program Revenues										
Governmental activities	236,170,381	237,976,991	234,475,249	229,918,722	236,373,284	253,729,941	263,043,817	275,566,524	284,706,583	279,534,119
Business-type activities	5,999,197	6,964,997	6,677,011	7,663,280	7,035,784	6,733,446	6,090,161	6,178,188	6,310,686	6,676,848
Total primary government program revenues	242,169,578	244,941,988	241,152,260	237,582,002	243,409,068	260,463,387	269,133,978	281,744,712	291,017,269	286,210,967
Net Expense¹										
Governmental activities	(39,813,443)	(57,417,305)	(68,345,990)	(92,507,675)	(91,084,197)	(95,658,317)	(116,534,259)	(91,154,912)	(81,216,550)	(103,914,977)
Business-type activities	(577,836)	3,346,987	(696,353)	470,004	2,331,682	1,941,737	603,913	374,139	1,455,610	691,343
Total primary government net expense	(40,391,279)	(54,070,318)	(69,042,343)	(92,037,671)	(88,752,515)	(93,716,580)	(115,930,346)	(90,780,773)	(79,760,940)	(103,223,634)
General revenues										
Governmental activities	43,868,985	45,315,295	47,996,043	82,408,051	81,596,350	89,561,071	92,523,311	87,865,466	77,578,131	77,056,488
Business-type activities	887,818	651,325	510,893	537,389	(2,252,073)	710,720	1,004,069	810,774	463,350	208,999
Total primary government general revenues	44,756,803	45,966,620	48,506,936	82,945,440	79,344,277	90,271,791	93,527,380	88,676,240	78,041,481	77,265,487
Change in net assets										
Governmental activities	4,055,542	(12,102,010)	(20,349,947)	(10,099,624)	(9,487,847)	(6,097,246)	(24,010,948)	(3,289,446)	(3,638,419)	(26,858,489)
Business-type activities	309,982	3,998,312	(185,460)	1,007,393	79,609	2,652,457	1,607,982	1,184,913	1,918,960	900,342
Total primary government change in net assets	\$ 4,365,524	\$ (8,103,698)	\$ (20,535,407)	\$ (9,092,231)	\$ (9,408,238)	\$ (3,444,789)	\$ (22,402,966)	\$ (2,104,533)	\$ (1,719,459)	\$ (25,958,147)

Source: Auditor-Controller, County of Butte

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

For the Fiscal Year Ended June 30,

	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund:									
Reserved for:									
Encumbrances	\$ 7,069,736	\$ 7,257,572	\$ 6,409,889	\$ 5,130,723	\$ 5,535,099	\$ 2,829,192	\$ 4,164,873	\$ 2,437,136	\$ 2,348,768
Imprest cash	49,695	44,270	44,270	45,145	45,095	45,595	44,095	44,245	84,345
Prepaid items	-	-	1,100	4,140	15,503	1,138	-	1,888	1,848
Deposits with others	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
General restrictions	15,695,241	18,132,280	21,069,956	3,165,083	5,196,551	5,586,824	10,611,120	11,560,087	13,844,851
Debt service	1,091,371	4,656,265	787,644	787,482	792,978	808,994	801,259	1,127,040	1,572,685
Inventory	-	-	-	-	-	-	-	-	154,369
Unreserved:									
Designated	2,388,433	2,502,727	2,830,188	24,366,630	19,626,639	3,894,494	91,826	232,510	115,000
Undesignated	16,192,849	16,078,711	8,768,646	10,776,705	15,813,037	16,857,031	10,160,457	9,059,057	16,710,645
Total general fund balance	\$ 42,489,825	\$ 48,674,325	\$ 39,914,193	\$ 44,278,408	\$ 47,027,402	\$ 30,025,768	\$ 25,876,130	\$ 24,464,463	\$ 34,835,011

All other Governmental Funds:

Reserved for:									
Encumbrances	\$ 10,347,610	\$ 7,304,377	\$ 5,412,910	\$ 4,389,886	\$ 2,988,183	\$ 10,563,974	\$ 17,850,098	\$ 11,526,534	\$ 10,662,956
Imprest cash	2,940	5,365	5,215	1,215	1,165	1,815	1,750	1,700	2,700
Prepaid items	-	-	2,190	297	945	1,766	-	4,088	8,945
Deposits with others	-	-	297	500	297	297	297	297	297
Long-term loans receivable ¹	3,241,840	3,134,461	2,682,411	2,226,168	2,074,395	-	-	-	-
Legislative/ Grant restrictions	4,369,157	4,006,428	3,862,737	731,130	948,144	1,961,755	21,963,318	22,424,759	25,932,333
Debt service	-	1,150,916	417,810	8,061,829	7,684,891	8,970,613	5,522,525	7,943,619	7,875,805
Inventories	95,668	119,333	280,034	267,580	310,556	231,586	293,954	273,707	284,270
Unreserved:									
Designated, reported in:									
Special revenue funds	5,937,454	5,594,935	5,356,679	6,053,130	7,102,915	23,931,864	-	4,558,541	4,460,824
Undesignated, reported in:									
Special revenue funds	9,327,658	7,339,842	8,004,013	10,816,972	14,336,025	8,439,849	1,249,734	12,604,968	15,206,987
Capital projects funds	(2,402,568)	(1,331,347)	501,318	90,015	129,562	220,031	848,587	295,664	551,122
Total other governmental fund balances	\$ 30,919,759	\$ 27,324,310	\$ 26,525,614	\$ 32,638,722	\$ 35,577,078	\$ 54,323,550	\$ 47,730,263	\$ 59,633,877	\$ 64,986,239

