

COUNTY OF BUTTE

State of California

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2014



Upper Thermalito Bridge – Oroville CA

Photo by Wayne Wilson

Wayne Wilson Artworks 2014

Prepared Under the Supervision of:

David A. Houser
County Auditor-Controller





Introductory Section



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Butte County

CALIFORNIA

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OROVILLE, CALIFORNIA 95965-3392
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December 31, 2014

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, 2014, 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, 2014, and the respective changes in financial position and cash flow, where applicable, thereof for the fiscal year then ended. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

This letter of transmittal is designed to complement the Management's Discussion and Analysis (MD&A) and should be read in conjunction with it. The County's MD&A can be found on pages 4 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 221,316 with approximately 38% of the residents living in the unincorporated area.

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

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

The County maintains a website located at: www.buttecounty.net 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

- **Hall of Records Building**

Construction of the Hall of Records building began in July, 2014, with completion anticipated roughly one year from the start date. When completed, the Hall of Records building will serve as a single, climate-controlled repository of all the County's records and historical documents and also house the staff of the Clerk-Recorder and Elections Departments. The total project cost is estimated to be \$9.5 million dollars. The County is financing the project with a loan obtained

through the USDA Community Facilities Direct and Guaranteed Loan program, which will be repaid with departmental revenues, impact fees and facility reserve funds over a forty year period.

- **Jail Capacity Expansion Construction**

Senate Bill 863 provides for a total of up to \$500 million dollars in funding to counties for the acquisition and construction of adult local criminal justice facilities, which will be made available through a competitive funding process administered by the State. It is anticipated that applications will be due to the State in the spring of 2015, with funding awards being announced in the late summer of 2015. Butte County intends to submit an application for funding in order to construct a new supplemental adult local criminal justice facility that will help the County cope with the impacts of the 2011 Public Safety Realignment, which affected an increase in the number of criminal offenders incarcerated and supervised locally.

- **North County Public Works Facility**

The North County Public Works Facility is being constructed in order to replace an existing inadequate public works facility located in Chico, CA. Construction of the facility began in March, 2014 and the facility is anticipated to be complete in January, 2015. The total cost of the facility is estimated to be roughly \$2.7 million dollars, and will be funded with State and federal funds related to transportation from the County's Road Fund.

- **Replacement of Fire Station #44**

The County is in the preliminary planning stages of replacing fire Station #44 in South Chico. This project will be funded by facility reserves.

Technology Upgrade

Butte County Information Systems is in the implementation phase of the LYNC Unified Messaging System. The LYNC Unified Messaging system leverages the County's data network and will transition the County's analog voice network to the County's existing data network.

Electronic Vendor Payments

In support of expanding technological advancements for opportunities to improve our processes here at the County, the second phase of 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

As a result of Butte County Board of Supervisors and County employee's strong commitment toward prudent financial management, the County has been able to weather the worst of the current "Great Recession". Overall fiscal position is showing improvement, however, it is at a very slow rate.

Although unemployment rates continue to improve there are still thousands of residents looking for employment. We're in the midst of a very serious drought which drastically impacts the surrounding agriculture community. Two cities in the County underwent major budget cutbacks which may impact the County as well. The cost of medical insurance as well as CalPERS pension costs continue to rise.

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

Internal Control

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

Single Audit

As a recipient of federal and state financial assistance, the County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*. Information related to this single audit include the Schedule of Expenditures of Federal Awards, Schedule of Findings and Questioned Costs, and the independent auditor's report on internal control and compliance. The County is also responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. Internal controls are subject to periodic evaluation by management and the Auditor-Controller Division's internal audit staff. The 2013-14 Single Audit will be issued under separate cover and will be available by contacting the Auditor-Controller's office after March 31, 2015.

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, 2014, 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, 2014, 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, 2013. This achievement represents the County's 8th consecutive award. This award is the highest form of recognition for excellence in state and local government reporting. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

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

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

Respectfully submitted,



David A. Houser
County Auditor-Controller

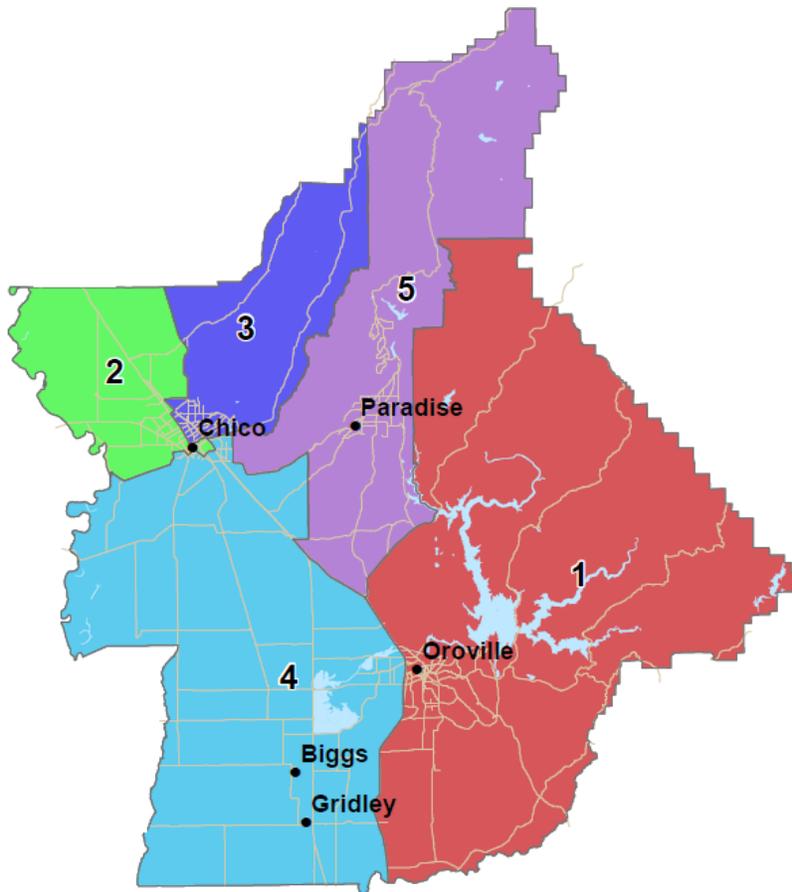
COUNTY OF BUTTE

BOARD OF SUPERVISORS

June 30, 2014

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

*Chosen annually at the first meeting in January.



COUNTY OF BUTTE

PRINCIPAL COUNTY OFFICIALS

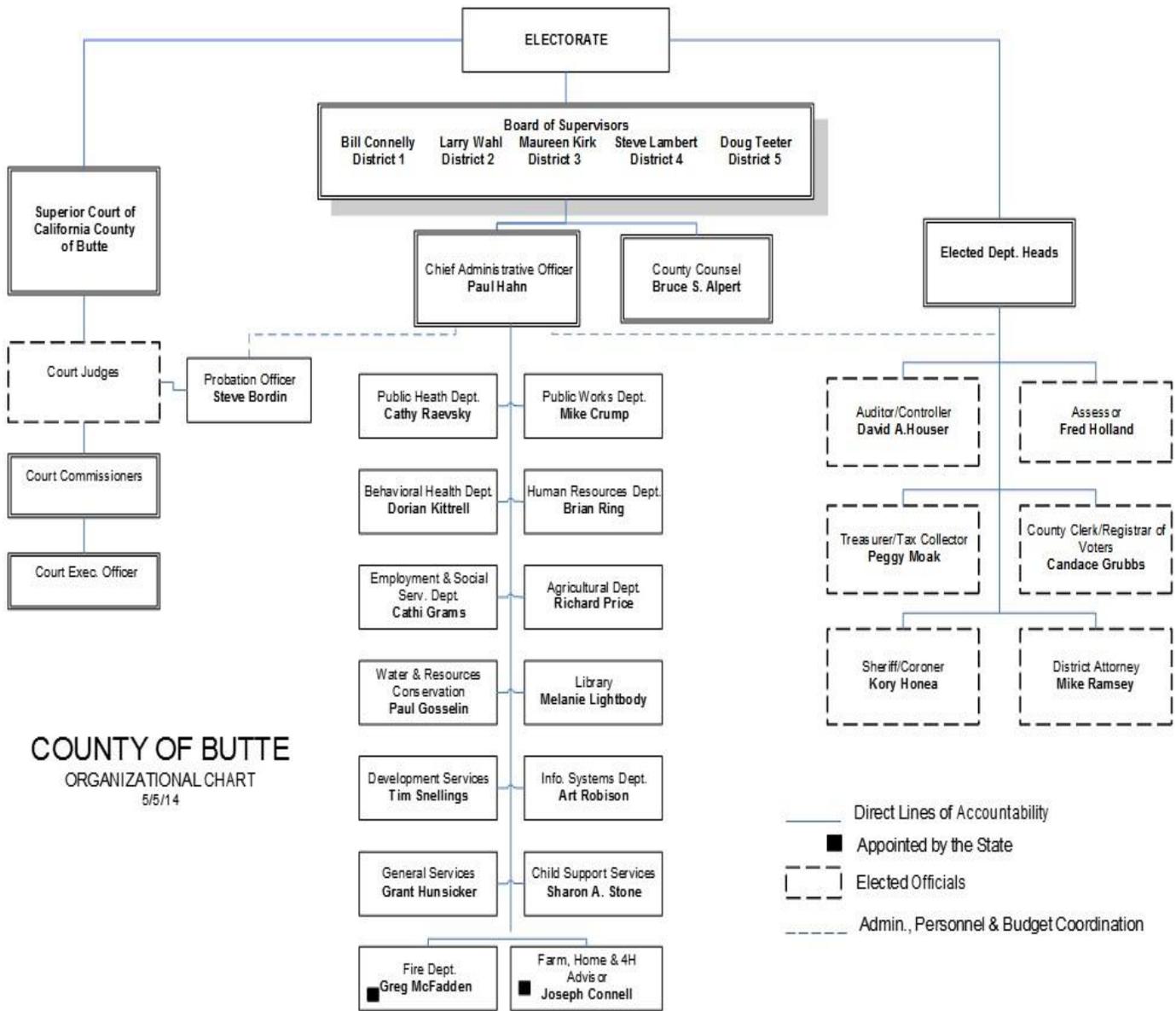
June 30, 2014

Elected Officials

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

Appointed Officials

Agricultural Commissioner.....	Richard Price
Behavioral Health.....	Dorian Kittrell
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.....	Greg McFadden
General Services.....	Grant Hunsicker
Human Resources.....	Brian Ring
Information Systems.....	Art Robison
Library.....	Melanie Lightbody
Chief Probation Officer.....	Steve Bordin
Public Health.....	Cathy Raevsky
Public Works.....	Mike Crump
Water & Resource Conservation.....	Paul Gosselin





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, 2013

Executive Director/CEO



Financial Section





INDEPENDENT AUDITOR'S REPORT

Board of Supervisors
County of Butte

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Butte, California, (the County), as of and for the year ended June 30, 2014, 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, 2014, 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.

Board of Supervisors
County of Butte

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2014 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, 2014



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, 2014. 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

Net Position-Government Wide	\$304 million	Change in Net Position from the previous year was a decrease of \$10 million or 3%
Fund Balance-Governmental	\$108 million	Change in Governmental Fund balance from the previous year was an increase of \$7 million or 7%
General Fund	\$40 million	Change in General Fund balance from the previous year was an increase of \$1/4 million or 1/4%
Expenses	\$344 million	Change in Expenses for Governmental Activities from the previous year was a decrease of \$26 million or 7%
Revenues	\$333 million	Change in Revenues for Governmental Activities from the previous year was a decrease of \$17 million or 5%
Long Term Liabilities	\$97 million	Change in Long Term Liabilities for Governmental Activities from the previous year was an increase of \$4 million or 4%

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 100 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 (Other Post-Employment Benefits) benefits to its employees.

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

III. GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS

Table 1 – Net Position

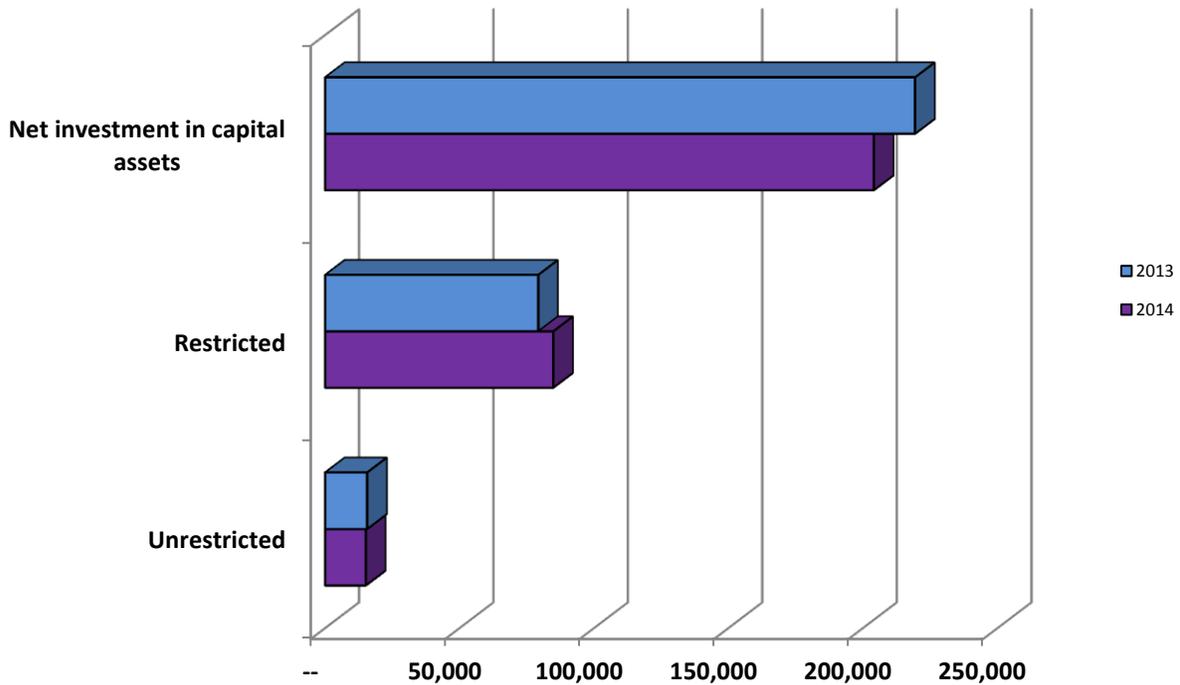
	Governmental Activities		Business-type Activities		Total		Total	
	2014	2013	2014	2013	2014	2013	Dollar Change	% Change
							2013 to 2014	2013 to 2014
Current and other assets	\$ 201,832	\$ 194,054	\$ 20,007	\$ 19,777	\$ 221,839	\$ 213,831	\$ 8,008	3.6 %
Capital assets	196,631	213,190	19,933	19,789	216,564	232,979	(16,415)	(7.6)%
Total assets	398,463	407,244	39,940	39,566	438,403	446,810	(8,407)	(1.9)%
Current and other liabilities	24,961	25,186	683	614	25,644	25,800	(156)	(0.6)%
Long-term liabilities	97,010	93,161	13,394	13,679	110,404	106,840	3,564	3.2 %
Total liabilities	121,971	118,347	14,077	14,293	136,048	132,640	3,408	2.5 %
Net position:								
Net investment in capital assets	191,735	209,080	10,772	10,270	202,507	219,350	(16,843)	(8.3)%
Restricted	84,766	79,228			84,766	79,228	5,538	6.5 %
Unrestricted		589	15,091	15,003	15,091	15,592	(501)	(3.3)%
Total net position	\$ 276,501	\$ 288,897	\$ 25,863	\$ 25,273	\$ 302,364	\$ 314,170	\$ (11,806)	(3.9)%

The largest portion of the County’s net position of 67% reflects the County’s investment in capital assets (i.e. its land, structures and improvements, infrastructure, and equipment), less any related outstanding debt issued to acquire those assets. The County uses these capital assets to provide a variety of services to citizens. Accordingly, these assets are not available for future spending. Although the County’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net position represents 28% of the net position that is subject to external restrictions on how they may be used.

The remaining balance of 4% is unrestricted and may be used to meet the County’s ongoing obligations to citizens and creditors.

Butte County Net Position June 30, 2014 and 2013



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

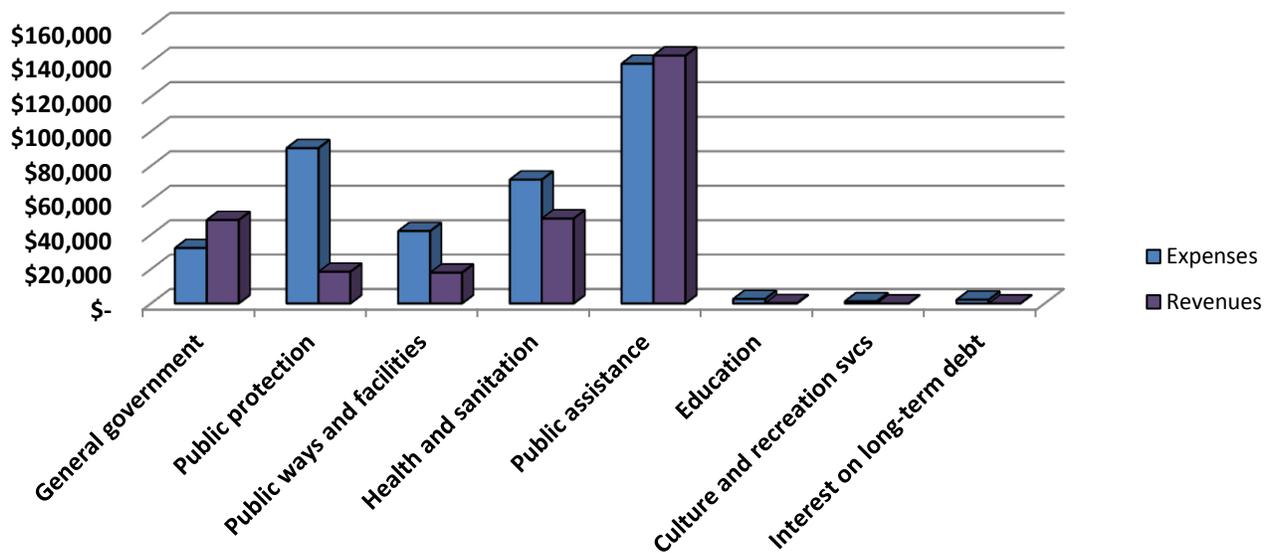
- Governmental Activities accounted for a decrease in net position of \$12,405, primarily due to current year depreciation expense of the County’s infrastructure (roads and bridges), which amounted to \$24,302.
- Business-Type Activities accounted for an increase in net position of \$590, primarily due 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 Activities		Business-type Activities		Total		Total	
	2014	2013	2014	2013	2014	2013	Dollar Change 2013 to 2014	% Change 2013 to 2014
Revenues:								
Program revenues:								
Charges for services	\$ 22,792	\$ 22,938	\$ 6,227	\$ 6,730	\$ 29,019	\$ 29,668	\$ (649)	(2.2)%
Operating grants and contributions	210,166	231,245			210,166	231,245	(21,079)	(10.0)%
Capital grants and contributions	18,636	17,868			18,636	17,868	768	4.1 %
General revenues:								
Property taxes	48,772	47,224			48,772	47,224	1,548	3.2 %
Sales taxes	4,412	3,912			4,412	3,912	500	11.3 %
Other taxes and related revenues	1,158	1,311			1,158	1,311	(153)	(13.2)%
Unrestricted grants and contributions	17,216	17,354			17,216	17,354	(138)	(0.8)%
Unrestricted investment income	3,951	3,167	263	182	4,214	3,349	865	20.5 %
Miscellaneous revenues	4,459	5,045		107	4,459	5,152	(693)	(15.5)%
Total revenues	<u>331,562</u>	<u>350,064</u>	<u>6,490</u>	<u>7,019</u>	<u>338,052</u>	<u>357,083</u>	<u>(19,031)</u>	<u>(5.6)%</u>
Program expenses:								
General government	33,407	28,890			33,407	28,890	4,517	13.5 %
Public protection	86,187	88,471			86,187	88,471	(2,284)	(2.7)%
Public ways and facilities	40,463	41,002			40,463	41,002	(539)	(1.3)%
Health and sanitation	65,919	70,531			65,919	70,531	(4,612)	(7.0)%
Public assistance	113,277	136,126			113,277	136,126	(22,849)	(20.2)%
Education	2,514	2,487			2,514	2,487	27	1.1 %
Culture and recreation services	235	166			235	166	69	29.4 %
Interest on long-term debt	1,967	2,000			1,967	2,000	(33)	(1.7)%
Sanitation	-	-	5,899	5,868	5,899	5,868	31	0.5 %
Total expenses	<u>343,969</u>	<u>369,673</u>	<u>5,899</u>	<u>5,868</u>	<u>349,868</u>	<u>375,541</u>	<u>(25,673)</u>	<u>(7.3)%</u>
Change in net assets before transfers	(12,407)	(19,609)	591	1,151	(11,816)	(18,458)	6,642	(56.2)%
Transfers	2	(25)	(2)	25	-	-	-	-
Change in net position	(12,405)	(19,634)	589	1,176	(11,816)	(18,458)	6,642	(56.2)%
Net position - beginning	288,897	309,947	25,273	24,307	314,170	334,254	(20,084)	(6.4)%
Prior period adjustment	-	(1,416)	-	(210)	-	(1,626)	-	-
Net position - ending	<u>\$ 276,492</u>	<u>\$ 288,897</u>	<u>\$ 25,862</u>	<u>\$ 25,273</u>	<u>\$ 302,354</u>	<u>\$ 314,170</u>	<u>\$ (11,816)</u>	<u>(3.9)%</u>

Expenses and Program Revenues - Governmental Activities



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, 2014, the County's governmental funds reported combined ending fund balances of \$108,059. The components of total fund balance are as follows:

- Nonspendable fund balance – \$480, 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 – \$87,009, consists of amounts with constraints put on their use by externally imposed creditors, grantors, contributions, laws, regulations or enabling legislation.
- Committed fund balance – \$5,831, are amounts for specific purposes determined by the Board of Supervisors, such as emergency reserves of \$5,500 and debt service of \$331.
- Assigned fund balance – \$30, are amounts intended to be used for specific purposes.
- Unassigned fund balance – \$14,709, represents the residual classification for the County's General Fund.

