

COUNTY OF BUTTE

State of California

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2013



Table Mtn Sunset – Oroville CA
Photo by Stan McQuown 2010 Stan's Photo Art
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Prepared Under the Supervision of:

David A. Houser
County Auditor-Controller

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December 31, 2013

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, 2013, is hereby submitted in compliance with Sections 25250 and 25253 of the Government Code of the State of California (State). The report contains financial statements that have been prepared in conformity with generally accepted accounting principles in the United States of America (GAAP) prescribed for government entities. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the County. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and present fairly the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2013, 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 14 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 221,485 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.

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

MAJOR INITIATIVES

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

Capital Projects

- **County Clerk Record Storage Building**
Construction of a new record storage building is currently in the planning stages with Construction to begin in 2014. The total project cost is estimated to be \$9.5 million dollars. The County has secured an USDA loan to be repaid with departmental revenues, impact fees and facility reserve funds over the next forty years.
- **Jail Capacity Expansion Construction**
The County has applied for a State Grant through the Adult Jail Capacity Expansion Construction Project SB1022 program for \$40 million dollars in State funding. This project is in response to the impacts the County has felt due to the State of California shifting State inmates down to County jails through AB109. AB109 was the result of State prison overcrowding and actions to mitigate a federal law suit requiring the State to reduce overcrowding in the State prison facilities. The County jail is currently operating at maximum capacity. The County will be required to contribute a minimum of \$4,445 million cash and in-kind match to receive this Grant. The match will be provided from impact fees collected, inmate welfare funds and criminal justice facility construction funds. The land value and project management cost will make up

the in-kind match portion. The Grant if approved will allow the County to construct a new facility with 168 medium security beds, 32 maximum security beds and 56 special use beds for a total of 256 beds. When completed it is anticipated that operating costs will increase by approximately \$1 million annually over current operating expenses. Completion of the project if Grant funding is obtained is projected to be January 2019.

Computer Software Upgrade

In March of 2013 the County implemented a software upgrade of the financial management system from SunGard 4.3 to SunGard 5.0. The County will achieve cost benefits from the greatly enhanced software features. One such feature offers to expand the paperless environment for the County as documents can be created by or scanned into the system and shared by multiple users, reducing paper handling costs between departments and paper retention costs. The upgrade will also allow greater flexibility to meet the needs of individual departments helping to reduce or eliminate many of the numerous shadow programs currently being utilized.

Electronic Vendor Payments

In support of expanding technological advancements for opportunities to improve our processes here at the County, in this fiscal year an electronic option for payments to vendors was implemented. As the County moves forward in the transition to be paperless and utilize new technology, this was a great opportunity for the County to save costs associated with processing and printing checks.

FACTORS AFFECTING FINANCIAL CONDITION

Economic Challenges

Three simple words, "Survival, Stability and Recovery" best describe the County's journey through recent economic uncertainties and the roadmap for the future. Budget cuts, service reductions and staffing cutbacks allowed the County to survive through some of the most difficult of economic challenges. Bold steps taken by the Board of Supervisors and making difficult decisions early on was critical to survival.

Trends in local economy as well as the state's economy began showing signs of improvement allowing the transition from survival to stability. After years of being in survival mode, the County has achieved fiscal stability and is now poised for the next phase, recovery. Comprehensive recovery is still several years out and future challenges are identified: restoration of services, improvements to infrastructure, unfunded pension liabilities, deferred maintenance of facilities, retiree health care costs, pension obligation bond costs and compensation for employees. The Board of Supervisors and County staff will continue to identify and monitor these challenges and strive to stay in the forefront of implementing innovative efficiencies and prioritize the needs of the community and to wisely utilize the resources available to serve its citizens.

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 has established a comprehensive framework of internal controls designed to ensure that the assets of the government are protected from loss, theft or misuse. This framework ensures that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. Reasonable assurance provides that the cost of internal controls should not exceed the benefits and that decisions often require the use of estimates and judgments by management.

Single Audit

As a recipient of federal and state financial assistance, the County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*. Information related to this single audit include the schedule of 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 2012-13 Single Audit will be issued under separate cover and will be available by contacting the Auditor-Controller's office after March 31, 2014.

Budgeting Controls

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

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

An operating budget is adopted each fiscal year for all Governmental Funds. Expenditures are controlled at the object level within budget units for the County. The object level within a budget unit is the level at which expenditures may not legally exceed appropriations. Pursuant to Board Resolution 04-029 transfers of appropriations between object levels within the same budget unit require approval of the Chief Administrative Office and Auditor-Controller. Any amendments or transfers of appropriations between departments or funds must be approved by the Board of Supervisors. The Board of Supervisors must approve supplementary appropriations normally financed by unanticipated revenues during the year. Budgeted amounts in the budgetary financial schedules are reported as originally adopted and are amended during the fiscal year by resolutions approved by the Board of Supervisors.

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

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

Credit Rating

Over the past year, rating downgrades have occurred for a variety of public and private entities. However the County has not experienced any downgrades nor is the County on credit watch by any of the rating agencies. The County proudly maintains a strong credit rating and strives to continue this achievement.

OTHER INFORMATION

Independent Audit

County charter requires an annual audit by independent certified public accountants. The firm of Gallina, LLP was selected by the County to meet this requirement. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County, for the fiscal year ended June 30, 2013, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and evaluating the overall financial statement presentation. The independent auditors concluded, based upon their audit results, that there was a reasonable basis for rendering an unqualified ("clean") opinion that the County's basic financial statements for the fiscal year ended June 30, 2013, 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, 2012. This achievement represents the County's 7th consecutive award. This award is the highest form of recognition for excellence in state and local government reporting. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that

satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

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

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "David A. Houser". The signature is fluid and cursive, with a long horizontal flourish at the end.

David A. Houser
County Auditor-Controller

COUNTY OF BUTTE

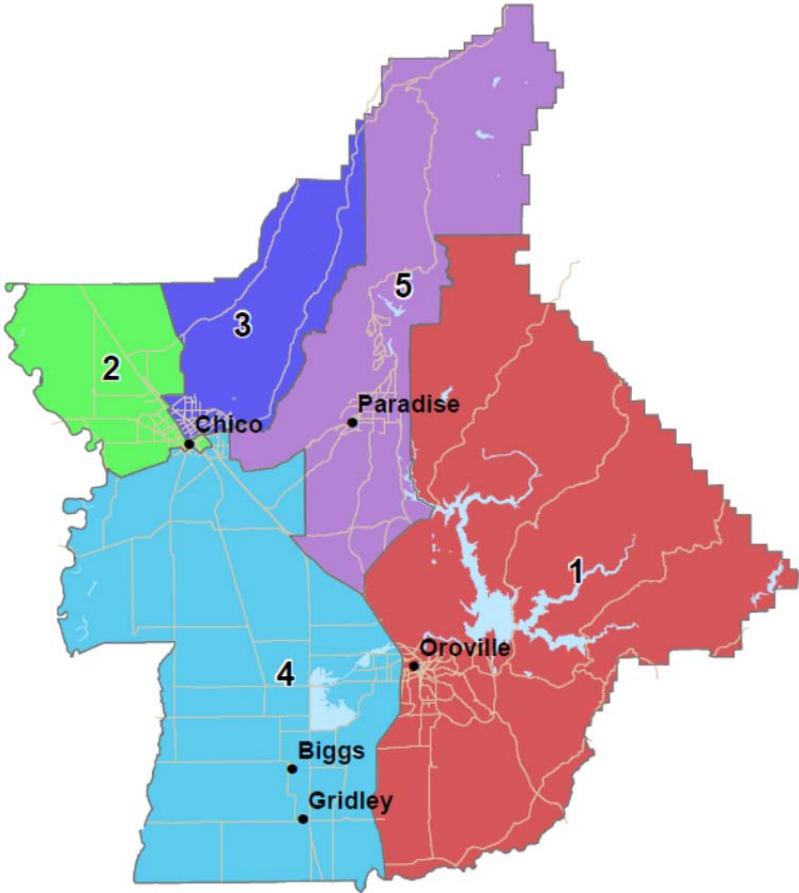
BOARD OF SUPERVISORS

June 30, 2013

Board of Supervisors

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

*Chosen annually at the first meeting in January.



COUNTY OF BUTTE

PRINCIPAL COUNTY OFFICIALS

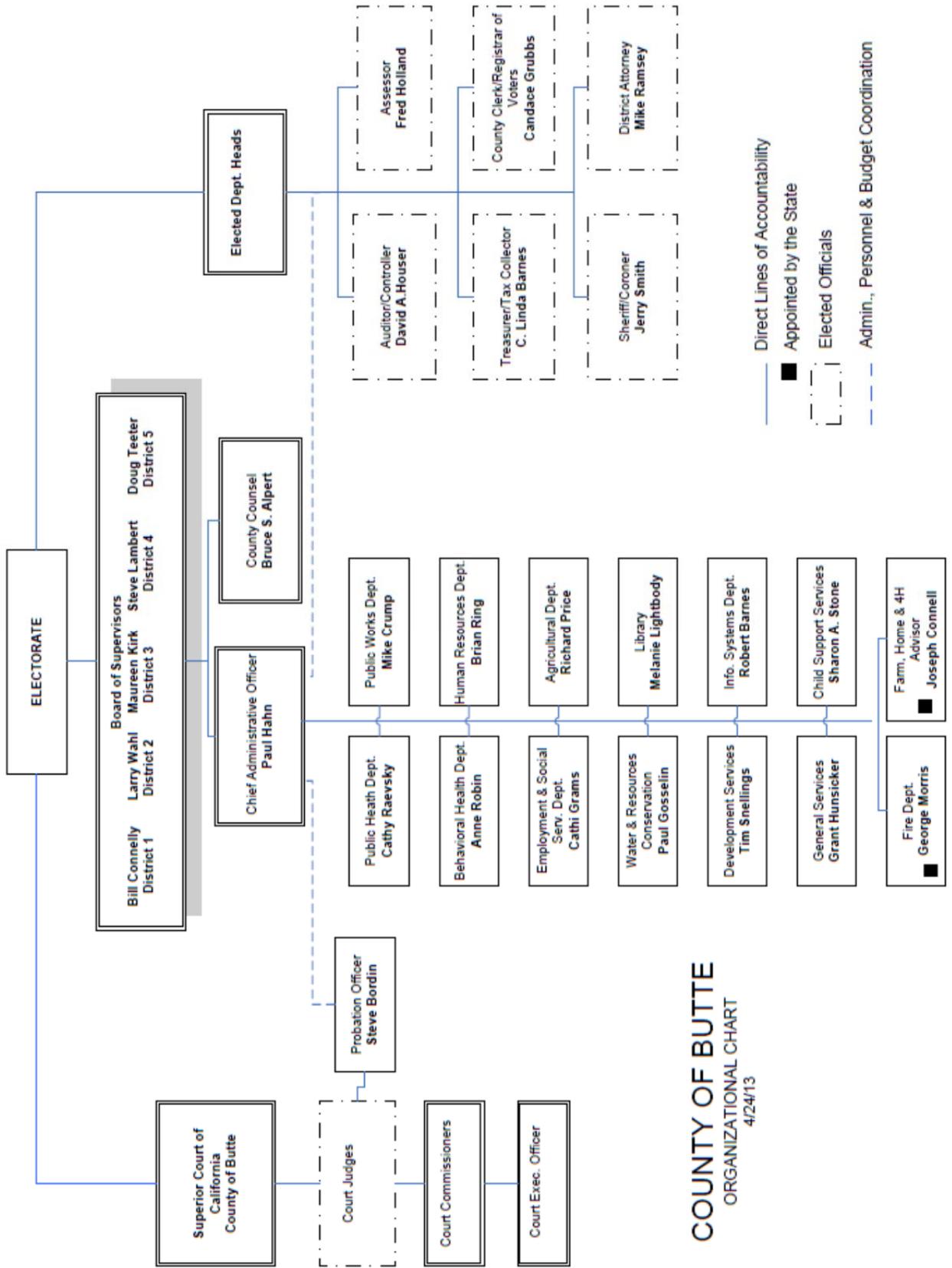
June 30, 2013

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

Agricultural Commissioner.....	Richard Price
Behavioral Health.....	Anne Robin
Chief Administrative Officer.....	Paul Hahn
Child Support Services.....	Sharon A Stone
County Counsel.....	Bruce Alpert
Development Services.....	Tim Snellings
Employment and Social Services.....	Cathi Grams
Farm, Home & 4-H Advisor.....	Joseph Connell
Fire Chief.....	George Morris
General Services.....	Grant Hunsicker
Human Resources.....	Brian Ring
Information Systems.....	Robert Barnes
Library.....	Melanie Lightbody
Chief Probation Officer.....	Steve Bordin
Public Health.....	Cathy Raevsky
Public Works.....	Mike Crump
Water & Resource Conservation.....	Paul Gosselin



COUNTY OF BUTTE
 ORGANIZATIONAL CHART
 4/24/13

- Direct Lines of Accountability
- Appointed by the State
- - - Elected Officials
- - - Admin., Personnel & Budget Coordination



Government Finance Officers Association

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

Presented to

**County of Butte
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO



INDEPENDENT AUDITOR'S REPORT

Board of Supervisors
County of Butte

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Butte, California, (the County), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2013, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2013 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



Roseville, California
December 31, 2013



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, 2013. It should be read in conjunction with the County's financial statements following this section. All dollar amounts included in the Management's Discussion and Analysis section are expressed in thousands unless otherwise indicated.

I. FINANCIAL HIGHLIGHTS

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$314,170 (net position). Of this amount, \$15,700 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- The County's governmental fund's total net position decreased by \$1,640 during the fiscal year excluding prior period adjustments.
- As of June 30, 2013, the County's governmental funds reported combined ending fund balances of \$101,207, a net increase of \$828 in comparison with the prior fiscal year, including prior period adjustments. Amounts available for spending include restricted, committed, assigned and unassigned fund balances; these totaled \$100,716, or 99% of ending fund balance. Of this amount \$79,228 is restricted by law or externally imposed requirements, and \$5,709 is committed for specific purposes.
- At the end of the current fiscal year, the assigned and unassigned fund balances for the general fund was \$17,982 or 15.3% of total general fund expenditures.
- The County's total long-term obligations as of June 30, 2013 increased by \$3,607 over the prior period. The key factors in the increase were an increase in \$492 in Claims and Judgments, net increase of \$1,076 in Compensated Absences, reduction of \$293 in long-term notes, reduction of \$1,225 in Certificates of Participation, increase of \$467 in capital lease obligations, increase of \$255 in post closure costs and the increase of \$2,835 in the OPEB obligation.

II. OVERVIEW OF THE FINANCIAL STATEMENTS

A. Basic Financial Statements

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

B. Government-wide Financial Statements

The government-wide financial statements are designed to provide an overview of the County's finances, in a manner similar to a private-sector business that is, using the accrual basis of accounting. They demonstrate accountability of Butte County by showing the extent to which it

has met operating objectives efficiently and effectively, using all resources available, and whether it can continue to do so.

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

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

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

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

C. Fund Financial Statements

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

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

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

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

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

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

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

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

D. Notes to the Basic Financial Statements

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

E. Required Supplementary Information

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

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

III. GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS

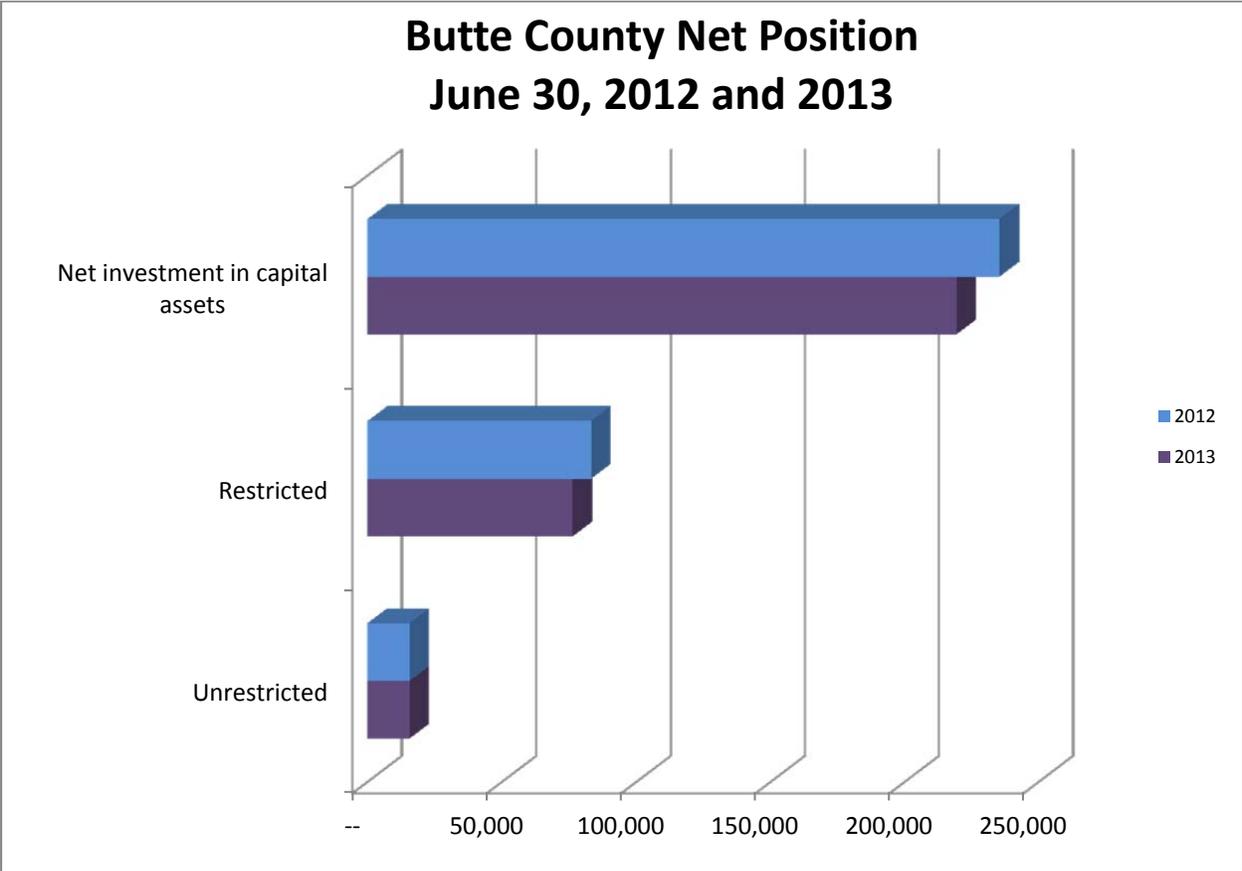
Table 1 – Net Position

	Governmental		Business-type		Total		Total	
	Activities		Activities				Dollar Change	% Change
	2013	2012	2013	2012	2013	2012	2012 to 2013	2012 to 2013
Current and other assets	\$ 194,054	\$ 193,812	\$ 19,777	\$ 19,518	\$ 213,831	\$ 213,330	\$ 501	0.2 %
Capital assets	213,190	231,479	19,789	18,888	232,979	250,367	(17,388)	(7.5)%
Total assets	407,244	425,291	39,566	38,406	446,810	463,697	(16,887)	(3.8)%
Current and other liabilities	25,186	31,356	614	1,305	25,800	32,661	(6,861)	(26.6)%
Long-term liabilities	93,161	83,988	13,679	12,794	106,840	96,782	10,058	9.4 %
Total liabilities	118,347	115,344	14,293	14,099	132,640	129,443	3,197	2.4 %
Net position:								
Net investment in capital assets	209,080	226,632	10,270	8,797	219,350	235,429	(16,079)	(7.3)%
Restricted	79,228	83,185			79,228	83,185	(3,957)	(5.0)%
Unrestricted	589	130	15,003	15,510	15,592	15,640	(48)	(0.3)%
Total net position	\$ 288,897	\$ 309,947	\$ 25,273	\$ 24,307	\$ 314,170	\$ 334,254	\$ (20,084)	(6.4)%

The largest portion of the County's net position (69.8%) reflects the County's investment in capital assets (i.e. its land, structures and improvements, infrastructure, and equipment), less any related outstanding debt use to acquire those assets. The County uses these capital assets to provide a variety of services to citizens. Accordingly, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net position represent (25.2%) of the net position that is subject to external restrictions on how they may be used.

The remaining balance of (5.0%) is unrestricted and may be used to meet the County's ongoing obligations to citizens and creditors.



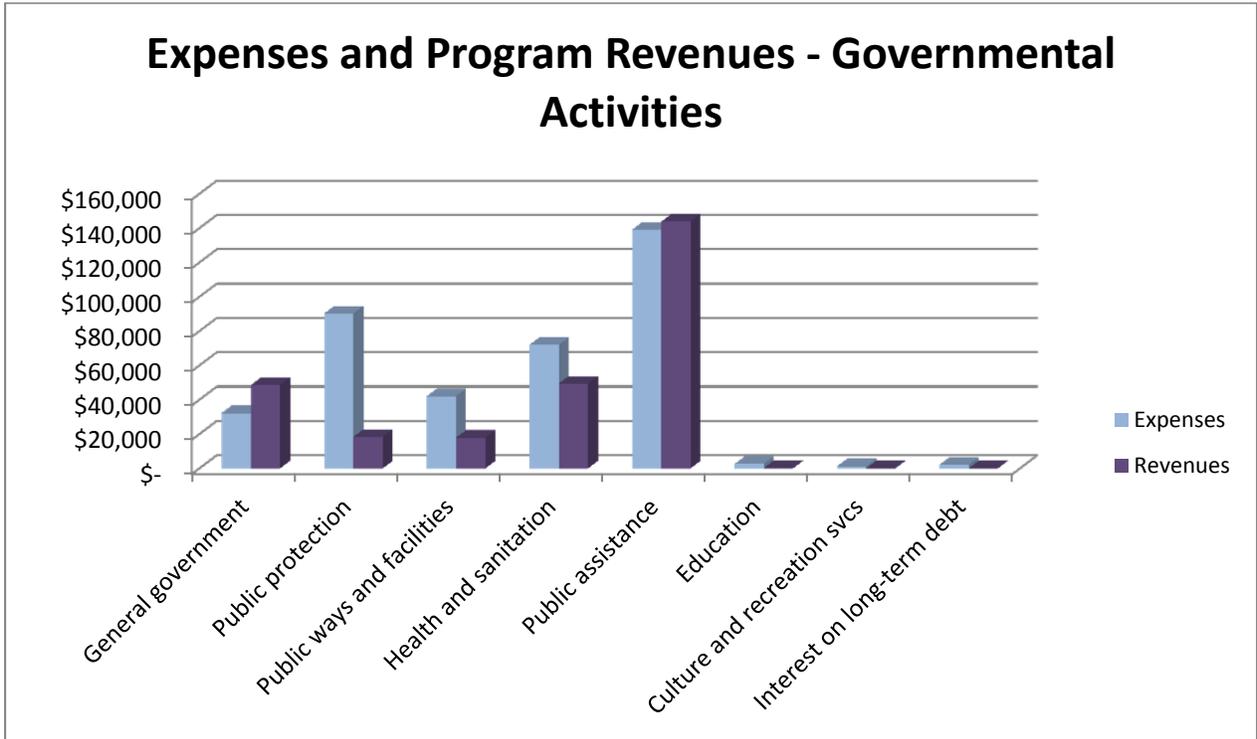
The following highlights significant factors that affected the governmental and business-type activities and contributed to the decrease in net position:

- Governmental Activities accounted for a decrease in net position of \$21,050, primarily due to current year depreciation expense of the County’s infrastructure (roads and bridges), which amounted to \$18,909.
- Business-Type Activities accounted for an increase in net position of \$966, primarily due to current year revenues exceeding expenses.

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

Table 2 –Changes in Net Position

	Governmental		Business-type		Total		Total	
	Activities		Activities		Total		Dollar Change	% Change
	2013	2012	2013	2012	2013	2012	2012 to 2013	2012 to 2013
Revenues:								
Program revenues:								
Charges for services	\$ 22,938	\$ 38,278	\$ 6,730	\$ 6,626	\$ 29,668	\$ 44,904	\$ (15,236)	(51.4)%
Operating grants and contributions	231,245	238,623			231,245	238,623	(7,378)	(3.2)%
Capital grants and contributions	17,868	13,264			17,868	13,264	4,604	25.8 %
General revenues:								
Property taxes	47,224	46,505			47,224	46,505	719	1.5 %
Sales taxes	3,912	3,810			3,912	3,810	102	2.6 %
Other taxes and related revenues	1,311	1,022			1,311	1,022	289	22.0 %
Unrestricted grants and contributic	17,354	17,747			17,354	17,747	(393)	(2.3)%
Unrestricted investment income	3,167	1,752	182	197	3,349	1,949	1,400	41.8 %
Miscellaneous revenues	5,045	3,935	107		5,152	3,935	1,217	23.6 %
Total revenues	350,064	364,936	7,019	6,823	357,083	371,759	(14,676)	(4.1)%
Program expenses:								
General government	28,890	30,061			28,890	30,061	(1,171)	(4.1)%
Public protection	88,471	93,246			88,471	93,246	(4,775)	(5.4)%
Public ways and facilities	41,002	37,082			41,002	37,082	3,920	9.6 %
Health and sanitation	70,531	75,317			70,531	75,317	(4,786)	(6.8)%
Public assistance	136,126	141,999			136,126	141,999	(5,873)	(4.3)%
Education	2,487	3,209			2,487	3,209	(722)	(29.0)%
Culture and recreation services	166	584			166	584	(418)	(251.8)%
Interest on long-term debt	2,000	2,489			2,000	2,489	(489)	(24.5)%
Sanitation	--	--	5,868	5,282	5,868	5,282	586	10.0 %
Total expenses	369,673	383,987	5,868	5,282	375,541	389,269	(13,728)	(3.7)%
Change in net assets before transfers	(19,609)	(19,051)	1,151	1,541	(18,458)	(17,510)	(948)	5.1 %
Transfers	(25)	15	25	(15)	--	--	--	--
Change in net position	(19,634)	(19,036)	1,176	1,526	(18,458)	(17,510)	(948)	5.1 %
Net position - beginning	309,947	329,645	24,307	22,465	334,254	352,110	(17,856)	(5.3)%
Prior period adjustment	(1,416)	(662)	(210)	316	(1,626)	(346)	--	--
Net position - ending	\$ 288,897	\$ 309,947	\$ 25,273	\$ 24,307	\$ 314,170	\$ 334,254	\$ (20,084)	(6.4)%



IV. FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

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

Governmental funds The general government functions are included in the General, Special Revenue, Capital Project, and Debt Service Funds. Included in these funds are the special districts governed by the Board of Supervisors. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, total fund balance less the nonspendable portion is a useful measure of the County's net resources available for spending at the end of the fiscal year.

At June 30, 2013, the County's governmental funds reported combined ending fund balances of \$101,207. The components of total fund balance are as follows:

- Nonspendable fund balance – \$491, 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 – \$79,228, consists of amounts with constraints put on their use by externally imposed creditors, grantors, contributions, laws, regulations or enabling legislation.
- Committed fund balance – \$5,710, are amounts for specific purposes determined by the Board of Supervisors, such as emergency reserves of \$5,000 and debt service of \$710.
- Assigned fund balance – \$714, are amounts intended to be used for specific purposes.
- Unassigned fund balance – \$15,064, represents the residual classification for the County's General Fund.

Approximately 99%, or \$100,716, of the total fund balances is available to meet the County's current and future needs. With the approval of the Board of Supervisors, County management may allocate a portion of fund balance to a particular function, project or activity, and may also allocate for purposes beyond the current year, within the constraints applied to the various categories of fund balance. With the exception of the nonspendable portion, fund balances are available for appropriation at any time. The general fund is the main operating fund of the County. The general fund balance increased by \$2,385 during the current fiscal year, including prior period adjustments. Negotiations with all bargaining units resulted in Butte County employees increased contribution towards their pension resulting in a shift of expenditures from the County to the employees which also contributed to increased fund balance.

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 33.7% of total fund expenditures, while spendable fund balance equates to 33.0% of total fund expenditures. Of the general fund spendable fund balance, \$15,813 or 39.8% is restricted, and \$5,710 or 14.0% is committed.

The welfare fund has a total fund balance of \$5,190 of which \$5,190 is restricted. The overall fund balance increased by \$554.

The public health fund has a total fund balance of \$9,818 of which \$9,818 is restricted. The overall fund balance decreased by \$2,435 due primarily due to Health Realignment Vehicle License Fees being received below base level funding. In addition, the department planned and budgeted to use restricted cash to help support one-time costs.