2

2011

General Fund:

Nonspendable	\$ 122,064
Restricted	13,842,210
Committed	2,628,878
Assigned	6,559,485
Unassigned	11,197,976
Total general fund	\$ 34,350,613

All other Governmental Funds:

Nonspendable	\$ 323,212
Restricted	64,521,687
Committed	-
Assigned	-
Total other governmental fund	\$ 64,844,899

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

Source: Auditor-Controller, County of Butte

Note 1: The substantial increase or decrease in fund balance reserved or designated is explained in Management's Discussion and Analysis.

Note 2: The County implemented GASB Statement No. 54 under which governmental fund balances are reported as nonspendable, restricted, committed, assigned and unassigned compared to reserved and unreserved.

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

For the Fiscal Year Ended June 30,

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
REVENUES										
Taxes	\$ 21,237,501	\$ 22,753,793	\$ 23,874,775	\$ 41,845,457	\$ 47,395,136	\$ 52,384,206	\$ 53,797,238	\$ 54,091,251	\$ 54,334,212	\$ 52,343,950
Licenses and permits	3,398,347	3,988,539	4,360,823	5,143,170	4,322,084	4,861,476	4,604,498	3,720,735	3,123,312	3,145,687
Fines, forfeitures, and penalties	2,115,318	2,255,129	2,741,657	1,829,081	2,446,572	2,728,930	3,139,816	3,307,221	3,835,387	3,303,472
Revenues from uses of money and property	3,533,053	3,053,170	2,240,655	3,081,942	1,337,150	5,285,289	4,982,969	4,063,901	2,766,269	2,832,593
Aid from other governments	224,680,201	223,632,528	221,567,801	217,938,378	231,688,344	240,529,554	248,376,861	256,476,762	258,983,988	254,567,483
Charges for services	20,091,942	22,705,240	22,558,577	23,166,702	22,885,477	26,645,205	27,757,939	29,300,650	34,248,627	33,315,652
Other	5,637,472	3,912,473	6,852,202	19,506,239	8,327,670	11,430,359	12,932,121	11,688,660	4,521,606	4,886,258
Total revenues	280,693,834	282,300,872	284,196,490	312,510,969	318,402,433	343,865,019	355,591,442	362,649,180	361,813,401	354,395,095
EXPENDITURES:										
Current:										
General government	13,295,361	13,564,592	23,530,072	28,041,583	18,353,948	20,440,643	21,640,700	21,456,259	23,348,016	24,604,161
Public protection	68,903,950	72,318,779	73,266,989	80,974,652	80,525,118	89,379,218	97,512,700	93,854,161	84,903,509	90,860,266
Public ways and facilities	14,798,252	13,942,349	15,811,238	10,943,957	14,332,609	17,037,110	18,547,425	22,211,130	18,282,672	17,280,545
Health and sanitation	48,966,706	54,706,422	55,626,131	55,683,804	59,429,613	65,632,200	72,966,299	67,928,959	71,610,453	71,323,578
Public assistance	122,398,997	127,320,047	126,018,804	128,551,888	131,916,991	137,501,206	142,597,681	143,751,638	142,735,533	147,195,075
Education	2,323,995	2,595,937	2,618,241	2,604,840	2,819,417	3,056,164	3,397,317	3,227,903	2,714,077	2,857,080
Recreation and cultural services	4,065,679	629,744	455,878	356,178	540,284	475,794	574,995	538,899	344,806	349,228
Debt Service: (1)										
Principal	-	-	-	4,160,315	5,562,451	2,854,718	6,774,954	746,483	767,210	1,198,373
Interest	-	-	-	3,259,717	4,218,911	4,226,524	3,599,724	2,597,561	2,398,702	2,600,773
Cost of issuance	-	-	-	162,344	19,300	-	-	-	-	-
Total expenditures	274,752,940	285,077,870	297,327,353	314,739,278	317,718,642	340,603,577	367,611,795	356,312,993	347,104,978	358,269,079
Excess (deficiency) of revenues over expenditures	5,940,894	(2,776,998)	(13,130,863)	(2,228,309)	683,791	3,261,442	(12,020,353)	6,336,187	14,708,423	(3,873,984)
OTHER FINANCING SOURCES (USES):										
Sales of capital asset	26,488	55,949	16,283	184,210	22,973	24,014	463,507	72,392	68,894	20,844
Transfers in	6,675,214	6,628,970	11,545,776	20,333,417	23,387,710	19,802,941	24,328,799	20,862,960	21,674,746	28,301,883
Transfer out	(6,675,214)	(6,358,889)	(11,277,305)	(22,854,312)	(19,446,663)	(19,292,699)	(23,638,040)	(20,574,185)	(20,525,060)	(27,967,367)
Proceeds from issuance of debt	1,428,917	5,040,019	52,387,282	15,474,418	1,254,300	23,535	123,162	-	-	885,235
Total other financing sources (uses)	1,455,405	5,366,049	52,672,036	13,137,733	5,218,320	557,791	1,277,428	361,167	1,218,580	1,240,595
SPECIAL ITEM:										
Payment for unfunded actuarial liability	-	-	(49,100,000)	-	-	-	-	-	-	-
Net change in fund balances	\$ 7,396,299	\$ 2,589,051	\$ (9,558,827)	\$ 10,909,424	\$ 5,902,111	\$ 3,819,233	\$ (10,742,925)	\$ 6,697,354	\$ 15,927,003	\$ (2,633,389)
Debt service as a percentage of noncapital expenditures	n/a	n/a	n/a	2.5%	3.1%	2.1%	2.9%	1.0%	0.9%	1.1%