Approximately 99.56%, or \$107,580, of the total fund balances is available to meet the County's current and future needs. With the approval of the Board of Supervisors, County management may allocate a portion of fund balance to a particular function, project or activity, and may also allocate for purposes beyond the current year, within the constraints applied to the various categories of fund balance. With the exception of the nonspendable portion, fund balances are available for appropriation at any time. The general fund is the main operating fund of the County. The general fund balance decreased by \$244 during the current fiscal year, including prior period adjustments.

As a measure of the general fund's liquidity, it is useful to compare both total fund balance and spendable fund balance to total fund expenditures. Total fund balance equates to 33.7% of total fund expenditures, while spendable fund balance equates to 33.6% of total fund expenditures. Of the general fund spendable fund balance, \$19,171 or 48.0% is restricted, and \$5,831 or 14.6% is committed.

The welfare fund has a total fund balance of \$6,748 of which \$6,748 is restricted. The overall fund balance increased by \$1,558 primarily due to a shift in State realignment revenue to this fund.

The public health fund has a total fund balance of \$11,271 of which \$11,271 is restricted. The overall fund balance increased by \$1,453 primarily due to a decrease in expenditures.

The behavioral health fund has a total fund balance of \$327 of which \$327 is restricted. The overall fund balance increased by \$2,530 primarily resulting from implementing a plan to address prior structural deficits.

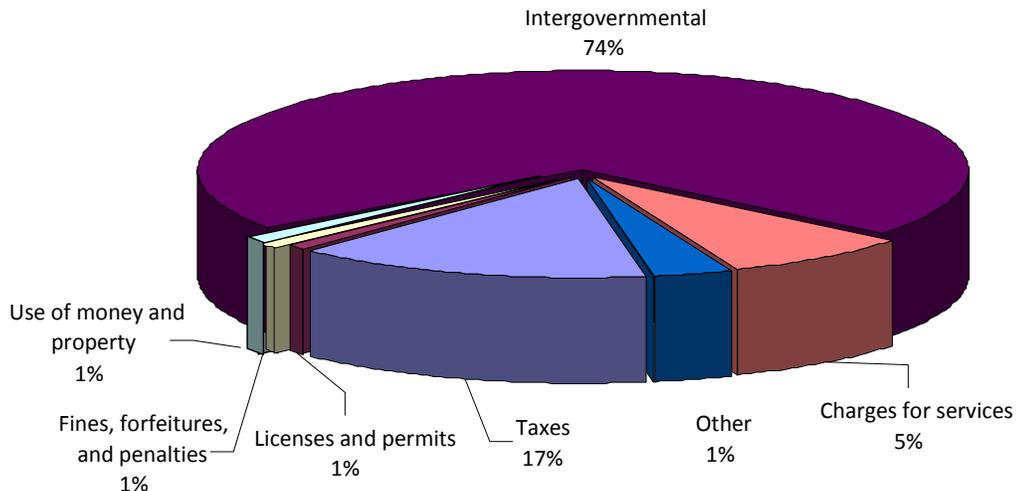
The road fund has a total fund balance of \$10,783. Of this amount, \$322 is nonspendable, and the balance of \$10,461 is restricted. The overall fund balance decreased by \$2,510 during the current fiscal year, due to decreased revenues from other local governmental projects.

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 2013		FY 2014		Change	
	Amount	% of total	Amount	% of total	Amount	% of change
Taxes	\$ 52,447	15.0%	\$ 54,344	16.4%	\$ 1,897	3.6%
Licenses and permits	3,317	0.9%	3,808	1.1%	491	14.8%
Fines, forfeitures, and penalties	3,138	0.9%	2,173	0.7%	(965)	(30.8%)
Use of money and property	3,167	0.9%	3,720	1.1%	553	17.5%
Intergovernmental	266,363	76.1%	245,851	74.2%	(20,512)	(7.7%)
Charges for services	16,484	4.7%	16,811	5.1%	327	2.0%
Other	5,041	1.4%	4,459	1.3%	(582)	(11.5%)
Total	\$ 349,957	100%	\$ 331,166	100%	\$ (18,791)	(5.4%)

Revenue in the Governmental Funds



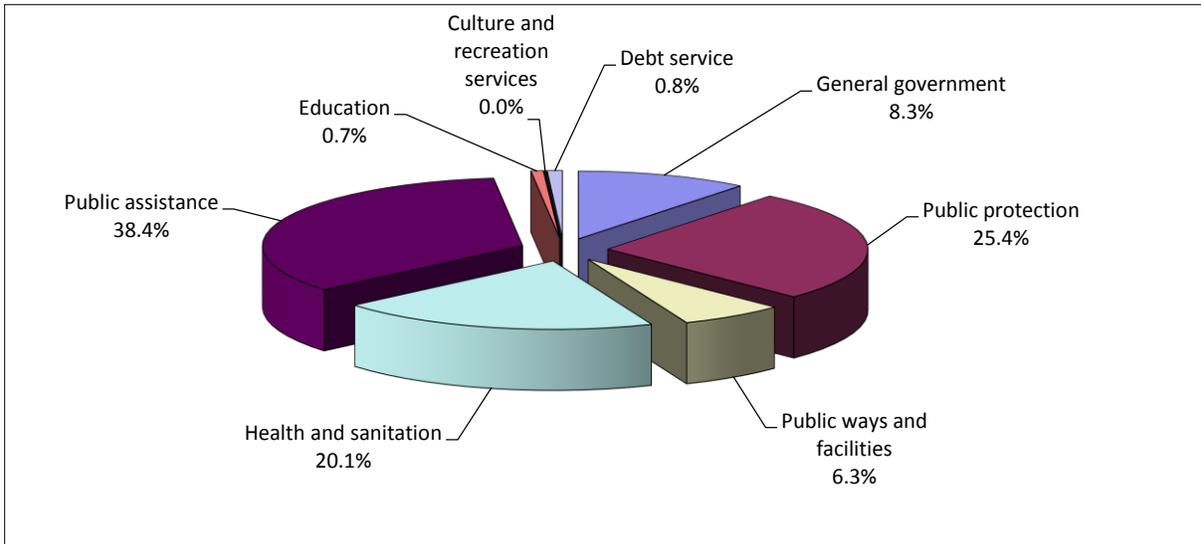
Significant changes for major revenue sources are explained below.

- Taxes – Residential and Secured Business Values increased slightly due to the stabilization of the current economy.
- Intergovernmental – decrease in revenue due to a change in accounting to net revenue from booking revenue and expenditure.

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

Table 4 – Expenditures in the Governmental Funds

Function	FY 2013		FY 2014		Change	
	Amount	% of total	Amount	% of total	Amount	% of change
General government	\$ 29,383	8.3%	\$ 34,987	10.7%	\$ 5,604	19.1%
Public protection	89,451	25.4%	87,075	26.6%	(2,376)	(2.7%)
Public ways and facilities	22,206	6.3%	21,243	6.5%	(963)	(4.3%)
Health and sanitation	70,983	20.1%	65,097	19.9%	(5,886)	(8.3%)
Public assistance	135,234	38.4%	112,559	34.4%	(22,675)	(16.8%)
Education	2,407	0.7%	2,508	0.8%	101	4.2%
Culture and recreation services	77	0.0%	252	0.1%	175	227.3%
Debt service	2,739	0.8%	3,074	0.9%	335	12.2%
Total	\$ 352,480	100%	\$ 326,795	100%	\$ (25,685)	(7.3%)



Significant changes for major functions are explained below.

- General Government – Increase in expenditures for capital projects.
- 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 \$25,863. Of this amount, \$10,772 is investment in capital assets, \$2,382 is restricted, and the balance of \$12,709 is unrestricted. Overall net position increased by \$590 due to an increase in capital assets and revenues exceeding expenses. The County's internal service funds have an aggregate net position of \$9,624. Of this amount, \$18 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 \$2,365. 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 \$6,179.

During the fiscal year, actual revenues were more than budgetary estimates by \$2,560. 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 \$17,994. The primary reason for the decrease was a change in reporting to net revenue from booking revenue and expenditure.

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, 2014, amounts to \$216,563 (net of accumulated depreciation). This investment in capital assets includes land, structures and improvements, equipment, construction-in-progress, and infrastructure. The total decrease in the County's net investment in capital assets for the current period was 7.0%.

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

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

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

A. Capital Assets - continued**Table 5 – Capital Assets (Net of Depreciation)**

	Governmental activities		Business-type activities		Total	
	2013	2014	2013	2014	2013	2014
Land	\$ 2,641	\$ 2,616	\$ 431	\$ 421	\$ 3,072	\$ 3,037
Structures & improvements	43,316	42,937	56	52	43,372	42,989
Equipment	13,907	15,528	1,102	1,607	15,009	17,135
Infrastructure	150,680	131,223	18,029	17,771	168,709	148,994
Construction in progress	2,646	4,327	171	82	2,817	4,409
Total	\$ 213,190	\$ 196,631	\$ 19,789	\$ 19,933	\$ 232,979	\$ 216,564

B. Long-Term Obligations

At June 30, 2014, the County had total long-term obligations outstanding of \$110,309 consisting of \$9,537 in Certificates of Participation, capital lease obligations of \$3,101, bonds payable of \$49,545, loan payable of \$100, and notes payable of \$1,322. Additional long-term liabilities include compensated leave payable of \$15,120, actuarial claims liability of \$6,779 for general insurance and worker's compensation self insurance, landfill closure/post closure care liability of \$3,916 and OPEB obligation of \$20,889.

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

VII. FISCAL OUTLOOK

The County adopted its fiscal year 2014-2015 Final Budget in the total amount of \$445,845, 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.

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, 2014

ASSETS	Primary Government		
	Governmental Activities	Business-type Activities	Total
Cash and investments	\$ 113,428,586	\$ 17,331,071	\$ 130,759,657
Cash and investments with fiscal agent	1,157,552	2,249,517	3,407,069
Imprest cash	41,695	2,800	44,495
Interest receivable	208,111	33,334	241,445
Accounts receivable	1,301,983	341,110	1,643,093
Due from other governments	29,284,532	22,357	29,306,889
Prepaid items	136,597	26,906	163,503
Deposits with others	2,797	-	2,797
Inventories	479,403	-	479,403
Loans receivable	3,479,619	-	3,479,619
Net pension asset	52,311,543	-	52,311,543
Capital assets, net			
Non-depreciable	6,942,835	502,674	7,445,509
Depreciable assets, net	189,687,811	19,429,890	209,117,701
Total Assets	398,463,064	39,939,659	438,402,723
 LIABILITIES			
Current liabilities:			
Accounts payable	5,829,637	475,492	6,305,129
Salaries and benefits payable	4,394,547	39,504	4,434,051
Deposits payable	262,234	-	262,234
Unearned revenue	14,464,485	-	14,464,485
Accrued interest	9,908	167,550	177,458
Long term liabilities:			
Due within one year	19,531,046	1,319,244	20,850,290
Due in more than one year	77,479,229	12,075,140	89,554,369
Total Liabilities	121,971,086	14,076,930	136,048,016
 NET POSITION			
Net investment in capital assets	191,735,949	10,771,716	202,507,665
Restricted for:			
General government	2,988,030	-	2,988,030
Health and sanitation	11,597,468	-	11,597,468
Public safety	16,182,997	-	16,182,997
Public ways & facilities	10,783,095	-	10,783,095
Welfare	6,748,186	-	6,748,186
Other county programs	36,456,254	-	36,456,254
Unrestricted	-	15,091,013	15,091,013
Total Net Position	\$ 276,491,979	\$ 25,862,729	\$ 302,354,708

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, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 33,407,790	\$ 8,151,708	\$ 19,182,984	-	\$ (6,073,098)	\$ -	\$ (6,073,098)
Public protection	86,186,647	9,351,682	20,909,296	-	(55,925,669)	-	(55,925,669)
Public ways and facilities	40,463,446	1,021,132	-	18,636,817	(20,805,497)	-	(20,805,497)
Health and sanitation	65,919,141	3,859,066	47,659,792	-	(14,400,283)	-	(14,400,283)
Public assistance	113,277,658	308,210	122,194,030	-	9,224,582	-	9,224,582
Education	2,514,061	91,604	219,652	-	(2,202,805)	-	(2,202,805)
Culture and recreation services	235,251	8,887	-	-	(226,364)	-	(226,364)
Interest on long-term debt	1,967,756	-	-	-	(1,967,756)	-	(1,967,756)
Total Governmental activities	<u>343,971,750</u>	<u>22,792,289</u>	<u>210,165,754</u>	<u>18,636,817</u>	<u>(92,376,890)</u>	<u>-</u>	<u>(92,376,890)</u>
Business-type activities:							
Sanitation	5,898,830	6,227,331	-	-	-	328,501	328,501
Total Business-type activities	<u>5,898,830</u>	<u>6,227,331</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>328,501</u>	<u>328,501</u>
Total Primary Government	<u>\$349,870,580</u>	<u>\$ 29,019,620</u>	<u>\$ 210,165,754</u>	<u>\$ 18,636,817</u>	<u>(92,376,890)</u>	<u>328,501</u>	<u>(92,048,389)</u>
General revenues:							
Taxes:							
Property taxes					48,772,866	-	48,772,866
Sales and use taxes					4,412,158	-	4,412,158
Other taxes and related revenues					1,158,582	-	1,158,582
Grants and contributions not restricted to specific programs					17,215,683	-	17,215,683
Unrestricted interest and investment earnings					3,951,322	263,115	4,214,437
Other revenues					4,459,282	-	4,459,282
Transfers					1,975	(1,975)	-
Total general revenues and transfers					<u>79,971,868</u>	<u>261,140</u>	<u>80,233,008</u>
Change in net position					(12,405,022)	589,641	(11,815,381)
Net position - beginning					<u>288,897,001</u>	<u>25,273,088</u>	<u>314,170,089</u>
Net position - ending					<u>\$ 276,491,979</u>	<u>\$ 25,862,729</u>	<u>\$ 302,354,708</u>

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, 2014**

	General Fund	Welfare Fund	Public Health Fund	Behavioral Health Fund	Road Fund	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and investments	\$ 37,376,157	\$ 4,099,786	\$ 5,728,387	\$ 2,333,296	\$ 11,059,020	\$ 36,374,930	\$ 96,971,576
Restricted Assets:							
Cash with fiscal agent	361,455	-	-	-	-	663,283	1,024,738
Imprest cash	37,995	-	650	1,000	50	2,000	41,695
Due from other funds	21,920	-	4,256,056	-	-	-	4,277,976
Interest receivable	69,966	6,940	15,971	-	12,282	68,107	173,266
Accounts receivable	1,175,723	53,146	11,073	33,504	15,450	6,815	1,295,711
Due from other governme	5,769,408	13,169,983	2,101,798	7,910,833	241,429	91,081	29,284,532
Prepaid items	90,403	1,854	33,509	5,431	-	5,400	136,597
Deposits with others	2,797	-	-	-	-	-	2,797
Inventory	157,012	-	-	-	322,391	-	479,403
Loans receivable	-	-	-	-	-	3,479,619	3,479,619
Total assets	45,062,836	17,331,709	12,147,444	10,284,064	11,650,622	40,691,235	137,167,910
LIABILITIES							
Due to other funds	-	-	-	4,256,056	-	21,920	4,277,976
Accounts payable	1,996,213	114,388	337,852	1,754,125	664,880	674,844	5,542,302
Salaries and benefits pay	1,969,581	1,112,929	281,365	674,015	199,576	157,081	4,394,547
Unearned revenue	936,354	9,356,206	90,327	3,272,935	3,071	805,592	14,464,485
Deposits payable	262,234	-	-	-	-	-	262,234
Total liabilities	5,164,382	10,583,523	709,544	9,957,131	867,527	1,659,437	28,941,544
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue	-	-	167,365	-	-	-	167,365
Total deferred inflows of resources	-	-	167,365	-	-	-	167,365
FUND BALANCES							
Nonspendable	157,012	-	-	-	322,391	-	479,403
Restricted	19,171,026	6,748,186	11,270,535	326,933	10,460,704	39,031,798	87,009,182
Committed	5,831,455	-	-	-	-	-	5,831,455
Assigned	30,278	-	-	-	-	-	30,278
Unassigned	14,708,683	-	-	-	-	-	14,708,683
Total fund balances	39,898,454	6,748,186	11,270,535	326,933	10,783,095	39,031,798	108,059,001
Total liabilities and fund balances	\$ 45,062,836	\$ 17,331,709	\$ 12,147,444	\$ 10,284,064	\$ 11,650,622	\$ 40,691,235	\$ 137,167,910

COUNTY OF BUTTE, CALIFORNIA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2014

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

Fund balances-total governmental funds	\$ 108,059,001
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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	2,616,291	
Construction in progress	4,326,544	
Infrastructure	589,846,100	
Structures and improvements	68,007,964	
Equipment	60,458,979	
Less: accumulated depreciation	<u>(528,642,803)</u>	
Total capital assets		196,613,075

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

Net pension asset	52,311,543
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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.

167,365

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.

(9,908)

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.

9,582,177

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, 2014 are:

Certificates of participation	(1,422,333)	
Bonds payable	(49,545,000)	
Notes payable	(1,321,944)	
Capital leases	(2,150,420)	
Other postemployment benefits	(14,902,845)	
Compensated absences	<u>(20,888,733)</u>	
Total long-term liabilities		<u>(90,231,275)</u>

Net position of governmental activities	<u>\$ 276,491,978</u>
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COUNTY OF BUTTE, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	General Fund	Welfare Fund	Public Health Fund	Behavioral Health Fund	Road Fund	Other Governmental Funds	Total Governmental Funds
REVENUES							
Taxes	\$ 53,468,009	\$ -	\$ -	\$ -	\$ -	\$ 875,597	\$ 54,343,606
Licenses and permits	3,547,528	-	129,646	-	130,846	-	3,808,020
Fines, forfeitures, and penalties	1,802,158	-	263,900	79,757	390	27,275	2,173,480
Revenue from use of money and pr	2,966,330	75,385	83,783	(3,996)	151,421	447,003	3,719,926
Aid from other governments	38,834,862	115,453,786	15,587,054	49,112,401	15,593,867	11,268,939	245,850,909
Charges for services	11,409,520	234,394	2,464,518	778,073	866,533	1,057,754	16,810,792
Other	2,927,350	1,132,305	47,958	33,803	51,260	266,597	4,459,273
Total revenues	<u>114,955,757</u>	<u>116,895,870</u>	<u>18,576,859</u>	<u>50,000,038</u>	<u>16,794,317</u>	<u>13,943,165</u>	<u>331,166,006</u>
EXPENDITURES:							
Current:							
General government	28,974,720	-	-	-	-	6,012,077	34,986,797
Public protection	85,869,405	573,491	-	-	-	631,879	87,074,775
Public ways and facilities	-	-	-	-	19,901,818	1,340,664	21,242,482
Health and sanitation	-	-	17,255,239	47,712,477	-	128,823	65,096,539
Public assistance	424,415	106,010,933	-	-	-	6,123,416	112,558,764
Education	2,508,004	-	-	-	-	-	2,508,004
Recreation and cultural services	133,890	-	-	-	-	118,827	252,717
Debt Service:							
Principal	408,051	-	-	-	-	696,991	1,105,042
Interest	21,957	-	-	-	-	1,947,500	1,969,457
Total expenditures	<u>118,340,442</u>	<u>106,584,424</u>	<u>17,255,239</u>	<u>47,712,477</u>	<u>19,901,818</u>	<u>17,000,177</u>	<u>326,794,577</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,384,685)</u>	<u>10,311,446</u>	<u>1,321,620</u>	<u>2,287,561</u>	<u>(3,107,501)</u>	<u>(3,057,012)</u>	<u>4,371,429</u>
OTHER FINANCING SOURCES (USES):							
Sales of capital assets	223,080	-	-	-	11,615	3,900	238,595
Loan proceeds	-	-	-	-	-	1,539,884	1,539,884
Transfers in	11,392,735	1,212,140	1,405,016	3,132,962	3,122,338	11,516,506	31,781,697
Transfers out	(7,987,041)	(9,965,472)	(1,274,501)	(2,890,530)	(2,536,414)	(6,425,728)	(31,079,686)
Total other financing sources (uses)	<u>3,628,774</u>	<u>(8,753,332)</u>	<u>130,515</u>	<u>242,432</u>	<u>597,539</u>	<u>6,634,562</u>	<u>2,480,490</u>
Net change in fund balances	<u>244,089</u>	<u>1,558,114</u>	<u>1,452,135</u>	<u>2,529,993</u>	<u>(2,509,962)</u>	<u>3,577,550</u>	<u>6,851,919</u>
Fund balances, beginning	39,654,365	5,190,072	9,818,400	(2,203,060)	13,293,057	35,454,248	101,207,082
Fund balances, ending	<u>\$ 39,898,454</u>	<u>\$ 6,748,186</u>	<u>\$ 11,270,535</u>	<u>\$ 326,933</u>	<u>\$ 10,783,095</u>	<u>\$ 39,031,798</u>	<u>\$ 108,059,001</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, 2014

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 \$ 6,851,919

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

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

Capital outlay expenditures are therefore added back to fund balances	7,510,139	
Depreciation expense not reported in governmental funds	(24,301,952)	
Other capital asset adjustments	<u>238,595</u>	(16,553,218)

Governmental funds report the effect of the pension asset when first paid, whereas the amount is deferred and amortized in the statement of activities.