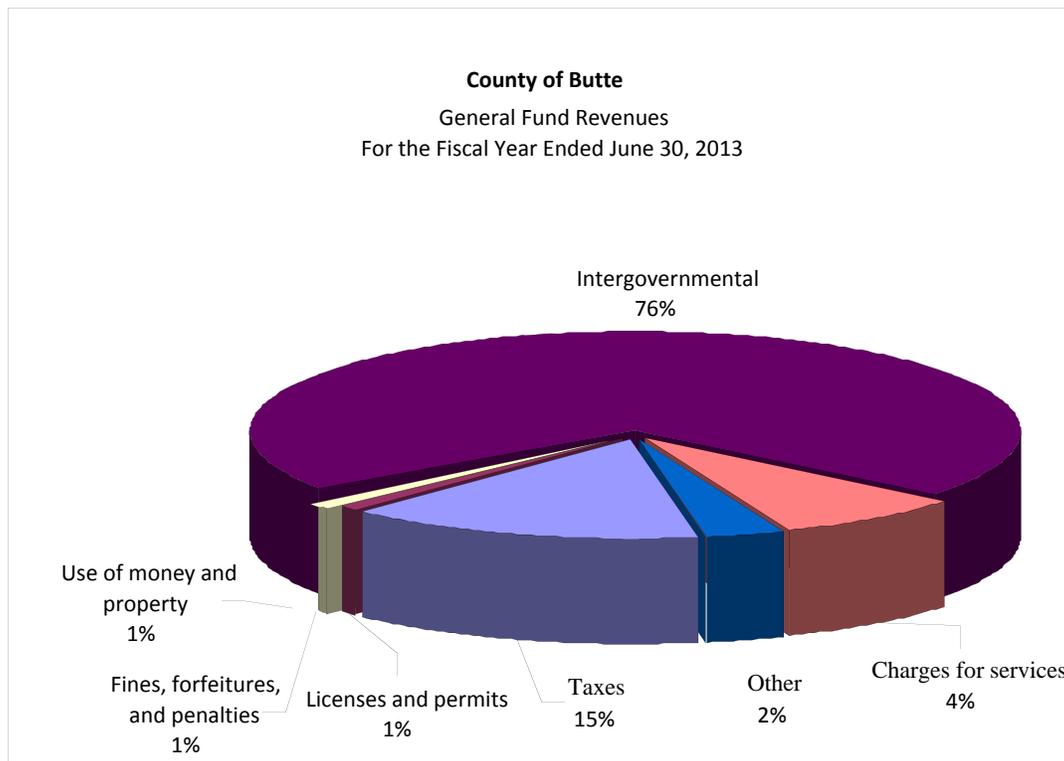
The behavioral health fund has a total fund balance of \$(2,203) of which \$(2,203) is unassigned. The overall fund balance decreased by \$477 primarily resulted from reimbursement delays from Federal Financial Participation and the State of California changing their cost report method.

The road fund has a total fund balance of \$13,293. Of this amount, \$341 is nonspendable, and the balance of \$12,952 is assigned. The overall fund balance decreased by \$2,586 during the current fiscal year, due to decreased revenues from other local governmental projects.

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

Table 3 – Revenues in the Governmental Funds

Revenue Sources	FY 2012		FY 2013		Change	
	Amount	% of total	Amount	% of total	Amount	% of change
Taxes	\$ 51,337	14.1%	\$ 52,447	15.0%	\$ 1,110	2.2%
Licenses and permits	3,120	0.9%	3,317	0.9%	197	6.3%
Fines, forfeitures, and penalties	3,233	0.9%	3,138	0.9%	(95)	(2.9%)
Use of money and property	1,571	0.4%	3,167	0.9%	1,596	101.6%
Intergovernmental	269,779	74.2%	266,363	76.1%	(3,416)	(1.3%)
Charges for services	30,672	8.4%	16,484	4.7%	(14,188)	(46.3%)
Other	3,935	1.1%	5,041	1.4%	1,106	28.1%
Total	<u>\$ 363,647</u>	<u>100%</u>	<u>\$ 349,957</u>	<u>100%</u>	<u>\$ (13,690)</u>	<u>(3.8%)</u>



Significant changes for major revenue sources are explained below.

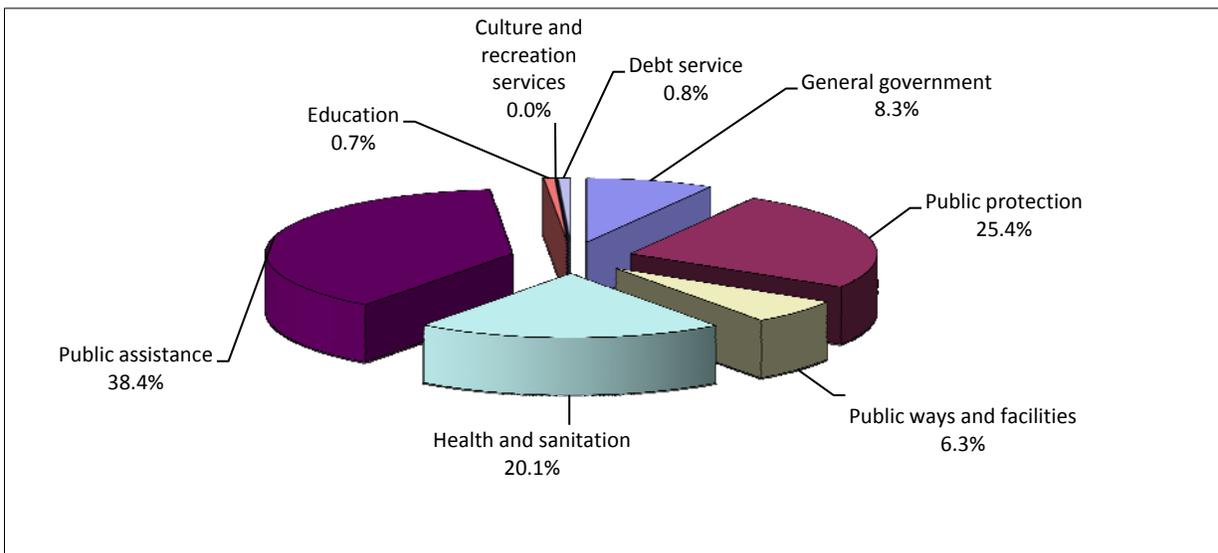
- Taxes – Residential and Secured Business Values increased slightly due to the stabilization of the current economy.

- Use of Money and Property – Increases during the year are attributed to a new revenue source in water leases.
- Charges for services – Decrease is due to a change in accounting principle in the handling of interfund transfers between departments.
- Other – Increase in revenue due to a large increase in tobacco settlements.

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 2012		FY 2013		Change	
	Amount	% of total	Amount	% of total	Amount	% of change
General government	\$ 29,192	8.1%	\$ 29,383	8.3%	\$ 191	0.7%
Public protection	92,590	25.5%	89,451	25.4%	(3,139)	(3.4%)
Public ways and facilities	18,434	5.1%	22,206	6.3%	3,772	20.5%
Health and sanitation	74,749	20.6%	70,983	20.1%	(3,766)	(5.0%)
Public assistance	140,937	38.9%	135,234	38.4%	(5,703)	(4.0%)
Education	3,149	0.9%	2,407	0.7%	(742)	(23.6%)
Culture and recreation services	363	0.1%	77	0.0%	(286)	(78.8%)
Debt service	3,153	0.9%	2,739	0.8%	(414)	(13.1%)
Total	\$ 362,567	100%	\$ 352,480	100%	\$ (10,087)	(2.8%)



Significant changes for major functions are explained below.

- Public Ways and Facilities – The increase is due to large construction project costs during the current fiscal year.
- Public Assistance – The decrease in this function is mainly due to case load fluctuations and increased efficiencies.

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

The County's only enterprise fund consists of the Neal Road Landfill Management fund and has total net position of \$25,273. Of this amount, \$10,162 is investment in capital assets, and the balance of \$15,111 is unrestricted. Overall net position increased by \$966 due to an increase in capital assets and revenues exceeding expenses. The County's internal service funds have an aggregate net position of \$9,253. Of this amount, \$24 is invested in capital assets.

V. GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget for revenues were an increase of \$3,108. This increase was due to the County receiving more aid from other governments than was originally anticipated. Differences between the original budget and the final amended budget for expenditures were an increase of \$5,100.

During the fiscal year, actual revenues were more than budgetary estimates by \$14,108. The primary reason for the increase was the increased revenue received by aid from other governments. Differences in actual expenditures to budgetary estimates were a decrease of \$7,794. The primary reason for the decrease were lower total expenditures including \$1,380 savings on Table A Water expected services and supplies. Other reductions included other financing uses and transfers.

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, 2013, amounts to \$232,979 (net of accumulated depreciation). This investment in capital assets includes land, structures and improvements, equipment, construction-in-progress, and infrastructure. The total decrease in the County's net investment in capital assets for the current period was 6.9%.

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

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

- Construction in progress capital assets were transferred to structures and improvements and equipment.
- Net Capital assets of the Butte County Fair in the amount of \$1,036 were removed from the County's beginning balances and schedules, they are reported by this separate entity.
- Net Capital assets for Air Quality Management in the amount of \$3 were also removed from the County schedules and transferred to this separate entity in this current fiscal year.
- 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)

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	2012	2013	2012	2013	2012	2013
Land	\$ 2,641	\$ 2,641	\$ 431	\$ 431	\$ 3,072	\$ 3,072
Structures & improvements	42,845	43,316	17,314	56	60,159	43,372
Equipment	12,066	13,907	653	1,102	12,719	15,009
Infrastructure	170,135	150,680	--	18,029	170,135	168,709
Construction in progress	3,792	2,646	490	171	4,282	2,817
Total	<u>\$ 231,479</u>	<u>\$ 213,190</u>	<u>\$ 18,888</u>	<u>\$ 19,789</u>	<u>\$ 250,367</u>	<u>\$ 232,979</u>

B. Long-Term Obligations

At June 30, 2013, the County had total long-term obligations outstanding of \$106,840 consisting of \$10,904 in Certificates of Participation, capital lease obligations of \$1,258, bonds payable of \$49,895, loan payable of \$150, and notes payable of \$1,575. Additional long-term liabilities include compensated leave payable of \$15,134, actuarial claims liability of \$6,418 for general insurance and worker's compensation self insurance, landfill closure/post closure care liability of \$3,686 and OPEB obligation of \$17,820.

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

VII. Fiscal Outlook

The County adopted its fiscal year 2013-2014 Final Budget in the total amount of \$513,398, with a General Fund overall emergency reserve level of \$5,500. The County will continue to face difficult fiscal challenges in the foreseeable future. The most critical fiscal uncertainty facing the County continues to be the impact on local government resulting from actions the State of California may take in addressing its own fiscal problems, including the new public safety and health and human services realignment. Declining revenues, increasing social service and indigent health caseloads due to the declining economy will also impact the ability of the County to maintain current service levels. Conversely, real estate values are improving in certain areas of the County, resulting in a 2% property tax increase allowed under Proposition 13. Also, the County has negotiated agreements with southern California water districts to lease our excess water, with anticipated revenue over one million for the next fiscal year.

VIII. Request for Information

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

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

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





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

COUNTY OF BUTTE, CALIFORNIA

STATEMENT OF NET POSITION

JUNE 30, 2013

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 106,176,598	\$ 16,854,638	\$ 123,031,236
Cash and investments with fiscal agent	1,513,464	2,215,865	3,729,329
Imprest cash	48,470	2,800	51,270
Interest receivable	241,793	38,364	280,157
Accounts receivable	956,178	639,427	1,595,605
Due from other governments	29,220,682	-	29,220,682
Prepaid items	31,752	-	31,752
Deposits with others	177,797	25,503	203,300
Inventories	490,838	-	490,838
Loans receivable	3,335,401	-	3,335,401
Net pension asset	51,860,854	-	51,860,854
Capital assets, net			
Non-depreciable	5,286,903	602,161	5,889,064
Depreciable assets, net	207,903,444	19,186,818	227,090,262
Total Assets	407,244,174	39,565,576	446,809,750
LIABILITIES			
Current liabilities:			
Accounts payable	9,056,219	393,780	9,449,999
Salaries and benefits payable	3,924,053	35,230	3,959,283
Deposits payable	258,610	-	258,610
Unearned revenue	11,935,931	-	11,935,931
Accrued interest	11,609	184,450	196,059
Long term liabilities:			
Due within one year	19,523,280	1,159,665	20,682,945
Due in more than one year	73,637,471	12,519,363	86,156,834
Total Liabilities	118,347,173	14,292,488	132,639,661
NET POSITION			
Net investment in capital assets	209,080,492	10,161,697	219,242,189
Restricted for:			
General Government	1,492,421	-	1,492,421
Health and sanitation	10,282,421	-	10,282,421
Public safety	13,856,461	-	13,856,461
Public ways & facilities	12,952,299	-	12,952,299
Welfare	5,190,072	-	5,190,072
Other county programs	35,454,249	-	35,454,249
Unrestricted	588,586	15,111,391	15,699,977
Total Net Position	\$ 288,897,001	\$ 25,273,088	\$ 314,170,089

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, 2013**

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary government:			
Governmental activities:			
General government	\$ 28,890,588	\$ 10,020,782	\$ 31,610,705
Public protection	88,471,224	7,597,320	10,817,800
Public ways and facilities	41,001,623	1,057,902	-
Health and sanitation	70,530,585	3,945,720	45,687,782
Public assistance	136,125,651	316,723	142,951,400
Education	2,486,523	-	177,549
Culture and recreation services	166,481	-	-
Interest on long-term debt	1,999,865	-	-
Total Governmental Activities	<u>369,672,540</u>	<u>22,938,447</u>	<u>231,245,236</u>
Business-type activities:			
Sanitation	5,867,934	6,729,881	-
Total Business-type activities	<u>5,867,934</u>	<u>6,729,881</u>	<u>-</u>
Total Primary Government	<u>\$ 375,540,474</u>	<u>\$ 29,668,328</u>	<u>\$ 231,245,236</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 and transfers

Change in net position

Net position - beginning, as restated

Net position - ending

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

Program Revenues		Net (Expense) Revenue and Changes in Net Position				
Capital	Grants and Contributions	Governmental Activities	Business-Type Activities	Total		
-	\$	12,740,899	\$	-	\$	12,740,899
-		(70,056,104)		-		(70,056,104)
17,867,527		(22,076,194)		-		(22,076,194)
-		(20,897,083)		-		(20,897,083)
-		7,142,472		-		7,142,472
-		(2,308,974)		-		(2,308,974)
-		(166,481)		-		(166,481)
-		(1,999,865)		-		(1,999,865)
17,867,527		(97,621,330)		-		(97,621,330)
-		-	861,947			861,947
-		-	861,947			861,947
\$	17,867,527	(97,621,330)	861,947			(96,759,383)
		47,223,804		-		47,223,804
		3,911,514		-		3,911,514
		1,311,434		-		1,311,434
		17,353,808		-		17,353,808
		3,167,371	182,000			3,349,371
		5,044,991	107,674			5,152,665
		(24,770)	24,770			-
		77,988,152	314,444			78,302,596
		(19,633,178)	1,176,391			(18,456,787)
		308,530,179	24,096,697			332,626,876
\$	288,897,001	\$	25,273,088	\$		314,170,089

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





**Basic Financial Statements-
Fund Financial Statements**

COUNTY OF BUTTE, CALIFORNIA

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013**

	General Fund	Welfare Fund	Public Health Fund	Behavioral Health Fund	Road Fund	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and investments	\$ 37,188,323	\$ 861,914	\$ 2,996,512	\$ 4,390,430	\$ 12,768,197	\$ 32,300,230	\$ 90,505,606
Restricted Assets:							
Cash with fiscal agent	739,505	-	-	-	-	773,959	1,513,464
Imprest cash	44,770	-	650	1,000	50	2,000	48,470
Due from other funds	1,430,891	-	5,506,029	1,395,979	-	-	8,332,899
Interest receivable	92,692	-	17,731	-	23,528	67,925	201,876
Accounts receivable	683,117	59,578	14,138	156,310	14,428	-	927,571
Due from other governments	5,908,047	12,919,416	1,891,802	6,204,136	2,170,229	127,052	29,220,682
Prepaid items	31,752	-	-	-	-	-	31,752
Deposits with others	2,797	-	-	-	-	-	2,797
Inventory	150,080	-	-	-	340,758	-	490,838
Loans receivable	-	-	-	-	-	3,335,401	3,335,401
Total assets	46,271,974	13,840,908	10,426,862	12,147,855	15,317,190	36,606,567	134,611,356
LIABILITIES							
Due to other funds	-	2,734,222	-	5,506,029	7,350	85,298	8,332,899
Accounts payable	3,116,840	109,835	249,469	3,197,178	1,801,264	314,281	8,788,867
Salaries and benefits payable	1,781,785	945,061	256,948	623,100	174,420	142,739	3,924,053
Deferred revenue	1,453,400	4,861,718	102,045	4,867,669	41,099	610,000	11,935,931
Deposits payable	258,610	-	-	-	-	-	258,610
Total liabilities	6,610,635	8,650,836	608,462	14,193,976	2,024,133	1,152,318	33,240,360
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue	6,974	-	-	156,939	-	-	163,913
Total deferred inflows of resources	6,974	-	-	156,939	-	-	163,913
FUND BALANCES							
Nonspendable	150,080	-	-	-	340,758	-	490,838
Restricted	15,812,903	5,190,072	9,818,400	-	12,952,299	35,454,249	79,227,923
Committed	5,709,505	-	-	-	-	-	5,709,505
Assigned	714,346	-	-	-	-	-	714,346
Unassigned	17,267,531	-	-	(2,203,060)	-	-	15,064,471
Total fund balances	39,654,365	5,190,072	9,818,400	(2,203,060)	13,293,057	35,454,249	101,207,083
Total liabilities and fund balances	\$ 46,271,974	\$ 13,840,908	\$ 10,426,862	\$ 12,147,855	\$ 15,317,190	\$ 36,606,567	\$ 134,611,356

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

COUNTY OF BUTTE, CALIFORNIA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION JUNE 30, 2013

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

Fund balances-total governmental funds	\$ 101,207,083
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. These assets consist of:

Land	\$ 2,640,691	
Construction in progress	2,646,212	
Infrastructure	589,784,959	
Structures and improvements	66,919,067	
Equipment	56,745,339	
Less: accumulated depreciation	<u>(505,569,976)</u>	
Total capital assets		213,166,292

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

Net pension asset	51,860,854
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Some of the County's revenue will be collected after year-end, but is not available soon enough to pay for the current period's expenditures, and therefore is reported as unavailable revenue in the governmental funds.

163,913

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.

(11,609)

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.

9,253,219

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, 2012 are:

Certificates of participation	(1,835,333)	
Bonds payable	(49,895,000)	
Notes payable	(1,575,160)	
Capital leases	(699,362)	
Other postemployment benefits	(14,917,767)	
Compensated absences	<u>(17,820,129)</u>	

Total long-term liabilities	<u>(86,742,751)</u>
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Net position of governmental activities	<u><u>\$ 288,897,001</u></u>
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The accompanying notes are an integral part of these financial statements.



COUNTY OF BUTTE, CALIFORNIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	General Fund	Welfare Fund	Public Health Fund	Behavioral Health Fund	Road Fund	Other Governmental Funds	Total Governmental Funds
REVENUES							
Taxes	\$ 51,558,280	\$ -	\$ -	\$ -	\$ -	\$ 888,472	\$ 52,446,752
Licenses and permits	3,112,205	-	131,960	-	72,349	-	3,316,514
Fines, forfeitures, and penalties	2,088,458	-	286,118	88,102	-	675,679	3,138,357
Revenue from use of money and property	3,452,783	(21,725)	36,567	(92,936)	(59,866)	(147,452)	3,167,371
Aid from other governments	41,434,662	136,348,875	16,379,378	46,484,829	14,660,279	11,054,730	266,362,753
Charges for services	11,423,671	286,919	2,466,610	972,930	985,553	347,893	16,483,576
Other	3,781,309	1,004,836	20,859	17,724	55,823	161,080	5,041,631
Total revenues	<u>116,851,368</u>	<u>137,618,905</u>	<u>19,321,492</u>	<u>47,470,649</u>	<u>15,714,138</u>	<u>12,980,402</u>	<u>349,956,954</u>
EXPENDITURES:							
Current:							
General government	28,301,316	-	-	-	-	1,081,405	29,382,721
Public protection	86,049,728	1,056,846	-	-	-	2,344,829	89,451,403
Public ways and facilities	-	-	-	-	20,356,330	1,849,634	22,205,964
Health and sanitation	-	-	21,108,313	48,505,508	-	1,369,094	70,982,915
Public assistance	356,063	128,547,805	-	-	-	6,329,851	135,233,719
Education	2,407,061	-	-	-	-	-	2,407,061
Recreation and cultural services	37,298	-	-	-	-	39,435	76,733
Debt Service:							
Principal	406,742	-	-	-	-	331,563	738,305
Interest	36,455	-	-	-	-	1,964,589	2,001,044
Total expenditures	<u>117,594,663</u>	<u>129,604,651</u>	<u>21,108,313</u>	<u>48,505,508</u>	<u>20,356,330</u>	<u>15,310,400</u>	<u>352,479,865</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(743,295)</u>	<u>8,014,254</u>	<u>(1,786,821)</u>	<u>(1,034,859)</u>	<u>(4,642,192)</u>	<u>(2,329,998)</u>	<u>(2,522,911)</u>
OTHER FINANCING SOURCES (USES):							
Sales of capital assets	31,985	-	-	-	20,121	44,351	96,457
Transfers in	9,055,014	483,764	1,387,417	3,158,185	3,049,027	6,783,951	23,917,358
Transfers out	(5,593,518)	(8,046,544)	(2,035,774)	(2,600,346)	(1,012,520)	(3,842,485)	(23,131,187)
Total other financing sources (uses)	<u>3,493,481</u>	<u>(7,562,780)</u>	<u>(648,357)</u>	<u>557,839</u>	<u>2,056,628</u>	<u>2,985,817</u>	<u>882,628</u>
Net change in fund balances	<u>2,750,186</u>	<u>451,474</u>	<u>(2,435,178)</u>	<u>(477,020)</u>	<u>(2,585,564)</u>	<u>655,819</u>	<u>(1,640,283)</u>
Fund balances, beginning	37,269,831	4,635,703	12,253,578	(1,726,040)	15,878,621	32,066,698	100,378,391
Prior period adjustments	(365,652)	102,895	-	-	-	2,731,732	2,468,975
Fund balances - beginning, restated	<u>36,904,179</u>	<u>4,738,598</u>	<u>12,253,578</u>	<u>(1,726,040)</u>	<u>15,878,621</u>	<u>34,798,430</u>	<u>102,847,366</u>
Fund balances, ending	<u>\$ 39,654,365</u>	<u>\$ 5,190,072</u>	<u>\$ 9,818,400</u>	<u>\$ (2,203,060)</u>	<u>\$ 13,293,057</u>	<u>\$ 35,454,249</u>	<u>\$ 101,207,083</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, 2013

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

Net change to fund balances-total governmental funds		\$ (1,640,283)
<p>Amounts reported for governmental activities in the statements of activities are different because:</p>		
<p>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.</p>		
Capital outlay expenditures are therefore added back to fund balances	\$ 5,886,576	
Depreciation expense not reported in governmental funds	(24,072,327)	
Other capital asset adjustments	939,315	(17,246,436)
<p>Governmental funds report the effect of the pension asset when first paid, whereas the amount is deferred and amortized in the statement of activities.</p>		
Increase in pension asset		3,613,865
<p>Long term receivables in the governmental funds were reclassified as a prior period adjustment to reserve of fund balance. This decreased the long term receivables in the Statement of Net Position.</p>		
Change in loans receivable		163,913
<p>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.</p>		
Principal payments		737,952
<p>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).</p>		
Other postemployment benefits	(2,834,832)	
Compensated absences	(1,044,156)	(3,878,988)
<p>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.</p>		
		(1,383,201)
Change in net position of governmental activities		\$ (19,633,178)

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

COUNTY OF BUTTE, CALIFORNIA

STATEMENT OF NET POSITION PROPRIETARY FUNDS JUNE 30, 2013

	Business Type	Governmental
	Activities	Activities
	Neal Road	Internal Service
	Landfill	Funds
ASSETS		
Current assets:		
Cash and investments	\$ 16,854,638	\$ 15,670,992
Cash and investments with fiscal agent	2,215,865	-
Imprest cash	2,800	-
Interest receivable	38,364	39,917
Accounts receivable	639,427	28,607
Deposits with others	25,503	175,000
Total current assets	19,776,597	15,914,516
Noncurrent assets:		
Capital assets:		
Nondepreciable:		
Land	430,939	-
Construction in progress	171,222	-
Depreciable:		
Structures	19,649,792	-
Equipment	4,471,460	45,461
Less: Accumulated depreciation	(4,934,434)	(21,406)
Total capital assets, net	19,788,979	24,055
Total noncurrent assets	19,788,979	24,055
Total assets	\$ 39,565,576	\$ 15,938,571

continued

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

COUNTY OF BUTTE, CALIFORNIA

STATEMENT OF NET POSITION PROPRIETARY FUNDS (continued) JUNE 30, 2013

	Business Type Activities	Governmental Activities
	Neal Road Landfill	Internal Service Funds
LIABILITIES		
Current liabilities:		
Interest payable	\$ 184,450	\$ -
Accounts payable	393,780	267,352
Accrued salaries and benefits	35,230	-
Capital lease payable, current portion	107,888	-
COP payable, current portion	845,000	-
Claims and judgments, current portion	-	3,500,000
Compensated absences, current portion	143,232	-
Loans payable, current portion	50,000	-
Premium on Debt	13,545	-
Total current liabilities	1,773,125	3,767,352
Noncurrent liabilities:		
Capital lease payable	451,035	-
COP payable, less current portion	8,115,000	-
Claims and judgments, less current portion	-	2,918,000
Compensated absences, less current portion	72,747	-
Loans payable, less current portion	100,000	-
Premium on Debt	94,814	-
Landfill closure/post-closure care costs	3,685,767	-
Total noncurrent liabilities	12,519,363	2,918,000
Total liabilities	14,292,488	6,685,352
NET POSITION		
Net investment in capital assets	10,161,697	24,055
Unrestricted	15,111,391	9,229,164
Total net position	\$ 25,273,088	\$ 9,253,219

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

COUNTY OF BUTTE, CALIFORNIA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Business Type Activities	Governmental Activities
	Neal Road Landfill	Internal Service Funds
OPERATING REVENUES		
Charges for services	\$ -	\$ 6,995,670
Landfill fees	6,721,734	-
Other revenue	8,147	230,295
Total operating revenues	6,729,881	7,225,965
OPERATING EXPENSES		
Salaries and employee benefits	1,435,531	323,476
Service and supplies	1,229,319	2,591,852
Claims and judgments	-	4,819,680
Operation and maintenance	1,655,037	-
Depreciation	661,978	6,482
Landfill closure/post-closure care cost	255,228	-
Total operating expenses	5,237,093	7,741,490
Operating income (loss)	1,492,788	(515,525)
NONOPERATING REVENUES (EXPENSES)		
Interest income	182,000	(56,735)
Interest expense	(630,841)	-
Gain (loss) on sale of assets	107,674	-
Total nonoperating revenues (expenses)	(341,167)	(56,735)
NET INCOME (LOSS) BEFORE TRANSFERS	1,151,621	(572,260)
Transfers in	49,386	23,415
Transfers out	(24,616)	(834,356)
Change in net position	1,176,391	(1,383,201)
Net position, beginning of year	24,306,720	10,636,420
Prior period adjustments	(210,023)	-
Net position - beginning, restated	24,096,697	10,636,420
Net position, end of year	\$ 25,273,088	\$ 9,253,219

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, 2013

	Business Type Activities	Governmental Activities
	Neal Road Landfill	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 6,458,804	\$ 7,272,490
Cash paid to suppliers for goods and services	(2,646,260)	(7,053,957)
Cash paid to employees for services	(1,394,302)	(323,476)
Internal activities - payments from (to) other funds	(13,232)	-
Net cash provided (used) by operating activities	2,405,010	(104,943)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Principal repayment on loans payable	(50,000)	-
Transfers in	49,386	23,415
Transfers out	(24,616)	(834,356)
Net cash provided (used) by noncapital financing activities	(25,230)	(810,941)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Payments related to the acquisition of capital assets	(1,015,942)	-
Sale of capital assets	120,000	-
Principal repayment on COP payable	(823,544)	-
Interest paid	(415,988)	-
Net cash provided (used) by capital and related financing activities	\$ (2,135,474)	\$ -

continued

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

COUNTY OF BUTTE, CALIFORNIA

**STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS (continued)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Business Type Activities	Governmental Activities
	Neal Road Landfill	Internal Service Funds
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received (paid)	<u>202,183</u>	<u>(96,652)</u>
Net cash provided (used) by investing activities	<u>202,183</u>	<u>(96,652)</u>
Net increase (decrease) in cash and cash equivalents	446,489	(1,012,536)
Cash and cash equivalents, beginning	<u>18,626,814</u>	<u>16,683,528</u>
Cash and cash equivalents, ending	<u><u>19,073,303</u></u>	<u><u>15,670,992</u></u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET ASSETS:		
Cash and investments	16,854,638	15,670,992
Cash and investments with fiscal agent	2,215,865	-
Imprest cash	<u>2,800</u>	<u>-</u>
Total cash and investments	<u><u>\$ 19,073,303</u></u>	<u><u>\$ 15,670,992</u></u>

continued

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

COUNTY OF BUTTE, CALIFORNIA

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS (continued) FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Business-type Activities	Governmental Activities
	Neal Road Landfill	Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating income (loss)	\$ 1,492,788	\$ (515,525)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	661,978	6,482
Changes in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(61,054)	46,525
Change in accounting principle	(210,023)	-
Due from other funds	-	-
Prepaid items	-	-
Deposits	(3,315)	-
Increase (decrease) in:		
Accounts payable	241,411	(134,425)
Due to other funds	(13,232)	-
Accrued salaries and benefits	8,703	-
Deposits payable	-	-
Compensated absences	32,526	-
Landfill closure/post-closure cost	255,228	-
Claims and judgments	-	492,000
Net cash provided (used) by operating activities	\$ 2,405,010	\$ (104,943)
Noncash, investing, capital and financing activities:		
Issuance of capital lease	\$ 558,924	\$ -

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

COUNTY OF BUTTE, CALIFORNIA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2013

	<u>Investment Trust</u>	<u>Agency Funds</u>
ASSETS		
Cash and investments	\$ 215,434,660	\$ 28,227,622
Due from other governments	-	18,167
Imprest cash	18,896	-
Interest receivable	393,961	35,304
Property tax receivable	-	14,712,220
	<u>215,847,517</u>	<u>42,993,313</u>
Total assets	<u>215,847,517</u>	<u>42,993,313</u>
LIABILITIES		
Agency funds held for others	-	42,993,313
	<u>-</u>	<u>42,993,313</u>
Total liabilities	<u>-</u>	<u>\$ 42,993,313</u>
NET ASSETS		
Held in trust for pool participants	<u>215,847,517</u>	
Total net assets	<u>\$ 215,847,517</u>	

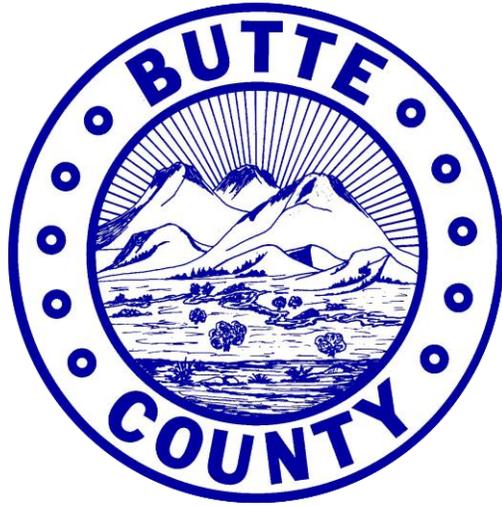
The accompanying notes are an integral part of these financial statements.