Source: Auditor-Controller, County of Butte

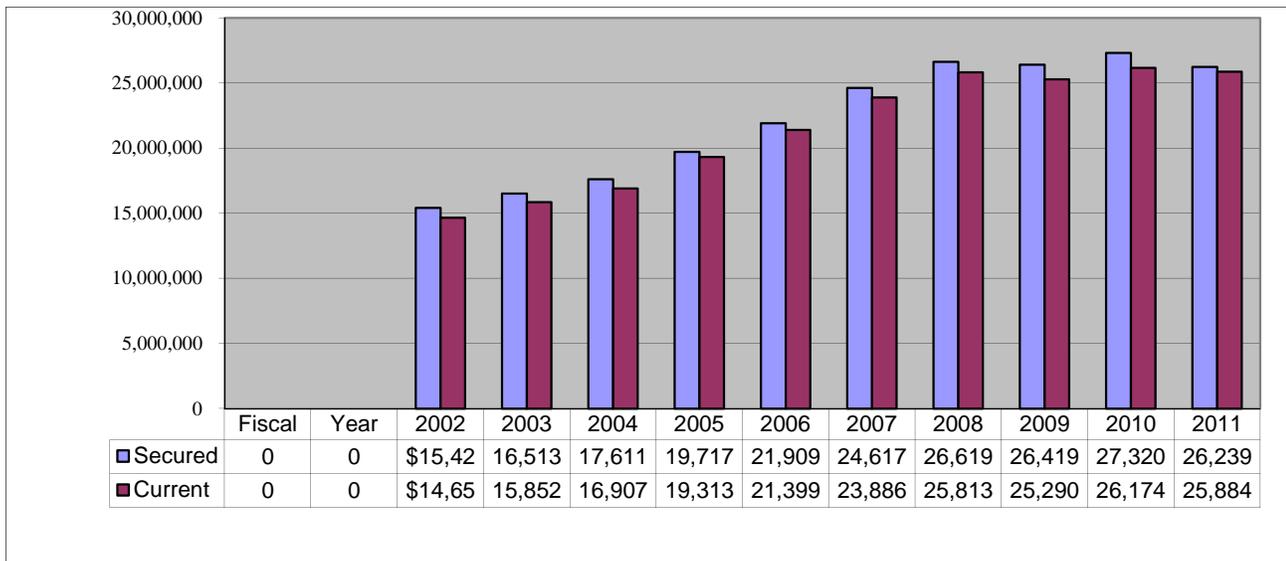
Note 1: Debt service was shown as a separate function during fiscal year 2004-05.

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

Fiscal Year	Total Secured Property Tax Levy	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections (1)	Total Tax Collections June 30 (2)	Percent of Total Tax Collections to Tax Levy
2002	\$ 15,421,306	\$ 14,650,240	95.00%	\$ 427,151	\$ 15,077,391	97.77%
2003	16,513,410	15,852,874	96.00%	439,062	16,291,936	98.66%
2004	17,611,617	16,907,152	96.00%	397,491	17,304,643	98.26%
2005	19,717,336	19,313,601	97.95%	372,631	19,686,232	99.84%
2006	21,909,684	21,399,946	97.67%	445,534	21,845,480	99.71%
2007	24,617,283	23,886,338	97.03%	465,174	24,351,512	98.92%
2008	26,619,209	25,813,325	96.97%	696,536	26,509,861	99.59%
2009	26,419,095	25,290,109	95.73%	828,468	26,118,577	98.86%
2010	27,320,121	26,174,805	95.81%	946,894	27,121,699	99.27%
2011	26,239,383	25,884,970	98.65%	941,274	26,826,244	102.24%

Note 1: Prior years restated to include only current year collections of delinquent taxes.

Note 2: Includes current and teeter collections.