Increase in pension asset		450,689
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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.

Change in loans receivable		3,452
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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 position the repayment reduces long-term liabilities.

Principal payments		1,106,743
Capital lease issued		(1,539,884)

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available (net change).

Other postemployment benefits	(3,068,604)	
Compensated absences	<u>14,922</u>	(3,053,682)

Internal service funds are used by the County to charge the costs of liability, malpractice, and worker's compensation insurance to individual funds. The net revenue of internal service funds is reported with governmental activities.

		<u>328,958</u>
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Change in net position of governmental activities \$ (12,405,023)

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

COUNTY OF BUTTE, CALIFORNIA

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

JUNE 30, 2014

	Business Type Activities	Governmental Activities
	Neal Road Landfill	Internal Service Funds
ASSETS		
Current assets:		
Cash and investments	\$ 17,331,071	\$ 16,457,010
Cash and investments with fiscal agent	2,249,517	132,814
Imprest cash	2,800	-
Interest receivable	33,334	34,845
Accounts receivable	341,110	6,272
Due from other governments	22,357	-
Deposits with others	-	-
Prepaid items	26,906	-
Total current assets	20,007,095	16,630,941
Noncurrent assets:		
Capital assets:		
Nondepreciable:		
Land	420,932	-
Construction in progress	81,742	-
Depreciable:		
Structures	19,809,232	-
Equipment	4,697,432	45,461
Less: Accumulated depreciation	(5,076,774)	(27,890)
Total capital assets, net	19,932,564	17,571
Total noncurrent assets	19,932,564	17,571
Total assets	\$ 39,939,659	\$ 16,648,512

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

COUNTY OF BUTTE, CALIFORNIA

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

JUNE 30, 2014

	Business Type Activities	Governmental Activities
	Neal Road Landfill	Internal Service Funds
LIABILITIES		
Current liabilities:		
Interest payable	\$ 167,550	\$ -
Accounts payable	475,492	287,335
Accrued salaries and benefits	39,504	-
Capital lease payable, current portion	206,574	-
COP payable, current portion	893,545	-
Claims and judgments, current portion	-	2,600,000
Compensated absences, current portion	169,125	-
Loans payable, current portion	50,000	-
Total current liabilities	<u>2,001,790</u>	<u>2,887,335</u>
Noncurrent liabilities:		
Capital lease payable	744,461	-
COP payable, less current portion	7,316,268	-
Claims and judgments, less current portion	-	4,179,000
Compensated absences, less current portion	48,120	-
Loans payable, less current portion	50,000	-
Landfill closure/post-closure care costs	3,916,291	-
Total noncurrent liabilities	<u>12,075,140</u>	<u>4,179,000</u>
Total liabilities	<u>14,076,930</u>	<u>7,066,335</u>
NET POSITION		
Net investment in capital assets	10,771,716	17,571
Restricted		-
Unrestricted	15,091,013	9,564,606
Total net position	<u>\$ 25,862,729</u>	<u>\$ 9,582,177</u>

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, 2014

	Business Type Activities	Governmental Activities
	Neal Road Landfill	Internal Service Funds
OPERATING REVENUES		
Charges for services	\$ 6,123,923	\$ 7,402,854
Other revenue	103,408	307,847
Total operating revenues	<u>6,227,331</u>	<u>7,710,701</u>
OPERATING EXPENSES		
Salaries and employee benefits	1,438,562	352,648
Service and supplies	1,695,842	2,512,651
Claims and judgments	-	4,041,305
Operation and maintenance	1,523,290	-
Depreciation	657,472	6,484
Landfill closure/post-closure care cost	230,524	-
Total operating expenses	<u>5,545,690</u>	<u>6,913,088</u>
Operating income (loss)	<u>681,641</u>	<u>797,613</u>
NONOPERATING REVENUES (EXPENSES)		
Interest income	263,115	231,381
Interest expense	(331,470)	-
Gain (loss) on sale of assets	(21,670)	-
Total nonoperating revenues (expenses)	<u>(90,025)</u>	<u>231,381</u>
NET INCOME (LOSS) BEFORE TRANSFERS	<u>591,616</u>	<u>1,028,994</u>
Transfers in	18,085	-
Transfers out	(20,060)	(700,036)
Change in net position	<u>589,641</u>	<u>328,958</u>
Net position, beginning of year	<u>25,273,088</u>	<u>9,253,219</u>
Net position, end of year	<u>\$ 25,862,729</u>	<u>\$ 9,582,177</u>

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

COUNTY OF BUTTE, CALIFORNIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Business Type Activities	Governmental Activities
	Neal Road Landfill	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 6,528,794	\$ 7,772,953
Cash paid to suppliers for goods and services	(3,164,324)	(6,130,787)
Cash paid to employees for services	(1,433,022)	(352,648)
Net cash provided (used) by operating activities	1,931,448	1,289,518
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers in	18,085	-
Transfers out	(20,060)	(700,036)
Net cash provided (used) by noncapital financing activities	(1,975)	(700,036)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Payments related to the acquisition of capital assets	(835,339)	-
Sale of capital assets	12,610	-
Principal repayment on long term debt	(516,434)	-
Interest paid	(348,370)	-
Net cash provided (used) by capital and related financing activities	\$ (1,687,533)	\$ -

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

continued

COUNTY OF BUTTE, CALIFORNIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Business Type Activities	Governmental Activities
	Neal Road Landfill	Internal Service Funds
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received (paid)	268,145	196,536
Net cash provided (used) by investing activities	268,145	196,536
Net increase (decrease) in cash and cash equivalents	510,085	786,018
Cash and cash equivalents, beginning	19,073,303	15,670,992
Cash and cash equivalents, ending	19,583,388	16,457,010
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET ASSETS:		
Cash and investments	17,331,071	16,457,010
Cash and investments with fiscal agent	2,249,517	-
Imprest cash	2,800	-
Total cash and investments	\$ 19,583,388	\$ 16,457,010

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

continued

COUNTY OF BUTTE, CALIFORNIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	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)	\$ 681,641	\$ 797,613
Adjustment to reconcile operating income (loss) operating activities:		
Depreciation	657,472	6,484
Changes in assets and liabilities:		
(Increase) decrease in:		
Due from other funds	-	-
Deposits	25,503	-
Increase (decrease) in:		
Due to other funds	-	-
Accrued salaries and benefits	4,274	-
Deposits payable	-	-
Compensated absences	1,266	-
 Net cash provided (used) by operating activities	 \$ 1,931,446	 \$ 1,289,518
 Non-Cash Capital Financing Activities		
Capital Lease	500,000	-
Total Non-Cash Financing Activities	\$ 500,000	\$ -

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

COUNTY OF BUTTE, CALIFORNIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2014

	<u>Investment Trust</u>	<u>Agency Funds</u>
ASSETS		
Cash and investments	\$ 221,896,546	\$ 31,186,076
Imprest cash	19,196	-
Due from other governments	404,727	18,167
Interest receivable	401,527	33,749
Property tax receivable	-	<u>12,138,620</u>
Total assets	<u>222,721,996</u>	<u>43,376,612</u>
LIABILITIES		
Agency funds held for others	<u>-</u>	<u>43,376,612</u>
Total liabilities	<u>-</u>	<u>\$ 43,376,612</u>
NET POSITION		
Held in trust for pool participants	<u>222,721,996</u>	
Total net position	<u>\$ 222,721,996</u>	

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

COUNTY OF BUTTE, CALIFORNIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
INVESTMENT TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Additions:	
Contributions to pooled investments	\$ 1,436,994,516
Interest and investment income	<u>1,645,084</u>
Total additions	<u>1,438,639,600</u>
Deductions:	
Distributions from investment pool	<u>(1,431,765,121)</u>
Total deductions	<u>(1,431,765,121)</u>
Net increase	6,874,479
Net position, beginning	<u>215,847,517</u>
Net position, ending	<u>\$ 222,721,996</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, 2014

1. Summary of Significant Accounting Policies

A. The Financial Reporting Entity

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

Blended component units, although legally separate entities are, in substance, part of the County’s operations: therefore data from these units are combined with data of the primary government. Each blended component unit has a June 30, 2014 fiscal year-end.

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

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

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

County Service Area (CSA) – Lighting

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

CSA – Sewer **CSA – Lighting and Maintenance**

- | | |
|------------------------|------------------------------------|
| CSA #21 Oakridge | CSA #68 Crestwood |
| CSA #69 Lindo Gardens | CSA #82 Stirling City |
| CSA #71 Joshua Tree #2 | CSA #141 Mountain Oaks Subdivision |

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

1. Summary of Significant Accounting Policies (continued)

A. The Financial Reporting Entity (continued)

Excluded from the Reporting Entity

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

Protection to Persons & Property

El Medio Fire District

Recreation

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

Drainage

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

Cemetery

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

Health & Sanitation

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

Other Districts

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

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

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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 will be implemented in future years:

Statement No. 67 – Financial Reporting for Pension Plans. (Applies to plans) This Statement revises the existing standards of financial reporting for most pension plans. Replaces GASB No. 25

Statement No. 68 – Accounting and Financial Reporting for Pensions. (Applies to employers) The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement is effective for fiscal years beginning after June 15, 2014 and replaces the requirements of Statement No. 27 and No. 50. This Statement and Statement 67 establish a definition of a pension plan that reflects the primary activities associated with the pension arrangement—determining pensions, accumulating and managing assets dedicated for pensions, and paying benefits to plan members as they come due.

Government-Wide Financial Statements

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

The statement of activities presents a comparison between program expenses and program revenues for each segment of the business-type activities of the County and for each function of the County's governmental activities. Program expenses include direct expenses, which are clearly identifiable with a specific function, and allocated indirect expenses. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

1. Summary of Significant Accounting Policies (continued)

B. *Basis of Presentation (continued)*

operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

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

Fund Financial Statements

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the County's enterprise funds and internal services funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administration expenses, and depreciation or capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The County reports the following major governmental funds:

- The ***General Fund*** is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the County that are not accounted for through other funds. For the County, the General Fund includes such activities as public protection, public ways and facilities, health and sanitation, public assistance, education and recreation services.
- The ***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 that are funded primarily by state and federal grants.
- The ***Public Health Fund*** was established to account for the activities of the Butte County Department of Public Health. The department provides a wide range of services designed to protect and enhance the well-being of the community. Revenue sources consist primarily of state and federal grants and charges for services.

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

1. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

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

The County reports the following major enterprise fund:

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

The County reports the following additional fund types:

- **Internal Service Funds** account for the County's risk management 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.

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus and Basis of Accounting (continued)

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

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

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

D. Cash and Cash Equivalents

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

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

1. Summary of Significant Accounting Policies (continued)

D. Cash and Cash Equivalents (continued)

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

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

The fair value of investments in the Pool is determined monthly based upon quoted market prices. The County has not provided nor obtained any legally binding guarantees during the fiscal year ended June 30, 2014 to support the values of shares in the Pool. However, management believes that the investments in the Pool are of high quality and that the risk of participation in the Pool is negligible. The Pool is subject to oversight by the Treasury Oversight Committee, as recommended by the California Debt and Investment Advisory Commission.

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

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

E. Inventories and Prepaid Items

Inventories are valued at cost, which is determined on a first-in, first-out basis, and consist primarily of expendable supplies held for consumption. The cost is recorded as 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.

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

1. Summary of Significant Accounting Policies (continued)

E. Inventories and Prepaid Items (continued)

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

F. Property Taxes

Property taxes 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.

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

1. Summary of Significant Accounting Policies (continued)

H. Capital Assets

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

The estimated useful lives are as follows:

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

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

I. Deferred 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

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

1. Summary of Significant Accounting Policies (continued)

I. Deferred outflow/inflows of resources

governmental funds report unavailable revenues from one source, unavailable revenue received subsequent to the County's accounts receivable policy for booking revenue. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

J. Compensated Absences

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

K. Interfund Receivables and Payables

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

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

L. Use of Estimates

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

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

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

1. Summary of Significant Accounting Policies (continued)

M. Presentation of financial information related to County fiduciary responsibilities

Board of Supervisors, administer activities of the school districts and special districts. The County Auditor-Controller makes disbursements upon the request of the responsible self-governed special district officers. The Board has no effective authority to govern, manage, approve budgets, assume financial accountability, establish revenue limits, or appropriate surplus funds available in these entities. Therefore, these entities are fiscally independent of the County. Five cities and numerous self-governed special districts provide services to the residents of the County. The operations of these entities have been excluded from the basic financial statements since each entity conducts its own day-to-day operations and is controlled by its own governing board.

N. Net Position

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

O. Fund Equity

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

- *Nonspendable Fund Balance* - amounts that are not in a spendable form or are legally or contractually required to be maintained intact (such as inventories or prepaid amounts).
- *Restricted Fund Balance* - amounts that can be spent only for specific purposes stipulated by external parties (such as creditors, grant providers or contributors) or by law.
- *Committed Fund Balance* - amounts that can be used only for the specific purpose determined by a resolution approved by the Board of Supervisors. Commitments remain binding unless changed or lifted only by the Board of Supervisors taking the same formal action that imposed the constraint originally. The formal action must occur prior to the end of the reporting period. The amount which will be subject to the constraint may be determined in the subsequent period.

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

1. Summary of Significant Accounting Policies (continued)

O. Fund Equity

- *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.

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

2. Cash and Investments

Cash and investments as of June 30, 2014 are classified in the accompanying financial statements as follows:

Statement of Net Position:

Primary Government:

Cash and investments	\$ 130,759,657
Cash and investments with fiscal agents	3,407,069
Imprest Cash	44,495

Fiduciary Funds:

Cash and investments	253,082,622
Imprest Cash	19,196
Total cash and investments	<u>\$ 387,313,039</u>

Cash and investments as of June 30, 2014 consist of the following:

Cash on hand	\$ 161,043
Deposits with financial institutions	10,751,818
Investments	391,764,684
Outstanding warrants	(15,364,506)
Total cash and investments	<u>\$ 387,313,039</u>

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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, 2014

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	\$ 41,975,688	\$ 5,062,250	\$ 3,450,953	\$ 3,030,585	\$ 20,132,286	\$ 10,299,614
FFCB	46,465,167	-	-	-	24,824,705	21,640,462
FHLB	80,207,730	5,008,760	5,080,135	8,262,066	29,733,620	32,123,149
FHLMC	37,075,432	-	-	16,530,304	20,545,128	-
FNMA	40,724,391	-	10,009,410	-	27,711,141	3,003,840
TVA	10,529,570	-	-	5,491,280	-	5,038,290
Bank CD	10,500,000	5,000,000	5,000,000	500,000	-	-
Municipal Bonds	3,002,560	1,000,400	-	2,002,160	-	-
US Treasury Note	5,006,250	-	-	-	-	5,006,250
Negotiable CD	3,005,218	1,255,218	500,000	750,000	250,000	250,000
CAL TRUST	4,505	4,505	-	-	-	-
LAIF	91,900,564	91,900,564	-	-	-	-
Corporate Notes	15,111,308	6,627,584	8,483,724	-	-	-
Money Market Funds	2,849,232	2,849,232	-	-	-	-
Total with Treasurer	<u>388,357,615</u>	<u>118,708,513</u>	<u>32,524,222</u>	<u>36,566,395</u>	<u>123,196,880</u>	<u>77,361,605</u>
With fiscal agents:						
Money Market Funds	2,048,891	2,048,891	-	-	-	-
Business Checking	132,814	132,814	-	-	-	-
Discovery Benefits	30,000	30,000	-	-	-	-
FHLMC	1,193,736	-	-	1,193,736	-	-
LAIF	1,628	1,628	-	-	-	-
Total w/ fiscal agents	<u>3,407,069</u>	<u>2,213,333</u>	<u>-</u>	<u>1,193,736</u>	<u>-</u>	<u>-</u>
Total investments	<u>\$ 391,764,684</u>	<u>\$ 120,921,846</u>	<u>\$ 32,524,222</u>	<u>\$ 37,760,131</u>	<u>\$ 123,196,880</u>	<u>\$ 77,361,605</u>

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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 / S&P Aaa/AA+	AA+/A1	Not Rated
FAMCA	\$ 41,975,688	N/A	\$ -	\$ -	\$ 41,975,688
FFCB	46,465,167	N/A	46,465,167	-	-
FHLB	80,207,730	N/A	80,207,730	-	-
FHLMC	37,075,432	N/A	37,075,432	-	-
FNMA	40,724,391	N/A	40,724,391	-	-
TVA	10,529,570	N/A	10,529,570	-	-
Bank CD	10,500,000	N/A	-	-	10,500,000
Municipal Bonds	3,002,560	N/A	3,002,560	-	-
US Treasury Note	5,006,250	N/A	5,006,250	-	-
Negotiable CD	3,005,218	N/A	-	-	3,005,218
CAL TRUST	4,505	N/A	-	-	4,505
LAIF	91,900,564	N/A	-	-	91,900,564
Corporate Notes	15,111,308	A	4,784,098	10,327,210	-
Bank MMF	2,849,232	A	-	-	2,849,232
Held with fiscal agents:					
Money Market	2,048,891	A	2,048,891	-	-
FHLB	162,814	N/A	162,814	-	-
FNMA	1,193,736	N/A	1,193,736	-	-
LAIF	1,628	N/A	-	-	1,628
Total	\$ 391,764,684		\$ 231,200,639	\$ 10,327,210	\$ 150,236,835

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 Agricultural Mortgage Corp.	Federal agency securities	\$ 41,975,688
Federal Farm Credit Bank	Federal agency securities	46,465,167
Federal Home Loan Bank	Federal agency securities	80,207,730
Federal Home Loan Mortgage Corp.	Federal agency securities	37,075,432
Federal National Mortgage Assoc.	Federal agency securities	40,724,391

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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, 2014

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, 2014:

Statement of Net Position		
Net Position held for pool participants		<u>\$ 383,842,279</u>
Equity of internal pool participants		161,945,733
Equity of external pool participants (voluntary and involuntary)		<u>221,896,546</u>
Total Equity		<u>383,842,279</u>
Statement of Changes in Net Position		
Net Position held for pool participants at July 1, 2013		370,493,013
Net change in investments by pool participants		<u>13,349,266</u>
Net Position held for pool participants at June 30, 2014		<u>\$ 383,842,279</u>

3. Interfund Transactions

Interfund Receivables/Payables

The interfund balances as of June 30, 2014 are as follows:

Balances due to/from other funds:

Receivable Fund	Payable Fund	Amount
Public Health Fund	Behavioral Health Fund	4,256,056
General Fund	Nonmajor Governmental Funds	<u>21,920</u>
Total		<u>\$ 4,277,976</u>

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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>Purpose</u>
General Fund	Behavioral Health Fund	290,200	Transfer for support services
	Landfill Fund	16,184	Transfer for support services
	Public Health Fund	739,446	Transfer for support services
	Road Fund	778,124	Transfer for facility services
	Welfare Fund	730,359	Transfer for support services
	Nonmajor Governmental Funds	123,431	Transfer for debt service
	Nonmajor Governmental Funds	1,444,754	Transfer for capital projects
	Nonmajor Governmental Funds	2,516,431	Transfer for equipment
	Nonmajor Governmental Funds	<u>1,348,112</u>	Transfer for debt service - POB
		<u>7,987,041</u>	
Welfare Fund	Behavioral Health Fund	2,842,762	Transfer for social services and public safety services
	General Fund	6,024,968	Transfer for public safety services and support services
	Public Health Fund	431,026	Transfer for support services
	Road Fund	57,394	Transfer for facility Services
	Nonmajor Governmental Funds	73,656	Transfer for support services
	Nonmajor Governmental Funds	2,714	Transfer for equipment
	Nonmajor Governmental Funds	<u>532,952</u>	Transfer for debt service - POB
		<u>9,965,472</u>	
Public Health Fund	General Fund	1,065,692	Transfer for support services
	Road Fund	60,995	Transfer for support services
	Landfill	33	Transfer for support services
	Nonmajor Governmental Funds	1,801	Transfer for equipment
	Nonmajor Governmental Funds	<u>145,980</u>	Transfer for debt service - POB
		<u>1,274,501</u>	