COUNTY OF BUTTE, CALIFORNIA

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS INVESTMENT TRUST FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Additions:	
Contributions to pooled investments	\$ 1,309,872,141
Interest and investment income	<u>1,868,164</u>
Total additions	<u>1,311,740,305</u>
Deductions:	
Distributions from investment pool	<u>(1,293,279,479)</u>
Total deductions	<u>(1,293,279,479)</u>
Net increase	18,460,826
Net assets, beginning	<u>197,386,691</u>
Net assets, ending	<u><u>\$ 215,847,517</u></u>

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





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

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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 – 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 – 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

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

1. Summary of Significant Accounting Policies (continued)

A. The Financial Reporting Entity (continued)

Excluded from the Reporting Entity

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

Protection to Persons & Property

El Medio Fire District
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

Drainage

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

Other Districts

Butte County Association of Governments
Butte County Resource Conservation
Butte County Office of Education
representing County School Districts

Cemetery

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

Other

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

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

1. Summary of Significant Accounting Policies (continued)

A. The Financial Reporting Entity (continued)

Butte County Fair
Buzztail Community Services
Berry Creek Community Services
Richardson Springs Community Services

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.

B. Basis of Presentation

New Accounting Pronouncements

The following Governmental Accounting Standards Board (GASB) Statements have been implemented in the current financial statements:

Statement No. 63 Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources and a term change from Net Assets to Net Position.

Statement No. 65 Items Previously Reported as Assets and Liabilities. Establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources and deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

Government-Wide Financial Statements

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

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

1. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

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

Major funds are defined as funds that have assets, liabilities, revenues, or expenditures 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.

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 fund:

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

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

1. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

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

C. Measurement Focus and Basis of Accounting

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the fiscal year for which the taxes are levied. Grants and similar items are recognized in the fiscal year in which all eligible requirements have been satisfied.

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

1. Summary of Significant Accounting Policies (continued)

C. Measurement focus and Basis of Accounting (continued)

The governmental fund financial statements are reported using the current financial resources measurement focus and modified accrual basis of accounting. Under this method, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means that revenues are collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Property tax revenues are recognized in the current year if they are collected within 60 days of fiscal year end. For all other revenues, the County considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. Revenues not considered available are recorded as deferred inflows. The County's other primary revenue sources: investment income, intergovernmental revenues and charges for services have been treated as "susceptible to accrual" under the modified accrual basis. Licenses and permits, fines, forfeitures and penalties, and other revenue are not considered "susceptible to accrual" under the modified accrual basis and are recorded as revenues when received. Expenditures generally are recorded when a liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and Judgments, are recorded when payment is due.

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

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

The pool is not registered as an investment company with the Securities and Exchange Commission (SEC) nor is it an SEC Rule 2a7-like pool. 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.

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

1. Summary of Significant Accounting Policies (continued)

D. Cash and Cash Equivalents (continued)

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, 2013 to support the values of shares in the Pool. However, management believes that the investments in the Pool are of high quality and that the risk of participation in the Pool is negligible. The Pool is subject to oversight by the Treasury Oversight Committee, as recommended by the California Debt and Investment Advisory Commission.

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

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.

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

1. Summary of Significant Accounting Policies (continued)

F. Property Taxes

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

Alternative Method of Distribution of Tax Levies

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

The County is required to create a tax loss reserve fund (an agency fund) under one of two alternative methods: 1) one percent of the total amount of taxes and assessments levied on the secured roll for the year or 2) twenty-five percent of the total delinquent secured taxes and assessments as calculated at the end of the fiscal year. The County is using 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 reported as a nonspendable component of fund balance since they do not constitute available spendable resources. No amount has been provided as an allowance for doubtful accounts because 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,

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

1. Summary of Significant Accounting Policies (continued)

H. Capital Assets (continued)

bridges, water/sewer, lighting system, drainage systems, and flood control. The County defines capital assets as assets with an initial, individual cost of more than \$25,000 for machinery, equipment and computer software; more than \$125,000 for infrastructure, buildings and land improvements; and an estimated useful life in excess of one year. Capital assets used in operations are depreciated or amortized (assets under capital leases) using the straight-line method over the lesser of the capital lease period or their estimated useful lives in the government-wide statements and the proprietary funds.

The estimated useful lives are as follows:

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

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

I. Deferred outflow/inflows of resources

Pursuant to GASB Statement Number 63, “Financial Reporting of Deferred Outflows of Resources and, Deferred Inflows of Resources, and Net Position,” the County implemented this accounting standard in the current fiscal year. These items will be reported in a separate section following assets and liabilities.

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period (s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The County has no items that qualify for reporting in this category.

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

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

1. Summary of Significant Accounting Policies (continued)

J. Compensated Absences

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

K. Interfund Receivables and Payables

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

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

L. Use of Estimates

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

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

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

1. Summary of Significant Accounting Policies (continued)

M. Presentation of financial information related to County fiduciary responsibilities (cont.)

surplus funds available in these entities. Therefore, these entities are fiscally independent of the County. Five cities and numerous self-governed special districts provide services to the residents of the County. The operations of these entities have been excluded from the basic financial statements since each entity conducts its own day-to-day operations and is controlled by its own governing board.

N. Net Position

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

O. Fund Equity

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

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

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

1. Summary of Significant Accounting Policies (continued)

O. Fund Equity (continued)

- *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.

Fund Balance Policy - based on the County's policy regarding the fund balance classification that was approved by the Board of Supervisors, when both restricted and unrestricted funds are available for expenditure, restricted funds should be spent first unless legal requirements disallow it. When expenditures are incurred for purposes for which amounts in any unrestricted fund balance classification could be used, committed funds are to be spent first, assigned funds second, and unassigned funds last.

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

2. Cash and Investments

Cash and investments as of June 30, 2013 are classified in the accompanying financial statements as follows:

Statement of net position:

Primary government:	
Cash and investments	\$ 123,031,236
Cash and investments with fiscal agents	3,729,329
Imprest cash	51,270
Fiduciary funds:	
Cash and investments	243,662,282
Imprest cash	18,896
Total cash and investments	<u>\$ 370,493,013</u>

Cash and investments as of June 30, 2013 consist of the following:

Cash on hand	\$ 145,812
Deposits with financial institutions	32,232,675
Investments	358,327,654
Outstanding warrants	<u>(20,213,128)</u>
Total cash and investments	<u>\$ 370,493,013</u>

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

2. Cash and Investments (continued)

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

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

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

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

Investments Authorized by Debt Agreements

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

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

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

2. Cash and Investments (continued)

Disclosures Relating to Interest Rate Risk

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

Investment Type	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	\$ 36,244,724	\$ -	\$ 10,086,162	\$ 3,472,107	\$ 3,011,100	\$ 19,675,355
FFCB	27,370,341	3,003,456	-	-	-	24,366,885
FHLB	78,326,978	15,150,042	4,997,160	10,234,180	18,606,631	29,338,965
FHLMC	35,218,030	-	5,000,845	-	9,940,940	20,276,245
FNMA	33,678,089	-	-	9,959,700	-	23,718,389
TVA	10,676,610	5,018,730	-	-	5,657,880	-
BANK CD	10,500,000	-	5,000,000	5,000,000	500,000	-
MUNICIPAL BONDS	2,972,220	-	1,002,780	-	1,969,440	-
NEGOTIABLE CD	3,252,386	752,386	1,250,000	500,000	500,000	250,000
CAL TRUST	4,479	4,479	-	-	-	-
LAIF	103,659,924	103,659,924	-	-	-	-
CORPORATE NOTES	9,948,179	-	6,691,127	3,257,053	-	-
Money Market Funds	2,776,364	2,776,364	-	-	-	-
Total with Treasurer	<u>354,628,324</u>	<u>130,365,381</u>	<u>34,028,074</u>	<u>32,423,040</u>	<u>40,185,991</u>	<u>117,625,839</u>
With fiscal agents:						
Money Market Funds	2,132,060	2,132,060	-	-	-	-
FHLB	388,962	-	388,962	-	-	-
FHLMC	1,176,684	-	-	1,176,684	-	-
LAIF	1,624	1,624	-	-	-	-
Total with fiscal agent	<u>3,699,330</u>	<u>2,133,684</u>	<u>388,962</u>	<u>1,176,684</u>	<u>-</u>	<u>-</u>
Total investments	<u>\$ 358,327,654</u>	<u>\$ 132,499,065</u>	<u>\$ 34,417,036</u>	<u>\$ 33,599,724</u>	<u>\$ 40,185,991</u>	<u>\$ 117,625,839</u>

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

2. Cash and Investments (continued)

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.

Investment Type	Fair Value	Minimum Legal Rating	Rating as of Fiscal Year End		
			Moody's Aaa	S & P AA	Not Rated
FAMCA	\$ 36,244,724	N/A	\$ 36,244,724	\$ -	\$ -
FFCB	27,370,341	N/A	27,370,341	-	-
FHLB	78,326,978	N/A	78,326,978	-	-
FHLMC	35,218,030	N/A	35,218,030	-	-
FNMA	33,678,089	N/A	33,678,089	-	-
TVA	10,676,610	N/A	10,676,610	-	-
BANK CD	10,500,000	N/A	-	-	10,500,000
MUNICIPAL BONDS	2,972,220	N/A	2,972,220	-	-
NEGOTIABLE CD	3,252,386	N/A	-	-	3,252,386
CAL TRUST	4,479	N/A	-	-	4,479
LAIF	103,659,924	N/A	-	-	103,659,924
CORPORATE NOTES	9,948,179	A	4,820,144	5,128,035	-
Money Market Funds	--	A	-	-	-
BANK MMF	2,776,364	N/A	-	-	2,776,364
Held by bond trustee:					
Money Market	2,132,060	A	2,132,060	-	-
FHLB	388,962	N/A	388,962	-	-
FNMA	1,176,684	N/A	1,176,684	-	-
LAIF	1,624	N/A	-	-	1,624
Total	\$ 358,327,654		\$ 233,004,842	\$ 5,128,035	\$ 120,194,777

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	\$ 78,326,978
Federal Farm Credit Bank	Federal agency securities	27,370,341
Federal National Mortgage Assoc.	Federal agency securities	33,678,089
Federal Home Loan Mortgage Corp.	Federal agency securities	35,218,030
Federal Agricultural Mortgage Corp.	Federal agency securities	36,244,724

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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 the County's practice to disallow first trust deed mortgage notes as collateral for the County's secured deposits.

Investment in State Investment Pool

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

Investment Trust of California Joint Powers Authority Pool

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

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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, 2013:

Statement of Net Position	
Net Position held for pool participants	<u>\$ 366,693,518</u>
Equity of internal pool participants	\$ 151,258,858
Equity of external pool participants (voluntary and involuntary)	<u>215,434,660</u>
Total Equity	<u>\$ 366,693,518</u>
Statement of Changes in Net Position	
Net Position held for pool participants at July 1, 2012	\$ 348,895,427
Net change in investments by pool participants	<u>17,798,091</u>
Net Position held for pool participants at June 30, 2013	<u>\$ 366,693,518</u>

3. Interfund Transactions

Interfund Receivables/Payables

The composition of interfund balances as of June 30, 2013 are as follows:

Balances due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Welfare Fund	\$ 1,338,243
	Road Fund	7,350
	Nonmajor Governmental Funds	64,725
	Fiduciary Funds	<u>20,573</u>
		<u>1,430,891</u>
Public Health Fund	Behavioral Health Fund	<u>5,506,029</u>
Behavioral Health	Welfare Fund	<u>1,395,979</u>
Total		<u>\$ 8,332,899</u>

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

3. Interfund Transactions (continued)

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.

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	Public Health Fund	737,658	Transfer for county match
	Behavioral Health Fund	1,559,987	Transfer for county match
	Welfare Fund	290,786	Transfer for county match
	Road Fund	796,795	Transfer for county match
	Landfill Fund	5,368	Transfer for county match
	Nonmajor Governmental Funds	122,674	Transfer for debt service
	Nonmajor Governmental Funds	500,048	Transfer for capital projects
	Nonmajor Governmental Funds	527,040	Transfer for equipment replacement
	Nonmajor Governmental Funds	435,414	Transfer for equipment
	Nonmajor Governmental Funds	<u>617,748</u>	Transfer for debt service - POB
		<u>5,593,518</u>	
Welfare Fund	Behavioral Health Fund	1,598,198	Transfer for county match
	General Fund	5,428,619	Transfer for county match
	Public Health Fund	365,110	Transfer for county match
	Road Fund	45,832	Transfer for county match
	Nonmajor Governmental Funds	45,000	Transfer for county match
	Nonmajor Governmental Funds	<u>563,785</u>	Transfer for debt service - POB
		<u>8,046,544</u>	
Public Health Fund	General Fund	801,782	Transfer for county match
	Road Fund	60,737	Transfer for county match
	Landfill	70	Transfer for county match
	Nonmajor Governmental Funds	1,007,385	Transfer for capital projects
	Nonmajor Governmental Funds	<u>165,800</u>	Transfer for debt service - POB
		<u>2,035,774</u>	

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

3. Interfund Transactions (continued)

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Reason</u>
Behavioral Health Fund	General Fund	1,752,904	Transfer for county match
	Public Health Fund	25,761	Transfer for county match
	Road Fund	99,615	Transfer for county match
	Welfare Fund	192,978	Transfer for county match
	Nonmajor Governmental Funds	171,918	Transfer for capital projects
	Nonmajor Governmental Funds	<u>357,170</u>	Transfer for debt service - POB
		<u>2,600,346</u>	
Road Fund	General Fund	688,163	Transfer for county match
	Public Health Fund	18,334	Transfer for county match
	Landfill Fund	43,588	Transfer for county match
	ISF	23,415	Transfer for works comp ins
	Nonmajor Governmental Funds	129,063	Transfer for capital projects
	Nonmajor Governmental Funds	6,482	Transfer for Insurance
	Nonmajor Governmental Funds	<u>103,475</u>	Transfer for debt service - POB
		<u>1,012,520</u>	
Nonmajor Governmental Funds	General Fund	1,366,485	Transfer for county match
	Public Health fund	240,554	Transfer for county match
	Road	2,045,718	Transfer for county match
	Landfill	360	Transfer for county match
	Nonmajor Governmental Funds	44,331	Transfer of realignment funds
	Nonmajor Governmental Funds	58,759	Transfer for debt service - POB
	Nonmajor Governmental Funds	<u>86,278</u>	Transfer for debt service
		<u>3,842,485</u>	
Internal Service Funds	General Fund	296,254	Transfer for county match
	Road Fund	330	Transfer for county match
	Nonmajor Governmental Funds	316,164	Transfer for debt service
	Nonmajor Governmental Funds	215,126	Transfer for general liability insurance
	Nonmajor Governmental Funds	<u>6,482</u>	Transfer for equipment replacement
		<u>834,356</u>	
Landfill	Nonmajor Governmental Funds	2,805	Transfer for Worker's Comp Ins.
	Nonmajor Governmental Funds	<u>21,811</u>	Transfer for debt service - POB
		<u>24,616</u>	
Total		<u>\$ 23,990,159</u>	

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

4. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2013 was as follows:

	Restated Balance (1) July 1, 2012	Additions	Retirements	Transfers and Adjustments	Balance June 30, 2013
Governmental Activities					
Capital assets, not being depreciated:					
Land	\$ 2,640,691	\$ --	\$ --	\$ --	\$ 2,640,691
Construction in progress	3,792,322	2,624,439	--	(3,770,549)	2,646,212
Total capital assets, not being depreciated	6,433,013	2,624,439	--	(3,770,549)	5,286,903
Capital assets, being depreciated:					
Infrastructure	590,523,872	87,053	(825,967)	--	589,784,958
Structures and improvements	63,928,438	--	--	2,990,630	66,919,068
Equipment	54,852,840	4,203,522	(3,067,156)	780,188	56,769,394
Total capital assets, being depreciated	709,305,150	4,290,575	(3,893,123)	3,770,818	713,473,420
Less: accumulated depreciation for:					
Infrastructure	(420,388,725)	(19,542,164)	825,967	--	(439,104,922)
Structures and improvements	(22,119,644)	(1,470,083)	--	(13,000)	(23,602,727)
Equipment	(42,786,529)	(3,066,563)	2,941,751	49,013	(42,862,328)
Total accumulated depreciation	(485,294,898)	(24,078,810)	3,767,718	36,013	(505,569,977)
Total capital assets, being depreciated, net	224,010,252	(19,788,235)	(125,405)	3,806,831	207,903,443
Governmental activities capital assets, net	\$ 230,443,265	\$ (17,163,796)	\$ (125,405)	\$ 36,282	\$ 213,190,346
Business-Type Activities:					
Capital assets, not being depreciated:					
Land	\$ 430,940	\$ --	\$ --	\$ --	\$ 430,940
Construction in progress	489,744	868,707	--	(1,187,230)	171,221
Total capital assets, not being depreciated	920,684	868,707	--	(1,187,230)	602,161
Capital assets, being depreciated:					
Infrastructure	--	--	--	19,549,103	19,549,103
Structures and improvements	18,486,894	--	(21,005)	(18,365,199)	100,690
Equipment	4,300,520	709,485	(538,545)	--	4,471,460
Total capital assets, being depreciated	22,787,414	709,485	(559,550)	1,183,904	24,121,253
Less: accumulated depreciation for:					
Infrastructure	--	(395,516)	--	(1,124,132)	(1,519,648)
Structures and improvements	(1,173,211)	(4,619)	8,679	1,124,132	(45,019)
Equipment	(3,646,470)	(261,843)	538,545	--	(3,369,768)
Total accumulated depreciation	(4,819,681)	(661,978)	547,224	--	(4,934,435)
Total capital assets, being depreciated, net	17,967,733	47,507	(12,326)	1,183,904	19,186,818
Business-type activities capital assets, net	\$ 18,888,417	\$ 916,214	\$ (12,326)	\$ (3,326)	\$ 19,788,979

(1) The beginning balance of Governmental Activities was restated as explained in Note 13.

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

4. Capital Assets (continued)

Depreciation expense was allocated to functions as follows:

Governmental Activities:

General government	\$	942,954
Public protection		2,578,850
Public ways		19,557,709
Health and sanitation		455,029
Public assistance		255,334
Education		100,556
Recreation and cultural services		181,896
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of assets		6,482
		24,078,810

Business-Type Activities:

Landfill		661,978
	\$	661,978

5. Short-Term Debt

At June 30, 2013 there were no short term debt obligations for the County.

6. 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 \$22,016,590.

A summary of long-term obligations follows:

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

6. Long-Term Obligations (continued)

Type of Indebtedness (Purpose)	Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2013
Governmental Activities:					
Pension Obligation Bonds					
Series A	6/30/14-6/30/34	5.408%-6.076%	\$55,000-\$3,440,000	\$ 28,020,000	\$ 28,020,000
Series B	6/30/14-6/30/34	Variable	\$295,000-\$2,105,000	21,875,000	21,875,000
Total Pension Obligation Bonds				<u>49,895,000</u>	<u>49,895,000</u>
Capital Lease Obligations					
Chico Memorial Hall - 492 Rio Lindo	4/10/20	7.40%	\$33,166-\$56,943	583,400	325,042
Chico Memorial Hall - 554 Rio Lindo	4/10/20	5.20%	\$39,461-\$59,196	670,900	357,746
Ford Motor Credit	7/15/14	5.85%	\$7,500-\$8,523	32,150	16,574
Total Notes Payable				<u>1,286,450</u>	<u>699,362</u>
Certificates of Participation					
2003 Certificates of Participation	7/1/04-7/1/14	2%-3.4%	\$325,000-\$415,000	5,150,000	815,000
2010 Bangor Fire Station #55 COP	8/1/50	4%	\$12,000-\$52,000	1,100,000	1,020,333
Total Certificates of Participation				<u>6,250,000</u>	<u>1,835,333</u>
Notes Payable					
California Energy Commission					
Solar Project - phase 1	12/22/18	3.95%	\$63,794-\$263,961	2,777,000	1,358,183
Solar Project - phase 2	6/22/20	3.95%	\$8,057-\$34,750	390,000	216,977
Total Capital Leases				<u>3,167,000</u>	<u>1,575,160</u>
Total Governmental Activities				<u>60,598,450</u>	<u>54,004,855</u>
Business-type Activities:					
Capital Lease Obligations					
	12/24/17	1.774%	\$117,804	558,924	558,924
Certificates of Participation					
2006 Certificates of Participation	7/1/09-7/1/21	3.4%-4.5%	\$725,000-\$1,165,000	12,025,000	8,960,000
Loan Payable	6/1/16	0%	\$50,000	<u>500,000</u>	<u>150,000</u>
Total Business-type Activities				<u>\$13,083,924</u>	<u>\$9,668,924</u>

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

6. Long-Term Obligations (continued)

Summary of Long-Term Obligations

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

	Balance 7/1/2012	Additions	Retirements	Balance 6/30/2013	Amounts Due Within One Year
Governmental Activities:					
Pension obligation bonds	\$ 49,895,000			\$ 49,895,000	\$ 350,000
Capital lease obligations	790,632	1,534	92,804	699,362	89,297
Certificates of Participation	2,237,333		402,000	1,835,333	413,000
Claims and judgements	5,926,000	5,262,933	4,770,933	6,418,000	3,500,000
Compensated absences	13,873,612	21,036,400	19,992,245	14,917,767	14,917,767
Notes Payable	1,818,663		243,503	1,575,160	253,216
OPEB obligation	14,985,297	15,807,030	12,972,198	17,820,129	-
Total governmental activities	<u>89,526,537</u>	<u>42,107,897</u>	<u>38,473,683</u>	<u>93,160,751</u>	<u>19,523,280</u>
Business Type Activities:					
Capital lease obligations	-	558,924	-	558,924	107,888
Certificates of Participation	9,770,000		810,000	8,960,000	845,000
Premium on debt	121,903		13,545	108,358	13,545
Compensated absences	183,453	173,641	141,115	215,979	143,232
Landfill closure, post closure care costs	3,430,539	255,228	-	3,685,767	-
Loan Payable	200,000		50,000	150,000	50,000
Total governmental activities	<u>\$ 13,705,895</u>	<u>\$ 987,793</u>	<u>\$ 1,014,660</u>	<u>\$ 13,679,028</u>	<u>\$ 1,159,665</u>

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

6. Long-Term Obligations (continued)

Capital Lease

The County leases equipment as 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, 2013:

<u>Fiscal Year Ending June 30,</u>	<u>Governmental Activities</u>	<u>Business Type Activities</u>
2014	\$ 132,452	\$ 117,804
2015	132,452	117,804
2016	123,431	117,804
2017	123,431	117,804
2018	123,431	117,804
2019-2020	246,861	-
Total minimum lease payments	882,058	589,020
Less: Amount representing interest	182,696	30,096
Present value of minimum lease payments	<u>\$ 699,362</u>	<u>\$ 558,924</u>

The following is a schedule of net remaining property leased under capital leases at June 30, 2013:

	<u>Acquisition Value</u>	<u>Accumulated Depreciation</u>
Governmental Activities:		
Chico Memorial Halls	1,254,300	124,696
2012 Ford F-350	34,563	13,825
Business type Activities:		
2013 Caterpillar Model D8T Dozer	678,924	33,946

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>June 30,</u>	<u>Year Ended Payments</u>
2014	\$ 5,481,522
2015	5,721,625
2016	5,961,728
2017	6,201,832
2018	<u>6,441,935</u>
Total five year commitment	<u>\$ 29,808,642</u>

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

6. Long-Term Obligations (continued)

Rental expense was \$5,241,418 for all funds for the year ended June 30, 2013.

Bonds Payable

At June 30, 2013, bonds outstanding consist of the following:

Pension Obligation Bonds:

The pension obligation bonds were issued in three series (A, B, and C) in 2004. These bonds were issued to save future interest costs associated with the County's pension obligations. Series A is comprised of serial and term bonds with fixed interest rates. The average coupon rate is 6.0486% over the life of the bonds. Series B has a variable rate derived from the one month LIBOR index plus a margin of .30%. (The County elected to exercise its option to prepay Series C on September 1, 2007). For fiscal year 2012/2013, the average rate paid for Series B was .51435%. The next payment of interest for Series A is due December 1, 2013. 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 at maturity in fiscal year 2034.

As of June 30, 2013, 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
2014	350,000	2,347,242	2,697,242
2015	470,000	2,443,317	2,913,317
2016	595,000	2,530,532	3,125,532
2017	735,000	2,732,797	3,467,797
2018	880,000	2,672,698	3,552,698
2019-2022	5,265,000	10,220,074	15,485,074
2023-2027	11,595,000	10,637,525	22,232,525
2028-2032	19,385,000	6,543,237	25,928,237
2033-2034	10,620,000	921,966	11,541,966
Total	\$ 49,895,000	\$ 41,049,388	\$ 90,944,388

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

6. Long-Term Obligations (continued)

Notes Payable

At June 30, 2013, 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, 2013, annual debt service requirements to maturity are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2014	\$ 253,216	\$ 59,751	\$ 312,967
2015	263,317	49,651	312,968
2016	273,721	39,247	312,968
2017	284,740	28,228	312,968
2018	296,099	16,868	312,967
2019-2020	204,067	6,094	210,161
Total	<u>\$ 1,575,160</u>	<u>\$ 199,839</u>	<u>\$ 1,774,999</u>

Certificates of Participation

Governmental Activities

2003 Certificates of Participation

On June 30, 2003, the County issued \$5,150,000 in Certificates of Participation (COPs). The proceeds of the COP's, together with funds available in the 1993 COP Reserve Fund, refunded the outstanding lease obligations for fire trucks. Commencing January 1, 2004, interest ranging from 2.0% to 3.4% is payable semiannually on January 1 and July 1 of each year. The average rate of interest for the COPs is 2.57%. Beginning on July 1, 2004, principal payments 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, 2011, 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.

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

6. Long-Term Obligations (continued)

Certificates of Participation (continued)

Fiscal Year Ending June 30,	Principal	Interest	Total
2014	\$ 413,000	\$ 63,290	\$ 476,290
2015	428,000	49,315	477,315
2016	14,000	41,720	55,720
2017	14,000	41,160	55,160
2018	15,000	40,580	55,580
2019-2022	65,000	156,060	221,060
2023-2027	97,000	178,980	275,980
2028-2032	120,000	157,400	277,400
2033-2037	145,000	130,900	275,900
2038-2042	175,000	99,060	274,060
2043-2047	213,000	60,380	273,380
2048-2051	136,333	15,040	151,373
Total	<u>\$ 1,835,333</u>	<u>\$ 1,033,885</u>	<u>\$ 2,869,218</u>

Business-Type Activities

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

Fiscal Year Ending June 30,	Principal	Interest	Total
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	950,000	244,300	1,194,300
2018	985,000	205,600	1,190,600
2019-2022	4,385,000	370,725	4,755,725
Total	<u>\$ 8,960,000</u>	<u>\$ 1,771,725</u>	<u>\$ 10,731,725</u>

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

6. 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 Recycling and Waste Facility. Principal payments of \$50,000 are due annually beginning June 1, 2007 and ending June 1, 2016.