Source: Auditor-Controller, County of Butte

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

Fiscal Year	Secured Roll	Utility Roll	Unsecured Roll	Assessed Value
2002	\$ 10,210,901,077	\$ 20,289,420	\$ 596,527,153	\$ 10,827,717,650
2003	10,940,529,305	18,939,397	622,967,322	11,582,436,024
2004	11,624,793,072	18,939,909	635,629,383	12,279,362,364
2005	12,720,999,330	21,586,369	628,596,023	13,371,181,722
2006	14,047,057,479	21,878,301	671,570,735	14,740,506,515
2007	15,705,066,165	19,279,234	728,715,203	16,453,060,602
2008	17,253,582,073	8,367,262	772,788,613	18,034,737,948
2009	17,826,407,338	7,930,798	836,897,313	18,671,235,449
2010	17,361,801,601	5,152,377	868,120,034	18,235,074,012
2011	17,015,198,786	4,882,202	915,590,669	17,935,671,657

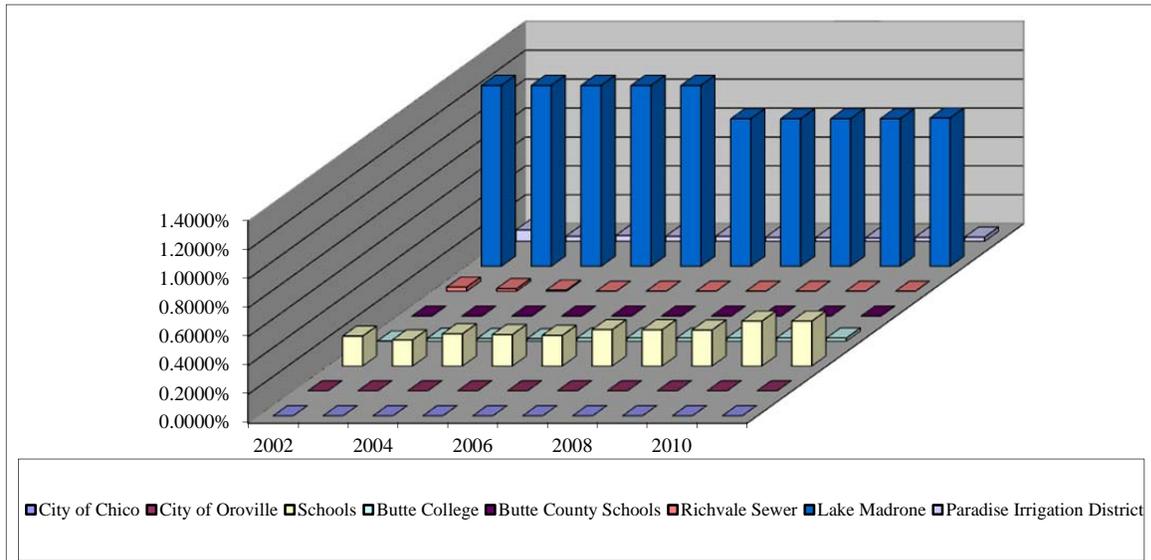
Note: Total estimated actual value of taxable property was not reasonably estimable.

Source: Auditor-Controller, County of Butte

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

Fiscal Year	Basic				Butte					Paradise	Total
	Countywide Levy	City of Chico	City of Oroville	Schools	Butte College	County Schools	Richvale Sewer	Lake Madrone	Irrigation District		
2002	1.000%	0.0000%	0.0000%	0.2072%	0.0000%	0.0000%	0.0280%	1.2500%	0.0780%	2.5632%	
2003	1.000%	0.0000%	0.0000%	0.1810%	0.0188%	0.0000%	0.0175%	1.2500%	0.0340%	2.5013%	
2004	1.000%	0.0000%	0.0000%	0.2229%	0.0171%	0.0000%	0.0078%	1.2500%	0.0390%	2.5368%	
2005	1.000%	0.0000%	0.0000%	0.2177%	0.0160%	0.0000%	0.0000%	1.2500%	0.0340%	2.5177%	
2006	1.000%	0.0000%	0.0000%	0.2118%	0.0209%	0.0000%	0.0000%	1.2500%	0.0330%	2.5157%	
2007	1.000%	0.0000%	0.0000%	0.2518%	0.0209%	0.0000%	0.0000%	1.0200%	0.0270%	2.3197%	
2008	1.000%	0.0000%	0.0000%	0.2507%	0.0209%	0.0000%	0.0000%	1.0200%	0.0240%	2.3156%	
2009	1.000%	0.0000%	0.0000%	0.2488%	0.0209%	0.0000%	0.0000%	1.0200%	0.0220%	2.3117%	
2010	1.000%	0.0000%	0.0000%	0.3109%	0.0209%	0.0000%	0.0000%	1.0200%	0.0260%	2.3778%	
2011	1.000%	0.0000%	0.0000%	0.3109%	0.0209%	0.0000%	0.0000%	1.0250%	0.0280%	2.3848%	