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

3. Interfund Transactions (continued)

Transfers to/ from other funds:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Reason</u>
Behavioral Health Fund	General Fund	1,721,512	Transfer for support services
	Public Health Fund	5,940	Transfer for support services
	Road Fund	85,338	Transfer for facility services
	Welfare Fund	481,781	Transfer for support services
	Nonmajor Governmental Funds	255,819	Transfer for capital projects
	Nonmajor Governmental Funds	496	Transfer for equipment
	Nonmajor Governmental Funds	<u>339,644</u>	Transfer for debt service - POB
		<u>2,890,530</u>	
Road Fund	General Fund	1,044,905	Transfer for support services
	Public Health Fund	3,496	Transfer for support services
	Landfill Fund	1,868	Transfer for support services
	Nonmajor Governmental Funds	1,387,156	Transfer for capital projects
	Nonmajor Governmental Funds	<u>98,989</u>	Transfer for debt service - POB
		<u>2,536,414</u>	
Nonmajor Governmental Funds	General Fund	1,175,749	Transfer for support services
	Public Health fund	225,108	Transfer for support services
	Road	2,123,497	Transfer for facility services
	Nonmajor Governmental Funds	2,736,014	Transfer for capital projects
	Nonmajor Governmental Funds	27,865	Transfer for equipment
	Nonmajor Governmental Funds	59,111	Transfer for debt service
	Nonmajor Governmental Funds	<u>78,383</u>	Transfer for debt service - POB
		<u>6,425,727</u>	
Internal Service Funds	General Fund	363,594	Transfer for support services
	Road Fund	16,990	Transfer for support services
	Nonmajor Governmental Funds	312,968	Transfer for debt service
	Nonmajor Governmental Funds	<u>6,484</u>	Transfer for equipment
		<u>700,036</u>	
Landfill	Nonmajor Governmental Funds	<u>20,060</u>	Transfer for debt service - POB
		<u>20,060</u>	
Total		<u>\$ 31,799,781</u>	

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

4. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2014 was as follows:

	Balance July 1, 2013	Additions	Retirements	Transfers and Adjustments	Balance June 30, 2014
Governmental Activities					
Capital assets, not being depreciated:					
Land	\$ 2,640,691	\$ -	\$ (24,400)	\$ -	\$ 2,616,291
Construction in progress	2,646,212	2,881,536	(200,415)	(1,000,789)	4,326,544
Total capital assets, not being depreciated	5,286,903	2,881,536	(224,815)	(1,000,789)	6,942,835
Capital assets, being depreciated:					
Infrastructure	589,784,958	61,142	-		589,846,100
Structures and improvements	66,919,068		(53,805)	1,142,701	68,007,964
Equipment	56,769,394	4,805,014	(1,207,120)	137,152	60,504,440
Total capital assets, being depreciated	713,473,420	4,866,156	(1,260,925)	1,279,853	718,358,504
Less: accumulated depreciation for:					
Infrastructure	(439,104,922)	(19,519,038)	-	-	(458,623,960)
Structures and improvements	(23,602,727)	(1,521,291)	53,803	(64)	(25,070,279)
Equipment	(42,862,328)	(3,261,623)	1,171,104	(23,607)	(44,976,454)
Total accumulated depreciation	(505,569,977)	(24,301,952)	1,224,907	(23,671)	(528,670,693)
Total capital assets, being depreciated, net	207,903,443	(19,435,796)	(36,018)	1,256,182	189,687,811
Governmental activities capital assets, net	\$ 213,190,346	\$ (16,554,260)	\$ (260,833)	\$ 255,393	\$ 196,630,646
Business-Type Activities:					
Capital assets, not being depreciated:					
Land	\$ 430,940	\$ 12,493	\$ (22,501)	\$ -	\$ 420,932
Construction in progress	171,221	81,742	(11,782)	(159,439)	81,742
Total capital assets, not being depreciated	602,161	94,235	(34,283)	(159,439)	502,674
Capital assets, being depreciated:					
Infrastructure	19,549,103	-	-	159,439	19,708,542
Structures and improvements	100,690	-	-	-	100,690
Equipment	4,471,460	741,105	(515,133)	-	4,697,432
Total capital assets, being depreciated	24,121,253	741,105	(515,133)	159,439	24,506,664
Less: accumulated depreciation for:					
Infrastructure	-	-	-	-	-
Structures and improvements	(1,564,667)	(422,547)	-	-	(1,987,214)
Equipment	(3,369,768)	(234,925)	515,133	-	(3,089,560)
Total accumulated depreciation	(4,934,435)	(657,472)	515,133	-	(5,076,774)
Total capital assets, being depreciated, net	19,186,818	83,633	-	159,439	19,429,890
Business-type activities capital assets, net	\$ 19,788,979	\$ 177,868	\$ (34,283)	\$ -	\$ 19,932,564

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

4. Capital Assets (continued)

Depreciation expense was allocated to functions as follows:

Governmental Activities:

General government	\$ 1,051,202
Public protection	2,597,004
Public ways	19,681,988
Health and sanitation	554,321
Public assistance	146,282
Education	112,390
Recreation and cultural services	152,281
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of assets	6,484
	24,301,952

Business-Type Activities:

Landfill	657,472
	\$ 657,472

5. Short-Term Debt

At June 30, 2014 there were no short term debt obligations for the County.

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

6. Long-Term Obligations

Long-term obligations of the County consist of capital lease obligations, bonds, and certificates of participation, notes, and other liabilities, which are payable from the General, Debt Service, Capital Projects, Enterprise, and Internal Service Funds. The calculated legal debt limit for the County is \$224,533,821.

Type of Indebtedness (Purpose)	Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2014
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	\$ 27,965,000
Series B	6/30/14-6/30/34	Variable	\$295,000-\$2,105,000	21,875,000	21,580,000
Total Pension Obligation Bonds				<u>49,895,000</u>	<u>49,545,000</u>
Capital Lease Obligations					
Chico Memorial Hall - 492 Rio Lindo	4/10/20	7.40%	\$32,166-\$56,943	583,400	287,939
Chico Memorial Hall - 554 Rio Lindo	4/10/20	5.20%	\$39,461-\$59,196	670,900	314,074
Ford Motor Credit	7/15/14	5.85%	\$7,500-\$8,523	32,150	8,523
En Pointe Technologies	12/15/16	0.00%	\$767,313-\$772,570	1,539,884	1,539,884
Total Capital Lease Obligations				<u>2,826,334</u>	<u>2,150,420</u>
Certificates of Participation					
2003 Certificates of Participation	7/1/04-7/1/14	2%-3.4%	\$325,000-\$415,000	5,150,000	415,000
2010 Bangor Fire Station #55 COP	8/1/50	4%	\$12,000-\$52,000	1,100,000	1,007,333
Total Certificates of Participation				<u>6,250,000</u>	<u>1,422,333</u>
Notes Payable					
California Energy Commission					
Solar Project - phase 1	12/22/18	3.95%	\$63,794-\$263,961	2,777,000	1,132,450
Solar Project - phase 2	6/22/20	3.95%	\$8,057-\$34,750	390,000	189,494
Total Notes Payable				<u>3,167,000</u>	<u>1,321,944</u>
Total Governmental Activities				<u>62,138,334</u>	<u>54,439,697</u>
Business-type Activities:					
Capital Lease Obligations					
JP Morgan Chase-Dozer	12/24/17	1.774%	\$117,804	558,924	451,035
JP Morgan Chase-Compactor	2/20/19	1.641%	\$104,976	500,000	500,000
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	8,209,813
Notes Payable					
	6/1/16	0%	\$50,000	500,000	100,000
Total Business-type Activities				<u>\$13,583,924</u>	<u>\$9,260,848</u>

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

6. Long-Term Obligations (continued)

Summary of Changes in Long-Term Obligations :

	Balance 7/1/2013	Additions	Retirements	Balance 6/30/2014	Amounts Due Within One Year
Governmental Activities:					
Pension obligation bonds	\$ 49,895,000		\$ 350,000	\$ 49,545,000	\$ 470,000
Capital lease obligations	699,362	1,539,884	88,826	2,150,420	866,884
Certificates of Participation	1,835,333		413,000	1,422,333	428,000
Claims and judgements	6,418,000	4,348,110	3,987,110	6,779,000	2,600,000
Compensated absences	14,917,767	19,012,922	19,027,844	14,902,845	14,902,845
Notes Payable	1,575,160		253,216	1,321,944	263,317
OPEB obligation	17,820,129	5,128,273	2,059,669	20,888,733	-
Total governmental activities	<u>93,160,751</u>	<u>30,029,189</u>	<u>26,179,665</u>	<u>97,010,275</u>	<u>19,531,046</u>
Business Type Activities:					
Capital lease obligations	558,924	500,000	107,889	951,035	206,574
Certificates of Participation	8,960,000		845,000	8,115,000	880,000
Premium on debt	108,358		13,545	94,813	13,545
Compensated absences	215,979	167,892	166,626	217,245	169,125
Landfill closure, post closure care costs	3,685,767	230,524	-	3,916,291	-
Loan Payable	150,000		50,000	100,000	50,000
Total business activities	<u>\$ 13,679,028</u>	<u>\$ 898,416</u>	<u>\$ 1,183,060</u>	<u>\$ 13,394,384</u>	<u>\$ 1,319,244</u>

Capital Lease

The County leases equipment, buildings and Microsoft software licensing as capital leases. On December 16, 2013 the County entered into a Microsoft Enterprise Licensing Agreement for current software. The total cost to acquire the licensing was \$2,313,309, \$1,539,884 was financed and is payable over two years at 0% interest.

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, 2014:

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

6. Long-Term Obligations (continued)

Fiscal Year Ending June 30,	Governmental Activities	Business Type Activities
2015	\$ 899,764	\$ 222,780
2016	896,002	222,780
2017	123,431	222,780
2018	123,431	222,780
2019	123,431	104,976
2020	123,431	-
Total minimum lease payments	2,289,490	996,096
Less: Amount representing interest	139,070	45,061
Present value of minimum lease payments	\$ 2,150,420	\$ 951,035

The following is a schedule of net remaining property leased under capital leases at June 30, 2014:

	Acquisition Value	Accumulated Depreciation	Net Remaining
Governmental Activities:			
Chico Memorial Halls	1,254,300	141,895	\$ 1,112,405
2012 Ford F-350	34,563	20,738	13,825
Microsoft Enterprise Agreement	2,313,309	192,776	2,120,533
			<u>\$ 3,246,763</u>
Business type Activities:			
2013 Caterpillar Model D8T Dozer	678,924	101,839	\$ 577,085
2014 Advantage 500 Landfill Compactor	664,809	20,614	644,195
			<u>\$ 1,221,280</u>

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

6. Long-Term Obligations (continued)

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%.

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

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:

Year Ended <u>June 30,</u>	<u>Payments</u>
2015	\$ 5,236,424
2016	5,476,528
2017	5,716,631
2018	5,956,735
2019	<u>6,231,494</u>
Total five year commitment	<u>\$ 28,617,812</u>

Rental expense was \$4,996,321 for all funds for the year ended June 30, 2014.

Bonds Payable

At June 30, 2014, 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 2013/2014, the average rate paid for Series B was .46818%. The next payment of interest for Series A is due December 1, 2014. 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.

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

6. Long-Term Obligations (continued)

As of June 30, 2014, the estimated (Series B is a variable rate) annual debt service requirements to maturity for the Pension Obligation Bonds are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	1,045,000	2,625,382	3,670,382
2020-2024	8,085,000	12,077,834	20,162,834
2025-2029	14,390,000	9,193,423	23,583,423
2030-2034	23,345,000	4,202,419	27,547,419
Total	<u>\$ 49,545,000</u>	<u>\$ 38,478,402</u>	<u>\$ 88,023,402</u>

Notes Payable

At June 30, 2014, 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, 2014, annual debt service requirements to maturity are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	169,318	5,058	174,376
2020	34,749	1,036	35,785
Total	<u>\$ 1,321,944</u>	<u>\$ 140,088</u>	<u>\$ 1,462,032</u>

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

6. Long-Term Obligations (continued)

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.

Fiscal Year Ending June 30,	Principal	Interest	Total
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	15,000	39,980	54,980
2020-2024	87,000	189,980	276,980
2025-2029	105,000	170,900	275,900
2030-2034	130,000	147,400	277,400
2035-2039	156,000	118,880	274,880
2040-2044	189,000	84,500	273,500
2045-2049	231,000	42,620	273,620
2050	38,333	3,560	41,893
Total	\$ 1,422,333	\$ 970,595	\$ 2,392,928

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

6. Long-Term Obligations (continued)

Business-Type Activities

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

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	1,025,000	162,837	1,187,837
2020-2022	3,360,000	207,887	3,567,887
Total	<u>\$ 8,115,000</u>	<u>\$ 1,419,724</u>	<u>\$ 9,534,724</u>

Loan Payable

Business-Type Activities

In 2006, the County received a zero interest loan from the California Integrated Waste Management Board in the amount of \$500,000 for operations at the Neal Road Recycling and Waste Facility. Principal payments of \$50,000 are due annually beginning June 1, 2007 and ending June 1, 2016.

As of June 30, 2014, annual debt service requirements to maturity are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	50,000		50,000
2016	50,000	-	50,000
Total	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ 100,000</u>

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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 16%, Public Health Fund 6%, Behavioral Health Fund 15%, Road Fund 6%, and Nonmajor Funds 5%.

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 \$3,916,291 reported as landfill closure and post-closure care liability at

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

6. Long-Term Obligations (continued)

June 30, 2014, 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 \$13,585,980 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 2014. 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, 2014, investments of \$4,862,007 are held for these purposes. The County expects the future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional post-closure care requirements are determined; these costs may need to be covered by charges to future landfill users or from future tax revenue.

Annually, the Landfill adjusts the estimated closure and post-closure costs due to changes in inflation and capacity. Total estimated costs for closure and post-closure increased from \$17,243,569 at June 30, 2013 to \$17,502,221 at June 30, 2014. The remaining capacity of the landfill decreased from 78.63 percent to 77.63 percent at June 30, 2013 and 2014, respectively. These changes resulted in an increase to the landfill closure and post-closure care liability and caused an increase in expense of \$230,524 at June 30, 2014.

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, 2014 does not expect to incur a liability.

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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, 2014 is as follows:

	General	Welfare	Public Health	Behavioral Health	Road	Other Governmental Funds	Total Governmental Funds
Nonspendable:							
Inventory	\$ 157,012	\$ -	\$ -	\$ -	\$ 322,391	\$ -	\$ 479,403
Total nonspendable fund balance	157,012	-	-	-	322,391	-	479,403
Restricted:							
Purpose of fund	-	6,748,186	11,270,535	326,933	10,460,704	39,031,798	67,838,156
Public Safety HHS Realign.	3,770,943	-	-	-	-	-	3,770,943
Inmate Welfare	881,841	-	-	-	-	-	881,841
DNA-ID Local Share	112,764	-	-	-	-	-	112,764
Env Impact Review	88,606	-	-	-	-	-	88,606
Sheriff - Civil Equipment	286,303	-	-	-	-	-	286,303
Criminal Justice Facility	1,029,005	-	-	-	-	-	1,029,005
Sheriff Veh & Equip Maint.	231,315	-	-	-	-	-	231,315
DA RL Est Fraud Prosecut.	324,302	-	-	-	-	-	324,302
Rock Creek Flood Project	123,488	-	-	-	-	-	123,488
Planning 2nd Dwelling	256,767	-	-	-	-	-	256,767
Tax Collector Cost	120,746	-	-	-	-	-	120,746
Drug & Gang Activity	243,725	-	-	-	-	-	243,725
Fed Forfeitures to DA	183,585	-	-	-	-	-	183,585
Asset Seizure - Sheriff	241,986	-	-	-	-	-	241,986
Juv Ed/Rec/Special Proj.	171,927	-	-	-	-	-	171,927
Sheriff-Fed Revenue Sh.	1,190,516	-	-	-	-	-	1,190,516
Recorder Micrographics	314,761	-	-	-	-	-	314,761
Recording System	2,718,265	-	-	-	-	-	2,718,265
GC27585 Survey Monum.	209,023	-	-	-	-	-	209,023
Fire - Water Tender	774,553	-	-	-	-	-	774,553
Fire - County Cost Share	1,230,959	-	-	-	-	-	1,230,959
Sheriff Rural rest. Cash	507,629	-	-	-	-	-	507,629
DWR IRWM Cash	189,120	-	-	-	-	-	189,120
Indian Gaming Cash	252,347	-	-	-	-	-	252,347
Prob. - CCPIA SB678	648,104	-	-	-	-	-	648,104
Prob. - YOBG Rest. Cash	710,277	-	-	-	-	-	710,277
Other	2,310,899	-	-	-	-	-	2,310,899
Imprest cash	44,770	-	-	-	-	-	44,770
Deposits from others	2,500	-	-	-	-	-	2,500
Total restricted fund balance	19,171,026	6,748,186	11,270,535	326,933	10,460,704	39,031,798	87,009,182
Committed:							
Emergency reserve	5,500,000	-	-	-	-	-	5,500,000
Debt service	331,455	-	-	-	-	-	331,455
Total committed fund balance	5,831,455	-	-	-	-	-	5,831,455
Assigned:							
Forest Service reserves	30,278	-	-	-	-	-	30,278
Total assigned fund balance	30,278	-	-	-	-	-	30,278
Unassigned fund balance:	14,708,683	-	-	-	-	-	14,708,683
Total Fund Balances	\$39,898,454	\$ 6,748,186	\$11,270,535	\$ 326,933	\$10,783,095	\$ 39,031,798	\$ 108,059,001

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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, 2014

7. Restricted Net Position/Fund Balances (continued)

Net Position

The government-wide statement of net position reports \$87 million of restricted net position. Net investment in capital assets, was comprised of the following:

	Governmental Activities	Business-Type Activities
Capital assets, net of accumulated depreciation	\$ 196,630,646	\$ 19,932,564
Outstanding principal of capital-related debt	(4,894,697)	(9,160,848)
Net investment in capital assets	\$ 191,735,949	\$ 10,771,716

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, 2014. 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, 2014 and PEPRA employees are individuals joining after that date.

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

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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

	Contributions	
Group	Employee	Employer
Miscellaneous		
Classic		
No MOU Impairment	7.000%	11.652%
PEPRA		
No MOU Impairment	6.250%	11.652%
With MOU Impairment	7.000%	10.902%
Safety		
Classic		
No MOU Impairment	9.000%	19.837%
PEPRA		
No MOU Impairment	11.000%	19.837%
With MOU Impairment	9.000%	21.837%

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, 2014, the County's annual pension cost was \$13,508,035. The required contribution was determined as part of the June 30, 2012 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) 7.50% investment rate of return (net of administrative expenses), (b) projected annual merit or seniority salary increases that vary by length of service, and (c) no post retirement benefit increases. Both (a) and (b) included an inflation component of 2.75%. 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 not to be lower than the payment calculated over a 30 year period.

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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

Funded Status and Funding Progress

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

The County's annual pension cost and pension asset for the fiscal year ended June 30, 2014 were as follows:

	<u>Miscellaneous</u>	<u>Safety</u>	<u>Total</u>
Annual required contribution	\$ 10,249,410	\$ 3,703,379	\$ 13,952,789
Interest on beginning net pension asset	(2,822,519)	(1,279,304)	(4,101,823)
Adjustment to the annual required contribution	2,516,346	1,140,723	3,657,069
Annual pension cost	9,943,237	3,564,798	13,508,035
Contributions made	10,249,410	3,703,379	13,952,789
Increase in net pension asset	306,173	138,581	444,754
Net pension asset, beginning of year, restated	35,715,009	16,151,780	51,866,789
Net pension asset, end of year	<u>\$ 36,021,182</u>	<u>\$ 16,290,361</u>	<u>\$ 52,311,543</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
6/30/2012	9,506,526	10,085,073	106%	35,324,019
6/30/2013	9,948,485	10,339,475	104%	35,725,009
6/30/2014	9,943,237	10,249,410	103%	36,021,182

Safety

Fiscal Year Ending	Annual Pension Cost (APC)	Contributions	Percentage of APC Contributed	Net Pension Asset
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
6/30/2014	3,561,862	3,703,379	104%	16,290,361

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

9. Other Post-Employment Benefits (OPEB)

Plan Description

The County sponsor's healthcare coverage under the California Public Employees Medical and Hospital Care Act ("PEMHCA"), commonly referred to as PERS Health. PEMHCA provides health insurance through a variety of Health Maintenance Organization (HMO) and Preferred Provider Organization (PPO) options. Participation in PEMHCA is financed in part by the County through a contribution to PEMHCA of \$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

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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

- 3) One month of retiree-only premiums for each day of accrued sick leave until the sick leave credit is exhausted or the retiree reaches age 65, and one month of premiums for spousal coverage for each day of accrued sick leave in excess of thirty days until the sick leave credit is exhausted or the spouse reaches age 65.