As of June 30, 2013, annual debt service requirements to maturity are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2014	\$ 50,000	\$ -	\$ 50,000
2015	50,000		50,000
2016	50,000	-	50,000
Total	<u>\$ 150,000</u>	<u>\$ -</u>	<u>\$ 150,000</u>

Capital Lease

Business-Type Activities

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2014	\$ 107,888	\$ 9,915	\$ 117,803
2015	109,802	8,001	117,803
2016	111,750	6,053	117,803
2017	113,732	4,071	117,803
2018	115,752	2,053	117,805
Total	<u>\$ 558,924</u>	<u>\$ 30,093</u>	<u>\$ 589,017</u>

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

6. Long-Term Obligations (continued)

Compensated Absences

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

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

The compensated absences liability attributable to the governmental activities will be liquidated as follows: General Fund 52%, Welfare Fund 18%, Public Health Fund 6%, Behavioral Health Fund 15%, Road Fund 5%, and Nonmajor Funds 4%.

Landfill Closure and Post-Closure Costs

State and federal laws and regulations require the County to place a final cover on its Neal Road landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$3,685,767 reported as landfill closure and post-closure care liability at June 30, 2013, represents the cumulative amount reported to date based on the use of 21.37 percent of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and post-closure care of \$13,557,802 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 2013. 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, 2013, investments of \$4,787,420 are held for these purposes. The County expects the future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional post-closure care requirements are determined; these costs may need to be covered by charges to future landfill users or from future tax revenue.

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

6. Long-Term Obligations (continued)

Annually, the Landfill adjusts the estimated closure and post-closure costs due to changes in inflation and capacity. Total estimated costs for closure and post-closure increased from \$16,938,673 at June 30, 2012 to \$17,243,569 at June 30, 2013. The remaining capacity of the landfill decreased from 79.75 percent to 78.63 percent at June 30, 2012 and 2013, respectively. These changes resulted in an increase to the landfill closure and post-closure care liability and caused an increase in expense of \$255,228 at June 30, 2013.

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

Limitations and Restrictions

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

Rebatable Arbitrage Earnings

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service at least every five years. During the current year, the County performed calculations of excess investment earnings on various bonds and financings and at June 30, 2013 does not expect to incur a liability.

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

7. Restricted Net Position/Fund Balances

Fund Balances

Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned and unassigned. A detailed schedule of fund balances at June 30, 2013 is as follows:

	General	Welfare	Public Health	Behavioral Health	Road	Other Governmental Funds	Total Governmental Funds
Nonspendable:							
Inventory	\$ 150,080	\$ -	\$ -	\$ -	\$ 340,758	\$ -	\$ 490,838
Total nonspendable fund balance	150,080	-	-	-	340,758	-	490,838
Restricted:							
Purpose of fund	-	5,190,072	9,818,400	-	12,952,299	35,454,249	63,415,020
Public Safety HHS Realign.	2,066,814	-	-	-	-	-	2,066,814
Inmate Welfare	2,092,747	-	-	-	-	-	2,092,747
DNA-ID Local Share	158,965	-	-	-	-	-	158,965
Env Impact Review	88,606	-	-	-	-	-	88,606
Sheriff - Civil Equipment	274,009	-	-	-	-	-	274,009
Criminal Justice Facility	1,031,664	-	-	-	-	-	1,031,664
Sheriff Veh & Equip Maint.	274,009	-	-	-	-	-	274,009
DA RL Est Fraud Prosecut.	283,526	-	-	-	-	-	283,526
Rock Creek Flood Project	122,546	-	-	-	-	-	122,546
Planning 2nd Dwelling	2,302	-	-	-	-	-	2,302
Tax Collector Cost	118,215	-	-	-	-	-	118,215
Drug & Gang Activity	201,553	-	-	-	-	-	201,553
Fed Forfeitures to DA	147,962	-	-	-	-	-	147,962
Asset Seizure - Sheriff	78,835	-	-	-	-	-	78,835
Juv Ed/Rec/Special Proj.	195,708	-	-	-	-	-	195,708
Sheriff-Fed Revenue Sh.	1,083,279	-	-	-	-	-	1,083,279
Recorder Micrographics	260,626	-	-	-	-	-	260,626
Recording System	2,566,946	-	-	-	-	-	2,566,946
GC27585 Survey Monum.	183,273	-	-	-	-	-	183,273
Fire - Water Tender	736,340	-	-	-	-	-	736,340
Fire - County Cost Share	998,678	-	-	-	-	-	998,678
Sheriff Rural rest. Cash	503,397	-	-	-	-	-	503,397
DWR IRWM Cash	226,859	-	-	-	-	-	226,859
Indian Gaming Cash	520,963	-	-	-	-	-	520,963
Prob. - CCPIA SB678	597,367	-	-	-	-	-	597,367
Prob. - YOBG Rest. Cash	146,773	-	-	-	-	-	146,773
Other	803,374	-	-	-	-	-	803,374
Imprest cash	44,770	-	-	-	-	-	44,770
Deposits from others	2,797	-	-	-	-	-	2,797
Total restricted fund balance	15,812,903	5,190,072	9,818,400	-	12,952,299	35,454,249	79,227,923
Committed:							
Emergency reserve	5,000,000	-	-	-	-	-	5,000,000
Debt service	709,505	-	-	-	-	-	709,505
Total committed fund balance	5,709,505	-	-	-	-	-	5,709,505
Assigned:							
Reserved for encumbrances	714,346	-	-	-	-	-	714,346
Total assigned fund balance	714,346	-	-	-	-	-	714,346
Unassigned fund balance:	17,267,531	-	-	(2,203,060)	-	-	15,064,471
Total Fund Balances	\$ 39,654,365	\$ 5,190,072	\$ 9,818,400	\$ (2,203,060)	\$ 13,293,057	\$ 35,454,249	\$ 101,207,083

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

7. Restricted Net Position/Fund Balances (continued)

The Board of Supervisors adopted the Fund Balance Reserve Policy in January 2010. The policy was created to mitigate operational impacts during difficult economic times, allow the County to respond strategically and responsibly to the challenges of a changing fiscal environment, absorb unanticipated costs, and provide flexibility to react to reductions in County revenues from other governmental agencies. This policy sets forth the parameters and funding methods the County may utilize to establish and maintain an adequate General Fund reserve.

General Fund Reserve requirements are classified as follows:

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

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

7. Restricted Net Position/Fund Balances (continued)

Net Position

The government-wide statement of net position reports \$90 million of restricted net position; \$3.6 million is restricted by enabling legislation. Net investment in capital assets, was comprised of the following:

	Governmental Activities	Business-Type Activities
Capital assets, net of accumulated depreciation	\$ 213,190,347	\$ 19,788,979
Outstanding principal of capital-related debt	(4,109,855)	(9,627,282)
Net investment in Capital Assets	\$ 209,080,492	\$ 10,161,697

8. 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 provide 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 viewed on their website: <http://www.calpers.ca.gov>

Funding Policy

AB 340, California Public Employees' Pension Reform Act of 2013 (PEPRA) became effective January 1, 2013. Funding rates are varied based on the hire date, the class of employment and the existence of a Memorandum of Understanding preventing the rate adjustment. Classic employees are employees enrolled as of January 1, 2013 and PEPRA employees are individuals joining after that date.

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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

<u>Group</u>	<u>July 1 through December 31</u>		<u>January 1 through June 30</u>	
	<u>Employee Contribution</u>	<u>Employer Contribution</u>	<u>Employee Contribution</u>	<u>Employer Contribution</u>
Miscellaneous				
Classic	7%	11.195%		
No MOU Impairment			7.000%	11.652%
PEPRA				
No MOU Impairment			6.250%	11.652%
With MOU Impairment			7.000%	10.902%
Safety				
Classic	9%	19.536%		
No MOU Impairment			9.000%	19.837%
PEPRA				
No MOU Impairment			11.000%	19.837%
With MOU Impairment			9.00%	21.84%

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 the plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits over time.

Annual Pension Cost

For the year ended June 30, 2013, the County's annual pension cost was \$13,281,345. The required contribution was determined as part of the June 30, 2010 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 postretirement 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, 2010 was 30 years for the Miscellaneous Plan and 30 years for the Safety Plan.

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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

Funded Status and Funding Progress

The County's annual pension cost and pension asset for the fiscal year ended June 30, 2013 were as follows:

	Miscellaneous	Safety	Total
Annual required contribution	\$ 10,339,475	\$ 3,512,245	\$ 13,851,720
Interest on beginning net pension asset	(2,809,913)	(1,273,145)	(4,083,058)
Adjustment to the annual required contribution	<u>2,418,923</u>	<u>1,093,760</u>	<u>3,512,683</u>
Annual pension cost	9,948,485	3,332,860	13,281,345
Contributions made	<u>10,339,475</u>	<u>3,512,245</u>	<u>13,851,720</u>
Increase in net pension asset	390,990	179,385	570,375
Net pension asset, beginning of year	<u>35,324,019</u>	<u>15,972,395</u>	<u>51,290,479</u>
Net pension asset, end of year	<u>\$ 35,715,009</u>	<u>\$ 16,151,780</u>	<u>\$ 51,860,854</u>

The following table shows the County's required contributions, annual pension cost and the net pension asset for the current and two preceding years:

Miscellaneous

Fiscal Year Ending	Annual Pension Cost (APC)	Contributions	Percentage of APC Contributed	Net Pension Asset
6/30/2011	9,003,913	7,701,872	86%	34,745,471
6/30/2012	9,506,526	10,085,073	106%	35,324,019
6/30/2013	9,948,485	10,339,475	104%	35,715,009

Safety

Fiscal Year Ending	Annual Pension Cost (APC)	Contributions	Percentage of APC Contributed	Net Pension Asset
6/30/2011	3,844,612	3,291,207	86%	14,850,619
6/30/2012	3,187,834	4,309,610	135%	15,972,395
6/30/2013	3,332,860	3,512,245	105%	16,151,780

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

9. 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 \$112.00 per employee per month for 2011. The \$112.00 per month increased by law to \$115.00 on January 1, 2013, and will be indexed with medical inflation (CPI) for years 2014 and thereafter. Delta Dental (Premier and DPO), vision and life insurance are also available.

Post-Retirement Coverage

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

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

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

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

- 1) One month of retiree-only premiums for each day of accrued sick leave at retirement;
- 2) One month of 2-party premiums (employee and spouse) for each 2 1/2 days in excess of 30 days accrued sick leave to cover both employee and spouse until age 65; or
- 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.

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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

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

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

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

For 2012, the monthly County contributions are \$106.40 and \$112.00 for Unequal and Equal Contribution Methods, respectively. For 2013, those amounts increased to \$115.00 and \$115.00, respectively.

Changes in Eligibility for Sick-Leave Buy-out

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

Healthcare Premiums

The following table shows January 1, 2013 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 2012-13 are also included.

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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

	Blue Shield HMO	Kaiser HMO	PERS Choice PPO	PERS Care PPO	Delta Premier Dental	Delta Dental PPO	Vision
<u>Basic Plan</u>							
Retiree	\$ 777.53	\$ 671.68	\$ 649.78	\$ 1,055.10	\$ 34.58	\$ 31.82	\$ 13.87
Retiree+1	1,555.06	1,343.36	1,299.56	2,110.20	74.71	69.37	13.87
Family	2,021.58	1,746.37	1,689.43	2,743.26	110.96	108.94	13.87
<u>Medicare Supplement</u>							
Retiree	261.32	288.37	325.74	370.43	N/A	N/A	N/A
Retiree+1	522.64	576.74	651.48	740.86	N/A	N/A	N/A
Family	783.96	865.11	977.22	1,111.29	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.

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 year ended June 30, 2013, the amount actually contributed to the plan, and changes in the County's Net OPEB Obligation/(Asset):

Annual required contribution	\$ 4,937,590
Interest on net OPEB obligation	749,265
Adjustment of annual required contribution	<u>(974,815)</u>
Annual OPEB cost	4,712,040
Contributions made	<u>(1,877,208)</u>
Change in net OPEB obligation (Asset)	2,834,832
Net OPEB obligation (Asset) - beginning of year	<u>14,985,297</u>
Net OPEB obligation (Asset) - end of year	<u><u>\$ 17,820,129</u></u>

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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

The County's Annual OPEB Cost, the percentage of Annual OPEB Cost contributed to the plan, and the Net OPEB Obligation/(Asset) for the fiscal years ended June 30, 2011, 2012, and 2013 are as follows:

<u>Ended</u>	<u>OPEB Cost</u>	<u>Contribution</u>	<u>Cost Contributed</u>	<u>(Asset)</u>
6/30/2011	\$ 4,535,295	\$ 1,670,400	36.83%	\$ 12,065,034
6/30/2012	\$ 4,755,994	\$ 1,835,731	38.60%	\$ 14,985,297
6/30/2013	\$ 4,712,040	\$ 1,877,208	39.84%	\$ 17,820,129

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

D. Schedule of Funding Progress

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

<u>Actuarial</u> <u>Valuation</u> <u>Date</u>	<u>Actuarial</u> <u>Value of</u> <u>Assets</u>	<u>Projected</u> <u>Unit Credit</u> <u>Actuarial</u> <u>Accrued</u> <u>Liability</u>	<u>Unfunded</u> <u>AAL</u> <u>(UAAL)</u>	<u>Funded</u> <u>Ratio</u>	<u>Covered</u> <u>Payroll</u>	<u>UAAL as a</u> <u>Percentage</u> <u>of Covered</u> <u>Payroll</u>
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%
July 1, 2011	\$0	\$38,478,208	\$38,478,208	0.00%	106,227,594	36.22%

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

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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

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, 2011. In that valuation, the Projected Unit Credit (PUC) Cost Method was used. The actuarial assumptions included a 5 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 8 percent initially, reduced by decrements to an ultimate rate of 5 percent after 3 years. These assumptions reflect an implicit 3 percent general inflation assumption. The County's unfunded actuarial accrued liability is being amortized as a level dollar amount on an open basis over 30 years. The remaining amortization period as of June 30, 2013 was 29 years. The County's plan is considered a single-employer plan under GASB 45.

10. 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.

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

10. Risk Management (continued)

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, 2013. The claims liability includes all allocated loss adjustment expenses. Changes in the insurance funds' claims liability amount during the fiscal years ended June 30, 2012 and 2013 were as follows:

<u>Fiscal Year</u>	<u>Claims Liability July 1</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Current Year Claim</u>	<u>Claims Liability June 30</u>
2011-2012	\$ 5,579,000	\$ (3,880,661)	\$ 4,227,661	\$ 5,926,000
2012-2013	\$ 5,926,000	\$ (4,770,933)	\$ 5,262,933	\$ 6,418,000

11. 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, 2013, are presented below:

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

11. Affiliated Organization (continued)

	<u>Amount</u>
Statement of Net Position	
Assets	\$ 706,316
Liabilities	441,996
Net Position	\$ 264,320
Revenue and Expenses	
Revenues	\$ 1,817,171
Expenses	2,064,971
Net Income (Loss)	\$ (247,800)

12. 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, 2013, have not yet been conducted. Additionally, certain audits related to prior fiscal years have not been finalized. Accordingly, the County's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although, the County expects such amounts, if any, to be immaterial.

Litigation

The County is a defendant in various matters of litigation. Of these matters, management and County's legal counsel do not anticipate any material effect on the June 30, 2013 financial statements.

13. Restatement of Fund Equity/Net Position

A prior period adjustment of \$(365,652) was made to decrease the governmental activities beginning net position. The adjustment was made due to a prior period correction to accounts receivable.

A prior period adjustment of \$102,895 was made to increase the governmental activities beginning net position due to a correction to accounts receivable accrual.

A prior period adjustment of \$(1,036,772) was made to remove Butte County Fair assets from capital assets.

A prior period adjustment of \$2,731,732 was made to reclassify deferred revenue related to loans receivable to fund balance.

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

13. Restatement of Fund Equity/Net Position (continued)

Pursuant to GASB Statement Number 65, "Items Previously Reported as Assets and Liabilities", the County no longer amortizes the cost of debt issuance. These amounts should be expensed in the year they are incurred. The County made adjustments for these items as a cumulative effect of change in accounting principle in the current fiscal year.

A prior period adjustment of \$(118,437) was made to decrease net assets in governmental activities for a change in accounting principle pursuant to GASB Statement Number 65, "Items Previously Reported as Assets and Liabilities". The County made this change in the current fiscal year.

A prior period adjustment of \$(210,023) was made to decrease net assets in business-type activities for a change in accounting principle pursuant to GASB Statement Number 65, "Items Previously Reported as Assets and Liabilities". The County made this change in the current fiscal year.

Total impact to net position is an increase of \$1,314,766 in governmental activities and a decrease to business-type activities of \$210,023.

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

	Governmental Activities	Business-Type Activities/ Landfill	General Fund	Welfare	Public Health	Behavioral Health	Road Fund	Other Governmental Funds
Fund balance/net position, June 30, 2012, as previously reported	\$ 309,947,145	\$ 24,306,720	\$ 37,269,831	\$ 4,635,703	\$ 12,253,578	\$ (1,726,040)	\$ 15,878,621	\$ 32,066,698
Restatements:								
Reclassify prior year revenue recorded in current year	(262,757)	--	(365,652)	102,895	--	--	--	--
Removal of Butte County Fair assets	(1,035,772)							
Reclassify deferred revenue related to loans receivable to fund balance	--	--	--	--	--	--	--	2,731,732
Cumulative effect of change in accounting principle	(118,437)	--	--	--	--	--	--	--
Cumulative effect of change in accounting principle	--	(210,023)	--	--	--	--	--	--
Total Restatements	(1,416,966)	(210,023)	(365,652)	102,895	--	--	--	2,731,732
Fund balance/net position, July 1, 2013, as restated	\$ 308,530,179	\$ 24,096,697	\$ 36,904,179	\$ 4,738,598	\$ 12,253,578	\$ (1,726,040)	\$ 15,878,621	\$ 34,798,430

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

14. Subsequent Events

California State Budget

The State is the source for a significant amount of Butte County's revenues. The State has adopted a balanced budget for the 2013-2014 fiscal year and the County doesn't anticipate additional state cuts. However, as in the past, if State revenue is cut midyear the County will make the necessary adjustments to address the reductions.

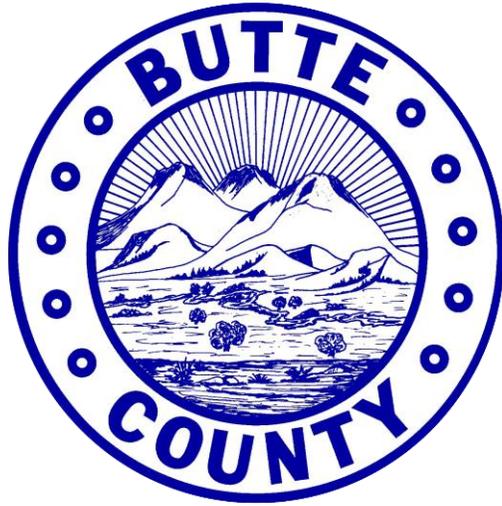
15. Stewardship, Compliance, and Accountability

Deficit Fund Balance

The following fund had deficit fund balances at June 30, 2013:

	<u>Deficit Fund Balance</u>
Behavioral Health Fund	\$ (2,203,060)

Behavioral Health Fund had a deficit fund balance of \$2,203,060 at June 30, 2013. The deficit fund balance for the Behavioral Health Fund primarily resulted from reimbursement delays from Federal Financial Participation and the State of California changing their cost report method. County Administration in coordination with Department of Behavioral Health is currently working on a plan to alleviate this ongoing deficit.





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, 2013

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:

Actuarial Valuation Date	Actuarial Value of Assets (A)	Entry Age Actuarial Accrued Liability (B)	Unfunded Actuarial Accrued Liability (B-A)	Funded (UAAL) Ratio (A/B)	Covered Payroll (C)	UAAL as Percentage of Covered Payroll ((B-A)/C)
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>	89.6%	<u>\$ 105,640,182</u>	56.1%
6/30/2011:						
Misc.	\$ 433,640,093	\$ 490,241,593	\$ 56,601,500	88.5%	\$ 89,342,440	63.4%
Safety	108,173,489	120,716,989	12,543,500	89.6%	16,885,154	74.3%
Total	<u>\$ 541,813,582</u>	<u>\$ 610,958,582</u>	<u>\$ 69,145,000</u>	88.7%	<u>\$ 106,227,594</u>	65.1%
6/30/2012:						
Misc.	\$ 453,968,571	\$ 515,913,432	\$ 61,944,861	88.0%	\$ 89,714,856	69.0%
Safety	113,104,845	128,784,164	15,679,319	87.8%	17,485,609	89.7%
Total	<u>\$ 567,073,416</u>	<u>\$ 644,697,596</u>	<u>\$ 77,624,180</u>	88.0%	<u>\$ 107,200,465</u>	72.4%

COUNTY OF BUTTE, CALIFORNIA

**Other Post Employment Benefits (OPEB) Plan
Schedule of Funding Progress
For the Fiscal Year Ended June 30, 2013**

Actuarial Valuation Date	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded ratio	(4) Unfunded Actuarial Accrued Liability (UAAL) (1)	(2) - (5) Annual Covered Payroll	(b) 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%
7/1/2011	-	38,478,208	0.00%	38,478,208	106,227,594	36.22%

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.

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, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
RESOURCES (inflows):				
Taxes	\$ 50,879,490	\$ 51,205,990	\$ 51,558,280	\$ 352,290
Licenses and permits	3,066,201	3,090,078	3,112,205	22,127
Fines, forfeitures, and penalties	2,366,136	2,342,259	2,088,458	(253,801)
Revenues from uses of money and property	1,169,686	1,169,686	3,452,783	2,283,097
Aid from other governments	30,775,190	32,266,211	41,434,662	9,168,451
Charges for services	19,937,274	20,807,917	11,423,671	(9,384,246)
Other	2,918,250	2,970,839	3,781,309	810,470
Other financing sources	9,117,996	9,484,926	9,086,999	(397,927)
Amounts available for appropriation	<u>120,230,223</u>	<u>123,337,906</u>	<u>125,938,367</u>	<u>2,600,461</u>
CHARGES TO APPROPRIATIONS (outflows):				
General Government:				
Administrative Office:				
Salaries and employee benefits	2,814,955	2,814,955	2,649,527	165,428
Services and supplies	1,171,489	1,149,084	753,988	395,096
Other charges	17,396	17,396	17,146	250
Capital assets	-	-	-	-
Other financing uses	(587,814)	(547,814)	(590,277)	42,463
Total Administrative Office	<u>3,416,026</u>	<u>3,433,621</u>	<u>2,830,384</u>	<u>603,237</u>
Assessor:				
Salaries and employee benefits	2,960,769	2,960,769	2,689,956	270,813
Services and supplies	309,625	297,225	249,087	48,138
Other charges	39,967	39,967	36,370	3,597
Capital assets	-	-	-	-
Other financing uses	247,051	259,451	238,589	20,862
Total Assessor	<u>3,557,412</u>	<u>3,557,412</u>	<u>3,214,002</u>	<u>343,410</u>
Auditor-Controller:				
Salaries and employee benefits	1,572,458	1,561,402	1,513,673	47,729
Services and supplies	177,860	181,416	153,680	27,736
Other charges	9,050	9,050	9,050	-
Capital assets	-	-	-	-
Other financing uses	(111,142)	(103,642)	(106,711)	3,069
Total Auditor-Controller	<u>\$ 1,648,226</u>	<u>\$ 1,648,226</u>	<u>\$ 1,569,692</u>	<u>\$ 78,534</u>

(continued)

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE-GENERAL FUND - BUDGETARY BASIS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
General Government (continued):				
Board of Supervisors:				
Salaries and employee benefits	\$ 674,615	\$ 679,025	\$ 679,018	\$ 7
Services and supplies	163,867	159,357	137,079	22,278
Other charges	4,401	4,501	4,498	3
Capital assets	-	-	-	-
Other financing uses	1,488,044	1,488,044	1,485,312	2,732
Total Board of Supervisors	<u>2,330,927</u>	<u>2,330,927</u>	<u>2,305,907</u>	<u>25,020</u>
Community Action Agency:				
Services and supplies	16,150	16,150	16,146	4
Other charges	-	-	-	-
Other financing uses	17,862	17,862	17,844	18
Total Community Action Agency	<u>34,012</u>	<u>34,012</u>	<u>33,990</u>	<u>22</u>
County Counsel:				
Salaries and employee benefits	1,234,611	1,253,895	1,253,783	112
Services and supplies	766,423	745,139	633,120	112,019
Other charges	10,822	10,822	10,822	-
Capital assets	-	-	-	-
Other financing uses	(1,661,323)	(1,659,323)	(1,659,375)	52
Total County Counsel	<u>350,533</u>	<u>350,533</u>	<u>238,350</u>	<u>112,183</u>
Elections:				
Salaries and employee benefits	823,456	823,456	770,044	53,412
Services and supplies	894,204	1,256,220	1,093,224	162,996
Other charges	6,307	56,807	56,651	156
Capital assets	26,250	26,250	-	26,250
Other financing uses	138,430	88,430	86,900	1,530
Total Elections	<u>1,888,647</u>	<u>2,251,163</u>	<u>2,006,819</u>	<u>244,344</u>
General Revenue and Transfers:				
Other financing uses	3,032,149	3,032,149	1,410,168	1,621,981
Total General Revenue and Transfers	<u>3,032,149</u>	<u>3,032,149</u>	<u>1,410,168</u>	<u>1,621,981</u>
General Services:				
Salaries and employee benefits	3,665,235	3,646,792	3,487,080	159,712
Services and supplies	3,426,490	3,863,274	3,290,161	573,113
Other charges	157,796	213,133	213,133	-
Capital assets	-	80,000	12,900	67,100
Other financing uses	(3,505,864)	(3,088,664)	(3,089,292)	628
Total General Services	<u>\$ 3,743,657</u>	<u>\$ 4,714,535</u>	<u>\$ 3,913,982</u>	<u>\$ 800,553</u>

(continued)

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE-GENERAL FUND - BUDGETARY BASIS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
General Government (continued):				
Human Resources:				
Salaries and employee benefits	\$ 1,564,788	\$ 1,554,788	\$ 1,490,582	\$ 64,206
Services and supplies	275,564	285,564	252,078	33,486
Other charges	2,091	2,091	2,091	-
Capital assets	-	-	-	-
Other financing uses	(573,951)	(573,951)	(573,684)	(267)
Total Human Resources	1,268,492	1,268,492	1,171,067	97,425
Information Systems:				
Salaries and employee benefits	2,609,909	2,609,909	2,545,164	64,745
Services and supplies	1,640,021	1,560,021	1,173,345	386,676
Other charges	378,070	619,768	535,557	84,211
Capital assets	-	-	-	-
Other financing uses	(1,251,730)	(1,493,428)	(1,566,118)	72,690
Total Information Systems	3,376,270	3,296,270	2,687,948	608,322
Non Departmental:				
Services and supplies	1,073,908	1,073,908	1,073,908	-
Total Non Departmental	1,073,908	1,073,908	1,073,908	-
Public Works General Services:				
Services and supplies	12,910	12,910	12,756	154
Other charges	89,530	89,530	89,530	-
Other financing uses	(1,122)	(1,122)	(1,140)	18
Total Public Works General Services	101,318	101,318	101,146	172
Sutter-Butte Flood Control				
Services and supplies	8,200	8,200	8,156	44
Total Table A Water	8,200	8,200	8,156	44
Table A Water:				
Services and supplies	1,380,000	1,380,000	-	1,380,000
Total Table A Water	1,380,000	1,380,000	-	1,380,000
Tax and Revenue Anticipation Notes:				
Other charges	-	-	-	-
Other financing uses	6,334	6,334	6,312	22
Total Tax and Revenue Anticipation Notes	6,334	6,334	6,312	22
Treasurer-Tax Collector:				
Salaries and employee benefits	1,807,679	1,807,679	1,763,886	43,793
Services and supplies	1,014,688	960,475	832,539	127,936
Other charges	6,642	8,600	8,453	147
Capital Assets	-	47,675	47,366	309
Other financing uses	167,805	175,305	149,006	26,299
Total Treasurer-Tax Collector	\$ 2,996,814	\$ 2,999,734	\$ 2,801,250	\$ 198,484

(continued)

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE-GENERAL FUND - BUDGETARY BASIS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
General Government (continued):				
Unallocated A-87				
Services and supplies	\$ 55,431	\$ 55,431	\$ 55,435	\$ (4)
Other charges	26,541	26,541	26,541	-
Other financing uses	1,150,611	1,150,611	1,116,577	34,034
Total Unallocated A-87	<u>1,232,583</u>	<u>1,232,583</u>	<u>1,198,553</u>	<u>34,030</u>
Total General Government	<u>\$ 31,445,508</u>	<u>\$ 32,719,417</u>	<u>\$ 26,571,634</u>	<u>\$ 6,147,783</u>

(continued)