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



Source: Auditor-Controller, County of Butte

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

Taxpayer	2011			2005 (1)		
	Rank	Assessed Valuation	Percentage of Total Assessed	Rank	Assessed Valuation	Percentage of Total Assessed
Pacific Gas and Electric Corporation	1	\$ 456,843,622	2.547%	1	\$ 346,921,754	2.595%
Wild Goose Storage, Inc.	2	201,337,919	1.123%	2	91,461,818	0.684%
Pacific Bell California	3	67,719,984	0.378%	3	58,258,685	0.436%
Chico Mall Partners LP	4	59,265,242	0.330%	5	28,858,611	0.216%
Farmland Reserve, Inc.	5	32,626,260	0.182%		-	-
Union Pacific Railroad	6	32,111,576	0.179%		-	-
Chico Crossroads LP	7	30,015,000	0.167%	4	36,651,410	0.274%
Carwood Skypark, LLC	8	25,468,592	0.142%		-	-
Pacific Coast Producers	9	24,474,753	0.136%	6	24,011,550	0.180%
Agreserves, Inc.	10	22,746,692	0.127%		-	-
Pan Pacific Development LLC				7	24,002,189	0.180%
Sprint Communications Co.				8	23,695,716	0.177%
Largest Secured Property Valuation		952,609,640	<u>5.311%</u>		633,861,733	<u>4.742%</u>
Other Secured Taxpayers		<u>16,983,062,017</u>			<u>12,737,319,989</u>	
Total Secured Property Valuation - net of exemptions		<u>\$ 17,935,671,657</u>			<u>\$ 13,371,181,722</u>	

Note 1: In accordance with GASB Statement No. 44, the following table presents information for the County's principal taxpayers as of June 30, 2011 and should also be presented for June 30, 2001. However, June 30, 2001 information is not available and June 30, 2005 information will be presented until there is a nine year separation.

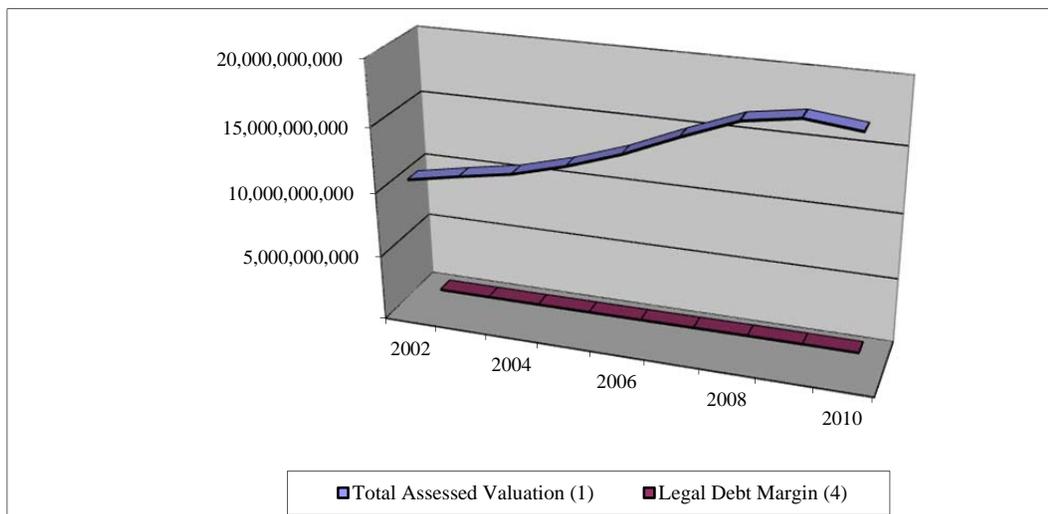
Source: Auditor-Controller, County of Butte

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

Fiscal Year	Total Assessed Valuation (1)	Legal Debt Limit (2)	Total Net Debt Applicable to Limit	Legal Debt Margin (4)	Legal Debt Margin/Debt Limit
2002	10,827,717,650	135,346,471	-	135,346,471	100%
2003	11,582,436,024	144,780,450	-	144,780,450	100%
2004	12,279,362,364	153,492,030	-	153,492,030	100%
2005	13,371,181,722	167,139,772	-	167,139,772	100%
2006	14,740,506,515	184,256,331	-	184,256,331	100%
2007	16,453,060,602	205,663,258	-	205,663,258	100%
2008	18,034,737,948	225,434,224	-	225,434,224	100%
2009	18,671,235,449	233,390,443	-	233,390,443	100%
2010	18,235,074,012	227,938,425	-	227,938,425	100%
2011	17,935,671,657	224,195,896	-	224,195,896	100%

Note:

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



Source: Auditor-Controller, County of Butte

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

Fiscal Year	County Population (1)	Assessed Value	Gross Bonded Debt	Debt Payable from Enterprise Revenue	Net Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2002	207,300	10,827,717,650				0.000%	
2003	210,800	11,582,436,024				0.000%	
2004	212,237	12,279,362,364				0.000%	
2005	214,119	13,371,181,722				0.000%	
2006	217,209	14,740,506,515				0.000%	
2007	218,069	16,453,060,602				0.000%	
2008	220,407	18,034,737,948				0.000%	
2009	220,748	18,671,235,449				0.000%	
2010	221,331	18,235,074,012				0.000%	
2011	221,388	17,935,671,657				0.000%	

Source:

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

Source: Auditor-Controller, County of Butte

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

Fiscal Year	Governmental Activities				Business-type Activities			Total Primary Government	Percentage of Assessed Value	Percentage of Personal Income	Per Capita
	Bonds	Certificates of Participation	Loans/ Notes	Capital Leases	Loans	Certificates of Participation	Capital Leases				
2002	1,109	4,440		2,998				8,547	0.0738%	0.18%	40
2003	1,052	9,345		2,366			2,258	15,021	0.1223%	0.30%	70
2004	50,879	5,150	2,492	1,019			1,780	61,320	0.4586%	1.14%	282
2005	61,515	4,540	4,111	688			1,289	72,143	0.4894%	1.24%	332
2006	57,212	3,920	3,935	1,479	500		784	67,830	0.4123%	1.11%	311
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	38	69,524	0.3854%	0.98%	315
2009	50,492	2,300	2,494	1,029	350	12,025	20	68,710	0.3680%	1.02%	311
2010	50,403	1,945	2,278	922	300	11,300	20	67,167	0.3683%	0.94%	303
2011	49,895	2,439	2,053	848	250	10,550	-	66,035	0.3682%	0.88%	298