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

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 2013, the monthly County contributions are \$115.00 and \$115.00 for Unequal and Equal Contribution Methods, respectively. For 2014, those amounts increased to \$119.00 and \$119.00, 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, 2014 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 2013-14 are also included.

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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

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.

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, 2014, the amount actually contributed to the plan, and changes in the County's Net OPEB Obligation/ (Asset):

Annual required contribution	\$ 5,446,007
Interest on net OPEB obligation	712,805
Adjustment of annual required contribution	<u>(1,030,539)</u>
Annual OPEB cost	5,128,273
Contributions made	<u>(2,059,669)</u>
Change in net OPEB obligation (Asset)	3,068,604
Net OPEB obligation (Asset) - beginning of year	<u>17,820,129</u>
Net OPEB obligation (Asset) - end of year	<u><u>\$ 20,888,733</u></u>

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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:

Fiscal Year Ended	Annual OPEB Cost	Actual Employer Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
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
6/30/2014	\$ 5,128,273	\$ 2,059,669	40.16%	\$ 20,888,733

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

Schedule of Funding Progress

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

Actuarial Valuation Date	Actuarial Value of Assets	Projected Unit Credit Actuarial Accrued Liability	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
July 1, 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%
July 1, 2013	\$0	\$47,629,292	\$47,629,292	0.00%	110,918,547	42.94%

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, 2014

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

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, 2013. 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 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 the actual losses among participants be greater than anticipated, the County will be assessed its pro rata share of that deficiency. Conversely, if the actual losses are less than anticipated, the County will be refunded its pro rata share of the excess.

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

10. Risk Management (continued)

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

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

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

All operating funds participate in the program and make payments to the insurance funds based on actuarial estimates of the amounts needed to pay prior and current year claims, and to allow accrual of estimated incurred but not reported claims. These claims liability estimates are based on the requirements of GASB Statements No. 10 and 30 and include estimate claims incurred but not yet reported as of June 30, 2014. The claims liability includes all allocated loss adjustment expenses as well as non-incremental claims adjustment expenses. Changes in the insurance funds' claims liability amount during the fiscal years ended June 30, 2013 and 2014 were as follows:

Fiscal Year	Claims Liability July 1	Current Year Claims and Changes in Estimates	Current Year Claims	Claims Liability June 30
2012-2013	\$ 5,926,000	\$ (4,770,933)	\$ 5,262,933	\$ 6,418,000
2013-2014	\$ 6,418,000	\$ (3,987,110)	\$ 4,348,110	\$ 6,779,000

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, 2014, are presented below:

COUNTY OF BUTTE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

11. Affiliated Organization (continued)

	<u>Amount</u>
Statement of Net Position	
Assets	\$ 1,065,457
Liabilities	<u>562,416</u>
Net Position	<u>\$ 503,041</u>
Revenue and Expenses	
Revenues	\$ 2,382,323
Expenses	<u>2,131,784</u>
Net Income	<u>\$ 250,539</u>

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, 2014, 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, 2014 financial statements.

13. 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 2014-2015 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.

14. Stewardship, Compliance, and Accountability

Behavioral Health Fund had a previous year deficit fund balance of \$2,203,060 at June 30, 2013. As of June 30, 2014, the fund balance is \$326,933, an increase of \$2,529,993. During the year a successful corrective action plan was implemented with the collaboration of Behavioral Health, Administration and the Auditor Controller departments. Several steps were outlined to address the structural imbalance. This action plan will take place for several years with continued positive results expected.





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, 2014

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)
6/30/2011:						
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	\$ 541,813,582	\$ 610,958,582	\$ 69,145,000	88.7%	\$ 106,227,594	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	\$ 567,073,416	\$ 644,697,596	\$ 77,624,180	88.0%	\$ 107,200,465	72.4%
6/30/2013:						
Misc.	\$ 420,993,373	\$ 542,982,747	\$ 121,989,374	77.5%	\$ 92,712,372	131.6%
Safety	105,882,380	137,952,080	32,069,700	76.8%	18,206,175	176.1%
Total	\$ 526,875,753	\$ 680,934,827	\$ 154,059,074	77.4%	\$ 110,918,547	138.9%

COUNTY OF BUTTE, CALIFORNIA

Other Post-Employment Benefits (OPEB) Plan Schedule of Funding Progress For the Fiscal Year Ended June 30, 2014

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) Covered Payroll	Annual Payroll	(b) UAAL as a Percentage of Covered Payroll (4) ÷ (5)
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%	
7/1/2013	-	47,629,292	0.00%	47,629,292	110,918,547	42.94%	

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
RESOURCES (inflows):				
Taxes	\$ 52,342,005	\$ 52,538,316	\$ 53,468,009	\$ 929,693
Licenses and permits	3,114,051	3,114,051	3,547,528	433,477
Fines, forfeitures, and penalties	2,064,383	2,064,383	1,802,158	(262,225)
Revenues from uses of money and property	1,420,686	1,420,686	2,966,330	1,545,644
Aid from other governments	26,848,554	27,611,416	38,834,862	11,223,446
Charges for services	10,328,427	10,596,318	11,409,520	813,202
Other	3,060,174	2,950,357	2,927,350	(23,007)
Other financing sources	22,467,891	23,715,711	11,615,815	(12,099,896)
Amounts available for appropriation	<u>121,646,171</u>	<u>124,011,238</u>	<u>126,571,572</u>	<u>2,560,334</u>
CHARGES TO APPROPRIATIONS (outflows):				
General Government:				
Administrative Office:				
Salaries and employee benefits	2,835,835	2,786,599	2,690,065	96,534
Services and supplies	1,109,476	1,103,476	725,761	377,715
Other charges	15,502	15,502	15,502	-
Other financing uses	(568,919)	(568,919)	(572,157)	3,238
Total Administrative Office	<u>3,391,894</u>	<u>3,336,658</u>	<u>2,859,171</u>	<u>477,487</u>
Assessor:				
Salaries and employee benefits	2,909,351	2,909,351	2,695,870	213,481
Services and supplies	246,571	240,571	220,698	19,873
Other charges	31,294	31,294	29,899	1,395
Capital assets	61,660	67,660	67,228	432
Other financing uses	324,589	324,589	315,360	9,229
Total Assessor	<u>3,573,465</u>	<u>3,573,465</u>	<u>3,329,055</u>	<u>244,410</u>
Auditor-Controller:				
Salaries and employee benefits	1,593,196	1,642,432	1,614,537	27,895
Services and supplies	196,129	202,129	161,317	40,812
Other charges	7,610	7,610	7,610	-
Other financing uses	(101,415)	(101,415)	(103,336)	1,921
Total Auditor-Controller	<u>\$ 1,695,520</u>	<u>\$ 1,750,756</u>	<u>\$ 1,680,128</u>	<u>\$ 70,628</u>

(continued)

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE-GENERAL FUND - BUDGETARY BASIS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
General Government (continued):				
Board of Supervisors:				
Salaries and employee benefits	\$ 705,756	\$ 705,756	\$ 691,288	\$ 14,468
Services and supplies	173,661	173,661	108,273	65,388
Other charges	4,399	4,399	4,399	-
Other financing uses	1,292,890	1,292,890	1,291,664	1,226
Total Board of Supervisors	<u>2,176,706</u>	<u>2,176,706</u>	<u>2,095,624</u>	<u>81,082</u>
County Counsel:				
Salaries and employee benefits	1,341,490	1,341,490	1,256,265	85,225
Services and supplies	768,318	768,318	705,883	62,435
Other charges	10,820	10,820	10,820	-
Other financing uses	<u>(1,642,582)</u>	<u>(1,642,582)</u>	<u>(1,644,026)</u>	<u>1,444</u>
Total County Counsel	<u>478,046</u>	<u>478,046</u>	<u>328,942</u>	<u>149,104</u>
Elections:				
Salaries and employee benefits	835,830	835,830	695,354	140,476
Services and supplies	908,878	908,878	759,995	148,883
Other charges	6,305	6,305	6,964	(659)
Capital assets	40,000	40,000	-	40,000
Other financing uses	<u>147,022</u>	<u>147,022</u>	<u>145,130</u>	<u>1,892</u>
Total Elections	<u>1,938,035</u>	<u>1,938,035</u>	<u>1,607,443</u>	<u>330,592</u>
General Revenue and Transfers:				
Other charges	-	64,000	64,000	-
Other financing uses	<u>2,767,163</u>	<u>2,805,141</u>	<u>1,832,924</u>	<u>972,217</u>
Total General Revenue and Transfers	<u>2,767,163</u>	<u>2,869,141</u>	<u>1,896,924</u>	<u>972,217</u>
General Services:				
Salaries and employee benefits	3,734,254	3,663,295	3,583,349	79,946
Services and supplies	4,266,995	4,021,442	3,531,427	490,015
Other charges	121,517	157,017	156,929	88
Capital assets	-	125,050	62,703	62,347
Other financing uses	<u>(4,377,397)</u>	<u>(4,017,459)</u>	<u>(4,017,622)</u>	<u>163</u>
Total General Services	<u>\$ 3,745,369</u>	<u>\$ 3,949,345</u>	<u>\$ 3,316,786</u>	<u>\$ 632,559</u>

(continued)

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE-GENERAL FUND - BUDGETARY BASIS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
General Government (continued):				
Human Resources:				
Salaries and employee benefits	\$ 1,625,144	\$ 1,595,144	\$ 1,544,716	\$ 50,428
Services and supplies	448,293	436,293	356,033	80,260
Other charges	2,091	2,091	2,091	-
Other financing uses	(571,903)	(529,903)	(531,154)	1,251
Total Human Resources	1,503,625	1,503,625	1,371,686	131,939
Information Systems:				
Salaries and employee benefits	2,634,584	2,658,584	2,658,495	89
Services and supplies	1,207,738	1,120,902	1,023,309	97,593
Other charges	512,425	586,140	586,136	4
Other financing uses	(1,672,428)	(1,672,428)	(1,675,226)	2,798
Total Information Systems	2,682,319	2,693,198	2,592,714	100,484
Public Works General Services:				
Services and supplies	12,750	12,756	12,756	-
Other charges	88,517	88,517	88,517	-
Other financing uses	738	744	744	-
Total Public Works General Services	102,005	102,017	102,017	-
Table A Water:				
Services and supplies	1,450,000	1,450,000	1,273,145	176,855
Total Table A Water	1,450,000	1,450,000	1,273,145	176,855
Tax and Revenue Anticipation Notes:				
Other financing uses	2,492	2,496	2,496	-
Total Tax and Rev Anticipation Notes	2,492	2,496	2,496	-
Treasurer-Tax Collector:				
Salaries and employee benefits	1,834,447	1,834,447	1,759,536	74,911
Services and supplies	1,261,943	1,281,810	972,395	309,415
Other charges	6,639	7,139	6,868	271
Other financing uses	171,902	160,444	158,151	2,293
Total Treasurer-Tax Collector	\$ 3,274,931	\$ 3,283,840	\$ 2,896,950	\$ 386,890

(continued)

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE-GENERAL FUND - BUDGETARY BASIS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
General Government (continued):				
Unallocated A-87:				
Services and supplies	\$ 59,510	\$ 59,510	\$ 57,464	\$ 2,046
Other charges	25,673	25,673	25,673	-
Other financing uses	(229,908)	(229,908)	(242,147)	12,239
Total Unallocated A-87	<u>(144,725)</u>	<u>(144,725)</u>	<u>(159,010)</u>	<u>14,285</u>
Total General Government	<u>\$ 28,636,845</u>	<u>\$ 28,962,603</u>	<u>\$ 25,194,071</u>	<u>\$ 3,768,532</u>

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE-GENERAL FUND - BUDGETARY BASIS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Public Protection:				
Administration Emergency Management:				
Salaries and employee benefits	\$ 194,979	\$ 194,979	\$ 196,350	\$ (1,371)
Services and supplies	60,569	258,760	199,105	59,655
Other charges	1,941	1,941	1,582	359
Capital Assets	-	56,885	25,051	31,834
Other financing uses	17,942	115,660	(9,504)	125,164
Total Admin Emergency Management	<u>275,431</u>	<u>628,225</u>	<u>412,584</u>	<u>215,641</u>
Agriculture General Services:				
Salaries and employee benefits	1,668,122	1,665,922	1,665,749	173
Services and supplies	235,644	232,544	206,302	26,242
Other charges	28,651	28,651	23,404	5,247
Capital Assets	67,150	72,450	69,674	2,776
Other financing uses	175,241	175,241	172,161	3,080
Total Agriculture General Services	<u>2,174,808</u>	<u>2,174,808</u>	<u>2,137,290</u>	<u>37,518</u>
Criminal Justice Construction:				
Other charges	423,260	523,260	520,987	2,273
Other financing uses	150,000	150,000	150,000	-
Total Criminal Justice Construction	<u>573,260</u>	<u>673,260</u>	<u>670,987</u>	<u>2,273</u>
County Share Trial Courts:				
Services and supplies	16,600	16,600	14,683	1,917
Other charges	1,807,402	1,807,402	1,559,106	248,296
Other financing uses	95,388	95,388	95,400	(12)
Total County Share Trial Courts	<u>1,919,390</u>	<u>1,919,390</u>	<u>1,669,189</u>	<u>250,201</u>
Development Services:				
Salaries and employee benefits	2,694,415	2,694,415	2,421,611	272,804
Services and supplies	856,465	841,605	385,923	455,682
Other charges	22,174	26,174	25,106	1,068
Capital Assets	30,000	30,000	28,380	1,620
Other financing uses	572,658	583,518	572,138	11,380
Total Development Services	<u>4,175,712</u>	<u>4,175,712</u>	<u>3,433,158</u>	<u>742,554</u>
District Attorney - BD/CON:				
Salaries and employee benefits	104,853	104,853	103,967	886
Services and supplies	75,268	94,112	86,897	7,215
Other financing uses	33,457	27,218	27,212	6
Total District Attorney - BD/CON	<u>\$ 213,578</u>	<u>\$ 226,183</u>	<u>\$ 218,076</u>	<u>\$ 8,107</u>

(continued)

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE-GENERAL FUND - BUDGETARY BASIS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Public Protection (continued):				
District Attorney - Child Abduction Unit:				
Salaries and employee benefits	\$ 167,702	\$ 153,129	\$ 153,128	\$ 1
Services and supplies	4,618	4,598	4,557	41
Other financing uses	47,641	47,661	47,647	14
Total DA - Child Abduction Unit	<u>219,961</u>	<u>205,388</u>	<u>205,332</u>	<u>56</u>
District Attorney - Criminal:				
Salaries and employee benefits	7,803,735	7,910,971	7,910,880	91
Services and supplies	816,289	935,462	935,366	96
Other charges	84,194	87,539	87,477	62
Other financing uses	405,265	433,296	426,144	7,152
Total District Attorney - Criminal	<u>9,109,483</u>	<u>9,367,268</u>	<u>9,359,867</u>	<u>7,401</u>
District Attorney - COPS:				
Services and supplies	77,541	96,041	90,456	5,585
Other financing uses	1,359	1,359	1,356	3
Total District Attorney COPS	<u>78,900</u>	<u>97,400</u>	<u>91,812</u>	<u>5,588</u>
District Attorney - Victim Witness:				
Salaries and employee benefits	187,504	183,928	179,972	3,956
Services and supplies	2,209	2,499	2,495	4
Other financing uses	21,630	21,630	21,624	6
Total DA - Victim Witness	<u>211,343</u>	<u>208,057</u>	<u>204,091</u>	<u>3,966</u>
District Attorney - Welfare Fraud Investigaton				
Salaries and employee benefits	537,834	528,339	528,339	-
Services and supplies	11,876	15,818	15,276	542
Other financing uses	150,290	150,302	150,302	-
Total DA - Welfare Fraud Investgn	<u>700,000</u>	<u>694,459</u>	<u>693,917</u>	<u>542</u>
Fire Protection - Ancillary Services:				
Services and supplies	375,000	959,902	69,134	890,768
Capital Assets	666,000	170,000	-	170,000
Other financing uses	18,294	18,294	18,288	6
Total Fire Protection - Ancillary Svc	<u>\$ 1,059,294</u>	<u>\$ 1,148,196</u>	<u>\$ 87,422</u>	<u>\$ 1,060,774</u>

(continued)

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE-GENERAL FUND - BUDGETARY BASIS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Public Protection (continued):				
Fire Protection - Regular Services:				
Services and supplies	\$ 14,172,450	\$ 14,066,048	\$ 13,401,254	\$ 664,794
Other charges	64,362	571,576	563,507	8,069
Capital assets	121,371	76,899	76,876	23
Other financing uses	895,878	405,664	399,537	6,127
Total Fire Prot - Regular Services	<u>15,254,061</u>	<u>15,120,187</u>	<u>14,441,174</u>	<u>679,013</u>
Fire Protection - Voluntary Program:				
Salaries and employee benefits	33,368	33,868	33,849	19
Services and supplies	621,518	621,518	582,365	39,153
Other charges	4,196	4,196	11,974	(7,778)
Capital assets	-	44,472	-	44,472
Other financing uses	38,670	38,670	44,796	(6,126)
Total Fire Prot - Voluntary Program	<u>697,752</u>	<u>742,724</u>	<u>672,984</u>	<u>69,740</u>
Grand Jury:				
Services and supplies	111,983	111,983	68,908	43,075
Other financing uses	8,820	8,820	8,820	-
Total Grand Jury	<u>120,803</u>	<u>120,803</u>	<u>77,728</u>	<u>43,075</u>
Juvenile Hall General:				
Salaries and employee benefits	3,923,728	3,948,728	3,948,681	47
Services and supplies	962,863	937,863	862,655	75,208
Other charges	9,518	9,518	9,290	228
Other financing uses	371,836	371,836	371,832	4
Total Juvenile Hall General	<u>5,267,945</u>	<u>5,267,945</u>	<u>5,192,458</u>	<u>75,487</u>
LAFCO Contribution:				
Other charges	218,628	218,628	218,628	-
Total LAFCO Contribution	<u>218,628</u>	<u>218,628</u>	<u>218,628</u>	<u>-</u>
Probation General Services:				
Salaries and employee benefits	8,640,761	8,640,761	7,842,137	798,624
Services and supplies	1,708,279	1,652,559	1,420,415	232,144
Other charges	100,616	137,616	97,699	39,917
Capital assets	37,000	72,000	33,719	38,281
Other financing uses	573,422	687,422	626,722	60,700
Total Probation General Services	<u>\$ 11,060,078</u>	<u>\$ 11,190,358</u>	<u>\$ 10,020,692</u>	<u>\$ 1,169,666</u>

(continued)

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE-GENERAL FUND - BUDGETARY BASIS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Public Protection (continued):				
Public Defender:				
Services and supplies	\$ 2,878,657	\$ 3,031,380	\$ 3,047,332	\$ (15,952)
Other charges	-	-	5,011	(5,011)
Other financing uses	100,974	100,974	100,980	(6)
Total Public Defender	<u>2,979,631</u>	<u>3,132,354</u>	<u>3,153,323</u>	<u>(20,969)</u>
Recorder:				
Salaries and employee benefits	852,817	852,817	778,984	73,833
Services and supplies	1,184,697	1,184,697	391,493	793,204
Other charges	8,706	8,706	8,306	400
Other financing uses	123,932	123,932	122,091	1,841
Total Recorder	<u>2,170,152</u>	<u>2,170,152</u>	<u>1,300,874</u>	<u>869,278</u>
Sheriff - Coroner:				
Salaries and employee benefits	26,872,684	26,914,540	26,426,813	487,727
Services and supplies	9,686,028	9,857,448	9,342,568	514,880
Other charges	873,522	2,272,009	2,184,202	87,807
Capital assets	493,840	658,135	358,141	299,994
Other financing uses	2,570,218	1,910,071	1,824,777	85,294
Total Sheriff - Coroner	<u>40,496,292</u>	<u>41,612,203</u>	<u>40,136,501</u>	<u>1,475,702</u>
Subdivision Inspection:				
Salaries and employee benefits	453,386	454,786	454,741	45
Services and supplies	83,290	69,845	27,436	42,409
Other charges	50,824	58,949	50,530	8,419
Other financing uses	86,216	90,136	90,131	5
Total Subdivision Inspection	<u>673,716</u>	<u>673,716</u>	<u>622,838</u>	<u>50,878</u>
Sutter-Butte Flood Control				
Services and supplies	8,200	8,200	-	8,200
Other financing uses	170	170	168	2
Total Sutter-Butte Flood Control	<u>8,370</u>	<u>8,370</u>	<u>168</u>	<u>2</u>
Water Services:				
Salaries and employee benefits	493,316	493,316	486,496	6,820
Services and supplies	396,004	394,186	211,664	182,522
Other charges	737	2,537	2,503	34
Other financing uses	22,698	22,716	22,716	-
Total Water Services	<u>912,755</u>	<u>912,755</u>	<u>723,379</u>	<u>189,376</u>
 Total Public Protection	 <u>\$100,571,343</u>	 <u>\$102,688,541</u>	 <u>\$ 95,744,472</u>	 <u>\$ 6,935,869</u>

(continued)