COUNTY OF BUTTE, CALIFORNIA

BUDGET COMPARISON SCHEDULE-GENERAL FUND - BUDGETARY BASIS (continued) FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Protection:				
Administration Emergency Management:				
Salaries and employee benefits	\$ 192,197	\$ 192,197	\$ 192,119	\$ 78
Services and supplies	40,078	377,111	271,706	105,405
Other charges	626	272,446	266,880	5,566
Capital Assets	-	367,609	342,141	25,468
Other financing uses	142,116	277,806	256,982	20,824
Total Administration Emergency Management	375,017	1,487,169	1,329,828	157,341
Agriculture General Services:				
Salaries and employee benefits	1,738,843	1,723,843	1,722,395	1,448
Services and supplies	252,363	227,857	207,256	20,601
Other charges	35,440	34,186	39,073	(4,887)
Capital Assets	116,500	156,073	155,269	804
Other financing uses	56,964	69,364	53,550	15,814
Total Agriculture General Services	2,200,110	2,211,323	2,177,543	33,780
Criminal Justice Construction:				
Other charges	425,510	425,510	425,510	-
Other financing uses	150,000	150,000	150,000	-
Total Criminal Justice Construction	575,510	575,510	575,510	-
County Share Trial Courts:				
Services and supplies	13,448	13,448	15,529	(2,081)
Other charges	1,818,950	1,818,950	1,589,015	229,935
Other financing uses	53,666	53,666	53,640	26
Total County Share Trial Courts	1,886,064	1,886,064	1,658,184	227,880
Development Services:				
Salaries and employee benefits	2,529,289	2,578,521	2,416,689	161,832
Services and supplies	647,330	864,718	421,178	443,540
Other charges	24,174	24,174	20,909	3,265
Capital Assets	-	-	-	-
Other financing uses	275,516	285,116	285,103	13
Total Development Services	3,476,309	3,752,529	3,143,879	608,650
District Attorney - BD/CON:				
Salaries and employee benefits	105,434	106,734	106,636	98
Services and supplies	79,899	90,499	83,180	7,319
Other financing uses	34,561	39,061	38,775	286
Total District Attorney - Criminal	219,894	236,294	228,591	7,703
District Attorney - Child Abduction Unit:				
Salaries and employee benefits	164,496	159,421	159,049	372
Services and supplies	6,035	6,110	6,089	21
Other financing uses	47,948	52,948	52,756	192
Total District Attorney - Child Abduction Unit	\$ 218,479	\$ 218,479	\$ 217,894	\$ 585

(continued)

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE-GENERAL FUND - BUDGETARY BASIS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Protection (continued):				
District Attorney - Criminal:				
Salaries and employee benefits	\$ 8,037,767	\$ 7,907,466	\$ 7,799,840	\$ 107,626
Services and supplies	724,385	1,080,221	1,023,488	56,733
Other charges	82,759	829,559	82,954	746,605
Other financing uses	124,021	166,977	166,376	601
Total District Attorney - Criminal	8,968,932	9,984,223	9,072,658	911,565
District Attorney - COPS:				
Salaries and employee benefits	46,340	67,709	42,516	25,193
Other financing uses	(440)	(440)	(444)	4
Total Emergency Services	45,900	67,269	42,072	25,197
District Attorney - Victim Witness:				
Salaries and employee benefits	303,050	303,050	236,955	66,095
Services and supplies	7,878	7,878	3,106	4,772
Other charges	-	-	61	(61)
Other financing uses	66,049	66,049	2,952	63,097
Total District Attorney - Victim Witness	376,977	376,977	243,074	133,903
District Attorney - Welfare Fraud Investigator				
Salaries and employee benefits	555,452	532,952	526,103	6,849
Services and supplies	10,978	19,478	17,516	1,962
Other charges	-	-	-	-
Capital assets	-	-	-	-
Other financing uses	133,570	147,570	147,277	293
Total District Attorney - Welfare Fraud Invest	700,000	700,000	690,896	9,104
Fire Protection - Ancillary Services:				
Services and supplies	137,298	137,298	33,950	103,348
Other charges	-	-	-	-
Capital Assets	7,066	7,066	7,044	22
Total Fire Protection - Ancillary Services	144,364	144,364	40,994	103,370
Fire Protection - Regular Services:				
Services and supplies	13,645,227	13,642,495	12,883,704	758,791
Other charges	37,403	498,350	498,350	-
Capital assets	-	92,803	85,527	7,276
Other financing uses	893,783	435,568	398,098	37,470
Total Fire Protection - Regular Services	\$ 14,576,413	\$ 14,669,216	\$ 13,865,679	\$ 803,537

(continued)

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE-GENERAL FUND - BUDGETARY BASIS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Protection (continued):				
Fire Protection - Voluntary Program:				
Salaries and employee benefits	\$ 35,600	\$ 35,600	\$ 34,071	\$ 1,529
Services and supplies	626,139	640,349	586,230	54,119
Other charges	4,196	9,966	9,966	-
Capital assets	-	212,570	168,098	44,472
Other financing uses	38,874	38,874	39,748	(874)
Total Fire Protection - Voluntary Program	704,809	937,359	838,113	99,246
Grand Jury:				
Services and supplies	111,227	111,227	78,201	33,026
Other financing uses	35,488	35,488	35,748	(260)
Total Grand Jury	146,715	146,715	113,949	32,766
Juvenile Hall General:				
Salaries and employee benefits	3,978,937	3,978,937	3,994,521	(15,584)
Services and supplies	946,754	943,254	909,749	33,505
Other charges	9,518	13,018	10,149	2,869
Capital assets	-	-	-	-
Other financing uses	285,000	285,000	284,976	24
Total Juvenile Hall General	5,220,209	5,220,209	5,199,395	20,814
LAFCO Contribution:				
Other charges	198,753	198,753	198,753	-
Total LAFCO Contribution	198,753	198,753	198,753	-
Probation General Services:				
Salaries and employee benefits	8,274,160	8,281,255	7,580,817	700,438
Services and supplies	1,587,587	1,536,110	1,361,497	174,613
Other charges	86,767	255,428	246,539	8,889
Capital assets	115,000	2,000	247	1,753
Other financing uses	386,980	408,256	341,444	66,812
Total Probation General Services	10,450,494	10,483,049	9,530,544	952,505
Public Defender:				
Services and supplies	2,859,214	2,859,214	2,978,634	(119,420)
Other charges	-	-	28,565	(28,565)
Other financing uses	33,962	33,962	33,948	14
Total Public Defender	\$ 2,893,176	\$ 2,893,176	\$ 3,041,147	\$ (147,971)

(continued)

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE-GENERAL FUND - BUDGETARY BASIS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Public Protection (continued):				
Realignment funds:				
Other financing uses	\$ -	\$ -	\$ 11,507,524	\$ (11,507,524)
Total Realignment funds	-	-	11,507,524	(11,507,524)
Recorder				
Salaries and employee benefits	821,636	821,636	807,700	13,936
Services and supplies	383,146	383,146	226,084	157,062
Other charges	8,708	308,708	308,989	(281)
Capital assets	8,750	8,750	-	8,750
Other financing uses	378,395	78,395	76,691	1,704
Total Recorder	1,600,635	1,600,635	1,419,464	181,171
Sheriff - Coroner:				
Salaries and employee benefits	26,095,079	26,236,406	25,430,180	806,226
Services and supplies	10,190,211	10,335,082	8,692,793	1,642,289
Other charges	582,065	1,341,857	1,166,456	175,401
Capital assets	265,542	468,485	410,485	58,000
Other financing uses	2,678,028	1,914,004	1,520,321	393,683
Total Sheriff - Coroner	39,810,925	40,295,834	37,220,235	3,075,599
Subdivision Inspection:				
Salaries and employee benefits	437,436	437,436	447,018	(9,582)
Services and supplies	50,355	50,355	21,335	29,020
Other charges	31,196	31,196	34,028	(2,832)
Capital assets	-	-	-	-
Other financing uses	15,296	15,296	15,264	32
Total Subdivision Inspection	534,283	534,283	517,645	16,638
Water Services:				
Salaries and employee benefits	506,183	493,183	492,205	978
Services and supplies	795,990	1,069,990	1,069,101	889
Other charges	737	1,237	1,230	7
Capital assets	-	65,000	64,681	319
Other financing uses	17,240	17,240	17,208	32
Total Water Services	1,320,150	1,646,650	1,644,425	2,225
 Total Public Protection	 \$ 96,644,118	 \$ 100,266,080	 \$ 104,517,996	 \$ (4,251,916)

(continued)

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE-GENERAL FUND - BUDGETARY BASIS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Assistance:				
Children's' Trust Fund - AB2994:				
Services and supplies	\$ 100,736	\$ 100,736	\$ 100,736	\$ -
Other financing uses	1,846	1,846	1,824	22
Total Children's' Trust Fund - AB2994	102,582	102,582	102,560	22
Institutional/ Correction:				
Services and supplies	278,846	278,846	41,647	237,199
Other charges		585,000	50,244	534,756
Other financing uses	725,579	175,579	179,452	(3,873)
Total Institutional/ Correction	1,004,425	1,039,425	271,343	768,082
Juvenile Court Wards:				
Other charges	500	500	-	500
Other financing uses				
Total Juvenile Court Wards	500	500	-	500
Veteran's Service Officer:				
Salaries and employee benefits	231,439	231,439	175,957	55,482
Services and supplies	28,580	28,580	7,273	21,307
Other charges	-	-	-	-
Capital assets	-	-	-	-
Other financing uses	26,240	26,240	26,196	44
Total Veteran's Service Officer	286,259	286,259	209,426	76,833
Welfare Domestic Violence:				
Services and supplies	33,000	33,000	33,000	-
Total Welfare Domestic Violence	33,000	33,000	33,000	-
 Total Public Assistance	 \$ 1,426,766	 \$ 1,461,766	 \$ 616,329	 \$ 845,437

(continued)

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE-GENERAL FUND - BUDGETARY BASIS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Education:				
Farm, Home and 4-H Department:				
Salaries and employee benefits	\$ 181,626	\$ 171,626	\$ 161,707	\$ 9,919
Services and supplies	70,597	78,242	68,416	9,826
Other charges	6,000	7,600	7,627	(27)
Capital assets	45,000	45,755	45,718	37
Other financing uses	(22,636)	(22,636)	(22,692)	56
Total Farm, Home, and 4H Department	280,587	280,587	260,776	19,811
Libraries:				
Salaries and employee benefits	1,522,749	1,522,749	1,447,893	74,856
Services and supplies	460,690	499,013	471,885	27,128
Other charges	70,477	70,477	70,477	-
Other financing uses	465,130	465,130	434,238	30,892
Total Libraries - Literacy Grant	2,519,046	2,557,369	2,424,493	132,876
Libraries - Literacy Grant				
Salaries and employee benefits	194,261	196,190	191,428	4,762
Services and supplies	37,157	78,925	45,275	33,650
Other charges	-	-	2,143	(2,143)
Capital assets	-	-	-	-
Other financing uses	25,524	25,524	26,984	(1,460)
Total Libraries	256,942	300,639	265,830	34,809
Total Education	3,056,575	3,138,595	2,951,099	187,496
Recreation and cultural services:				
Butte Meadows Recreation Grant:				
Services and supplies	60,082	60,082	37,710	22,372
Other charges	-	-	493	(493)
Other financing uses	8,177	8,177	444	7,733
Total Butte Meadows Recreation Grant	68,259	68,259	38,647	29,612
Provisions for Contingencies:				
Appropriation Contingencies	4,748,227	4,835,227	-	4,835,227
Total Charges to appropriations	137,389,453	142,489,344	134,695,705	7,793,639
Budgetary fund balance, beginning of year - restated	36,904,179	36,904,179	36,904,179	-
Budgetary Fund balances, ending	\$ 19,744,949	\$ 17,752,741	\$ 28,146,841	\$ 10,394,100

(continued)

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE-GENERAL FUND - BUDGETARY BASIS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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 \$ 125,938,367

Differences - budget to USGAAP:

Proceeds from sale of capital assets are inflows of budgetary resources
but are not revenues for financial reporting purposes (31,985)

Transfers in are inflows of budgetary resources
but are not revenues for financial reporting purposes (9,055,014)

Total revenues as reported on the statement of revenues, expenditures, and
changes in fund balance - general fund 116,851,368

Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations"
from the budgetary comparison schedule 134,695,705

Differences - budget to USGAAP:

Transfers to other funds are outflows of budgetary resources
but are not expenditures for financial reporting purposes (5,593,518)

Total expenditures as reported on the statement of revenues, expenditures, and
changes in fund balance - general fund \$ 129,102,187

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, 2013**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
RESOURCES (inflows):				
Revenues from uses of money and property	\$ -	\$ -	\$ (21,725)	\$ (21,725)
Aid from other governments	124,871,935	127,373,381	136,348,876	8,975,495
Charges for services	422,924	422,924	286,919	(136,005)
Other	1,274,696	1,274,696	1,004,836	(269,860)
Other financing sources	15,430,308	15,558,924	483,764	(15,075,160)
Amounts available for appropriation	<u>141,999,863</u>	<u>144,629,925</u>	<u>138,102,670</u>	<u>(6,527,255)</u>
CHARGES TO APPROPRIATIONS (outflows):				
Public Protection:				
Welfare - Public Guardian:				
Salaries and employee benefits	436,245	428,945	428,858	87
Services and supplies	9,250	5,050	3,818	1,232
Other charges	145,237	156,737	147,852	8,885
Other financing uses	498,395	498,395	483,218	15,177
Total Welfare - Public Guardian	<u>1,089,127</u>	<u>1,089,127</u>	<u>1,063,746</u>	<u>25,381</u>
Total Public Protection	<u>1,089,127</u>	<u>1,089,127</u>	<u>1,063,746</u>	<u>25,381</u>
Public Assistance:				
Welfare Administration:				
Salaries and employee benefits	10,894,247	10,689,047	10,452,882	236,165
Services and supplies	5,472,583	5,684,067	5,490,457	193,610
Other charges	3,885,906	4,457,224	4,284,196	173,028
Capital assets	113,000	113,000	85,206	27,794
Other financing uses	(20,365,737)	(20,365,737)	(19,746,270)	(619,467)
Total Welfare Administration	<u>(1)</u>	<u>577,601</u>	<u>566,471</u>	<u>11,130</u>
Welfare - Eligibility:				
Salaries and employee benefits	14,841,315	14,841,315	14,573,414	267,901
Services and supplies	160,295	891,038	754,003	137,035
Other charges	356,656	356,656	354,718	1,938
Other financing uses	5,854,149	5,844,449	5,673,765	170,684
Total Welfare - Eligibility	<u>21,212,415</u>	<u>21,933,458</u>	<u>21,355,900</u>	<u>577,558</u>
Welfare Protective Services:				
Salaries and employee benefits	9,370,238	9,194,038	8,900,080	293,958
Services and supplies	1,936,605	2,283,801	1,727,686	556,115
Other charges	1,229,191	1,467,569	1,320,420	147,149
Other financing uses	6,638,321	6,638,321	14,807,693	(8,169,372)
Total Welfare Protective Services	<u>\$ 19,174,355</u>	<u>\$ 19,583,729</u>	<u>\$ 26,755,879</u>	<u>\$ (7,172,150)</u>

(continued)

COUNTY OF BUTTE, CALIFORNIA

**BUDGET COMPARISON SCHEDULE-WELFARE FUND-BUDGETARY BASIS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Welfare CALWORKS Program:				
Salaries and employee benefits	\$ 4,343,854	\$ 4,280,574	\$ 4,198,057	\$ 82,517
Services and supplies	3,100,098	3,985,321	3,300,847	684,474
Other charges	1,498,820	1,589,220	1,413,349	175,871
Other financing uses	7,374,872	7,384,572	15,524,053	(8,139,481)
Total Welfare CALWORKS Program	<u>16,317,644</u>	<u>17,239,687</u>	<u>24,436,306</u>	<u>(7,196,619)</u>
Welfare Aids:				
Services and supplies	5,000	5,000	2,180	2,820
Other charges	84,212,719	84,212,719	80,103,109	4,109,610
Other financing uses	-	-	110,045	(110,045)
Total Welfare Aids	<u>84,217,719</u>	<u>84,217,719</u>	<u>80,215,334</u>	<u>4,002,385</u>
 Total Public Assistance	 140,922,132	 143,552,195	 153,329,890	 (9,777,695)
Total Charges to appropriations	<u>142,011,259</u>	<u>144,641,322</u>	<u>154,393,636</u>	<u>(9,752,314)</u>
Budgetary fund balance, beginning of year - restated	<u>4,738,598</u>	<u>4,738,598</u>	<u>4,738,598</u>	<u>-</u>
Budgetary Fund balances, ending	<u>\$ 4,727,202</u>	<u>\$ 4,727,202</u>	<u>\$ (11,552,368)</u>	<u>\$ (16,279,569)</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 \$ 138,102,670

Differences - budget to USGAAP:
Transfers in are inflows of budgetary resources
but are not revenues for financial reporting purposes (483,764)

Total revenues as reported on the statement of revenues, expenditures, and
changes in fund balance \$ 137,618,905

Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations"
from the budgetary comparison schedule \$ 154,393,636

Differences - budget to USGAAP:
Transfers to other funds are outflows of budgetary resources
but are not expenditures for financial reporting purposes (8,046,544)

Total expenditures as reported on the statement of revenues, expenditures, and
changes in fund balance \$ 146,347,092



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, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
RESOURCES (inflows):				
Licenses and permits	\$ 118,200	\$ 118,200	\$ 131,960	\$ 13,760
Fines, forfeitures, and penalties	360,000	360,000	286,118	(73,882)
Revenues from uses of money and property	192,400	192,400	36,567	(155,833)
Aid from other governments	17,797,601	17,995,767	16,379,378	(1,616,389)
Charges for services	3,035,562	3,035,562	2,466,610	(568,952)
Other	15,950	15,950	20,859	4,909
Other financing sources	724,304	724,304	1,387,417	663,113
Amounts available for appropriation	<u>22,244,017</u>	<u>22,442,183</u>	<u>20,708,909</u>	<u>(1,733,274)</u>
CHARGES TO APPROPRIATIONS (outflows):				
Health and Sanitation:				
Public Health General Services:				
Salaries and employee benefits	12,901,036	12,979,376	10,867,985	2,111,391
Services and supplies	10,926,951	10,984,096	10,061,057	923,039
Other charges	1,133,736	2,261,319	2,152,573	108,746
Capital assets	92,000	92,000	62,472	29,528
Other financing uses	1,064,902	-	-	-
Total Public Health General Services	<u>26,118,625</u>	<u>26,316,791</u>	<u>23,144,087</u>	<u>3,172,704</u>
Total Health and Sanitation	<u>26,118,625</u>	<u>26,316,791</u>	<u>23,144,087</u>	<u>3,172,704</u>
Total Charges to appropriations	<u>26,118,625</u>	<u>26,316,791</u>	<u>23,144,087</u>	<u>3,172,704</u>
Budgetary fund balance, beginning of year - restated	<u>12,253,578</u>	<u>12,253,578</u>	<u>12,253,578</u>	<u>-</u>
Budgetary Fund balances, ending	<u>\$ 8,378,970</u>	<u>\$ 8,378,970</u>	<u>\$ 9,818,400</u>	<u>\$ 1,439,430</u>

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE-PUBLIC HEALTH FUND-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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 \$ 20,708,909

Differences - budget to USGAAP:
Transfers in are inflows of budgetary resources
but are not revenues for financial reporting purposes (1,387,417)

Total revenues as reported on the statement of revenues, expenditures, and
changes in fund balance 19,321,492

Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations"
from the budgetary comparison schedule 23,144,087

Differences - budget to USGAAP:
Transfers to other funds are outflows of budgetary resources
but are not expenditures for financial reporting purposes (2,035,774)

Total expenditures as reported on the statement of revenues, expenditures, and
changes in fund balance \$ 21,108,313



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, 2013**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
RESOURCES (inflows):				
Fines, forfeitures, and penalties	\$ 15,000	\$ 15,000	\$ 88,102	\$ 73,102
Revenues from uses of money and property	-	-	(92,936)	(92,936)
Aid from other governments	51,419,615	42,852,670	46,484,829	3,632,159
Charges for services	2,588,979	5,889,757	972,930	(4,916,827)
Other	-	126,975	17,724	(109,251)
Other financing sources	3,235,890	11,810,611	3,158,185	(8,652,426)
Amounts available for appropriation	<u>57,259,484</u>	<u>60,695,013</u>	<u>50,628,834</u>	<u>(10,066,179)</u>
CHARGES TO APPROPRIATIONS (outflows):				
Health and Sanitation:				
Behavioral Health General Services:				
Salaries and employee benefits	25,029,702	24,515,273	23,047,245	1,468,028
Services and supplies	22,990,748	23,485,300	20,395,333	3,089,967
Other charges	2,193,605	2,906,512	2,640,282	266,230
Capital assets	461,580	529,580	238,400	291,180
Other financing uses	625,000	-	5,520,579	(5,520,579)
Total Mental Health General Services	<u>51,300,635</u>	<u>51,436,665</u>	<u>51,841,839</u>	<u>(405,174)</u>
Mental Health Substance Abuse:				
Salaries and employee benefits	2,264,497	2,401,111	2,363,815	37,296
Services and supplies	2,456,305	2,480,189	2,062,813	417,376
Other charges	353,294	384,408	357,966	277,168
Other financing uses	-	-	5,520,580	(5,520,580)
Total Mental Health Substance Abuse	<u>5,074,096</u>	<u>5,265,708</u>	<u>10,305,174</u>	<u>(4,788,740)</u>
Total Health and Sanitation	<u>56,374,731</u>	<u>56,702,373</u>	<u>62,147,013</u>	<u>(5,193,914)</u>
Total Charges to appropriations	<u>56,374,731</u>	<u>56,702,373</u>	<u>62,147,013</u>	<u>(5,193,914)</u>
Budgetary fund balance, beginning of year - restated	<u>(1,726,040)</u>	<u>(1,726,040)</u>	<u>(1,726,040)</u>	<u>-</u>
Budgetary Fund balances, ending	<u>\$ (841,287)</u>	<u>\$ 2,266,600</u>	<u>\$ (13,244,219)</u>	<u>\$ (15,260,093)</u>

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BEHAVIORAL HEALTH FUND-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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	\$ 50,628,834
Differences - budget to USGAAP:	
Transfers in are inflows of budgetary resources but are not revenues for financial reporting purposes	<u>(3,158,185)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance	<u><u>47,470,649</u></u>

Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	62,147,013
Differences - budget to USGAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(2,600,346)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance	<u><u>\$ 59,546,667</u></u>



COUNTY OF BUTTE

Road Fund

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

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - ROAD FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
RESOURCES (inflows):				
Licenses and permits	\$ 75,000	\$ 75,000	\$ 72,349	\$ (2,651)
Revenues from uses of money and property	280,000	280,000	(59,866)	(339,866)
Aid from other governments	27,701,026	27,701,026	14,660,279	(13,040,747)
Charges for services	5,243,301	5,247,701	985,553	(4,262,148)
Other	34,000	34,000	55,823	21,823
Other financing sources	2,081,000	2,081,000	3,069,148	988,148
Amounts available for appropriation	<u>35,414,327</u>	<u>35,418,727</u>	<u>18,783,286</u>	<u>(16,635,441)</u>
CHARGES TO APPROPRIATIONS (outflows):				
Public Ways and Facilities:				
Road Operations:				
Salaries and employee benefits	7,462,334	7,462,334	7,048,283	414,051
Services and supplies	31,317,997	31,683,493	12,502,024	19,181,469
Other charges	748,616	2,726,116	937,921	1,788,195
Capital assets	1,045,000	1,144,364	860,012	284,352
Other financing uses	2,000,000	22,500	20,610	1,890
Total Road Operations	<u>42,573,947</u>	<u>43,038,807</u>	<u>21,368,850</u>	<u>21,669,957</u>
Total Public Assistance	<u>42,573,947</u>	<u>43,038,807</u>	<u>21,368,850</u>	<u>21,669,957</u>
Provisions for Contingencies:				
Appropriation Contingencies	<u>1,000,000</u>	<u>900,636</u>	<u>-</u>	<u>900,636</u>
Total Charges to appropriations	<u>43,573,947</u>	<u>43,939,443</u>	<u>21,368,850</u>	<u>22,570,593</u>
Budgetary fund balance, beginning of year - restated	<u>15,878,621</u>	<u>15,878,621</u>	<u>15,878,621</u>	<u>-</u>
Budgetary Fund balances, ending	<u>\$ 7,719,001</u>	<u>\$ 7,357,905</u>	<u>\$ 13,293,057</u>	<u>\$ 5,935,152</u>

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - ROAD FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "total resources" from the budgetary comparison schedule	\$ 18,783,286
Differences - budget to USGAAP:	
Transfers in are inflows of budgetary resources but are not revenues for financial reporting purposes	(3,049,027)
Proceeds from sale of capital assets are inflows of budgetary resources but are not revenues for financial reporting purposes	<u>(20,121)</u>

Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance	<u><u>15,714,138</u></u>
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Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	21,368,850
Differences - budget to USGAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(1,012,520)</u>

Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance	<u><u>\$ 20,356,330</u></u>
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COUNTY OF BUTTE, CALIFORNIA

Note to Required Supplementary Information For the Fiscal Year Ended June 30, 2013

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 lapse at year end.

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.

EQUIPMENT REPLACEMENT FUND

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

EQUIPMENT FUND

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

STATE COPS FUND

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

SPECIAL REVENUE FUNDS

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

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

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

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

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, 2013**

	Capital Projects Fund	Equipment Replacement	Equipment	State COPS
ASSETS				
Cash and investments	\$ 1,789,339	\$ 2,199,889	\$ 2,184,180	\$ 370,763
Cash and investments with fiscal agent	-	151,000	-	-
Imprest cash	-	-	-	-
Interest receivable	3,871	4,420	6,077	728
Due from other governments	-	-	-	-
Loans receivable	-	-	-	-
Total assets	<u>\$ 1,793,210</u>	<u>\$ 2,355,309</u>	<u>\$ 2,190,257</u>	<u>\$ 371,491</u>
 LIABILITIES AND FUND BALANCES				
Liabilities:				
Due to other funds	-	-	63,406	-
Accounts payable	137,629	120,378	-	-
Salaries and benefits payable	-	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	<u>137,629</u>	<u>120,378</u>	<u>63,406</u>	<u>-</u>
Fund balances:				
Restricted	1,655,581	2,234,930	2,126,851	371,491
Total fund balances	<u>1,655,581</u>	<u>2,234,930</u>	<u>2,126,851</u>	<u>371,491</u>
Total liabilities and fund balances	<u>\$ 1,793,210</u>	<u>\$ 2,355,308</u>	<u>\$ 2,190,257</u>	<u>\$ 371,491</u>

continued

COUNTY OF BUTTE, CALIFORNIA

COMBINING BALANCE SHEET (Continued)

NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2013

	Special Revenue Funds				
	Transit	Housing and Community Development	Fish and Game	Child Support Services	County Service Areas
ASSETS					
Cash and investments	\$ 1,127	\$ 84,984	\$ 108,403	\$ 842,615	\$ 7,241,603
Cash and investments with fiscal agent	-	-	-	-	-
Imprest cash	-	-	-	2,000	-
Interest receivable	1,080	195	211	3,076	14,240
Due from other governments	-	71,592	-	-	8,292
Loans receivable	-	3,335,401	-	-	-
Total assets	<u>\$ 2,207</u>	<u>3,492,172</u>	<u>\$ 108,614</u>	<u>\$ 847,691</u>	<u>\$ 7,264,135</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Due to other funds	-	-	\$ -	\$ -	\$ 18,167
Accounts payable	-	3,861	7,300	3,039	41,479
Salaries and benefits payable	-	-	-	138,939	-
Deferred revenue	-	-	-	610,000	-
Total liabilities	<u>-</u>	<u>3,861</u>	<u>7,300.00</u>	<u>751,978</u>	<u>59,646</u>
Fund balances:					
Restricted	2,207	3,488,311	101,314	95,713	7,164,510
Total fund balances	<u>2,207</u>	<u>3,488,311</u>	<u>101,314</u>	<u>95,713</u>	<u>7,164,510</u>
Total liabilities and fund balances	<u>\$ 2,207</u>	<u>\$ 3,492,172</u>	<u>\$ 108,614</u>	<u>\$ 847,691</u>	<u>\$ 7,224,156</u>

continued

COUNTY OF BUTTE, CALIFORNIA

COMBINING BALANCE SHEET (Continued)

NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2013

	Special Revenue Funds			
	IHSS Public Authority	Impact Fees	Debt Service Fund	Total
ASSETS				
Cash and investments	\$ 73,966	\$ 9,198,075	\$ 8,205,286	\$ 32,300,230
Cash and investments with fiscal agent	-	-	622,959	773,959
Imprest cash	-	-	-	2,000
Interest receivable	132	17,925	15,970	67,925
Due from other governments	47,168	-	-	127,052
Loans receivable	-	-	-	3,335,401
Total assets	\$ 121,266	\$ 9,216,000	\$ 8,844,215	36,606,567
 LIABILITIES AND FUND BALANCES				
Liabilities:				
Due to other funds	\$ -	\$ 3,725	\$ -	\$ 85,298
Accounts payable	595	-	-	314,281
Salaries and benefits payable	3,800	-	-	142,739
Deferred revenue	-	-	-	610,000
Total liabilities	4,395	3,725	-	1,152,318
Fund balances:				
Restricted	116,871	9,212,275	8,844,215	35,454,249
Total fund balances	116,871	9,212,275	8,844,215	35,454,249
Total liabilities and fund balances	\$ 121,266	\$ 9,216,000	\$ 8,844,215	\$ 36,606,567