Source: Auditor-Controller, County of Butte

**COUNTY OF BUTTE, CALIFORNIA
OVERLAPPING BONDED DEBT
JUNE 30, 2011**

2010-11 Assessed Valuation: \$18,966,273,259 (includes unitary utility valuation)
 Redevelopment Incremental Valuation: 3,971,132,690
 Adjusted Assessed Valuation: \$14,995,140,569

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	Total Debt <u>6/30/11</u>	<u>% Applicable (1)</u>	County's Share of <u>Debt 6/30/11</u>
Butte-Glenn Community College District	\$78,848,079	85.126%	\$ 67,120,216
Yuba Joint Community College District	92,166,325	0.192	176,959
Chico Unified School District	52,195,000	100.	52,195,000
Marysville Joint Unified School District	69,118,777	1.340	926,192
Oroville Union High School District	20,171,385	100.	21,171,385
Manzanita School District	715,000	100.	715,000
Oroville School District	4,516,411	100.	4,516,411
Thermalito Union School District	1,888,536	100.	1,888,536
City 1915 Act Bonds	285,000	100.	<u>285,000</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$147,994,699
 <u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Butte County Certificates of Participation	\$12,130,000	100. %	\$12,130,000
Butte County Pension Obligations	49,895,000	100.	49,895,000
Butte-Glenn Community College District General Fund Obligations	2,890,000	85.126	2,460,141
Yuba Joint Community College District General Fund Obligations	15,040,000	.192	28,877
Chico Unified School District Certificates of Participation	1,700,000	100.	1,700,000
Paradise Unified School District Certificates of Participation	1,210,000	100.	1,210,000
Biggs Unified School District Certificates of Participation	420,000	100.	420,000
City of Oroville Pension Obligations	6,605,000	100.	6,605,000
City of Paradise Pension Obligations	9,633,623	100.	<u>9,633,623</u>
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$84,082,641
 TOTAL DIRECT DEBT			 62,025,000
TOTAL OVERLAPPING DEBT			170,052,340
 COMBINED TOTAL DEBT			 \$232,077,340 (2)

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

Ratios to Adjusted Assessed Valuation:
Combined Direct Debt (\$62,025,000).....0.41%
 Combined Total Debt.....1.55%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/11: \$0

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Obligation Bonds	\$ 1,109,309	\$ 1,051,620	\$ 50,878,665	\$ 57,070,000	\$ 57,212,322	\$ 56,423,916	\$ 50,575,340	\$ 50,491,664	\$ 50,402,721	\$ 49,895,000
Less:										
Amounts Available in										
Debt Service Fund (1)	-	-	-	20,839,083	7,257,602	8,536,527	5,385,967	7,805,458	7,732,755	8,788,635
Total Net Obligation										
Bonds Outstanding	<u>\$ 1,109,309</u>	<u>\$ 1,051,620</u>	<u>\$ 50,878,665</u>	<u>\$ 36,230,917</u>	<u>\$ 49,954,720</u>	<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>
Percentage of Estimated										
Actual Taxable										
Value of Property	0.0%	0.0%	0.41%	0.27%	0.34%	0.29%	0.25%	0.23%	0.23%	0.23%
Per Capita	\$ 5.3	\$ 5.0	\$ 237.6	\$ 166.8	\$ 230.0	\$ 219.6	\$ 205.0	\$ 193.4	\$ 192.8	\$ 185.7

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

Note 2: Details regarding the county's outstanding debt can be found in the notes to the financial statements.

Source: Auditor-Controller, County of Butte

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

Fiscal Year	Population (1)	Personal Income (2)	Per Capita	School Enrollment (3)	Unemployment Rate (1)
			Personal Income (2)		
2002	210,800	4,879,434,000	23,147	34,454	7.3%
2003	212,237	5,025,193,000	23,677	34,260	7.4%
2004	214,119	5,393,454,000	25,189	33,768	7.2%
2005	217,209	5,811,000,000	26,753	33,385	6.7%
2006	217,209	6,099,731,000	28,082	33,192	4.9%
2007	218,069	6,494,706,000	29,783	32,827	6.1%
2008	220,407	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%

Detail of estimated population, as July, 2008:

Incorporated Cities/Towns:

City of Biggs	1,834
City of Chico	87,713
City of Gridley	6,283
City of Oroville	13,963
Town of Paradise	26,391
Total of incorporated	136,184
Total of unincorporated	85,204
Total Population	221,388

Note: Personal income and per capita income are based on the calendar year information ending during the fiscal year. Fiscal year 2010 is an estimate.