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE-GENERAL FUND - BUDGETARY BASIS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Public Assistance:				
Children's' Trust Fund - AB2994:				
Services and supplies	\$ 102,582	\$ 102,582	\$ 102,582	\$ -
Other financing uses	1,926	1,932	1,932	-
Total Children's' Trust Fund - AB2994	<u>104,508</u>	<u>104,514</u>	<u>104,514</u>	<u>-</u>
Institutional/ Correction:				
Services and supplies	318,176	318,176	60,859	257,317
Other charges	502,794	534,794	534,686	108
Other financing uses	252,228	252,228	214,823	37,405
Total Institutional/ Correction	<u>1,073,198</u>	<u>1,105,198</u>	<u>810,368</u>	<u>294,830</u>
Juvenile Court Wards:				
Other charges	500	500	-	500
Total Juvenile Court Wards	<u>500</u>	<u>500</u>	<u>-</u>	<u>500</u>
Veteran's Service Officer:				
Salaries and employee benefits	229,859	261,900	197,969	63,931
Services and supplies	23,823	23,823	15,336	8,487
Other charges	1,200	1,200	-	1,200
Other financing uses	11,520	11,520	11,520	-
Total Veteran's Service Officer	<u>266,402</u>	<u>298,443</u>	<u>224,825</u>	<u>73,618</u>
Welfare Domestic Violence:				
Services and supplies	50,000	50,000	50,000	-
Total Welfare Domestic Violence	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Total Public Assistance	<u>1,494,608</u>	<u>1,558,655</u>	<u>1,189,707</u>	<u>368,948</u>
Education:				
Farm, Home and 4-H Department:				
Salaries and employee benefits	185,146	185,146	176,095	9,051
Services and supplies	77,944	77,936	52,592	25,344
Other charges	6,000	6,000	5,068	932
Other financing uses	69,064	69,072	69,072	-
Total Farm, Home, and 4H Dept	<u>\$ 338,154</u>	<u>\$ 338,154</u>	<u>\$ 302,827</u>	<u>\$ 35,327</u>

(continued)

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE-GENERAL FUND - BUDGETARY BASIS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Education (continued):				
Libraries:				
Salaries and employee benefits	\$ 1,617,486	\$ 1,597,436	\$ 1,538,407	\$ 59,029
Services and supplies	540,118	558,118	490,081	68,037
Other charges	70,477	72,527	70,477	2,050
Other financing uses	1,262,342	1,262,342	1,040,622	221,720
Total Libraries	<u>3,490,423</u>	<u>3,490,423</u>	<u>3,139,587</u>	<u>350,836</u>
Libraries - Literacy Grant:				
Salaries and employee benefits	198,890	232,550	216,948	15,602
Services and supplies	58,581	77,921	57,512	20,409
Other charges	-	-	2,047	(2,047)
Other financing uses	7,165	7,165	8,605	(1,440)
Total Libraries - Literacy Grant	<u>264,636</u>	<u>317,636</u>	<u>285,112</u>	<u>32,524</u>
Total Education	<u>4,093,213</u>	<u>4,146,213</u>	<u>3,727,526</u>	<u>418,687</u>
Recreation and cultural services:				
Butte Meadows Recreation Grant:				
Services and supplies	60,072	60,072	35	60,037
Other charges	500	496	167	329
Other financing uses	(220)	(216)	(216)	-
Total Butte Meadows Rec Grant	<u>60,352</u>	<u>60,352</u>	<u>(14)</u>	<u>60,366</u>
Recreational Halls				
Salaries and employee benefits	-	-	43,647	(43,647)
Services and supplies	82,136	82,136	90,209	(8,073)
Other charges	28,277	28,277	28,277	
Other financing uses	309,599	309,599	309,588	11
Total Butte Meadows Rec Grant	<u>420,012</u>	<u>420,012</u>	<u>471,721</u>	<u>(51,709)</u>
Total Recreational and cultural svc	<u>480,364</u>	<u>480,364</u>	<u>471,707</u>	<u>8,657</u>
Provisions for Contingencies:				
Appropriation Contingencies	<u>4,315,189</u>	<u>6,485,142</u>	<u>-</u>	<u>6,485,142</u>
Total Charges to appropriations	<u>139,591,562</u>	<u>144,321,518</u>	<u>126,327,483</u>	<u>17,994,035</u>
Budgetary fund balance, Beginning of year	<u>39,654,365</u>	<u>39,654,365</u>	<u>39,654,365</u>	<u>-</u>
Budgetary Fund balances, ending	<u>\$ 21,708,974</u>	<u>\$ 19,344,085</u>	<u>\$ 39,898,454</u>	<u>\$ 20,554,369</u>

(continued)

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE-GENERAL FUND - BUDGETARY BASIS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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	\$126,571,572
Differences - budget to USGAAP:	
Proceeds from sale of capital assets are inflows of budgetary resources but are not revenues for financial reporting purposes	(223,080)
Transfers in are inflows of budgetary resources but are not revenues for financial reporting purposes	<u>(11,392,735)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance - general fund	<u><u>114,955,757</u></u>

Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	126,327,483
Differences - budget to USGAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(7,987,041)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance - general fund	<u><u>\$118,340,442</u></u>

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
RESOURCES (inflows):				
Revenues from uses of money and property	\$ -	\$ -	\$ 75,385	\$ 75,385
Aid from other governments	131,802,353	105,309,778	115,453,786	10,144,008
Charges for services	276,789	276,789	234,394	(42,395)
Other	1,165,000	1,165,000	1,132,305	(32,695)
Other financing sources	17,172,113	19,391,618	1,212,140	(18,179,478)
Amounts available for appropriation	150,416,255	126,143,185	118,108,010	(8,035,175)
CHARGES TO APPROPRIATIONS (outflows):				
Public Protection:				
Welfare - Public Guardian:				
Salaries and employee benefits	423,770	434,070	433,971	99
Services and supplies	24,250	5,823	1,364	4,459
Other charges	155,000	163,127	144,382	18,745
Other financing uses	398,553	398,553	349,386	49,167
Total Welfare - Public Guardian	1,001,573	1,001,573	929,103	72,470
Total Public Protection	1,001,573	1,001,573	929,103	72,470
Public Assistance:				
Welfare Administration:				
Salaries and employee benefits	11,411,598	10,923,293	10,923,293	-
Services and supplies	5,643,509	5,463,943	3,662,600	1,801,343
Other charges	4,894,858	4,752,858	4,751,902	956
Capital assets	357,875	301,196	301,196	-
Other financing uses	(22,287,840)	(21,281,840)	(21,282,317)	477
Total Welfare Administration	20,000	159,450	(1,643,326)	1,802,776
Welfare - Eligibility:				
Salaries and employee benefits	15,958,022	16,357,128	14,994,717	1,362,411
Services and supplies	1,003,148	1,618,447	1,229,976	388,471
Other charges	249,000	253,000	250,561	2,439
Other financing uses	5,594,896	5,594,896	5,341,861	253,035
Total Welfare - Eligibility	22,805,066	23,823,471	21,817,115	2,006,356
Welfare Protective Services:				
Salaries and employee benefits	9,813,341	9,776,541	9,058,070	718,471
Services and supplies	2,767,999	2,820,132	2,024,959	795,173
Other charges	1,378,863	1,460,363	1,332,317	128,046
Other financing uses	7,044,411	7,044,411	6,756,825	287,586
Total Welfare Protective Services	\$ 21,004,614	\$ 21,101,447	\$ 19,172,171	\$ 1,929,276

(continued)

COUNTY OF BUTTE, CALIFORNIA

BUDGET COMPARISON SCHEDULE-WELFARE FUND-BUDGETARY BASIS (continued)

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Welfare CALWORKS Program:				
Salaries and employee benefits	\$ 4,394,354	\$ 4,312,354	\$ 4,171,899	\$ 140,455
Services and supplies	3,804,645	4,261,645	3,304,722	956,923
Other charges	1,662,068	1,688,068	1,588,696	99,372
Other financing uses	9,249,980	9,249,980	8,834,290	415,690
Total Welfare CALWORKS Program	<u>19,111,047</u>	<u>19,512,047</u>	<u>17,899,607</u>	<u>1,612,440</u>
Welfare Aids:				
Services and supplies	5,000	5,000	1,680	3,320
Other charges	86,496,695	58,579,432	58,373,568	205,864
Other financing uses	-	-	(22)	22
Total Welfare Aids	<u>86,501,695</u>	<u>58,584,432</u>	<u>58,375,226</u>	<u>209,206</u>
Total Public Assistance	<u>149,442,422</u>	<u>123,180,848</u>	<u>115,620,793</u>	<u>7,560,055</u>
Total Charges to appropriations	<u>150,443,995</u>	<u>124,182,421</u>	<u>116,549,896</u>	<u>7,632,525</u>
Budgetary fund balance, Beginning of year	<u>5,190,072</u>	<u>5,190,072</u>	<u>5,190,072</u>	<u>-</u>
Budgetary Fund balances, ending	<u>\$ 5,162,332</u>	<u>\$ 7,150,837</u>	<u>\$ 6,748,186</u>	<u>\$ (402,650)</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 \$118,108,010

Differences - budget to USGAAP:
Transfers in are inflows of budgetary resources
but are not revenues for financial reporting purposes (1,212,140)

Total revenues as reported on the statement of revenues, expenditures, and
changes in fund balance 116,895,870

Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations"
from the budgetary comparison schedule 116,549,896

Differences - budget to USGAAP:
Transfers to other funds are outflows of budgetary resources
but are not expenditures for financial reporting purposes (9,965,472)

Total expenditures as reported on the statement of revenues, expenditures, and
changes in fund balance \$106,584,424



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, 2014

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
RESOURCES (inflows):				
Licenses and permits	\$ 121,000	\$ 121,000	\$ 129,646	\$ 8,646
Fines, forfeitures, and penalties	300,000	300,000	263,900	(36,100)
Revenues from uses of money and property	152,400	152,400	83,783	(68,617)
Aid from other governments	19,042,203	19,123,373	15,587,054	(3,536,319)
Charges for services	2,319,463	2,319,463	2,464,518	145,055
Other	23,200	23,200	47,958	24,758
Other financing sources	1,546,128	1,546,128	1,405,016	(141,112)
Amounts available for appropriation	<u>23,504,394</u>	<u>23,585,564</u>	<u>19,981,875</u>	<u>(3,603,689)</u>
CHARGES TO APPROPRIATIONS (outflows):				
Health and Sanitation:				
Public Health General Services:				
Salaries and employee benefits	12,580,795	12,686,515	10,424,482	2,262,033
Services and supplies	11,460,320	11,509,648	6,482,723	5,026,925
Other charges	314,600	335,722	267,799	67,923
Capital assets	207,000	207,000	190,407	16,593
Other financing uses	1,266,833	1,266,833	1,164,329	102,504
Total Public Health General Services	<u>25,829,548</u>	<u>26,005,718</u>	<u>18,529,740</u>	<u>7,475,978</u>
Total Health and Sanitation	<u>25,829,548</u>	<u>26,005,718</u>	<u>18,529,740</u>	<u>7,475,978</u>
Total Charges to appropriations	<u>25,829,548</u>	<u>26,005,718</u>	<u>18,529,740</u>	<u>7,475,978</u>
Budgetary fund balance, Beginning of year	<u>9,818,400</u>	<u>9,818,400</u>	<u>9,818,400</u>	<u>-</u>
Budgetary Fund balances, ending	<u>\$ 7,493,246</u>	<u>\$ 7,398,246</u>	<u>\$ 11,270,535</u>	<u>\$ 3,872,289</u>

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE-PUBLIC HEALTH FUND-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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 \$ 19,981,875

Differences - budget to USGAAP:

Transfers in are inflows of budgetary resources
but are not revenues for financial reporting purposes (1,405,016)

Total revenues as reported on the statement of revenues, expenditures, and
changes in fund balance 18,576,859

Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations"
from the budgetary comparison schedule 18,529,740

Differences - budget to USGAAP:

Transfers to other funds are outflows of budgetary resources
but are not expenditures for financial reporting purposes (1,274,501)

Total expenditures as reported on the statement of revenues, expenditures, and
changes in fund balance \$ 17,255,239



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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
RESOURCES (inflows):				
Fines, forfeitures, and penalties	\$ -	\$ -	\$ 79,757	\$ 79,757
Revenues from uses of money and property	-	-	(3,996)	(3,996)
Aid from other governments	40,805,175	41,511,924	49,112,401	7,600,477
Charges for services	894,562	968,562	778,073	(190,489)
Other	-	-	33,803	33,803
Other financing sources	14,893,497	14,988,497	3,132,962	(11,855,535)
Amounts available for appropriation	<u>56,593,234</u>	<u>57,468,983</u>	<u>53,133,000</u>	<u>(4,335,983)</u>
CHARGES TO APPROPRIATIONS (outflows):				
Health and Sanitation:				
Behavioral Health General Services:				
Salaries and employee benefits	24,788,803	24,391,777	23,163,285	1,228,492
Services and supplies	23,052,032	23,635,545	19,672,867	3,962,678
Other charges	571,368	622,656	630,848	(8,192)
Capital assets	84,000	325,518	92,550	232,968
Other financing uses	2,314,885	2,355,485	2,222,297	133,188
Total Behavioral Health General Svcs	<u>50,811,088</u>	<u>51,330,981</u>	<u>45,781,847</u>	<u>5,549,134</u>
Mental Health Substance Abuse:				
Salaries and employee benefits	2,380,021	2,426,853	2,426,561	292
Services and supplies	2,654,658	2,811,841	2,003,378	808,463
Other charges	36,627	53,628	42,793	10,835
Capital assets	-	19,972	19,839	133
Other financing uses	357,762	357,630	328,589	29,041
Total Mental Health Substance Abuse	<u>5,429,068</u>	<u>5,669,924</u>	<u>4,821,160</u>	<u>848,764</u>
Total Health and Sanitation	<u>56,240,156</u>	<u>57,000,905</u>	<u>50,603,007</u>	<u>6,397,898</u>
Total Charges to appropriations	<u>56,240,156</u>	<u>57,000,905</u>	<u>50,603,007</u>	<u>6,397,898</u>
Budgetary fund balance, Beginning of year	<u>(2,203,060)</u>	<u>(2,203,060)</u>	<u>(2,203,060)</u>	<u>-</u>
Budgetary Fund balances, ending	<u>\$ (1,849,982)</u>	<u>\$ (1,734,982)</u>	<u>\$ 326,933</u>	<u>\$ 2,061,915</u>

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BEHAVIORAL HEALTH FUND-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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	\$ 53,133,000
Differences - budget to USGAAP: Transfers in are inflows of budgetary resources but are not revenues for financial reporting purposes	<u>(3,132,962)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance	<u><u>50,000,038</u></u>

Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	50,603,007
Differences - budget to USGAAP: Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(2,890,530)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance	<u><u>\$ 47,712,477</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, 2014

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
RESOURCES (inflows):				
Licenses and permits	\$ 54,000	\$ 54,000	\$ 130,846	\$ 76,846
Fines forfeitures and penalties	-	-	390	390
Revenues from uses of money and property	154,000	154,000	151,421	(2,579)
Aid from other governments	22,999,266	22,999,266	15,593,867	(7,405,399)
Charges for services	31,000	31,000	866,533	835,533
Other	51,000	51,000	51,260	260
Other financing sources	7,666,639	7,666,639	3,133,953	(4,532,686)
Amounts available for appropriation	<u>30,955,905</u>	<u>30,955,905</u>	<u>19,928,270</u>	<u>(11,027,635)</u>
CHARGES TO APPROPRIATIONS (outflows):				
Public Ways and Facilities:				
Road Operations:				
Salaries and employee benefits	7,473,489	7,473,489	7,186,341	287,148
Services and supplies	26,785,567	26,529,297	12,161,928	14,367,369
Capital assets	845,000	826,270	393,446	432,824
Other financing uses	3,700,078	4,037,350	2,696,517	1,340,833
Total Road Operations	<u>38,804,134</u>	<u>38,866,406</u>	<u>22,438,232</u>	<u>16,428,174</u>
Total Public Ways and Facilities	<u>38,804,134</u>	<u>38,866,406</u>	<u>22,438,232</u>	<u>16,428,174</u>
Provisions for Contingencies:				
Appropriation Contingencies	<u>1,000,000</u>	<u>937,728</u>	<u>-</u>	<u>937,728</u>
Total Charges to appropriations	<u>39,804,134</u>	<u>39,804,134</u>	<u>22,438,232</u>	<u>17,365,902</u>
Budgetary fund balance, Beginning of year	<u>13,293,057</u>	<u>13,293,057</u>	<u>13,293,057</u>	<u>-</u>
Budgetary Fund balances, ending	<u>\$ 4,444,828</u>	<u>\$ 4,444,828</u>	<u>\$ 10,783,095</u>	<u>\$ 6,338,267</u>

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - ROAD FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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 \$ 19,928,270

Differences - budget to USGAAP:
Transfers in are inflows of budgetary resources
but are not revenues for financial reporting purposes (3,122,338)

Total revenues as reported on the statement of revenues, expenditures, and
changes in fund balance 16,794,317

Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations"
from the budgetary comparison schedule 22,438,232

Differences - budget to USGAAP:
Transfers to other funds are outflows of budgetary resources
but are not expenditures for financial reporting purposes (2,536,414)

Total expenditures as reported on the statement of revenues, expenditures, and
changes in fund balance \$ 19,901,818

COUNTY OF BUTTE, CALIFORNIA

Note to Required Supplementary Information For the Fiscal Year Ended June 30, 2014

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 (Joint Powers Financing Authority). 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 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. Encumbrances outstanding at year-end are recorded as reservations of fund balance since they do not constitute expenditures or liabilities. 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

The Capital Projects 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 funding 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 Funds* account for special district funds that provide sewer, drainage, fire, and street lighting and maintenance to specific areas in the County and are financed by property taxes and user charges.

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

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

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, 2014

	Capital Projects Fund	Equipment Replacement	Equipment	State COPS
ASSETS				
Cash and investments	\$ 6,125,667	\$ 2,808,310	\$ 1,721,262	\$ 375,613
Cash and investments with fiscal agent	-	152,215	-	-
Imprest cash	-	-	-	-
Interest receivable	6,214	5,021	3,820	633
Accounts receivable	-	-	-	-
Due from other governments	-	-	-	-
Deposits from others	-	-	-	-
Loans receivable	-	-	-	-
Total assets	<u>\$ 6,131,881</u>	<u>\$ 2,965,546</u>	<u>\$ 1,725,082</u>	<u>\$ 376,246</u>
 LIABILITIES AND FUND BALANCES				
Liabilities:				
Due to other funds	-	-	-	-
Accounts payable	628,095	8,432	4,889	-
Salaries and benefits payable	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	<u>628,095</u>	<u>8,432</u>	<u>4,889</u>	<u>-</u>
Fund balances:				
Restricted	<u>5,503,786</u>	<u>2,957,114</u>	<u>1,720,193</u>	<u>376,246</u>
Total fund balances	<u>5,503,786</u>	<u>2,957,114</u>	<u>1,720,193</u>	<u>376,246</u>
 Total liabilities and fund balances	 <u>\$ 6,131,881</u>	 <u>\$ 2,965,546</u>	 <u>\$ 1,725,082</u>	 <u>\$ 376,246</u>

COUNTY OF BUTTE, CALIFORNIA
COMBINING BALANCE SHEET (Continued)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014

	Special Revenue Funds				
	Transit	Housing and Community Development	Fish and Game	Child Support Services	County Service Areas
ASSETS					
Cash and investments	\$ 33,841	\$ 197,433	\$ 118,339	\$ 1,055,277	\$ 7,732,053
Cash and investments with fiscal agent	-	-	-	-	-
Imprest cash	-	-	-	2,000	-
Interest receivable	2,600	672	191	2,923	13,116
Accounts receivable	-	-	-	-	6,815
Due from other governments	9,235	32,173	-	-	-
Deposits from others	-	-	-	-	-
Loans receivable	-	3,479,619	-	-	-
Total assets	<u>\$ 45,676</u>	<u>3,709,897</u>	<u>\$ 118,530</u>	<u>\$ 1,060,200</u>	<u>\$ 7,751,984</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Due to other funds	-	-	\$ -	\$ -	\$ 18,167
Accounts payable	-	8,000	6,265	2,814	15,174
Salaries and benefits payable	-	-	-	151,659	-
Unearned revenue	-	-	-	805,592	-
Total liabilities	<u>-</u>	<u>8,000</u>	<u>6,265</u>	<u>960,065</u>	<u>33,341</u>
Fund balances:					
Restricted	45,676	3,701,897	112,265	100,135	7,718,643
Total fund balances	<u>45,676</u>	<u>3,701,897</u>	<u>112,265</u>	<u>100,135</u>	<u>7,718,643</u>
Total liabilities and fund balances	<u>\$ 45,676</u>	<u>\$ 3,709,897</u>	<u>\$ 118,530</u>	<u>\$ 1,060,200</u>	<u>\$ 7,751,984</u>

(continued)

COUNTY OF BUTTE, CALIFORNIA
COMBINING BALANCE SHEET (Continued)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014