COUNTY OF BUTTE, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Capital Projects Fund	Equipment Replacement	Equipment	State COPS
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Fines, forfeitures, and penalties	-	-	-	-
Revenues from uses of money and property	(10,226)	(11,749)	(4,433)	(2,031)
Aid from other governments	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>(10,226)</u>	<u>(11,749)</u>	<u>(4,433)</u>	<u>(2,031)</u>
EXPENDITURES:				
Current:				
General government	635,628	-	441,575	-
Public protection	331,326	1,741,062	-	-
Public ways and facilities	-	-	-	-
Health and sanitation	1,099,346	-	-	-
Public assistance	-	-	-	-
Recreation and cultural services	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>2,066,300</u>	<u>1,741,062</u>	<u>441,575</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(2,076,526)</u>	<u>(1,752,811)</u>	<u>(446,008)</u>	<u>(2,031)</u>
OTHER FINANCING SOURCES (USES):				
Sale of capital assets	-	44,351	-	-
Transfers in	2,675,123	1,173,257	441,896	-
Transfer out	(256,240)	(29,000)	(68,111)	-
Total other financing sources (uses)	<u>2,418,883</u>	<u>1,188,608</u>	<u>373,785</u>	<u>-</u>
Net change in fund balances	<u>342,357</u>	<u>(564,203)</u>	<u>(72,223)</u>	<u>(2,031)</u>
Fund balances, beginning	<u>1,313,224</u>	<u>2,799,133</u>	<u>2,199,074</u>	<u>373,522</u>
Cumulative effect of change in accounting principle	-	-	-	-
Fund balances - beginning, restated	<u>1,313,224</u>	<u>2,799,133</u>	<u>2,199,074</u>	<u>373,522</u>
Fund balances, ending	<u>\$ 1,655,581</u>	<u>\$ 2,234,930</u>	<u>\$ 2,126,851</u>	<u>\$ 371,491</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, 2013

	Special Revenue Funds				
	Transit	Housing and Community Development	Fish and Game	Child Support Services	County Service Areas
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 888,472
Fines, forfeitures, and penalties	-	-	28,078	-	-
Revenues from uses of money and property	2,446	299	(576)	3,884	(33,075)
Aid from other governments	2,686,105	1,117,879	-	6,931,305	127,079
Charges for services	-	-	-	-	347,893
Other	-	161,047	-	31	2
Total revenues	2,688,551	1,279,225	27,502	6,935,220	1,330,371
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Public protection	-	-	30,218	-	242,223
Public ways and facilities	1,364,232	485,402	-	-	-
Health and sanitation	-	-	-	-	269,748
Public assistance	-	-	-	6,117,842	-
Recreation and cultural services	-	-	-	-	39,435
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	1,364,232	485,402	30,218	6,117,842	551,406
Excess (deficiency) of revenues over expenditures	1,324,319	793,823	(2,716)	817,378	778,965
OTHER FINANCING SOURCES (USES):					
Sale of capital assets	-	-	-	-	-
Transfers in	-	-	-	25,838	8,417
Transfer out	(1,710,858)	(220,009)	(72)	(848,149)	(536,431)
Total other financing sources (uses)	(1,710,858)	(220,009)	(72)	(822,311)	(528,014)
Net change in fund balances	(386,539)	573,814	(2,788)	(4,933)	250,951
Fund balances, beginning	388,746	182,765	104,102	100,646	6,953,538
Cumulative effect of change in accounting principle	-	2,731,732	-	-	-
Fund balances - beginning, restated	388,746	2,914,497	104,102	100,646	6,953,538
Fund balances, ending	\$ 2,207	\$ 3,488,311	\$ 101,314	\$ 95,713	\$ 7,204,489

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, 2013

	<u>Special Revenue Funds</u>			<u>Total</u>
	<u>IHSS Public Authority</u>	<u>Impact Fees</u>	<u>Debt Service Fund</u>	
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 888,472
Fines, forfeitures, and penalties	-	647,601	-	675,679
Revenues from uses of money and property	(375)	(45,018)	(46,598)	(147,452)
Aid from other governments	192,362	-	-	11,054,730
Charges for services	-	-	-	347,893
Other	-	-	-	161,080
Total revenues	<u>191,987</u>	<u>602,583</u>	<u>(46,598)</u>	<u>12,980,402</u>
EXPENDITURES:				
Current:				
General government	-	-	4,202	1,081,404
Public protection	-	-	-	2,344,829
Public ways and facilities	-	-	-	1,849,634
Health and sanitation	-	-	-	1,369,094
Public assistance	212,009	-	-	6,329,851
Recreation and cultural services	-	-	-	39,435
Debt Service:				
Principal	-	-	331,563	331,563
Interest	-	-	1,964,589	1,964,589
Total expenditures	<u>212,009</u>	<u>-</u>	<u>2,300,354</u>	<u>15,310,399</u>
Excess (deficiency) of revenues over expenditures	<u>(20,022)</u>	<u>602,583</u>	<u>(2,346,952)</u>	<u>(2,329,997)</u>
OTHER FINANCING SOURCES (USES):				
Sale of capital assets	-	-	-	44,351
Transfers in	45,000	-	2,414,420	6,783,951
Transfer out	(13,872)	(134,051)	(25,692)	(3,842,485)
Total other financing sources (uses)	<u>31,128</u>	<u>(134,051)</u>	<u>2,388,728</u>	<u>2,985,817</u>
Net change in fund balances	<u>11,106</u>	<u>468,532</u>	<u>41,776</u>	<u>655,820</u>
Fund balances, beginning	<u>105,765</u>	<u>8,743,743</u>	<u>8,802,439</u>	<u>32,066,697</u>
Cumulative effect of change in accounting principle	-	-	-	2,731,732
Fund balances - beginning, restated	<u>105,765</u>	<u>8,743,743</u>	<u>8,802,439</u>	<u>34,798,429</u>
Fund balances, ending	<u>\$ 116,871</u>	<u>\$ 9,212,275</u>	<u>\$ 8,844,215</u>	<u>\$ 35,454,249</u>

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
RESOURCES (inflows):				
Revenues from uses of money and property	\$ -	\$ -	\$ (10,226)	\$ (10,226)
Charges for services	663,870	663,870	-	(663,870)
Other	4,400,000	4,400,000	-	(4,400,000)
Other financing sources	5,177,214	10,745	2,675,123	2,664,378
Amounts available for appropriation	10,241,084	5,074,615	2,664,897	(2,409,718)
CHARGES TO APPROPRIATIONS (outflows):				
General Government:				
Chico Public Works Yard				
Capital Assets	1,996,000	1,996,000	129,063	1,866,937
Other charges	4,000	4,000	-	4,000
Total Debt Service Transfer	2,000,000	2,000,000	129,063	1,870,937
Debt Service Transfer				
Other financing uses	60,866	60,866	58,759	2,107
Total County Center Master Plan	60,866	60,866	58,759	2,107
Hall of Records:				
Other charges	-	641	641	-
Capital assets	4,200,000	4,199,359	471,555	3,727,804
Total Hall of Records	4,200,000	4,200,000	472,196	3,727,804
Veterans Memorial Park:				
Other charges	-	100	50	50
Capital assets	40,000	39,900	35,010	4,890
Total Veterans Memorial Park	40,000	40,000	35,060	4,940
Total General Government	6,300,866	6,300,866	695,078	5,605,788
Public Protection:				
Bloomer Mt. Communication Tower:				
Capital assets	289,612	224,612	198,295	26,317
Total Bloomer Mt. Communication Tower	\$ 289,612	\$ 224,612	\$ 198,295	\$ 26,317

(continued)

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS
CAPITAL PROJECTS FUND (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Juvenile Hall Security System				
Other charges	\$ 20,667	\$ 20,667	\$ -	\$ 20,667
Capital assets	529,333	564,333	50,244	514,089
Total Public Safety Facilities Modification	550,000	585,000	50,244	534,756
Public Safety Facilities Modification:				
Other charges	-	19,124	19,124	-
Capital assets	75,339	96,215	84,545	11,670
Total Bangor Fire Station #55	75,339	115,339	103,669	11,670
Total Public Protection	914,951	924,951	352,208	572,743
Public Ways and Facilities				
33 CC Pedestrian Walkway				
Other charges	4,537	40,037	39,792	245
Capital assets	273,163	237,663	-	237,663
Total Public Health Lab	277,700	277,700	39,792	237,908
BC Oroville Park & Ride				
Other charges	55,000	55,000	1,307	53,693
Capital assets	545,000	545,000	-	545,000
Total Public Health Lab	600,000	600,000	1,307	598,693
Total Public Protection	877,700	877,700	41,099	836,601
Health and Sanitation:				
Public Health Lab:				
Other charges	29,465	53,280	53,280	-
Capital assets	899,637	875,822	873,706	2,116
Total Public Health Lab	\$ 929,102	\$ 929,102	\$ 926,986	\$ 2,116

(continued)

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS
CAPITAL PROJECTS FUND (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Behavioral Health - Cohasset Remodel:				
Other charges	\$ 20,000	\$ 20,000	\$ 14,259	\$ 5,741
Capital assets	480,000	430,000	40,071	389,929
Total Behavioral Health Remodel	500,000	450,000	54,330	395,670
Behavioral Health - Rio Lindo Remodel:				
Other charges	10,000	10,000	7,188	2,812
Capital assets	115,000	115,000	110,401	4,599
Total Behavioral Health Remodel	125,000	125,000	117,589	7,411
Public Health Remodel				
Other charges	10,812	15,751	15,751	-
Capital assets	124,988	120,049	119,499	550
Total CSS Remodel	135,800	135,800	135,250	550
Total Health and Sanitation	1,689,902	1,639,902	1,234,155	405,747
Total Charges to appropriations	9,783,419	9,743,419	2,322,540	7,420,879
Budgetary fund balance, beginning of year - restated	1,313,224	1,313,224	1,313,224	-
Budgetary Fund balances, ending	\$ 1,770,889	\$ (3,355,580)	\$ 1,655,581	\$ 5,011,161

(continued)

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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 \$ 2,664,897

Differences - budget to USGAAP:
Transfers from other funds are inflows of budgetary resources
but are not revenues for financial reporting purposes (2,675,123)

Total revenues as reported on the statement of revenues, expenditures, and
changes in fund balance \$ (10,226)

Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations"
from the budgetary comparison schedule \$ 2,322,540

Differences - budget to USGAAP:
Transfers to other funds are outflows of budgetary resources
but are not expenditures for financial reporting purposes (256,240)

Total expenditures as reported on the statement of revenues, expenditures, and
changes in fund balance \$ 2,066,300

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS
EQUIPMENT REPLACEMENT SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
RESOURCES (inflows):				
Revenues from uses of money and property	\$ 25,000	\$ 25,000	\$ (11,749)	\$ (36,749)
Other financing sources	963,314	963,314	1,217,608	254,294
Amounts available for appropriation	<u>988,314</u>	<u>988,314</u>	<u>1,205,859</u>	<u>217,545</u>
CHARGES TO APPROPRIATIONS (outflows):				
Public Protection:				
Sheriff Equipment Replacement:				
Other charges	3,429	3,429	6,719	(3,290)
Capital assets	315,304	315,304	259,841	55,463
Total Sheriff Equipment Replacement	<u>318,733</u>	<u>318,733</u>	<u>266,560</u>	<u>52,173</u>
Fire Equipment Replacement:				
Other charges	(60)	(60)	(60)	-
Capital assets	1,350,000	1,350,000	1,286,607	63,393
Total Fire Equipment Replacement	<u>1,349,940</u>	<u>1,349,940</u>	<u>1,286,547</u>	<u>63,393</u>
District Attorney Equipment Replacement:				
Capital assets	47,950	47,950	46,418	1,532
Total District Attorney Equip Replacement	<u>47,950</u>	<u>47,950</u>	<u>46,418</u>	<u>1,532</u>
Probation Equipment Replacement:				
Capital assets	185,000	185,000	170,537	14,463
Total Probation Equipment Replacement	<u>185,000</u>	<u>185,000</u>	<u>170,537</u>	<u>14,463</u>
Total Public Protection	<u>1,668,673</u>	<u>1,668,673</u>	<u>1,553,107</u>	<u>115,566</u>
Total Charges to appropriations	<u>1,901,623</u>	<u>1,901,623</u>	<u>1,770,062</u>	<u>131,561</u>
Budgetary fund balance, beginning of year - restated	<u>2,799,133</u>	<u>2,799,133</u>	<u>2,799,133</u>	<u>-</u>
Budgetary Fund balances, ending	<u>\$ 1,885,824</u>	<u>\$ 1,885,824</u>	<u>\$ 2,234,930</u>	<u>\$ 85,984</u>

(continued)

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS
EQUIPMENT REPLACEMENT SPECIAL REVENUE FUND (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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	\$ 1,205,859
Differences - budget to USGAAP: Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	<u>(1,217,608)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance	<u>\$ (11,749)</u>

Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 1,770,062
Differences - budget to USGAAP: Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(29,000.00)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance	<u>\$ 1,741,062</u>

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS
EQUIPMENT SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
RESOURCES (inflows):				
Revenues from uses of money and property	\$ -	\$ -	\$ (4,433)	\$ (4,433)
Charges for services	435,414	435,414	435,414	-
Other financing sources	1,732	1,732	6,482	4,750
Amounts available for appropriation	437,146	437,146	437,463	317
CHARGES TO APPROPRIATIONS (outflows):				
General Government:				
ISF Equipment Replacement:				
Other charges	3,856	3,856	3,828	28
Capital assets	473,210	473,210	442,452	30,758
Other financing uses	370,654	370,654	63,406	307,248
Total ISF Equipment Replacement	847,720	847,720	509,686	338,034
Total General Government	847,720	847,720	509,686	338,034
Total Charges to appropriations	847,720	847,720	509,686	338,034
Budgetary fund balance, beginning of year - restated	2,199,074	2,199,074	2,199,074	-
Budgetary Fund balances, ending	\$ 1,788,500	\$ 1,788,500	\$ 2,126,851	\$ 338,351

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	\$ 437,463
Differences - budget to USGAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	(441,896)

Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance	\$ (4,433)
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Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 509,686
Differences - budget to USGAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(68,111.00)

Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance	\$ 441,575
--	------------

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS
STATE COPS SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
RESOURCES (inflows):				
Revenues from uses of money and property	\$ -	\$ -	\$ (2,031)	\$ (2,031)
Amounts available for appropriation	-	-	(2,031)	(2,031)
Budgetary fund balance, beginning of year - restated	373,522	373,522	373,522	-
Budgetary Fund balances, ending	<u>\$ 373,522</u>	<u>\$ 373,522</u>	<u>\$ 371,491</u>	<u>\$ (2,031)</u>

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS
TRANSIT SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
RESOURCES (inflows):				
Revenues from uses of money and property	\$ 10,000	\$ 10,000	\$ 2,446	\$ (7,554)
Aid from other governments	3,150,000	3,150,000	2,686,105	(463,895)
Amounts available for appropriation	3,160,000	3,160,000	2,688,551	(471,449)
CHARGES TO APPROPRIATIONS (outflows):				
Public Ways and Facilities:				
Transit - System Operations				
Other charges	1,386,034	1,386,034	1,364,232	21,802
Other financing uses	1,773,966	1,773,966	1,710,858	63,108
Total Transit - System Operations	3,160,000	3,160,000	3,075,090	84,910
Total Public Ways and Facilities	3,160,000	3,160,000	3,075,090	84,910
Total Charges to appropriations	3,160,000	3,160,000	3,075,090	84,910
Budgetary fund balance, beginning of year - restated	388,746	388,746	388,746	-
Budgetary Fund balances, ending	\$ 388,746	\$ 388,746	\$ 2,207	\$ (386,539)

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	\$ 2,688,551
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance	2,688,551

Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	3,075,090
Differences - budget to USGAAP: Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(1,710,858)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance	\$ 1,364,232

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS
HOUSING AND COMMUNITY DEVELOPMENT SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
RESOURCES (inflows):				
Revenues from uses of money and property	\$ 3,000	\$ 3,000	\$ 299	\$ (2,701)
Aid from other governments	3,726,469	3,726,469	1,117,879	(2,608,590)
Other	202,554	202,554	161,047	(41,507)
Amounts available for appropriation	3,932,023	3,932,023	1,279,225	(2,652,798)
CHARGES TO APPROPRIATIONS (outflows):				
General Government:				
CDBG Administration:				
Other charges	(29,994)	(29,994)	(30,024)	30
Total CDBG Administration	(29,994)	(29,994)	(30,024)	30
CDBG General Allocation Grant:				
Services and supplies	-	85,124	85,124	-
Other charges	-	17,595	18,967	(1,372)
Total CDBG General Allocation Grant	-	102,719	104,091	(1,372)
DRI 2008 Fires:				
Services and supplies	2,106,500	2,106,500	52,152	2,054,348
Other charges	1,115,000	1,194,250	214,587	979,663
Total DRI 2008 Fires	3,221,500	3,300,750	266,739	3,034,011
HCD - Revolving Loan:				
Services and supplies	197,250	191,250	110,714	80,536
Other charges	10,404	16,404	12,676	3,728
Total HCD - Revolving Loan	207,654	207,654	123,390	84,264
09-EDEF-6537:				
Services and supplies	3,000	3,000	-	3,000
Other charges	217,000	217,000	214,187	2,813
Total 09-EDEF-6537	220,000	220,000	214,187	5,813
11-PTEC-7614:				
Services and supplies	30,000	30,000	23,225	6,775
Other charges	73,000	73,000	3,803	69,197
Total 11-PTEC-7614	103,000	103,000	27,028	75,972
Total General Government	3,722,160	3,904,129	705,411	3,198,718
Total Charges to appropriations	3,722,160	3,904,129	705,411	3,198,718
Budgetary fund balance, beginning of year - restated	3,518,166	3,518,166	2,914,497	(603,669)
Budgetary Fund balances, ending	\$ 3,728,029	\$ 3,546,060	\$ 3,488,311	\$ (57,749)

(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, 2013

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 \$ 1,279,225

Total revenues as reported on the statement of revenues, expenditures, and
changes in fund balance 1,279,225

Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations"
from the budgetary comparison schedule 705,411

Differences - budget to USGAAP:

Transfers to other funds are outflows of budgetary resources
but are not expenditures for financial reporting purposes (220,009)

Total expenditures as reported on the statement of revenues, expenditures, and
changes in fund balance \$ 485,402

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS
FISH AND GAME SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
RESOURCES (inflows):				
Fines, forfeitures, and penalties	\$ 18,867	\$ 18,867	\$ 28,078	\$ 9,211
Revenues from uses of money and property	2,337	2,337	(576)	(2,913)
Amounts available for appropriation	21,204	21,204	27,502	6,298
CHARGES TO APPROPRIATIONS (outflows):				
Public Protection:				
Fish and Game:				
Services and supplies	37,009	37,009	30,218	6,791
Other charges	86	86	72	14
Total Fish and Game	37,095	37,095	30,290	6,805
Total Public Protection	37,095	37,095	30,290	6,805
Total Charges to appropriations	37,095	37,095	30,290	6,805
Budgetary fund balance, beginning of year - restated	104,102	104,102	104,102	-
Budgetary Fund balances, ending	\$ 88,211	\$ 88,211	\$ 101,314	\$ 13,103

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 \$ 27,502

Total revenues as reported on the statement of revenues, expenditures, and
changes in fund balance 27,502

Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations"
from the budgetary comparison schedule 30,290

Differences - budget to USGAAP:
Transfers to other funds are outflows of budgetary resources
but are not expenditures for financial reporting purposes (72)

Total expenditures as reported on the statement of revenues, expenditures, and
changes in fund balance \$ 30,218

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS
CHILD SUPPORT SERVICES SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
RESOURCES (inflows):				
Revenues from uses of money and property	\$ 30,000	\$ 30,000	\$ 3,884	\$ (26,116)
Aid from other governments	8,944,551	8,944,551	6,931,305	(2,013,246)
Charges for services	29,000	29,000	25,838	(3,162)
Other	100	100	31	(69)
Amounts available for appropriation	9,003,651	9,003,651	6,961,058	(2,042,593)
CHARGES TO APPROPRIATIONS (outflows):				
Public Assistance:				
Child Support Services:				
Salaries and employee benefits	7,646,814	7,646,814	5,788,790	1,858,024
Services and supplies	595,445	595,445	415,330	180,115
Other charges	761,392	761,392	761,871	(479)
Total Child Support Services	9,003,651	9,003,651	6,965,991	2,037,660
Total Public Assistance	9,003,651	9,003,651	6,965,991	2,037,660
Total Charges to appropriations	9,003,651	9,003,651	6,965,991	2,037,660
Budgetary fund balance, beginning of year - restated	100,646	100,646	100,646	-
Budgetary Fund balances, ending	\$ 100,646	\$ 100,646	\$ 95,713	\$ (4,933)

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 \$ 6,961,058

Differences - budget to USGAAP:

Transfers from other funds are inflows of budgetary resources
but are not revenues for financial reporting purposes (25,838)

Total revenues as reported on the statement of revenues, expenditures, and
changes in fund balance 6,935,220

Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations"
from the budgetary comparison schedule 6,965,991

Differences - budget to USGAAP:

Transfers to other funds are outflows of budgetary resources
but are not expenditures for financial reporting purposes (848,149)

Total expenditures as reported on the statement of revenues, expenditures, and
changes in fund balance \$ 6,117,842

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS
COUNTY SERVICE AREAS SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
RESOURCES (inflows):				
Taxes	\$ 829,127	\$ 829,127	\$ 888,472	\$ 59,345
Revenues from uses of money and property	135,780	135,780	(33,075)	(168,855)
Aid from other governments	98,080	98,080	127,079	28,999
Charges for services	343,034	343,034	347,893	4,859
Other	5,348	5,348	8,419	3,071
Amounts available for appropriation	1,411,369	1,411,369	1,338,788	(72,581)
CHARGES TO APPROPRIATIONS (outflows):				
Public protection	1,534,100	1,534,100	552,275	981,825
Health and sanitation	283,949	283,949	-	283,949
Recreation and cultural services	172,447	172,447	-	172,447
Other charges	900	900	535,562	(534,662)
Total Charges to appropriations	1,991,396	1,991,396	1,087,837	903,559
Budgetary fund balance, beginning of year - restated	6,953,538	6,953,538	6,953,538	-
Budgetary Fund balances, ending	\$ 6,373,511	\$ 6,373,511	\$ 7,204,489	\$ 830,978

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 \$ 1,338,788

Differences - budget to USGAAP:

Transfers from other funds are inflows of budgetary resources
but are not revenues for financial reporting purposes (8,417)

Total revenues as reported on the statement of revenues, expenditures, and
changes in fund balance 1,330,371

Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations"
from the budgetary comparison schedule 1,087,837

Differences - budget to USGAAP:

Transfers to other funds are outflows of budgetary resources
but are not expenditures for financial reporting purposes (536,431)

Total expenditures as reported on the statement of revenues, expenditures, and
changes in fund balance \$ 551,406

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS
IHSS PUBLIC AUTHORITY SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
RESOURCES (inflows):				
Revenues from uses of money and property	\$ -	\$ -	\$ (375)	\$ (375)
Aid from other governments	190,337	190,337	192,362	2,025
Charges for services	45,000	45,000	45,000	-
Amounts available for appropriation	235,337	235,337	236,987	1,650
CHARGES TO APPROPRIATIONS (outflows):				
Public Assistance:				
IHSS Public Authority:				
Salaries and employee benefits	185,052	185,052	191,572	(6,520)
Services and supplies	36,365	36,365	20,437	15,928
Other charges	13,920	13,920	13,872	48
Total IHSS Public Authority	235,337	235,337	225,881	9,456
Total Public Assistance	235,337	235,337	225,881	9,456
Total Charges to appropriations	235,337	235,337	225,881	9,456
Budgetary fund balance, beginning of year - restated	105,765	105,765	105,765	-
Budgetary Fund balances, ending	\$ 105,765	\$ 105,765	\$ 116,871	\$ 11,106

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	\$ 236,987
Differences - budget to USGAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	(45,000)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance	191,987

Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	225,881
Differences - budget to USGAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(13,872)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance	\$ 212,009

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS
IMPACT FEES SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
RESOURCES (inflows):				
Fines, forfeitures, and penalties	\$ 376,378	\$ 376,378	\$ 647,601	\$ 271,223
Revenues from uses of money and property	83,640	83,640	(45,018)	(128,658)
Amounts available for appropriation	460,018	460,018	602,583	142,565
CHARGES TO APPROPRIATIONS (outflows):				
Public Assistance:				
IHSS Public Authority:				
Other charges	114,950	114,950	134,051	(19,101)
Other financing uses	10,000	10,000	-	10,000
Total IHSS Public Authority	124,950	124,950	134,051	(9,101)
Total Public Assistance	124,950	124,950	134,051	(9,101)
Total Charges to appropriations	124,950	124,950	134,051	(9,101)
Budgetary fund balance, beginning of year - restated	8,743,743	8,743,743	8,743,743	-
Budgetary Fund balances, ending	\$ 9,078,811	\$ 9,078,811	\$ 9,212,275	\$ 151,666

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	\$ 134,051
Differences - budget to USGAAP: Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(134,051)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance	\$ -

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
RESOURCES (inflows):				
Revenues from uses of money and property	-	-	(46,598)	(46,598)
Other financing sources	-	-	-	
Interfund transfers	2,798,731	2,798,731	2,414,420	(384,311)
Amounts available for appropriation	2,798,731	2,798,731	2,367,822	(430,909)
CHARGES TO APPROPRIATIONS (outflows):				
General Government:				
POB Series A:				
Services and supplies	6,703	6,703	4,203	2,500
Other charges	1,710,290	1,710,290	1,710,252	38
Total POB Series A	1,716,993	1,716,993	1,714,455	2,538
POB Series B:				
Services and supplies	2,500	2,500		2,500
Other charges	577,026	577,026	117,084	459,942
Total POB Series B	579,526	579,526	117,084	462,442
Chico Memorial Hall 492 Rio Lindo:				
Other charges	61,851	61,851	61,816	35
Total Chico Memorial Hall 492 Rio L.	61,851	61,851	61,816	35
Chico Memorial Hall 554 Rio Lindo:				
Other charges	62,980	62,980	62,959	21
Total Chico Memorial Hall 554 Rio L.	62,980	62,980	62,959	21
CEC Solar:				
Other charges	316,515	316,515	316,495	20
Total CEC Solar	316,515	316,515	316,495	20
Total General Government	2,737,865	2,737,865	2,272,809	465,056

(continued)

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS (continued)
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Protection:				
Bangor Fire Station				
Other charges	60,866	60,866	53,237	7,629
Total Bangor Fire Station	60,866	60,866	53,237	7,629
Total Public Protection	60,866	60,866	53,237	7,629
Total Charges to appropriations	2,798,731	2,798,731	2,326,046	472,685
Budgetary fund balance, beginning of year - restated	\$ 8,802,439	\$ 8,802,439	\$ 8,802,439	\$ -
Budgetary Fund balances, ending	\$ 8,802,439	\$ 8,802,439	\$ 8,844,215	\$ 41,776

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 \$ 2,367,822

Differences - budget to USGAAP:

Transfers from other funds are inflows of budgetary resources
but are not revenues for financial reporting purposes (2,414,420)

Total revenues as reported on the statement of revenues, expenditures, and
changes in fund balance (46,598)

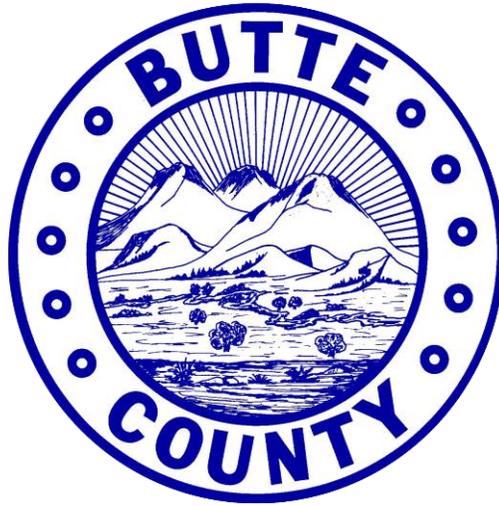
Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations"
from the budgetary comparison schedule \$ 2,326,046

Differences - budget to USGAAP:

Transfers to other funds are outflows of budgetary resources
but are not expenditures for financial reporting purposes (25,692)

Total expenditures as reported on the statement of revenues, expenditures, and
changes in fund balance \$ 2,300,354



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.