Sources:

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

COUNTY OF BUTTE, CALIFORNIA
MISCELLANEOUS STATISTICAL INFORMATION
JUNE 30, 2011

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

Area of County: 1,665 square miles

County Seat: Oroville, California

Date of Incorporation: February 18, 1850

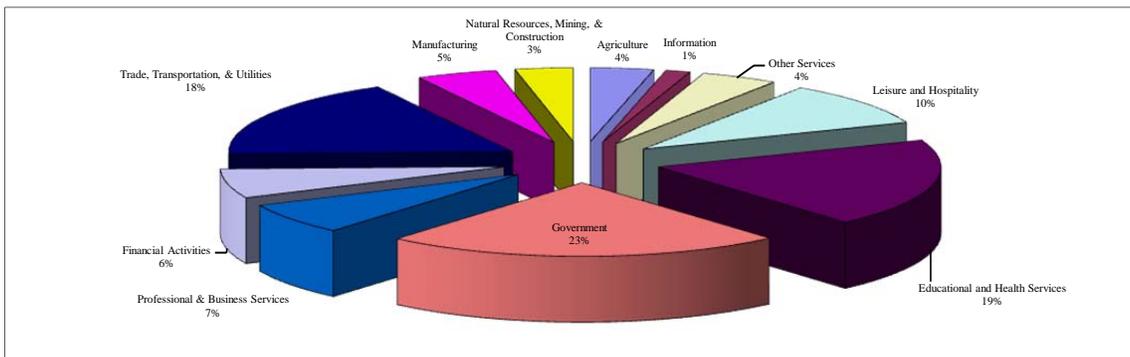
Form of Government: General Law County, governed by a five-member Board of Supervisors

Fiscal Year Begins: July 1

County Employees: as of June 30, 2011: 2,250

Employment Distribution (2006 Annual Average)(1):

Agriculture	3.6%
Information	1.4%
Other Services	4.4%
Leisure and Hospitality	9.7%
Educational and Health Services	19.5%
Government	22.7%
Professional & Business Services	6.9%
Financial Activities	6.4%
Trade, Transportation, & Utilities	17.6%
Manufacturing	4.6%
Natural Resources, Mining, & Construction	3.3%



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

COUNTY OF BUTTE, CALIFORNIA
PRINCIPAL EMPLOYERS
JUNE 30, 2011 and Nine Years Ago

Major County Employers

Company	2011			2002		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Enloe Medical Center, Inc.	2,275	1	2.55%	n/a	n/a	n/a
Butte County	2,250	2	2.53%	n/a	n/a	n/a
California State University, Chico	1,825	3	2.05%	n/a	n/a	n/a
Butte Glenn Community College	1,500	4	1.68%	n/a	n/a	n/a
Chico Unified School District	1,400	5	1.57%	n/a	n/a	n/a
Oroville Hospital	1,233	6	1.38%	n/a	n/a	n/a
Pacific Coast Producers	725	7	0.81%	n/a	n/a	n/a
Feather River Hospital	620	8	0.70%	n/a	n/a	n/a
Associated Students California	600	9	0.67%	n/a	n/a	n/a
Butte County Office of Education	600	10	0.67%	n/a	n/a	n/a
Total	<u>13,028</u>		<u>14.62%</u>			

Note: June 30, 2002 complete information is not available.

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

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

Function/Program	For the Fiscal Year Ended June 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
Sheriff								
Number of Bookings	11,356	12,964	13,543	13,920	12,693	14,241	13,487	12,792
Coroner Case Load	1,588	1,618	1,701	1,709	1,632	1,677	1,734	1,606
Calls for Services - Unincorporated Areas	45,536	43,585	43,261	56,131	64,121	63,871	63,787	60,499
Fire								
Medical Assistance	13,383	13,964	13,240	8,287	8,101	8,021	11,941	12,054
Fires Extinguished	905	884	740	753	1,311	1,089	2,169	2,022
Probation								
Juveniles in Detention Facilities (bed days)	22,354	19,967	20,987	21,484	19,242	17,949	17,564	17,789
Waste Management								
Landfill Tonnage	209,466	202,189	191,676	196,153	192,073	163,370	152,257	152,822
Recycling Tonnage	22,762	20,186	13,640	26,484	23,377	19,390	13,768	12,420
County Library								
Total Circulation	653,985	662,590	723,178	744,881	826,821	910,249	840,078	918,069
Reference Questions Answered	49,276	41,672	37,703	36,948	38,546	42,366	27,449	32,526
Patrons	97,023	106,696	96,049	90,702	93,616	94,574	79,326	74,057
Programs Offered	1,106	975	1,169	1,019	1,214	1,353	1,415	1,377
Program Attendance	20,788	18,917	22,510	23,439	30,916	34,764	28,395	32,943
Visitor Count	581,194	628,430	662,302	656,949	723,460	756,901	642,112	640,096
Clerk-Recorder								
Official Records Recorded	87,054	77,545	74,963	77,497	61,002	51,388	52,738	52,863
Vital Records Copies Issued	12,201	12,813	13,179	13,903	13,629	13,689	12,430	12,393
Official Records Copies Issued	6,942	7,319	6,665	6,442	6,172	5,408	4,272	5,431
Community Health Agency								
Facilities Inspections	N/A	3,200	4,015	4,905	5,577	5,276	5,714	5,704
Public Social Services								
CalWORKS Clients	134,259	122,799	115,616	121,734	105,953	103,947	102,663	103,267
Food Stamp Clients	167,912	206,012	209,550	221,324	228,513	251,732	290,417	311,695
Medi-Cal Clients	119,660	152,590	148,090	144,901	159,384	157,048	169,544	245,592
In-Home Support Services	32,355	33,044	30,927	36,416	35,951	37,593	36,322	33,376
Foster Care Placements	9,682	9,166	8,859	8,343	8,417	7,542	7,065	5,812
Child Welfare Services	11,850	12,193	12,019	11,130	12,282	11,237	10,150	9,800