	<u>Special Revenue Funds</u>			<u>Debt Service Fund</u>	<u>Total</u>
	<u>IHSS Public Authority</u>	<u>Impact Fees</u>			
ASSETS					
Cash and investments	\$ 62,635	\$ 7,316,839	\$ 8,827,661		\$ 36,374,930
Cash and investments with fiscal agent	-	-	511,068		663,283
Imprest cash	-	-	-		2,000
Interest receivable	134	16,149	16,634		68,107
Accounts receivable	-	-	-		6,815
Due from other governments	49,673	-	-		91,081
Prepaid items	5,400	-	-		5,400
Loans receivable	-	-	-		3,479,619
Total assets	<u>\$ 117,842</u>	<u>\$ 7,332,988</u>	<u>\$ 9,355,363</u>		<u>40,691,235</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Due to other funds	\$ -	\$ 3,753	\$ -		\$ 21,920
Accounts payable	1,175	-	-		674,844
Salaries and benefits payable	5,422	-	-		157,081
Unearned revenue	-	-	-		805,592
Total liabilities	<u>6,597</u>	<u>3,753</u>	<u>-</u>		<u>1,659,437</u>
Fund balances:					
Restricted	111,245	7,329,235	9,355,363		39,031,799
Total fund balances	<u>111,245</u>	<u>7,329,235</u>	<u>9,355,363</u>		<u>39,031,799</u>
Total liabilities and fund balances	<u>\$ 117,842</u>	<u>\$ 7,332,988</u>	<u>\$ 9,355,363</u>		<u>\$ 40,691,235</u>

COUNTY OF BUTTE, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Capital Projects Fund	Equipment Replacement	Equipment	State COPS
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Fines, forfeitures, and penalties	-	-	-	-
Revenues from uses of money and property	28,136	29,951	30,807	4,755
Aid from other governments	294,994	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>323,130</u>	<u>29,951</u>	<u>30,807</u>	<u>4,755</u>
EXPENDITURES:				
Current:				
General government	2,690,489	-	2,587,472	-
Public protection	-	508,955	-	-
Public ways and facilities	-	-	-	-
Health and sanitation	-	-	-	-
Public assistance	-	-	-	-
Recreation and cultural services	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>2,690,489</u>	<u>508,955</u>	<u>2,587,472</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(2,367,359)</u>	<u>(479,004)</u>	<u>(2,556,665)</u>	<u>4,755</u>
OTHER FINANCING SOURCES (USES):				
Sale of capital assets	-	3,900	-	-
Loan proceeds	-	-	1,539,884	-
Transfers in	6,465,721	1,234,704	641,192	-
Transfer out	(250,157)	(37,416)	(31,069)	-
Total other financing sources (uses)	<u>6,215,564</u>	<u>1,201,188</u>	<u>2,150,007</u>	<u>-</u>
Net change in fund balances	<u>3,848,205</u>	<u>722,184</u>	<u>(406,658)</u>	<u>4,755</u>
Fund balances, beginning	<u>1,655,581</u>	<u>2,234,930</u>	<u>2,126,851</u>	<u>371,491</u>
Fund balances, ending	<u>\$ 5,503,786</u>	<u>\$ 2,957,114</u>	<u>\$ 1,720,193</u>	<u>\$ 376,246</u>

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, 2014

	Special Revenue Funds				
	Transit	Housing and Community Development	Fish and Game	Child Support Services	County Service Areas
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 875,597
Fines, forfeitures, and penalties	-	-	27,275	-	-
Revenues from uses of money and property	6,447	2,111	1,376	16,356	93,698
Aid from other governments	3,042,950	947,515	-	6,723,824	103,211
Charges for services	-	-	-	-	362,602
Other	-	261,080	-	3,710	1,729
Total revenues	<u>3,049,397</u>	<u>1,210,706</u>	<u>28,651</u>	<u>6,743,890</u>	<u>1,436,837</u>
EXPENDITURES:					
Current:					
General government	-	734,117	-	-	-
Public protection	-	-	21,384	-	101,540
Public ways and facilities	1,241,857	-	-	-	98,807
Health and sanitation	-	-	-	-	128,823
Public assistance	-	-	-	5,929,107	-
Recreation and cultural services	-	-	-	-	118,827
Debt service	-	-	-	-	-
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>1,241,857</u>	<u>734,117</u>	<u>21,384</u>	<u>5,929,107</u>	<u>447,997</u>
Excess (deficiency) of revenues over expenditures	<u>1,807,540</u>	<u>476,589</u>	<u>7,267</u>	<u>814,783</u>	<u>988,840</u>
OTHER FINANCING SOURCES (USES):					
Sale of capital assets	-	-	-	-	-
Loan proceeds	-	-	-	-	-
Transfers in	-	-	3,684	28,655	37,920
Transfer out	(1,764,071)	(263,003)	-	(839,016)	(512,606)
Total other financing sources (uses)	<u>(1,764,071)</u>	<u>(263,003)</u>	<u>3,684</u>	<u>(810,361)</u>	<u>(474,686)</u>
Net change in fund balances	<u>43,469</u>	<u>213,586</u>	<u>10,951</u>	<u>4,422</u>	<u>514,154</u>
Fund balances, beginning	<u>2,207</u>	<u>3,488,311</u>	<u>101,314</u>	<u>95,713</u>	<u>7,204,489</u>
Fund balances, ending	<u>\$ 45,676</u>	<u>\$ 3,701,897</u>	<u>\$ 112,265</u>	<u>\$ 100,135</u>	<u>\$ 7,718,643</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, 2014

	<u>Special Revenue Funds</u>			<u>Total</u>
	<u>IHSS Public Authority</u>	<u>Impact Fees</u>	<u>Debt Service Fund</u>	
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 875,597
Fines, forfeitures, and penalties	-	-	-	27,275
Revenues from uses of money and property	930	124,787	107,649	447,003
Aid from other governments	156,445	-	-	11,268,939
Charges for services	-	695,152	-	1,057,754
Other	78	-	-	266,597
Total revenues	<u>157,453</u>	<u>819,939</u>	<u>107,649</u>	<u>13,943,165</u>
EXPENDITURES:				
Current:				
General government	-	-	-	6,012,077
Public protection	-	-	-	631,879
Public ways and facilities	-	-	-	1,340,664
Health and sanitation	-	-	-	128,823
Public assistance	194,310	-	-	6,123,417
Recreation and cultural services	-	-	-	118,827
Debt service	-	-	-	-
Principal	-	-	696,991	696,991
Interest	-	-	1,947,500	1,947,500
Total expenditures	<u>194,310</u>	<u>-</u>	<u>2,644,491</u>	<u>17,000,178</u>
Excess (deficiency) of revenues over expenditures	<u>(36,857)</u>	<u>819,939</u>	<u>(2,536,842)</u>	<u>(3,057,013)</u>
OTHER FINANCING SOURCES (USES):				
Sale of capital assets	-	-	-	3,900
Loan proceeds	-	-	-	1,539,884
Transfers in	45,000	-	3,059,630	11,516,506
Transfer out	(13,769)	(2,702,979)	(11,640)	(6,425,726)
Total other financing sources (uses)	<u>31,231</u>	<u>(2,702,979)</u>	<u>3,047,990</u>	<u>6,634,564</u>
Net change in fund balances	<u>(5,626)</u>	<u>(1,883,040)</u>	<u>511,148</u>	<u>3,577,551</u>
Fund balances, beginning	<u>116,871</u>	<u>9,212,275</u>	<u>8,844,215</u>	<u>35,454,248</u>
Fund balances, ending	<u>\$ 111,245</u>	<u>\$ 7,329,235</u>	<u>\$ 9,355,363</u>	<u>\$ 39,031,799</u>

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
RESOURCES (inflows):				
Revenues from uses of money and property	\$ -	\$ -	\$ 28,136	\$ 28,136
Aid from other governments	-	588,603	294,994	(293,609)
Charges for services	697,992	697,992	-	(697,992)
Other	3,680,494	7,252,494	-	(7,252,494)
Other financing sources	8,588,603	8,000,000	6,465,721	(1,534,279)
Amounts available for appropriation	<u>12,967,089</u>	<u>16,539,089</u>	<u>6,788,851</u>	<u>(9,750,238)</u>
CHARGES TO APPROPRIATIONS (outflows):				
General Government:				
Chico Public Works Yard:				
Other charges	5,000	36,964	36,963	1
Capital Assets	2,495,000	2,463,036	1,412,433	1,050,603
Total Chico Public Works Yard	<u>2,500,000</u>	<u>2,500,000</u>	<u>1,449,396</u>	<u>1,050,604</u>
Debt Service Transfer:				
Other charges	61,720	61,720	59,111	2,609
Total Debt Service Transfer	<u>61,720</u>	<u>61,720</u>	<u>59,111</u>	<u>2,609</u>
Hall of Records:				
Other charges	80,000	80,000	17,497	62,503
Capital assets	7,920,000	7,920,000	114,063	7,805,937
Total Hall of Records	<u>8,000,000</u>	<u>8,000,000</u>	<u>131,560</u>	<u>7,868,440</u>
Total General Government	<u>10,561,720</u>	<u>10,561,720</u>	<u>1,640,067</u>	<u>8,921,653</u>
Public Protection:				
Juvenile Hall Security System:				
Other charges	2,500	27,073	27,072	1
Capital assets	500,294	507,721	507,614	107
Total Juvenile Hall Security System	<u>502,794</u>	<u>534,794</u>	<u>534,686</u>	<u>108</u>
Public Safety Facilities Modification:				
Other charges	-	1,316	1,315	1
Capital assets	-	10,355	7,666	2,689
Total Pub Safety Fac Modification	<u>\$ -</u>	<u>\$ 11,671</u>	<u>\$ 8,981</u>	<u>\$ 2,690</u>

(continued)

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS
CAPITAL PROJECTS FUND (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Protection (continued):				
Jail Project				
Capital assets	\$ -	\$ 3,540,000	\$ 3,495	\$ 3,536,505
Total Pub Safety Fac Modification	-	3,540,000	3,495	3,536,505
 Total Public Protection	 502,794	 4,086,465	 547,162	 3,539,303
Public Ways and Facilities				
33 CC Pedestrian Walkway:				
Other charges	13,108	13,108	11,229	1,879
Capital assets	264,592	264,592	2,072	262,520
Total 33 CC Pedestrian Walkway	277,700	277,700	13,301	264,399
 BC Oroville Park & Ride:				
Other charges	47,088	77,994	77,993	1
Capital assets	541,515	510,609	396,311	114,298
Total BC Oroville Park & Ride	588,603	588,603	474,304	114,299
 Total Public Ways and Facilities	 866,303	 866,303	 487,605	 378,698
Health and Sanitation:				
Behavioral Health - Cohasset Remodel:				
Other charges	16,000	17,979	18,977	(998)
Capital assets	384,000	382,021	246,835	135,186
Total BH -Cohasset Remodel	400,000	400,000	265,812	134,188
 Total Health and Sanitation	 400,000	 400,000	 265,812	 134,188
 Total Charges to appropriations	 12,330,817	 15,914,488	 2,940,646	 12,973,842
Budgetary fund balance, Beginning of year	1,655,581	1,655,581	1,655,581	-
Budgetary Fund balances, ending	\$ 2,291,853	\$ 2,280,182	\$ 5,503,786	\$ 3,223,604

(continued)

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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	\$ 6,788,851
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Differences - budget to USGAAP:

Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	<u>(6,465,721)</u>
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Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance	<u><u>323,130</u></u>
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Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	2,940,646
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Differences - budget to USGAAP:

Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(250,157)</u>
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Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance	<u><u>\$ 2,690,489</u></u>
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COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS
EQUIPMENT REPLACEMENT SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
RESOURCES (inflows):				
Revenues from uses of money and property	\$ -	\$ -	\$ 29,951	\$ 29,951
Charges for services	1,234,704	1,234,704	1,234,704	-
Other financing sources	-	-	3,900	3,900
Amounts available for appropriation	<u>1,234,704</u>	<u>1,234,704</u>	<u>1,268,555</u>	<u>33,851</u>
CHARGES TO APPROPRIATIONS (outflows):				
Public Protection:				
Sheriff Equipment Replacement:				
Other charges	2,672	2,672	2,664	8
Capital assets	522,000	522,000	489,076	32,924
Total Sheriff Equipment Replacement	<u>524,672</u>	<u>524,672</u>	<u>491,740</u>	<u>32,932</u>
Fire Equipment Replacement:				
Other charges	1,724	1,724	1,716	8
Capital assets	450,000	450,000	-	450,000
Total Fire Equipment Replacement	<u>451,724</u>	<u>451,724</u>	<u>1,716</u>	<u>450,008</u>
District Attorney Equipment Replacement:				
Capital assets	30,000	30,000	20,229	9,771
Total District Attorney Equip Replacem	<u>30,000</u>	<u>30,000</u>	<u>20,229</u>	<u>9,771</u>
Juvenile Hall				
Capital assets	34,000	34,000	31,372	2,628
Total Juvenile Hall	<u>34,000</u>	<u>34,000</u>	<u>31,372</u>	<u>2,628</u>
Probation Equipment Replacement:				
Capital assets	-	1,320	1,314	6
Total Probation Equipment Replaceme	<u>-</u>	<u>1,320</u>	<u>1,314</u>	<u>6</u>
Total Public Protection	<u>976,396</u>	<u>976,396</u>	<u>493,456</u>	<u>482,940</u>
Total Charges to appropriations	<u>1,040,396</u>	<u>1,041,716</u>	<u>546,371</u>	<u>495,345</u>
Budgetary fund balance,				
Beginning of year restated	<u>2,234,930</u>	<u>2,234,930</u>	<u>2,234,930</u>	<u>-</u>
Budgetary Fund balances, ending	<u>\$ 2,429,238</u>	<u>\$ 2,427,918</u>	<u>\$ 2,957,114</u>	<u>\$ (461,494)</u>

(continued)

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS
EQUIPMENT REPLACEMENT SPECIAL REVENUE FUND (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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 \$ 1,268,555

Differences - budget to USGAAP:

Transfers from other funds are inflows of budgetary resources
but are not revenues for financial reporting purposes (1,238,604)

Total revenues as reported on the statement of revenues, expenditures, and
changes in fund balance 29,951

Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations"
from the budgetary comparison schedule 546,371

Differences - budget to USGAAP:

Transfers to other funds are outflows of budgetary resources
but are not expenditures for financial reporting purposes (37,416.00)

Total expenditures as reported on the statement of revenues, expenditures, and
changes in fund balance \$ 508,955

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS
EQUIPMENT SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
RESOURCES (inflows):				
Revenues from uses of money and property	\$ -	\$ -	\$ 30,807	\$ 30,807
Charges for services	634,706	634,706	641,192	6,486
Other financing sources	1,548,635	1,548,635	1,539,884	(8,751)
Amounts available for appropriation	<u>2,183,341</u>	<u>2,183,341</u>	<u>2,211,883</u>	<u>28,542</u>
CHARGES TO APPROPRIATIONS (outflows):				
General Government:				
ISF Equipment Replacement:				
Other charges	3,200	3,200	3,204	(4)
Capital assets	2,647,732	2,647,732	2,587,470	60,262
Other financing uses	180,300	180,300	27,867	152,433
Total ISF Equipment Replacement	<u>2,831,232</u>	<u>2,831,232</u>	<u>2,618,541</u>	<u>212,691</u>
Total General Government	<u>2,831,232</u>	<u>2,831,232</u>	<u>2,618,541</u>	<u>212,691</u>
Total Charges to appropriations	<u>2,831,232</u>	<u>2,831,232</u>	<u>2,618,541</u>	<u>212,691</u>
Budgetary fund balance, beginning of year - res	<u>2,126,851</u>	<u>2,126,851</u>	<u>2,126,851</u>	<u>-</u>
Budgetary Fund balances, ending	<u>\$ 1,478,960</u>	<u>\$ 1,478,960</u>	<u>\$ 1,720,193</u>	<u>\$ 241,233</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 \$ 2,211,883

Differences - budget to USGAAP:

Transfers from other funds are inflows of budgetary resources
but are not revenues for financial reporting purposes (2,181,076)

Total revenues as reported on the statement of revenues, expenditures, and
changes in fund balance 30,807

Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations"
from the budgetary comparison schedule 2,618,541

Differences - budget to USGAAP:

Transfers to other funds are outflows of budgetary resources
but are not expenditures for financial reporting purposes (31,069)

Total expenditures as reported on the statement of revenues, expenditures, and
changes in fund balance \$ 2,587,472

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS
EQUIPMENT SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	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	<u>437,146</u>	<u>437,146</u>	<u>437,463</u>	<u>317</u>
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	<u>847,720</u>	<u>847,720</u>	<u>509,686</u>	<u>338,034</u>
Total General Government	<u>847,720</u>	<u>847,720</u>	<u>509,686</u>	<u>338,034</u>
Total Charges to appropriations	<u>847,720</u>	<u>847,720</u>	<u>509,686</u>	<u>338,034</u>
Budgetary fund balance, beginning of year - res	<u>2,199,074</u>	<u>2,199,074</u>	<u>2,199,074</u>	<u>-</u>
Budgetary Fund balances, ending	<u>\$ 1,788,500</u>	<u>\$ 1,788,500</u>	<u>\$ 2,126,851</u>	<u>\$ 338,351</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	\$ 437,463
Differences - budget to USGAAP: Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	<u>(441,896)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance	<u>(4,433)</u>

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	<u>(68,111)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance	<u>\$ 441,575</u>

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS
STATE COPS SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
RESOURCES (inflows):				
Revenues from uses of money and property	\$ -	\$ -	\$ 4,755	\$ 4,755
Amounts available for appropriation	<u>-</u>	<u>-</u>	<u>4,755</u>	<u>4,755</u>
 Budgetary fund balance, Beginning of year restated	 <u>371,491</u>	 <u>371,491</u>	 <u>371,491</u>	 <u>-</u>
 Budgetary Fund balances, ending	 <u>\$ 371,491</u>	 <u>\$ 371,491</u>	 <u>\$ 376,246</u>	 <u>\$ 4,755</u>

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS
TRANSIT SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
RESOURCES (inflows):				
Revenues from uses of money and property	\$ 6,000	\$ 6,000	\$ 6,447	\$ 447
Aid from other governments	3,565,000	3,565,000	3,042,950	(522,050)
Amounts available for appropriation	<u>3,571,000</u>	<u>3,571,000</u>	<u>3,049,397</u>	<u>(521,603)</u>
CHARGES TO APPROPRIATIONS (outflows):				
Public Ways and Facilities:				
Transit - System Operations				
Other charges	1,571,000	1,571,000	1,266,734	304,266
Other financing uses	2,000,000	2,000,000	1,739,194	260,806
Total Transit - System Operations	<u>3,571,000</u>	<u>3,571,000</u>	<u>3,005,928</u>	<u>565,072</u>
Total Public Ways and Facilities	<u>3,571,000</u>	<u>3,571,000</u>	<u>3,005,928</u>	<u>565,072</u>
Total Charges to appropriations	<u>3,571,000</u>	<u>3,571,000</u>	<u>3,005,928</u>	<u>565,072</u>
Budgetary fund balance, beginning of year - res	<u>2,207</u>	<u>2,207</u>	<u>2,207</u>	<u>-</u>
Budgetary Fund balances, ending	<u>\$ 2,207</u>	<u>\$ 2,207</u>	<u>\$ 45,676</u>	<u>\$ 43,469</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 \$ 3,049,397

Total revenues as reported on the statement of revenues, expenditures, and
changes in fund balance 3,049,397

Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations"
from the budgetary comparison schedule 3,005,928

Differences - budget to USGAAP:
Transfers to other funds are outflows of budgetary resources
but are not expenditures for financial reporting purposes (1,764,071)

Total expenditures as reported on the statement of revenues, expenditures, and
changes in fund balance \$ 1,241,857

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS
HOUSING AND COMMUNITY DEVELOPMENT SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
RESOURCES (inflows):				
Revenues from uses of money and property	\$ -	\$ -	\$ 2,111	\$ 2,111
Aid from other governments	5,594,526	5,594,526	947,515	(4,647,011)
Other	93,844	93,844	261,080	167,236
Amounts available for appropriation	5,688,370	5,688,370	1,210,706	(4,477,664)
CHARGES TO APPROPRIATIONS (outflows):				
General Government:				
CDBG Administration:				
Other charges	27,118	27,118	27,120	(2)
Other financing uses	-	-	(22,723)	22,723
Total CDBG Administration	27,118	27,118	4,397	22,721
12-CDBG-8374:				
Services and supplies	110,250	110,250	112,255	(2,005)
Other charges	103,027	103,027	68,994	34,033
Other financing uses	-	-	3,507	(3,507)
Total 12-CDBG-8374	213,277	213,277	184,756	28,521
DRI 2008 Fires:				
Services and supplies	2,417,749	2,417,749	609,313	1,808,436
Other charges	2,885,000	2,885,000	94,311	2,790,689
Other financing uses	-	-	17,699	(17,699)
Total DRI 2008 Fires	5,302,749	5,302,749	721,323	4,581,426
HCD - Revolving Loan:				
Services and supplies	79,800	64,800	5,481	59,319
Other charges	14,044	29,044	29,777	(733)
Total HCD - Revolving Loan	93,844	93,844	35,258	58,586
11-PTEC-7614:				
Services and supplies	10,000	10,000	7,069	2,931
Other charges	68,500	68,500	42,800	25,700
Other financing uses	-	-	1,517	(1,517)
Total 11-PTEC-7614	78,500	78,500	51,386	27,114
Total General Government	5,715,488	5,715,488	997,120	4,718,368