COUNTY OF BUTTE, CALIFORNIA

COMBINING STATEMENT OF FUND NET POSITION INTERNAL SERVICE FUNDS JUNE 30, 2013

	Self Insurance	Worker's Compensation	Unemployment Insurance
ASSETS			
Current assets:			
Cash and investments	\$ 3,331,780	\$ 10,424,619	\$ 1,225,861
Interest receivable	8,451	27,199	3,180
Accounts receivable	-	28,607	-
Deposits with others	-	175,000	-
Total current assets	3,340,231	10,655,425	1,229,041
Noncurrent assets:			
Capital assets:			
Depreciable:			
Equipment	10,671	34,790	-
Less: Accumulated depreciation	(4,447)	(16,959)	-
Total capital assets, net	6,224	17,831	-
Total noncurrent assets	6,224	17,831	-
Total assets	3,346,455	10,673,256	1,229,041
LIABILITIES			
Current liabilities:			
Accounts payable	22,590	105,157	455
Claims and judgments, current portion	600,000	2,900,000	-
Total current liabilities	622,590	3,005,157	455
Noncurrent liabilities:			
Claims and judgments, less current portion	783,000	2,135,000	-
Total noncurrent liabilities	783,000	2,135,000	-
Total liabilities	1,405,590	5,140,157	455
NET POSITION			
Net investment in capital assets	6,224	17,831	-
Unrestricted	1,934,641	5,515,268	1,228,586
Total net position	\$ 1,940,865	\$ 5,533,099	\$ 1,228,586

COUNTY OF BUTTE, CALIFORNIA

COMBINING STATEMENT OF FUND NET POSITION INTERNAL SERVICE FUNDS JUNE 30, 2013

	Medical Liability	Miscellaneous Insurance	Utilities Clearing	Total
ASSETS				
Current assets:				
Cash and investments	\$ 63,731	\$ 66,098	\$ 558,903	\$ 15,670,992
Interest receivable	126	130	831	39,917
Accounts receivable	-	-	-	28,607
Deposits with others	-	-	-	175,000
Total current assets	63,857	66,228	559,734	15,914,516
Noncurrent assets:				
Capital assets:				
Depreciable:				
Equipment	-	-	-	45,461
Less: Accumulated depreciation	-	-	-	(21,406)
Total capital assets, net	-	-	-	24,055
Total noncurrent assets	-	-	-	24,055
Total assets	63,857	66,228	559,734	15,938,571
LIABILITIES				
Current liabilities:				
Accounts payable	-	-	139,150	267,352
Claims and judgments, current portion	-	-	-	3,500,000
Total current liabilities	-	-	139,150	3,767,352
Noncurrent liabilities:				
Claims and judgments, less current portion	-	-	-	2,918,000
Total noncurrent liabilities	-	-	-	2,918,000
Total liabilities	-	-	139,150	6,685,352
NET POSITION				
Net investment in capital assets	-	-	-	24,055
Unrestricted	63,857	66,228	420,584	9,229,164
Total net position	\$ 63,857	\$ 66,228	\$ 420,584	\$ 9,253,219

COUNTY OF BUTTE, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION INTERNAL SERVICE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Self Insurance	Worker's Compensation	Unemployment Insurance
OPERATING REVENUES			
Charges for services	\$ 1,695,192	\$ 2,315,388	\$ 291,196
Other revenue	225,295	-	-
Total operating revenue	1,920,487	2,315,388	291,196
OPERATING EXPENSES			
Salaries and employee benefits	-	-	323,476
Service and supplies	315,332	268,884	1,676
Claims and judgments	1,103,099	3,397,697	-
Depreciation and amortization	712	5,770	-
Total operating expenses	1,419,143	3,672,351	325,152
Operating income (loss)	501,344	(1,356,963)	(33,956)
Nonoperating revenues (expenses)			
Interest received (paid)	(13,780)	(34,330)	(3,876)
Total nonoperating revenue (expense)	(13,780)	(34,330)	(3,876)
Net Income (Loss) Before Transfers	487,564	(1,391,293)	(37,832)
Transfers in	-	23,415	-
Transfers out	(185,466)	(266,898)	(1,308)
Change in net position	302,098	(1,634,776)	(39,140)
Net position, beginning	1,638,767	7,167,875	1,267,726
Total net position, ending	\$ 1,940,865	\$ 5,533,099	\$ 1,228,586

COUNTY OF BUTTE, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION INTERNAL SERVICE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Medical Liability	Miscellaneous Insurance	Utilities Clearing	Total
OPERATING REVENUES				
Charges for services	\$ 102,500	\$ 177,313	\$ 2,414,081	6,995,670
Other revenue	5,000	-	-	230,295
Total operating revenue	<u>107,500</u>	<u>177,313</u>	<u>2,414,081</u>	<u>7,225,965</u>
OPERATING EXPENSES				
Salaries and employee benefits	-	-	-	323,476
Service and supplies	-	-	2,005,960	2,591,852
Claims and judgments	154,860	164,024	-	4,819,680
Depreciation and amortization	-	-	-	6,482
Total operating expenses	<u>154,860</u>	<u>164,024</u>	<u>2,005,960</u>	<u>7,741,490</u>
Operating income (loss)	<u>(47,360)</u>	<u>13,289</u>	<u>408,121</u>	<u>(515,525)</u>
Nonoperating revenues (expenses)				
Interest received (paid)	(225)	145	(4,669)	(56,735)
Total nonoperating revenue (expense)	<u>(225)</u>	<u>145</u>	<u>(4,669)</u>	<u>(56,735)</u>
Net Income (Loss) Before Transfers	(47,585)	13,434	403,452	(572,260)
Transfers in	-	-	-	23,415
Transfers out	60	(744)	(380,000)	(834,356)
Change in net position	(47,525)	12,690	23,452	(1,383,201)
Net position, beginning	<u>111,382</u>	<u>53,538</u>	<u>397,132</u>	<u>10,636,420</u>
Total net position, ending	<u>\$ 63,857</u>	<u>\$ 66,228</u>	<u>\$ 420,584</u>	<u>\$ 9,253,219</u>

COUNTY OF BUTTE, CALIFORNIA

COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Self Insurance	Worker's Compensation	Unemployment Insurance
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 1,932,106	\$ 2,343,579	\$ 296,098
Cash paid to suppliers for goods and services	(1,616,077)	(3,101,684)	(1,604)
Cash paid to employees for services	-		(323,476)
Net cash provided (used) by operating activities	316,029	(758,105)	(28,982)
 CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers in	-	23,415	-
Transfers out	(185,466)	(266,898)	(1,308)
Net cash provided (used) by noncapital financing activities	(185,466)	(243,483)	(1,308)
 CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received (paid)	(22,231)	(61,529)	(7,056)
Net cash provided by investing activities	(22,231)	(61,529)	(7,056)
Net increase (decrease) in cash and cash equivalents	108,332	(1,063,117)	(37,346)
Cash and cash equivalents, beginning	3,223,448	11,487,736	1,263,207
Cash and cash equivalents, ending	3,331,780	10,424,619	1,225,861
 RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET ASSETS:			
Cash and investments	\$ 3,331,780	\$ 10,424,619	\$ 1,225,861
Total cash and investments	\$ 3,331,780	\$ 10,424,619	\$ 1,225,861

COUNTY OF BUTTE, CALIFORNIA

COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Medical Liability	Miscellaneous Insurance	Utilities Clearing	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers	\$ 107,863	\$ 177,488	\$ 2,415,356	7,272,490
Cash paid to suppliers for goods and services	(154,860)	(164,024)	(2,015,708)	(7,053,957)
Cash paid to employees for services	-	-	-	(323,476)
Net cash provided (used) by operating activities	(46,997)	13,464	399,648	(104,943)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers in	-	-	-	23,415
Transfers out	60	(744)	(380,000)	(834,356)
Net cash provided (used) by noncapital financing activities	60	(744)	(380,000)	(810,941)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received	(351)	15	(5,500)	(96,652)
Net cash provided by investing activities	(351)	15	(5,500)	(96,652)
Net increase (decrease) in cash and cash equivalents	(47,288)	12,735	14,148	(1,012,536)
Cash and cash equivalents, beginning	111,019	53,363	544,755	16,683,528
Cash and cash equivalents, ending	63,731	66,098	558,903	15,670,992
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET ASSETS:				
Cash and investments	\$ 63,731	\$ 66,098	\$ 558,903	\$ 15,670,992
Total cash and investments	\$ 63,731	\$ 66,098	\$ 558,903	\$ 15,670,992

COUNTY OF BUTTE, CALIFORNIA

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Self Insurance	Worker's Compensation	Unemployment Insurance
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ 501,344	\$ (1,356,963)	\$ (33,956)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	712	5,770	-
Changes in assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	11,619	28,191	4,902
Increase (decrease) in:			
Accounts payable	(88,646)	(36,103)	72
Claims and judgments	(109,000)	601,000	-
	<hr/>	<hr/>	<hr/>
Net cash provided (used) by operating activities	<u>\$ 316,029</u>	<u>\$ (758,105)</u>	<u>\$ (28,982)</u>

COUNTY OF BUTTE, CALIFORNIA

COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Medical Liability	Miscellaneous Insurance	Utilities Clearing	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ (47,360)	\$ 13,289	\$ 408,121	\$ (515,525)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	-	-	-	6,482
Changes in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	363	175	1,275	46,525
Increase (decrease) in:				
Accounts payable	-	-	(9,748)	(134,425)
Claims and judgments	-	-	-	492,000
Net cash provided (used) by operating activities	\$ (46,997)	\$ 13,464	\$ 399,648	\$ (104,943)



Fiduciary Funds

COUNTY OF BUTTE

Fiduciary Fund Types

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

Agency Funds

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

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



COUNTY OF BUTTE, CALIFORNIA
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2013

	<u>Other</u>	<u>Tax Resources</u>	<u>Total</u>
ASSETS			
Cash and investments	\$ 17,274,202	\$ 10,953,420	\$ 28,227,622
Due from other governments	18,167	-	18,167
Interest receivable	-	35,304	35,304
Property tax receivable	-	14,712,220	14,712,220
	<u>17,292,369</u>	<u>25,700,944</u>	<u>42,993,313</u>
Total assets	<u>17,292,369</u>	<u>25,700,944</u>	<u>42,993,313</u>
LIABILITIES			
Agency funds held for others	<u>17,292,369</u>	<u>25,700,944</u>	<u>42,993,313</u>
Total liabilities	<u>\$ 17,292,369</u>	<u>\$ 25,700,944</u>	<u>\$ 42,993,313</u>

COUNTY OF BUTTE, CALIFORNIA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Balance July 1, 2012	Additions	(Deductions)	Balance June 30, 2013
OTHER				
ASSETS				
Cash and investments	\$ 15,341,647	\$ 1,932,555	\$ -	\$ 17,274,202
Due from other governments	-	18,167	-	18,167
Total assets	<u>15,341,647</u>	<u>1,950,722</u>	<u>-</u>	<u>17,292,369</u>
LIABILITIES				
Agency funds held for others	<u>15,341,647</u>	<u>1,950,722</u>	<u>-</u>	<u>17,292,369</u>
Total liabilities	<u>15,341,647</u>	<u>1,950,722</u>	<u>-</u>	<u>17,292,369</u>
TAX RESOURCES				
ASSETS				
Cash and investments	10,320,425	632,995	-	10,953,420
Interest receivable	49,761	-	(14,457)	35,304
Property tax receivable	<u>15,192,871</u>	<u>-</u>	<u>(480,651)</u>	<u>14,712,220</u>
Total assets	<u>25,563,057</u>	<u>632,995</u>	<u>(495,108)</u>	<u>25,700,944</u>
LIABILITIES				
Agency funds held for others	<u>25,563,057</u>	<u>137,887</u>	<u>-</u>	<u>25,700,944</u>
Total liabilities	<u>25,563,057</u>	<u>137,887</u>	<u>-</u>	<u>25,700,944</u>
TOTAL AGENCY FUNDS				
ASSETS				
Cash and investments	25,662,072	2,565,550	-	28,227,622
Due from other governments	-	18,167	-	18,167
Interest receivable	49,761	-	(14,457)	35,304
Property tax receivable	<u>15,192,871</u>	<u>-</u>	<u>(480,651)</u>	<u>14,712,220</u>
Total assets	<u>40,904,704</u>	<u>2,583,717</u>	<u>(495,108)</u>	<u>42,993,313</u>
LIABILITIES				
Agency funds held for others	<u>40,904,704</u>	<u>2,583,717</u>	<u>(495,108)</u>	<u>42,993,313</u>
Total liabilities	<u>\$ 40,904,704</u>	<u>\$ 2,583,717</u>	<u>\$ (495,108)</u>	<u>\$ 42,993,313</u>



Statistical Section

Statistical Section

The information in this section is not covered by the Independent Auditor's Report, but is presented as supplemental data for the benefit of the 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.



COUNTY OF BUTTE, CALIFORNIA

NET ASSETS by COMPONENT

LAST TEN FISCAL YEARS

(accrual basis of accounting)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities:										
Invested in capital assets, net of related debt	\$ 287,229,222	\$ 328,573,058	\$ 313,955,354	\$ 299,087,057	\$ 280,126,245	\$ 269,571,545	\$ 263,205,332	\$ 243,321,441	\$ 209,052,322	\$ 209,080,492
Restricted	29,106,697	14,971,692	16,696,959	26,321,708	45,999,726	51,089,379	49,225,674	78,363,897	84,780,705	79,227,923
Unrestricted	28,188,079	39,547,523	45,147,228	44,293,530	19,565,376	29,823,697	35,430,215	7,959,935	(9,893,841)	588,586
Total governmental activities net assets	\$ 344,523,998	\$ 383,092,273	\$ 375,799,541	\$ 369,702,295	\$ 345,691,347	\$ 350,484,621	\$ 347,861,221	\$ 329,645,273	\$ 283,939,186	\$ 288,897,001
Business-type activities:										
Invested in capital assets, net of related debt	\$ 6,799,310	\$ 8,402,774	\$ 8,748,541	\$ 1,792,507	\$ 4,389,846	\$ 5,046,136	\$ 7,162,066	\$ 8,912,181	\$ 19,287,944	\$ 10,161,697
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	3,685,767	-
Unrestricted	520,516	(313,620)	(753,677)	11,463,088	10,256,700	10,664,266	9,326,821	8,799,943	2,489,032	15,111,391
Total business-type activities net assets	\$ 13,515,906	\$ 14,523,299	\$ 14,686,366	\$ 17,338,823	\$ 18,946,805	\$ 20,131,718	\$ 22,036,309	\$ 22,465,196	\$ 25,462,743	\$ 25,273,088
Primary government:										
Invested in capital assets, net of related debt	\$ 294,028,532	\$ 336,975,832	\$ 322,703,895	\$ 300,879,564	\$ 284,516,091	\$ 274,617,681	\$ 270,367,398	\$ 252,233,622	\$ 228,340,266	\$ 219,242,189
Restricted	35,302,777	21,405,837	23,388,461	30,404,936	50,299,985	55,510,695	54,773,096	83,116,969	88,466,472	79,227,923
Unrestricted	28,708,595	39,233,903	44,393,551	55,756,618	29,822,076	40,487,963	44,757,037	16,759,878	(7,404,809)	15,699,977
Total primary government net assets	\$ 358,039,904	\$ 397,615,572	\$ 390,485,907	\$ 387,041,118	\$ 364,638,152	\$ 370,616,339	\$ 369,897,531	\$ 352,110,469	\$ 309,401,929	\$ 314,170,089

Source: Auditor-Controller, County of Butte

COUNTY OF BUTTE, CALIFORNIA

CHANGES IN NET ASSETS

LAST TEN FISCAL YEARS

(accrual basis of accounting)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities:										
Expenses										
General government	\$ 19,988,028	\$ 28,108,571	\$ 16,617,793	\$ 19,086,835	\$ 20,865,771	\$ 20,710,290	\$ 25,025,047	\$ 29,168,334	\$ 30,060,660	\$ 28,890,588
Public protection	69,137,314	82,634,178	81,999,331	87,500,747	96,664,267	94,362,185	88,781,607	91,167,264	93,246,404	88,471,224
Public ways and facilities	28,079,018	17,520,672	31,531,708	34,623,721	39,999,631	34,975,071	30,108,420	36,686,173	37,081,727	41,001,623
Health and sanitation	55,942,561	56,395,525	58,593,884	64,268,283	72,458,490	67,582,300	72,502,065	72,015,960	75,317,142	70,530,585
Public assistance	126,530,857	130,935,568	130,966,814	135,871,668	142,125,227	142,615,875	143,688,838	148,220,091	141,998,777	136,125,651
Education	2,749,824	2,723,315	2,905,270	3,117,432	3,394,070	3,291,233	2,805,328	2,959,473	3,208,699	2,486,523
Culture and recreation services	393,637	499,967	658,741	604,386	374,615	524,852	512,353	530,319	583,937	166,481
Interest on long-term debt	-	3,608,601	4,183,940	4,315,186	3,696,005	2,659,630	2,499,474	2,701,482	2,488,759	1,999,865
Total governmental activities expense	302,821,239	322,426,397	327,457,481	349,388,258	379,578,076	366,721,436	365,923,132	383,449,096	383,986,105	369,672,540
Program Revenues										
Charges for services:										
General government	6,461,374	16,760,879	16,779,891	19,903,572	20,463,697	16,567,360	21,694,710	22,092,523	19,859,373	10,020,782
Public protection	8,021,648	6,461,794	5,581,142	5,285,862	6,000,509	9,180,534	10,708,534	10,398,936	9,364,760	7,597,320
Public ways and facilities	925,783	2,680,446	2,932,837	3,439,296	3,547,975	4,082,071	2,225,165	2,216,854	2,286,810	1,057,902
Health and sanitation	5,929,611	4,109,596	4,041,916	5,011,027	5,176,893	5,673,115	5,756,094	5,785,533	5,607,738	3,945,720
Public assistance	2,289,201	393,023	205,520	354,261	543,906	711,842	676,610	1,079,724	1,012,741	316,723
Education	72,357	72,532	118,108	101,360	89,362	113,684	146,212	146,391	146,391	-
Culture and recreation services	58,789	-	101,775	115,716	120,209	-	-	-	-	-
Operating grants and contributions	207,564,618	184,501,125	194,629,899	206,381,946	214,119,802	222,937,925	222,575,034	227,348,490	238,623,299	231,245,236
Capital grants and contributions	3,151,868	14,939,327	11,982,196	13,136,901	12,981,464	16,299,993	20,924,224	10,465,668	13,263,837	17,867,527
Total governmental activities program revenues	234,475,249	229,918,722	236,373,284	253,729,941	263,043,817	275,566,524	284,706,583	279,534,119	290,164,949	272,051,210
Net Expense¹	(68,345,990)	(92,507,675)	(91,084,197)	(95,658,317)	(116,534,259)	(91,154,912)	(81,216,549)	(103,914,977)	(93,821,156)	(97,621,330)
General Revenues and Transfers										
Taxes:										
Property taxes	18,770,212	34,260,317	41,656,548	45,641,947	47,928,940	49,534,039	49,822,100	47,576,400	46,504,613	47,223,804
Sales taxes	3,846,573	4,952,509	3,371,227	4,551,967	4,006,588	3,525,252	3,502,003	3,825,307	3,809,695	3,911,514
Other taxes and related revenues	2,715,949	1,935,715	1,624,332	1,356,479	989,470	1,031,960	1,010,109	942,242	1,022,342	1,311,434
Grants and contributions not restricted to specific programs	12,405,825	18,526,669	25,122,030	21,030,134	21,299,136	17,253,122	15,503,952	16,753,325	17,747,085	17,353,808
Unrestricted investment earnings	1,936,913	3,291,173	1,474,933	5,558,955	5,367,056	4,832,431	3,218,361	3,053,171	1,751,760	3,167,371
Gain (Loss) on Sale/Disposal of Capital Assets	(5,569)	(66,147)	19,610	-	-	-	-	-	-	-
Miscellaneous	8,326,140	19,507,815	8,327,670	11,430,359	12,932,121	11,688,662	4,521,606	4,886,259	3,934,721	5,044,991
Transfers	-	-	-	(8,770)	-	-	-	-	14,788	(24,770)
Total general revenues and transfers	47,996,043	82,408,051	81,596,350	89,561,071	92,523,311	87,865,466	77,578,131	77,036,704	74,785,004	77,988,152
Change in net assets-										
-governmental activities	\$ (20,349,947)	\$ (10,099,624)	\$ (9,487,847)	\$ (6,097,246)	\$ (24,010,948)	\$ (3,289,446)	\$ (3,638,418)	\$ (26,878,273)	\$ (19,036,152)	\$ (19,633,178)

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Business-Type activities:										
Expenses										
Sanitation	\$ 1,425,942	\$ 5,129,527	\$ 4,664,895	\$ 4,680,195	\$ 4,403,172	\$ 5,486,248	\$ 5,804,049	\$ 4,855,077	\$ 5,281,891	\$ 5,867,934
Transit	2,192,068	2,243,837	2,528,381	23,907	388,537	-	-	-	-	-
Total business-type activities	3,618,010	7,373,364	7,193,276	4,704,102	4,791,709	5,486,248	5,804,049	4,855,077	5,281,891	5,867,934
Program Revenues										
Charges for services:										
Sanitation	4,553,286	4,373,835	5,579,396	6,499,022	6,662,729	5,981,595	6,094,380	6,150,774	6,626,025	6,729,881
Transit	314,320	199,588	478,840	71,499	-	-	-	-	-	-
Operating grants and contributions	2,097,391	2,103,588	1,605,044	465,263	70,717	108,566	83,808	159,913	-	-
Total business-type activities program revenues	6,964,997	6,677,011	7,663,280	7,035,784	6,733,446	6,090,161	6,178,188	6,310,686	6,626,025	6,729,881
Net Expense¹	3,346,987	(696,353)	470,004	2,331,682	1,941,737	603,913	374,139	1,455,610	1,344,134	861,947
General revenues										
Unrestricted investment earnings	632,463	522,399	384,442	89,643	701,950	1,004,069	810,774	463,350	196,221	182,000
Gain (Loss) on Sale/Disposal of Capital Assets	-	-	-	(2,528,082)	-	-	-	-	-	-
Miscellaneous	18,862	(11,506)	152,947	186,366	-	-	-	-	-	107,674
Transfers	-	-	-	-	8,770	-	-	-	(14,788)	24,770
Total general revenues	651,325	510,893	537,389	(2,252,073)	710,720	1,004,069	810,774	463,350	181,433	314,444
Change in net assets										
-business-type activities	\$ 3,998,312	\$ (185,460)	\$ 1,007,393	\$ 79,609	\$ 2,652,457	\$ 1,607,982	\$ 1,184,913	\$ 1,918,960	\$ 1,525,567	\$ 1,176,391
Primary Government										
Expenses										
Governmental activities	\$ 302,821,239	\$ 322,426,397	\$ 327,457,481	\$ 349,388,258	\$ 379,578,076	\$ 366,721,436	\$ 365,923,132	\$ 365,923,133	\$ 383,986,105	\$ 369,672,540
Business-type activities	3,618,010	7,373,364	7,193,276	4,704,102	4,791,709	5,486,248	5,804,049	4,855,077	5,281,891	5,867,934
Total primary government expenses	306,439,249	329,799,761	334,650,757	354,092,360	384,369,785	372,207,684	371,727,181	370,778,210	389,267,996	375,540,474
Program Revenues										
Governmental activities	234,475,249	229,918,722	236,373,284	253,729,941	263,043,817	275,566,524	284,706,583	284,706,583	290,164,949	272,051,210
Business-type activities	6,964,997	6,677,011	7,663,280	7,035,784	6,733,446	6,090,161	6,178,188	6,310,686	6,626,025	6,729,881
Total primary government program revenues	241,440,246	236,595,733	244,036,564	260,765,725	269,777,263	281,656,685	290,884,771	291,017,269	296,790,974	278,781,091
Net Expense¹										
Governmental activities	(68,345,990)	(92,507,675)	(91,084,197)	(95,658,317)	(116,534,259)	(91,154,912)	(81,216,549)	(81,216,550)	(93,821,156)	(97,621,330)
Business-type activities	3,346,987	(696,353)	470,004	2,331,682	1,941,737	603,913	374,139	1,455,610	1,344,134	861,947
Total primary government net expense	(64,999,003)	(93,204,028)	(90,614,193)	(93,326,635)	(114,592,522)	(90,550,999)	(80,842,410)	(79,760,940)	(92,477,022)	(96,759,383)
General revenues										
Governmental activities	47,996,043	82,408,051	81,596,350	89,561,071	92,523,311	87,865,466	77,578,131	77,578,131	74,785,004	77,988,152
Business-type activities	651,325	510,893	537,389	(2,252,073)	710,720	1,004,069	810,774	463,350	181,433	314,444
Total primary government general revenues	48,647,368	82,918,944	82,133,739	87,308,998	93,234,031	88,869,535	78,388,905	78,041,481	74,966,437	78,302,596
Change in net assets										
Governmental activities	(20,349,947)	(10,099,624)	(9,487,847)	(6,097,246)	(24,010,948)	(3,289,446)	(3,638,418)	(3,638,419)	(19,036,152)	(19,633,178)
Business-type activities	3,998,312	(185,460)	1,007,393	79,609	2,652,457	1,607,982	1,184,913	1,918,960	1,525,567	1,176,391
Total primary government change in net assets	\$ (16,351,635)	\$ (10,285,084)	\$ (8,480,454)	\$ (6,017,637)	\$ (21,358,491)	\$ (1,681,464)	\$ (2,453,505)	\$ (1,719,459)	\$ (17,510,585)	\$ (18,456,787)

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,

	2004	2005	2006	2007	2008	2009	2010
General Fund:							
Reserved for:							
Encumbrances							
Imprest cash	\$ 6,409,889	\$ 5,130,723	\$ 5,535,099	\$ 2,829,192	\$ 4,164,873	\$ 2,437,136	\$ 2,348,768
Prepaid items	44,270	45,145	45,095	45,595	44,095	44,245	84,345
Deposits with others	1,100	4,140	15,503	1,138	-	1,888	1,848
General restrictions	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Debt service	21,069,956	3,165,083	5,196,551	5,586,824	10,611,120	11,560,087	13,844,851
Inventory	787,644	787,482	792,978	808,994	801,259	1,127,040	1,572,685
Unreserved:	-	-	-	-	-	-	154,369
Designated							
Undesignated	2,830,188	24,366,630	19,626,639	3,894,494	91,826	232,510	115,000
Total general fund balance	8,768,646	10,776,705	15,813,037	16,857,031	10,160,457	9,059,057	16,710,645
	<u>\$ 39,914,193</u>	<u>\$ 44,278,408</u>	<u>\$ 47,027,402</u>	<u>\$ 30,025,768</u>	<u>\$ 25,876,130</u>	<u>\$ 24,464,463</u>	<u>\$ 34,835,011</u>
All other Governmental Funds:							
Reserved for:							
Encumbrances							
Imprest cash	\$ 5,412,910	\$ 4,389,886	\$ 2,988,183	\$ 10,563,974	\$ 17,850,098	\$ 11,526,534	\$ 10,662,956
Prepaid items	5,215	1,215	1,165	1,815	1,750	1,700	2,700
Deposits with others	2,190	297	945	1,766	-	4,088	8,945
Long-term loans receivable ¹	297	500	297	297	297	297	297
Legislative/ Grant restrictions	2,682,411	2,226,168	2,074,395	-	-	-	-
Debt service	3,862,737	731,130	948,144	1,961,755	21,963,318	22,424,759	25,932,333
Inventories	417,810	8,061,829	7,684,891	8,970,613	5,522,525	7,943,619	7,875,805
Unreserved:	280,034	267,580	310,556	231,586	293,954	273,707	284,270
Designated, reported in:							
Special revenue funds							
Undesignated, reported in:							
Special revenue funds	5,356,679	6,053,130	7,102,915	23,931,864	-	4,558,541	4,460,824
Capital projects funds	8,004,013	10,816,972	14,336,025	8,439,849	1,249,734	12,604,968	15,206,987
Total other governmental fund balances	501,318	90,015	129,562	220,031	848,587	295,664	551,122
	<u>\$ 26,525,614</u>	<u>\$ 32,638,722</u>	<u>\$ 35,577,078</u>	<u>\$ 54,323,550</u>	<u>\$ 47,730,263</u>	<u>\$ 59,633,877</u>	<u>\$ 64,986,239</u>

	2011	2012	2013
General Fund:			
Nonspendable	\$ 122,064	\$ 290,483	\$ 150,080
Restricted	13,842,210	18,714,771	15,812,903
Committed	2,628,878	808,712	5,709,505
Assigned	6,559,485	5,059,485	714,346
Unassigned	11,197,976	12,396,380	17,267,531
	<u>\$ 34,350,613</u>	<u>\$ 37,269,831</u>	<u>\$ 39,654,365</u>
All other Governmental Funds:			
Nonspendable	\$ 323,212	\$ 364,031	\$ 340,758
Restricted	64,521,687	64,470,569	63,415,020
Committed	-	-	-
Assigned	-	-	5,398,018
Unassigned	-	(1,726,040)	(2,203,060)
	<u>\$ 64,844,899</u>	<u>\$ 63,108,560</u>	<u>\$ 66,950,736</u>