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

Source: Auditor-Controller, County of Butte

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

For the Fiscal Year Ended June 30,								
Function/Program	2004	2005	2006	2007	2008	2009	2010	2011
Sheriff								
Patrol Stations	4	4	4	4	4	4	4	4
Patrol Vehicles	65	65	65	60	60	50	50	61
Fire								
Stations	26	26	26	26	26	26	26	26
Trucks	38	40	40	40	40	40	40	40
Waste Management								
Landfills	1	1	1	1	1	1	1	1
Capacity in Tons	13,141,300	12,608,230	12,427,121	12,257,452	12,088,756	11,931,691	11,793,202	11,671,773
County Libraries								
Branch Libraries	6	6	6	6	6	6	6	6
Book Mobiles	1	1	1	1	1	1	1	1
Books in Collection	284,355	296,795	299,262	309,681	306,155	321,799	302,828	243,280

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

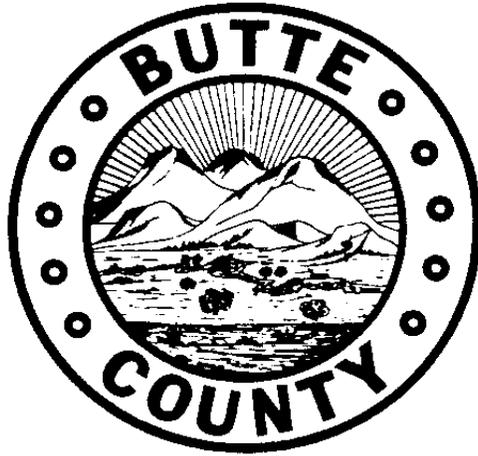
Source: Auditor-Controller, County of Butte

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

Function/Program	Full-time Equivalent Employees					
	2006	2007	2008	2009	2010	2011
General government:						
Legislative and Administrative	28	24	35	35	38	39
Finance	30	35	19	16	20	20
Purchasing	3	4	6	6	6	6
Treasurer	28	24	26	28	30	27
Assessor	44	44	44	38	39	39
Human Resources	12	13	22	17	18	18
County Counsel	12	12	9	9	9	9
Elections	14	8	13	10	10	9
Development Services	44	45	42	40	40	40
Recorder	17	17	15	12	11	13
Other General	11	11	14	50	50	44
Public Protection:						
Judicial	97	97	104	118	115	109
Police Protection	167	163	175	163	175	176
Detention and Correction	167	159	168	191	176	158
Fire Protection	3	-	4	5	4	3
Probation	92	102	105	94	93	93
Water Services	5	5	4	4	4	3
Other Protection	7	8	7	6	6	4
Public ways and Facilities:						
Public ways	106	117	106	103	100	101
Health and Sanitation:						
Health	571	565	591	579	566	555
Agriculture	22	19	24	24	28	23
Public Assistance:						
Aid Programs	555	565	557	514	521	555
Veterans Services	1	2	3	3	3	2
Other Assistance	111	122	101	107	109	111
Education:						
Library Services	54	56	58	43	43	43
Farm Advisor	3	3	3	3	4	3
County Business-type Functions						
Landfill	25	25	23	21	20	23
Internal Service Funds						
	66	67	67	24	24	24
	2,295	2,312	2,345	2,263	2,262	2,250

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

Source: Human Resources Department, County of Butte



Glossary

COUNTY OF BUTTE

Glossary for the Comprehensive Annual Financial Report

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

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

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

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

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

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

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

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

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

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

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.

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

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

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

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

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

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

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

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

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

COUNTY OF BUTTE

Glossary for the Comprehensive Annual Financial Report

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

COUNTY OF BUTTE

Glossary for the Comprehensive Annual Financial Report

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

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

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

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

ECONOMIC RESOURCES MEASUREMENT FOCUS.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

COUNTY OF BUTTE

Glossary for the Comprehensive Annual Financial Report

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

COUNTY OF BUTTE

Glossary for the Comprehensive Annual Financial Report

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

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

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

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

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

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

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

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

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

NONSPENDABLE FUND BALANCE, Amounts that cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact.

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

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

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

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

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

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

COUNTY OF BUTTE

Glossary for the Comprehensive Annual Financial Report

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

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

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

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. A component of fund balance that can be spent only for specific purposes stipulated by external parties (such as creditors, grant providers or contributors) or by law.

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

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

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

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

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

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

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

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

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

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

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

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

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

COUNTY OF BUTTE
Glossary for the Comprehensive Annual Financial Report

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.