Source: Auditor-Controller, County of Butte

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
REVENUES										
Taxes	\$ 22,753,793	\$ 23,874,775	\$ 41,845,457	\$ 47,395,136	\$ 52,384,206	\$ 53,797,238	\$ 54,091,251	\$ 54,334,212	\$ 51,336,650	\$ 52,446,752
Licenses and permits	3,988,539	4,360,823	5,143,170	4,322,084	4,861,476	4,604,498	3,720,735	3,123,312	3,120,393	3,316,514
Fines, forfeitures, and penalties	2,255,129	2,741,657	1,829,081	2,446,572	2,728,930	3,139,816	3,307,221	3,835,387	3,233,042	3,138,357
Revenues from uses of money and property	3,053,170	2,240,655	3,081,942	1,337,150	5,285,289	4,982,969	4,063,901	2,766,269	1,570,990	3,167,371
Aid from other governments	223,632,528	221,567,801	217,938,378	231,688,344	240,529,554	248,376,861	256,476,762	258,983,988	269,779,236	266,362,753
Charges for services	22,705,240	22,558,577	23,166,702	22,885,477	26,645,205	27,757,939	29,300,650	34,248,627	30,672,237	16,483,576
Other	3,912,473	6,852,202	19,506,239	8,327,670	11,430,359	12,932,121	11,688,660	4,521,606	3,934,721	5,041,631
Total revenues	282,300,872	284,196,490	312,510,969	318,402,433	343,865,019	355,591,442	362,649,180	361,813,401	363,647,269	349,956,954
EXPENDITURES:										
Current:										
General government	13,564,592	23,530,072	28,041,583	18,353,948	20,440,643	21,640,700	21,456,259	23,348,016	29,192,387	29,382,721
Public protection	72,318,779	73,266,989	80,974,652	80,525,118	89,379,218	97,512,700	93,854,161	84,903,509	92,590,332	89,451,403
Public ways and facilities	13,942,349	15,811,238	10,943,957	14,332,609	17,037,110	18,547,425	22,211,130	18,282,672	18,433,994	22,205,964
Health and sanitation	54,706,422	55,626,131	55,683,804	59,429,613	65,632,200	72,966,299	67,928,959	71,610,453	74,748,465	70,982,915
Public assistance	127,320,047	126,018,804	128,551,888	131,916,991	137,501,206	142,597,681	143,751,638	142,735,533	140,936,590	135,233,719
Education	2,595,937	2,618,241	2,604,840	2,819,417	3,056,164	3,397,317	3,227,903	2,714,077	3,149,286	2,407,061
Recreation and cultural services	629,744	455,878	356,178	540,284	475,794	574,995	538,899	344,806	363,065	76,733
Debt Service: (1)										
Principal	-	-	4,160,315	5,562,451	2,854,718	6,774,954	746,483	767,210	765,957	738,305
Interest	-	-	3,259,717	4,218,911	4,226,524	3,599,724	2,597,561	2,398,702	2,387,171	2,001,044
Cost of issuance	-	-	162,344	19,300	-	-	-	-	-	-
Total expenditures	285,077,870	297,327,353	314,739,278	317,718,642	340,603,577	367,611,795	356,312,993	347,104,978	362,567,247	352,479,865
Excess (deficiency) of revenues over expenditures	(2,776,998)	(13,130,863)	(2,228,309)	683,791	3,261,442	(12,020,353)	6,336,187	14,708,423	1,080,022	(2,522,911)
OTHER FINANCING SOURCES (USES):										
Sales of capital asset	55,949	16,283	184,210	22,973	24,014	463,507	72,392	68,894	169,364	96,457
Transfers in	6,628,970	11,545,776	20,333,417	23,387,710	19,802,941	24,328,799	20,862,960	21,674,746	7,814,774	23,917,358
Transfer out	(6,358,889)	(11,277,305)	(22,854,312)	(19,446,663)	(19,292,699)	(23,638,040)	(20,574,185)	(20,525,060)	(7,492,219)	(23,131,187)
Proceeds from issuance of debt	5,040,019	52,387,282	15,474,418	1,254,300	23,535	123,162	-	-	272,915	-
Total other financing sources (uses)	5,366,049	52,672,036	13,137,733	5,218,320	557,791	1,277,428	361,167	1,218,580	764,834	882,628
SPECIAL ITEM:										
Payment for unfunded actuarial liability	-	(49,100,000)	-	-	-	-	-	-	-	-
Net change in fund balances	\$ 2,589,051	\$ (9,558,827)	\$ 10,909,424	\$ 5,902,111	\$ 3,819,233	\$ (10,742,925)	\$ 6,697,354	\$ 15,927,003	\$ 1,844,856	\$ (1,640,283)
Debt service as a percentage of noncapital expenditures	n/a	n/a	2.5%	3.1%	2.1%	2.9%	1.0%	0.9%	0.9%	0.8%

Source: Auditor-Controller, County of Butte

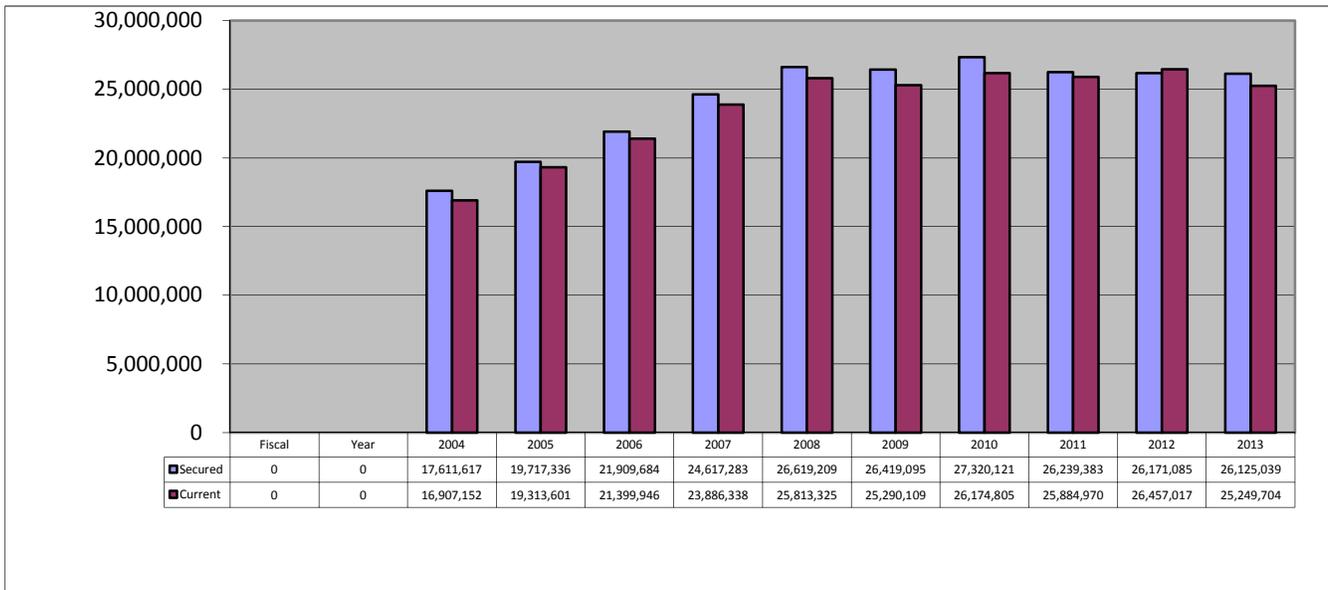
Note : Debt service was shown as a separate function during fiscal year 2004-05.

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
	2004	17,611,617	16,907,152	96.00%	397,491	17,304,643
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%
2012	26,171,085	26,457,017	101.09%	946,894	27,403,911	104.71%
2013	26,125,039	25,249,704	96.65%	818,124	26,067,828	99.78%

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

Note 2: Includes current and teeter collections.



Source: Auditor-Controller, County of Butte

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

Fiscal Year	Secured Roll	Utility Roll	Unsecured Roll	Assessed Value
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	17,716,534,370	7,930,548	867,980,662	18,592,445,580
2011	17,361,801,601	5,152,377	868,120,034	18,235,074,012
2012	17,015,198,786	4,882,202	915,590,669	17,935,671,657
2013	16,770,245,966	4,857,082	906,223,159	17,681,326,207

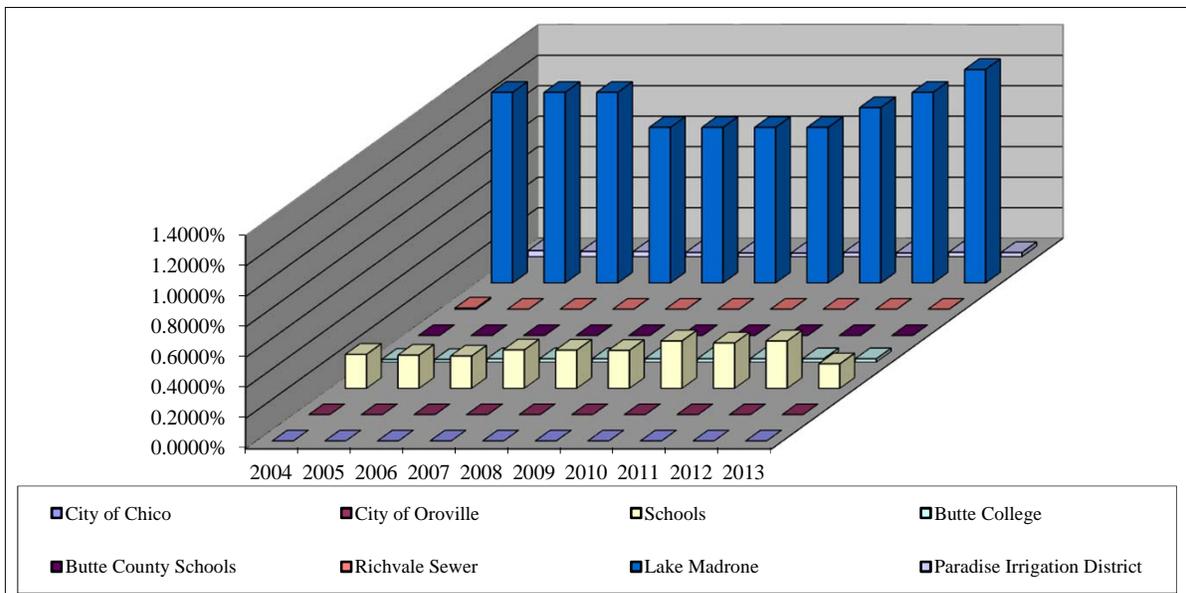
Note: Total estimated actual value of taxable property was not reasonably estimable.

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		
2004	1.00%	0.000%	0.000%	0.2229%	0.0171%	0.000%	0.0078%	1.250%	0.039%	2.5368%	
2005	1.00%	0.000%	0.000%	0.2177%	0.0160%	0.000%	0.0000%	1.250%	0.034%	2.5177%	
2006	1.00%	0.000%	0.000%	0.2118%	0.0209%	0.000%	0.0000%	1.250%	0.033%	2.5157%	
2007	1.00%	0.000%	0.000%	0.2518%	0.0209%	0.000%	0.0000%	1.020%	0.027%	2.3197%	
2008	1.00%	0.000%	0.000%	0.2507%	0.0209%	0.000%	0.0000%	1.020%	0.024%	2.3156%	
2009	1.00%	0.000%	0.000%	0.2488%	0.0209%	0.000%	0.0000%	1.020%	0.022%	2.3117%	
2010	1.00%	0.000%	0.000%	0.3109%	0.0209%	0.000%	0.0000%	1.020%	0.026%	2.3778%	
2011	1.00%	0.000%	0.000%	0.2974%	0.0209%	0.000%	0.0000%	1.150%	0.024%	2.4923%	
2012	1.00%	0.000%	0.000%	0.3109%	0.0209%	0.000%	0.0000%	1.250%	0.028%	2.6098%	
2013	1.00%	0.000%	0.000%	0.1603%	0.0209%	0.000%	0.0000%	1.400%	0.026%	2.6072%	

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



Source: Auditor-Controller, County of Butte

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

Taxpayer	2013			2005 (1)		
	Rank	Assessed Valuation	Percentage of Total Assessed	Rank	Assessed Valuation	Percentage of Total Assessed
Pacific Gas and Electric Company	1	\$ 484,886,676	2.891%	1	\$ 346,921,754	2.595%
Wild Goose Storage LLC	2	204,290,362	1.218%	2	91,461,818	0.684%
Pacific Bell California	3	61,508,277	0.367%	3	58,258,685	0.436%
Chico Crossroads LP	4	32,275,000	0.192%			0.000%
Union Pacific Railroad Company	5	30,119,226	0.180%		-	-
Pacific Coast Producers	6	30,265,329	0.180%	9	23,425,271	0.175%
California Water Service	7	27,449,500	0.164%		-	-
Chico Mall Investors LP	8	27,316,000	0.163%	5	28,858,611	0.216%
Merle A Webb & Sons	9	26,200,967	0.156%			
Farmland Reserve, Inc.	10	24,414,266	0.146%			
North Valley Mall LLC				6	24,011,550	0.180%
Pan Pacific Development LLC				7	24,002,189	0.180%
Sprint Communications Co.				8	23,695,716	0.177%
Western Investment Real Estate Trust				10	19,262,765	0.144%
Largest Secured Property Valuation		948,725,603	<u>5.657%</u>		639,898,359	<u>4.787%</u>
Other Secured Taxpayers		<u>15,826,377,445</u>			<u>12,731,283,363</u>	
Total Secured Property Valuation - net of exemptions		<u>\$ 16,775,103,048</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, 2013 and should also be presented for June 30, 2003. However, June 30, 2003 information is not available and June 30, 2005 information will be presented until there is a nine year separation.

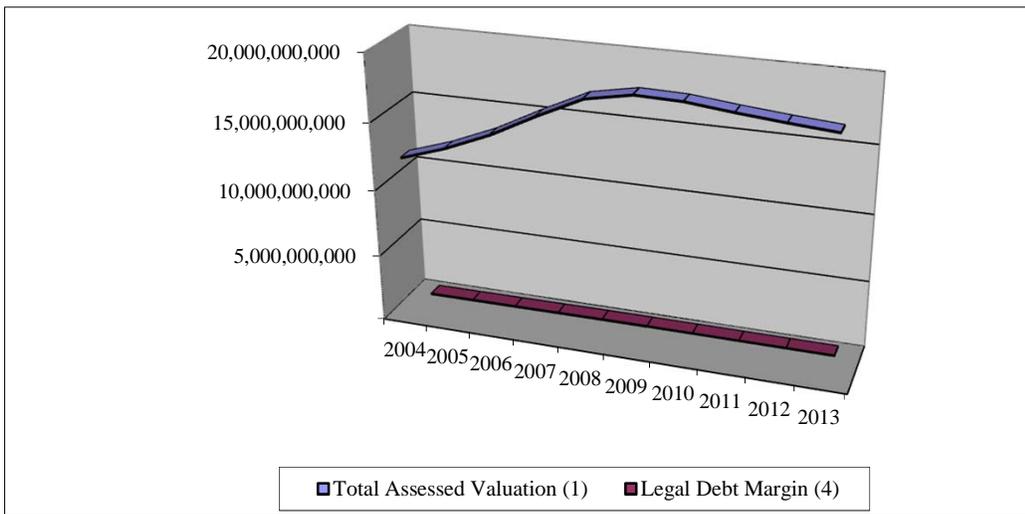
Source: Auditor-Controller, County of Butte

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
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	18,592,445,580	232,405,570	-	232,405,570	100%
2011	18,235,074,012	227,938,425	-	227,938,425	100%
2012	17,935,671,657	224,195,896	-	224,195,896	100%
2013	17,681,326,207	221,016,578	-	221,016,578	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		Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
				Payable from Enterprise Revenue	Net Debt		
2004	212,237	12,279,362,364					
2005	214,119	13,371,181,722					
2006	217,209	14,740,506,515					
2007	218,069	16,453,060,602					
2008	220,407	18,034,737,948					
2009	220,748	18,671,235,449					
2010	221,331	18,592,445,580					
2011	221,388	18,235,074,012					
2012	221,273	17,935,671,657					
2013	221,485	17,681,326,207					

Source:

- (1) State of California, Department of Finance
www.dof.ca.gov/research/demographic/reports/estimates/e-1/view.php

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
	Certificates				Certificates						
	Bonds	of Participation	Loans/ Notes	Capital Leases	Loans	of Participation	Capital Leases				
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		69,486	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	0.3613%	0.94%	303
2011	49,895	2,439	2,053	848	250	10,550	-	66,035	0.3621%	0.88%	298
2012	49,895	1,835	1,575	699	200	9,770	-	63,974	0.3567%	0.84%	289
2013	49,895	1,835	1,575	699	150	8,960	559	63,673	0.3601%	0.87%	287

Source: Auditor-Controller, County of Butte

**COUNTY OF BUTTE, CALIFORNIA
OVERLAPPING BONDED DEBT
JUNE 30, 2013**

2012-13 Assessed Valuation: \$18,527,488,185 (includes unitary utility valuation and railroad)

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	Total Debt 6/30/13	% Applicable (1)	County's Share of Debt 6/30/13
Butte-Glenn Community College District	\$ 74,538,079	87.813%	\$ 65,454,123
Yuba Joint Community College District	126,301,640	0.181	228,606
Chico Unified School District	63,885,000	100.	63,885,000
Marysville Joint Unified School District	68,348,777	1.321	902,887
Gridley Unified School District School Facilities Improvement District No. 1	2,455,000	100.	2,455,000
Oroville Union High School District	18,616,385	100.	18,616,385
Manzanita School District	645,000	100.	645,000
Oroville School District	3,831,411	100.	3,831,411
Thermalito Union School District	1,773,797	100.	1,773,797
City 1915 Act Bonds	100,000	100.	<u>100,000</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$157,892,209
 <u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Butte County Certificates of Participation	\$10,795,333	100. %	\$10,795,333
Butte County Pension Obligations	49,895,000	100.	49,895,000
Butte-Glenn Community College District General Fund Obligations	2,480,000	87.813	2,177,762
Yuba Joint Community College District General Fund Obligations	19,486,160	0.181	35,270
Chico Unified School District Certificates of Participation	1,205,000	100.	1,205,000
Paradise Unified School District Certificates of Participation	1,015,000	100.	1,015,000
Biggs Unified School District Certificates of Participation	420,000	100.	420,000
City of Oroville Pension Obligations	6,065,000	100.	6,065,000
City of Paradise Pension Obligations	8,400,539	100.	<u>8,400,539</u>
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$80,008,904
 <u>OVERLAPPING TAX INCREMENT DEBT:</u>	 \$134,175,000	 100. %	 \$134,175,000
 TOTAL DIRECT DEBT			 \$60,690,333
TOTAL OVERLAPPING DEBT			\$311,385,780
 COMBINED TOTAL DEBT			 \$372,076,113 (2)

- (1) The percentage of overlapping debt applicable to the county is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the county divided by the district's total taxable assessed value.
- (2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2012-13 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	0.85%
Total Direct Debt (\$60,690,333)	0.33%
Combined Total Debt	2.01%

Ratios to Redevelopment Incremental Valuation (\$3,044,380,914):

Total Overlapping Tax Increment Debt	4.41%
--	-------

Source: California Municipal Statistics, Inc.

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Obligation Bonds	\$ 50,878,665	\$ 57,070,000	\$ 57,212,322	\$ 56,423,916	\$ 50,575,340	\$ 50,491,664	\$ 50,402,721	\$ 49,895,000	\$ 49,895,000	\$ 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	8,802,439	8,844,215
Total Net Obligation										
Bonds Outstanding	<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>	<u>\$ 41,092,561</u>	<u>\$ 41,050,785</u>
Percentage of Estimated										
Actual Taxable Value										
of Property	0.4%	0.27%	0.34%	0.29%	0.25%	0.23%	0.23%	0.23%	0.23%	0.23%
Per Capita	\$ 237.6	\$ 166.8	\$ 230.0	\$ 219.6	\$ 205.0	\$ 193.4	\$ 192.8	\$ 185.7	\$ 185.7	\$ 185.5

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)		
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%
2012	221,273	7,643,654,512	34,544	31,255	12.6%
2013	221,485	7,347,286,000	33,356	31,262	12.2%

Detail of estimated population, as June, 2013:

Incorporated Cities/Towns:

City of Biggs	1,692
City of Chico	87,671
City of Gridley	6,723
City of Oroville	15,979
Town of Paradise	26,063
Total of incorporated	138,128
Total of unincorporated	83,357
Total Population	221,485

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

Sources:

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

COUNTY OF BUTTE, CALIFORNIA
MISCELLANEOUS STATISTICAL INFORMATION
JUNE 30, 2013

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

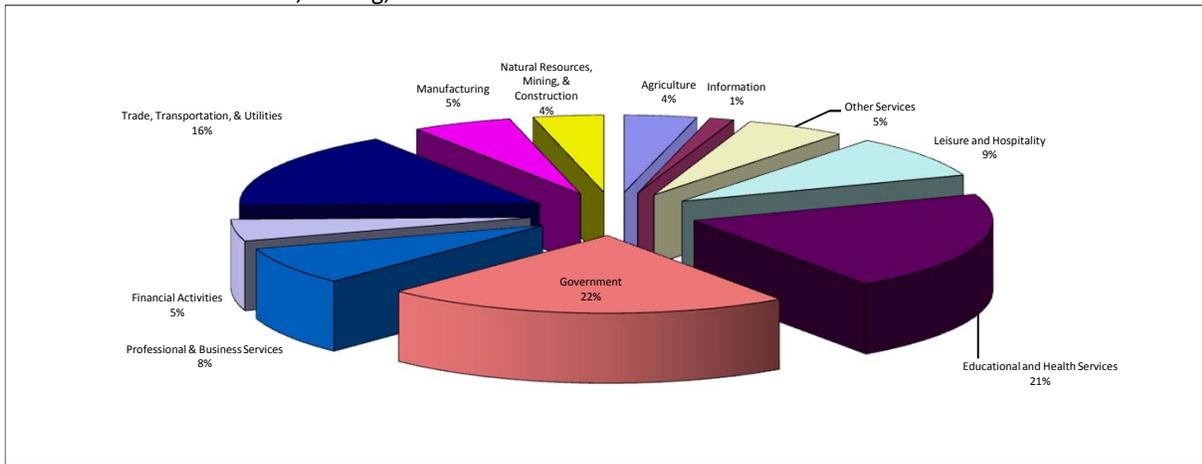
Form of Government: General Law County, governed by a five-member Board of Supervisors

Fiscal Year Begins: July 1

County Employees: as of June 30, 2013: 2,246

Employment Distribution (2013 Annual Average)(1):

Agriculture	3.9%
Information	1.3%
Other Services	5.4%
Leisure and Hospitality	8.9%
Educational and Health Services	20.8%
Government	21.9%
Professional & Business Services	7.9%
Financial Activities	4.5%
Trade, Transportation, & Utilities	16.2%
Manufacturing	5.4%
Natural Resources, Mining, & Construction	3.8%



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, 2013 and Ten Years Ago

Major County Employers

Company	2013			2004		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Enloe Medical Center, Inc.	2,600	1	2.92%	n/a	n/a	n/a
Butte County	2,246	2	2.52%	n/a	n/a	n/a
California State University, Chico	1,793	3	2.01%	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
Pacific Coast Producers	1,250	6	1.40%	n/a	n/a	n/a
Oroville Hospital	1,233	7	1.38%	n/a	n/a	n/a
Feather River Hospital	1,160	8	1.30%	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>14,382</u>		<u>16.14%</u>			

Note: June 30, 2004 complete information is not available.

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

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

For the Fiscal Year Ended June 30,

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Sheriff										
Number of Bookings	11,356	12,964	13,543	13,920	12,693	14,241	13,487	12,792	13,285	12,597
Coroner Case Load	1,588	1,618	1,701	1,709	1,632	1,677	1,734	1,606	1,656	1,729
Calls for Services - Unincorp. Area	45,536	43,585	43,261	56,131	64,121	63,871	63,787	60,499	58,843	63,664
Fire										
Medical Assistance	13,383	13,964	13,240	8,287	8,101	8,021	11,941	12,054	12,511	12,255
Fires Extinguished	905	884	740	753	1,311	1,089	2,169	2,022	2,311	2,426
Probation										
Juveniles in Detention (bed days)	22,354	19,967	20,987	21,484	19,242	17,949	17,564	17,789	17,593	17,086
Waste Management										
Landfill Tonnage	209,466	202,189	191,676	196,153	192,073	163,370	152,257	152,822	154,531	153,691
Recycling Tonnage	22,762	20,186	13,640	26,484	23,377	19,390	13,768	12,420	12,094	11,643
County Libraries										
Total Circulation	653,985	662,590	723,178	744,881	826,821	910,249	840,078	918,069	963,052	748,756
Reference Questions Answered	49,276	41,672	37,703	36,948	38,546	42,366	27,449	32,526	39,798	39,798
Patrons	97,023	106,696	96,049	90,702	93,616	94,574	79,326	74,057	80,135	672,851
Programs Offered	1,106	975	1,169	1,019	1,214	1,353	1,415	1,377	1,510	1,510
Program Attendance	20,788	18,917	22,510	23,439	30,916	34,764	28,395	32,943	36,751	6,036
Visitor Count	581,194	628,430	662,302	656,949	723,460	756,901	642,112	640,096	672,851	672,851
Clerk-Recorder										
Official Records Recorded	87,054	77,545	74,963	77,497	61,002	51,388	52,738	52,863	53,996	62,605
Vital Records Copies Issued	12,201	12,813	13,179	13,903	13,629	13,689	12,430	12,393	11,771	10,785
Official Records Copies Issued	6,942	7,319	6,665	6,442	6,172	5,408	4,272	5,431	5,161	4,954
Community Health Agency										
Facilities Inspections	N/A	3,200	4,015	4,905	5,577	5,276	5,714	5,704	4,905	4,827
Public Social Services										
CalWORKS Clients	134,259	122,799	115,616	121,734	105,953	103,947	102,663	103,267	101,884	100,669
Food Stamp Clients	167,912	206,012	209,550	221,324	228,513	251,732	290,417	311,695	339,557	356,989
Medi-Cal Clients	119,660	152,590	148,090	144,901	159,384	157,048	169,544	245,592	230,464	211,106
In-Home Support Services	32,355	33,044	30,927	36,416	35,951	37,593	36,322	33,376	33,660	33,749
Foster Care Placements	9,682	9,166	8,859	8,343	8,417	7,542	7,065	5,812	5,070	4,402
Child Welfare Services	11,850	12,193	12,019	11,130	12,282	11,237	10,150	9,800	8,936	7,441

Source: Auditor-Controller, County of Butte

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

For the Fiscal Year Ended June 30,

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Sheriff										
Patrol Stations	4	4	4	4	4	4	4	4	4	4
Patrol Vehicles	65	65	65	60	60	50	50	61	82	81
Fire										
Stations	26	26	26	26	26	26	26	26	26	26
Trucks	38	40	40	40	40	40	40	40	40	40
Waste Management										
Landfills	1	1	1	1	1	1	1	1	1	1
Capacity in Tons	13,141,300	12,608,230	12,427,121	12,257,452	12,088,756	11,931,691	11,793,202	11,652,343	11,509,906	11,367,858
County Libraries										
Branch Libraries	6	6	6	6	6	6	6	6	6	6
Book Mobiles	1	1	1	1	1	1	1	1	1	1
Books in Collection	284,355	296,795	299,262	309,681	306,155	321,799	302,828	243,280	256,893	246,731

Source: Auditor-Controller, County of Butte

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

Function/Program	Full-time Equivalent Employees									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
	Not Available	Not Available								
General government:										
Legislative and Administrative			28	24	35	35	38	39	38	37
Finance			30	35	19	16	20	20	22	20
Purchasing			3	4	6	6	6	6	6	-
Treasurer			28	24	26	28	30	27	24	23
Assessor			44	44	44	38	39	39	41	41
Human Resources			12	13	22	17	18	18	19	19
County Counsel			12	12	9	9	9	9	9	9
Elections			14	8	13	10	10	9	10	11
Development Services			44	45	42	40	40	40	39	23
Recorder			17	17	15	12	11	13	12	13
General Services			11	11	14	50	50	44	47	50
Information Services			-	-	-	-	-	-	-	27
Public Protection:										
Judicial			97	97	104	118	115	109	106	93
Police Protection			167	163	175	163	175	176	161	104
Detention and Correction			167	159	168	191	176	158	155	178
Fire Protection			3	-	4	5	4	3	5	-
Probation			92	102	105	94	93	93	92	104
Water Services			5	5	4	4	4	3	3	4
Other Protection			7	8	7	6	6	4	4	65
Public ways and Facilities:										
Public ways			106	117	106	103	100	101	100	110
Health and Sanitation:										
Behavioral Health			571	565	591	579	566	555	497	340
Public Health			-	-	-	-	-	-	-	160
Agriculture			22	19	24	24	28	23	22	19
Public Assistance:										
Aid Programs			555	565	557	514	521	555	551	560
Child Support			-	-	-	-	-	-	-	110
Veterans Services			1	2	3	3	3	2	2	3
Other Assistance			111	122	101	107	109	111	109	67
Education:										
Library Services			54	56	58	43	43	43	32	27
Farm Advisor			3	3	3	3	4	3	2	3
County Business-type Functions										
Landfill			25	25	23	21	20	23	22	26
Internal Service Funds			66	67	67	24	24	24	24	-
Totals			2,295	2,312	2,345	2,263	2,262	2,250	2,154	2,246

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 Report

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

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

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

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

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

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

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

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

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

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

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

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

COUNTY OF BUTTE

Glossary for the Comprehensive Annual Report

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

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

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

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

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

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

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

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

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

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

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

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

COUNTY OF BUTTE

Glossary for the Comprehensive Annual Report

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

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

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

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

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

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

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

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

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

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

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

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governments and is used solely for reporting the financial position and results of operations of governmental funds.

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

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

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

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

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

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

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

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

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

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

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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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).

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

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

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

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

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

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

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

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

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

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

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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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accompanied by the setting aside of assets to fund any related losses. Because no insurance is involved, the term self insurance is a misnomer.

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

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

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

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

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

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

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

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

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

VARIABLE-RATE INVESTMENT. An investment with terms that provide for the adjustment of its interest rate (such as the last day of the month or a calendar quarter) and that, upon each adjustment until the final maturity of the instrument or the period remaining until the principal amount can be recovered through demand, can reasonably be expected to have a fair value that will be unaffected by interest rate changes.