(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, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Total Charges to appropriations	<u>5,715,488</u>	<u>5,715,488</u>	<u>997,120</u>	<u>4,718,368</u>
Budgetary fund balance, Beginning of year restated	<u>3,488,311</u>	<u>3,488,311</u>	<u>3,488,311</u>	<u>-</u>
Budgetary Fund balances, ending	<u>\$ 3,461,193</u>	<u>\$ 3,461,193</u>	<u>\$ 3,701,897</u>	<u>\$ 240,704</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 \$ 1,210,706

Total revenues as reported on the statement of revenues, expenditures, and
changes in fund balance 1,210,706

Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations"
from the budgetary comparison schedule 997,120

Differences - budget to USGAAP:
Transfers to other funds are outflows of budgetary resources
but are not expenditures for financial reporting purposes (263,003)

Total expenditures as reported on the statement of revenues, expenditures, and
changes in fund balance \$ 734,117

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS
FISH AND GAME SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
RESOURCES (inflows):				
Fines, forfeitures, and penalties	\$ 27,200	\$ 27,200	\$ 27,275	\$ 75
Revenues from uses of money and property	930	930	1,376	446
Other charges	(3,704)	(3,704)	3,684	(7,388)
Amounts available for appropriation	<u>24,426</u>	<u>24,426</u>	<u>32,335</u>	<u>(6,867)</u>
CHARGES TO APPROPRIATIONS (outflows):				
Public Protection:				
Fish and Game:				
Services and supplies	<u>33,312</u>	<u>33,312</u>	<u>21,384</u>	<u>11,928</u>
Total Fish and Game	<u>33,312</u>	<u>33,312</u>	<u>21,384</u>	<u>11,928</u>
Total Public Protection	<u>33,312</u>	<u>33,312</u>	<u>21,384</u>	<u>11,928</u>
Total Charges to appropriations	<u>33,312</u>	<u>33,312</u>	<u>21,384</u>	<u>11,928</u>
Budgetary fund balance, Beginning of year restated	<u>101,314</u>	<u>101,314</u>	<u>101,314</u>	<u>-</u>
Budgetary Fund balances, ending	<u>\$ 92,428</u>	<u>\$ 92,428</u>	<u>\$ 112,265</u>	<u>\$ 5,061</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	\$ 32,335
Differences - budget to USGAAP: Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>\$ (3,684)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance	<u>28,651</u>

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS
CHILD SUPPORT SERVICES SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
RESOURCES (inflows):				
Revenues from uses of money and property	\$ 20,000	\$ 20,000	\$ 16,356	\$ (3,644)
Aid from other governments	9,156,316	9,156,316	6,723,824	(2,432,492)
Charges for services	29,000	29,000	28,655	(345)
Other	50	50	3,710	3,660
Amounts available for appropriation	<u>9,205,366</u>	<u>9,205,366</u>	<u>6,772,545</u>	<u>(2,432,821)</u>
CHARGES TO APPROPRIATIONS (outflows):				
Public Assistance:				
Child Support Services:				
Salaries and employee benefits	7,837,388	7,837,388	5,577,023	2,260,365
Services and supplies	606,378	599,678	430,210	169,468
Other charges	761,600	768,300	760,890	7,410
Total Child Support Services	<u>9,205,366</u>	<u>9,205,366</u>	<u>6,768,123</u>	<u>2,437,243</u>
Total Public Assistance	<u>9,205,366</u>	<u>9,205,366</u>	<u>6,768,123</u>	<u>2,437,243</u>
Total Charges to appropriations	<u>9,205,366</u>	<u>9,205,366</u>	<u>6,768,123</u>	<u>2,437,243</u>
Budgetary fund balance, Beginning of year restated	<u>95,713</u>	<u>95,713</u>	<u>95,713</u>	<u>-</u>
Budgetary Fund balances, ending	<u>\$ 95,713</u>	<u>\$ 95,713</u>	<u>\$ 100,135</u>	<u>\$ 4,422</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 \$ 6,772,545

Differences - budget to USGAAP:

Transfers from other funds are inflows of budgetary resources
but are not revenues for financial reporting purposes (28,655)

Total revenues as reported on the statement of revenues, expenditures, and
changes in fund balance 6,743,890

Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations"
from the budgetary comparison schedule 6,768,123

Differences - budget to USGAAP:

Transfers to other funds are outflows of budgetary resources
but are not expenditures for financial reporting purposes (839,016)

Total expenditures as reported on the statement of revenues, expenditures, and
changes in fund balance \$ 5,929,107

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS
COUNTY SERVICE AREAS SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
RESOURCES (inflows):				
Taxes	\$ 946,271	\$ 951,571	\$ 875,597	\$ (75,974)
Revenues from uses of money and property	43,383	43,133	93,698	50,565
Aid from other governments	11,740	11,740	103,211	91,471
Charges for services	358,646	360,085	362,602	2,517
Other	-	-	39,649	39,649
Amounts available for appropriation	<u>1,360,040</u>	<u>1,366,529</u>	<u>1,474,757</u>	<u>108,228</u>
CHARGES TO APPROPRIATIONS (outflows):				
Public protection	528,978	581,472	101,540	479,932
Public ways and facilities	-	-	98,807	(98,807)
Health and sanitation	-	-	128,823	(128,823)
Recreation and cultural services	-	-	118,827	(118,827)
Other charges	1,064,305	1,067,732	512,606	555,126
Total Charges to appropriations	<u>1,593,283</u>	<u>1,649,204</u>	<u>960,603</u>	<u>688,601</u>
Budgetary fund balance, Beginning of year restated	<u>7,204,489</u>	<u>7,204,489</u>	<u>7,204,489</u>	<u>-</u>
Budgetary Fund balances, ending	<u>\$ 6,971,246</u>	<u>\$ 6,921,814</u>	<u>\$ 7,718,643</u>	<u>\$ 796,829</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

\$ 1,474,757

Differences - budget to USGAAP:

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

(37,920)

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

1,436,837

Uses/outflows of resources:

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

960,603

Differences - budget to USGAAP:

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

(512,606)

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

\$ 447,997

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS
IHSS PUBLIC AUTHORITY SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
RESOURCES (inflows):				
Revenues from uses of money and property	\$ -	\$ -	\$ 930	\$ 930
Aid from other governments	190,337	219,973	156,445	(63,528)
Charges for services	45,000	45,000	45,000	-
Other financing sources	-	-	78	(78)
Amounts available for appropriation	235,337	264,973	202,453	(62,598)
CHARGES TO APPROPRIATIONS (outflows):				
Public Assistance:				
IHSS Public Authority:				
Salaries and employee benefits	13,663	228,286	181,763	46,523
Services and supplies	-	36,846	12,804	24,042
Other charges	13,504	27,008	13,512	13,496
Total IHSS Public Authority	27,167	292,140	208,079	84,061
Total Public Assistance	27,167	292,140	208,079	84,061
Total Charges to appropriations	27,167	292,140	208,079	84,061
Budgetary fund balance, Beginning of year restated	116,871	116,871	116,871	-
Budgetary Fund balances, ending	\$ 325,041	\$ 89,704	\$ 111,245	\$ 21,463

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

\$ 202,453

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

157,453

Uses/outflows of resources:

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

208,079

Differences - budget to USGAAP:

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

(13,769)

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

\$ 194,310

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS
IMPACT FEES SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
RESOURCES (inflows):				
Fines, forfeitures, and penalties	\$ 376,378	\$ 376,378	\$ 695,152	\$ 318,774
Revenues from uses of money and property	83,640	83,640	124,787	41,147
Amounts available for appropriation	<u>460,018</u>	<u>460,018</u>	<u>819,939</u>	<u>359,921</u>
CHARGES TO APPROPRIATIONS (outflows):				
General Government:				
Impact Fee Special Revenue				
Other charges	2,765,000	2,765,000	2,702,979	62,021
Other financing uses	10,000	10,000	-	10,000
Total Impact Fee Special Revenue	<u>2,775,000</u>	<u>2,775,000</u>	<u>2,702,979</u>	<u>72,021</u>
Total General Government	<u>2,775,000</u>	<u>2,775,000</u>	<u>2,702,979</u>	<u>72,021</u>
Total Charges to appropriations	<u>2,775,000</u>	<u>2,775,000</u>	<u>2,702,979</u>	<u>72,021</u>
Budgetary fund balance, Beginning of year restated	<u>9,212,275</u>	<u>9,212,275</u>	<u>9,212,275</u>	<u>-</u>
Budgetary Fund balances, ending	<u>\$ 6,897,293</u>	<u>\$ 6,897,293</u>	<u>\$ 7,329,235</u>	<u>\$ 287,900</u>

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
RESOURCES (inflows):				
Revenues from uses of money and property	\$ -	\$ -	\$ 107,649	\$ 107,649
Other financing sources	3,181,207	3,181,207	3,059,630	(121,577)
Amounts available for appropriation	3,181,207	3,181,207	3,167,279	(13,928)
CHARGES TO APPROPRIATIONS (outflows):				
General Government:				
CEC Solar:				
Other charges	312,341	312,344	312,343	1
Total CEC Solar	312,341	312,344	312,343	1
Chico Memorial Hall 492 Rio Lindo:				
Other charges	61,222	61,222	61,216	6
Total Chico Memorial Hall 492 Rio L.	61,222	61,222	61,216	6
Chico Memorial Hall 554 Rio Lindo:				
Other charges	62,223	62,227	62,227	-
Total Chico Memorial Hall 554 Rio L.	62,223	62,227	62,227	-
Hall of Records				
Other charges	45,000	45,000	-	45,000
Total Hall of Records	45,000	45,000	-	45,000
POB Series A:				
Services and supplies	6,703	6,703	6,703	-
Other charges	1,757,028	1,757,032	1,757,032	-
Total POB Series A	1,763,731	1,763,735	1,763,735	-
POB Series B:				
Services and supplies	2,500	2,500	2,500	-
Other charges	872,470	872,459	400,149	472,310
Total POB Series B	874,970	874,959	402,649	472,310
Total General Government	\$ 3,119,487	\$ 3,119,487	\$ 2,602,170	\$ 517,317

(continued)

COUNTY OF BUTTE, CALIFORNIA
BUDGET COMPARISON SCHEDULE - BUDGETARY BASIS (continued)
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Protection:				
Bangor Fire Station				
Other charges	\$ 61,720	\$ 61,720	\$ 53,961	\$ 7,759
Total Bangor Fire Station	<u>61,720</u>	<u>61,720</u>	<u>53,961</u>	<u>7,759</u>
Total Public Protection	<u>61,720</u>	<u>61,720</u>	<u>53,961</u>	<u>7,759</u>
Total Charges to appropriations	<u>3,181,207</u>	<u>3,181,207</u>	<u>2,656,131</u>	<u>525,076</u>
Budgetary fund balance, Beginning of year restated	<u>8,844,215</u>	<u>8,844,215</u>	<u>8,844,215</u>	<u>-</u>
Budgetary Fund balances, ending	<u>\$ 8,844,215</u>	<u>\$ 8,844,215</u>	<u>\$ 9,355,363</u>	<u>\$ 511,148</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 \$ 3,167,279

Differences - budget to USGAAP:
Transfers from other funds are inflows of budgetary resources
but are not revenues for financial reporting purposes (3,059,630)

Total revenues as reported on the statement of revenues, expenditures, and
changes in fund balance 107,649

Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations"
from the budgetary comparison schedule 2,656,131

Differences - budget to USGAAP:
Transfers to other funds are outflows of budgetary resources
but are not expenditures for financial reporting purposes (11,640)

Total expenditures as reported on the statement of revenues, expenditures, and
changes in fund balance \$ 2,644,491





Internal Service Funds

COUNTY OF BUTTE

Internal Service Funds

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

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

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

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

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

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

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

COUNTY OF BUTTE, CALIFORNIA
COMBINING STATEMENT OF FUND NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2014

	Self Insurance	Worker's Compensation	Unemployment Insurance
ASSETS			
Current assets:			
Cash and investments	\$ 3,908,195	\$ 10,707,192	\$ 915,824
Cash with fiscal agent		132,814	
Interest receivable	8,511	23,265	1,611
Accounts receivable	-	6,208	-
Deposits with others	-	-	-
Total current assets	<u>3,916,706</u>	<u>10,869,479</u>	<u>917,435</u>
Noncurrent assets:			
Capital assets:			
Depreciable:			
Equipment	10,671	34,790	-
Less: Accumulated depreciation	(5,158)	(22,732)	-
Total capital assets, net	<u>5,513</u>	<u>12,058</u>	<u>-</u>
Total noncurrent assets	<u>5,513</u>	<u>12,058</u>	<u>-</u>
Total assets	<u>3,922,219</u>	<u>10,881,537</u>	<u>917,435</u>
LIABILITIES			
Current liabilities:			
Accounts payable	22,179	84,918	455
Claims and judgments, current portion	600,000	2,000,000	-
Total current liabilities	<u>622,179</u>	<u>2,084,918</u>	<u>455</u>
Noncurrent liabilities:			
Claims and judgments, less current portion	738,000	3,441,000	-
Total noncurrent liabilities	<u>738,000</u>	<u>3,441,000</u>	<u>-</u>
Total liabilities	<u>1,360,179</u>	<u>5,525,918</u>	<u>455</u>
NET POSITION			
Net investment in capital assets	5,513	12,058	-
Unrestricted	2,556,527	5,343,561	916,980
Total net position	<u>\$ 2,562,040</u>	<u>\$ 5,355,619</u>	<u>\$ 916,980</u>

COUNTY OF BUTTE, CALIFORNIA
COMBINING STATEMENT OF FUND NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2014

	Medical Liability	Miscellaneous Insurance	Utilities Clearing	Total
ASSETS				
Current assets:				
Cash and investments	\$ 6,289	\$ 23,195	\$ 896,315	\$ 16,457,010
				132,814
Interest receivable	11	40	1,407	34,845
Accounts receivable	-	-	64	6,272
Deposits with others	-	-	-	-
Total current assets	<u>6,300</u>	<u>23,235</u>	<u>897,786</u>	<u>16,630,941</u>
Noncurrent assets:				
Capital assets:				
Depreciable:				
Equipment	-	-	-	45,461
Less: Accumulated depreciation	-	-	-	(27,890)
Total capital assets, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,571</u>
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,571</u>
Total assets	<u>6,300</u>	<u>23,235</u>	<u>897,786</u>	<u>16,648,512</u>
LIABILITIES				
Current liabilities:				
Accounts payable	-	-	179,783	287,335
Claims and judgments, current portion	-	-	-	2,600,000
Total current liabilities	<u>-</u>	<u>-</u>	<u>179,783</u>	<u>2,887,335</u>
Noncurrent liabilities:				
Claims and judgments, less current portion	-	-	-	4,179,000
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,179,000</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>179,783</u>	<u>7,066,335</u>
NET POSITION				
Net investment in capital assets	-	-	-	17,571
Unrestricted	6,300	23,235	718,003	9,564,606
Total net position	<u>\$ 6,300</u>	<u>\$ 23,235</u>	<u>\$ 718,003</u>	<u>\$ 9,582,177</u>

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, 2014

	Self Insurance	Worker's Compensation	Unemployment Insurance
OPERATING REVENUES			
Charges for services	\$ 1,581,972	\$ 2,929,992	\$ 27,353
Other revenue	307,352	-	-
Total operating revenue	<u>1,889,324</u>	<u>2,929,992</u>	<u>27,353</u>
OPERATING EXPENSES			
Salaries and employee benefits	-	-	352,648
Service and supplies	221,892	263,841	1,822
Claims and judgments	890,902	2,840,297	-
Depreciation and amortization	711	5,773	-
Total operating expenses	<u>1,113,505</u>	<u>3,109,911</u>	<u>354,470</u>
Operating income (loss)	<u>775,819</u>	<u>(179,919)</u>	<u>(327,117)</u>
Nonoperating revenues (expenses)			
Interest received (paid)	51,089	153,992	16,891
Total nonoperating revenue (expense)	<u>51,089</u>	<u>153,992</u>	<u>16,891</u>
Net Income (Loss) Before Transfers	826,908	(25,927)	(310,226)
Transfers out	<u>(205,733)</u>	<u>(151,553)</u>	<u>(1,380)</u>
Change in net position	621,175	(177,480)	(311,606)
Net position, beginning	<u>1,940,865</u>	<u>5,533,099</u>	<u>1,228,586</u>
Total net position, ending	<u>\$ 2,562,040</u>	<u>\$ 5,355,619</u>	<u>\$ 916,980</u>

(continued)

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, 2014

	Medical Liability	Miscellaneous Insurance	Utilities Clearing	Total
OPERATING REVENUES				
Charges for services	\$ 106,000	\$ 104,122	\$ 2,653,415	7,402,854
Other revenue	-	495	-	307,847
Total operating revenue	<u>106,000</u>	<u>104,617</u>	<u>2,653,415</u>	<u>7,710,701</u>
OPERATING EXPENSES				
Salaries and employee benefits	-	-	-	352,648
Service and supplies	-	-	2,025,096	2,512,651
Claims and judgments	163,574	146,532	-	4,041,305
Depreciation and amortization	-	-	-	6,484
Total operating expenses	<u>163,574</u>	<u>146,532</u>	<u>2,025,096</u>	<u>6,913,088</u>
Operating income (loss)	<u>(57,574)</u>	<u>(41,915)</u>	<u>628,319</u>	<u>797,613</u>
Nonoperating revenues (expenses)				
Interest received (paid)	809	625	7,975	231,381
Total nonoperating revenue (expense)	<u>809</u>	<u>625</u>	<u>7,975</u>	<u>231,381</u>
Net Income (Loss) Before Transfers	(56,765)	(41,290)	636,294	1,028,994
Transfers out	<u>(792)</u>	<u>(1,703)</u>	<u>(338,875)</u>	<u>(700,036)</u>
Change in net position	(57,557)	(42,993)	297,419	328,958
Net position, beginning	<u>63,857</u>	<u>66,228</u>	<u>420,584</u>	<u>9,253,219</u>
Total net position, ending	<u>\$ 6,300</u>	<u>\$ 23,235</u>	<u>\$ 718,003</u>	<u>\$ 9,582,177</u>

COUNTY OF BUTTE, CALIFORNIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Self Insurance</u>	<u>Worker's Compensation</u>	<u>Unemployment Insurance</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 1,897,775	\$ 2,979,590	\$ 30,533
Cash paid to suppliers for goods and services	(1,158,205)	(2,676,191)	(1,822)
Cash paid to employees for services	-	-	(352,648)
Net cash provided (used) by operating activities	<u>739,570</u>	<u>303,399</u>	<u>(323,937)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers in	-	-	-
Transfers out	<u>(205,733)</u>	<u>(151,553)</u>	<u>(1,380)</u>
Net cash provided (used) by noncapital financing activities	<u>(205,733)</u>	<u>(151,553)</u>	<u>(1,380)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received (paid)	<u>42,578</u>	<u>130,727</u>	<u>15,280</u>
Net cash provided by investing activities	<u>42,578</u>	<u>130,727</u>	<u>15,280</u>
Net increase (decrease) in cash and cash equivalents	576,415	282,573	(310,037)
Cash and cash equivalents, beginning	<u>3,331,780</u>	<u>10,424,619</u>	<u>1,225,861</u>
Cash and cash equivalents, ending	<u><u>3,908,195</u></u>	<u><u>10,707,192</u></u>	<u><u>915,824</u></u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET ASSETS:			
Cash and investments	<u>3,908,195</u>	<u>10,707,192</u>	<u>915,824</u>
Total cash and investments	<u><u>\$ 3,908,195</u></u>	<u><u>\$ 10,707,192</u></u>	<u><u>\$ 915,824</u></u>

(continued)

COUNTY OF BUTTE, CALIFORNIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Medical Liability	Miscellaneous Insurance	Utilities Clearing	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers	\$ 106,126	\$ 104,747	\$ 2,654,182	7,772,953
Cash paid to suppliers for goods and service	(163,574)	(146,532)	(1,984,463)	(6,130,787)
Cash paid to employees for services	-	-	-	(352,648)
Net cash provided (used) by operating activities	<u>(57,448)</u>	<u>(41,785)</u>	<u>669,719</u>	<u>1,289,518</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers in	-	-	-	-
Transfers out	<u>(792)</u>	<u>(1,703)</u>	<u>(338,875)</u>	<u>(700,036)</u>
Net cash provided (used) by noncapital financing activities	<u>(792)</u>	<u>(1,703)</u>	<u>(338,875)</u>	<u>(700,036)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received	<u>798</u>	<u>585</u>	<u>6,568</u>	<u>196,536</u>
Net cash provided by investing activities	<u>798</u>	<u>585</u>	<u>6,568</u>	<u>196,536</u>
Net increase (decrease) in cash and cash equivalents	(57,442)	(42,903)	337,412	786,018
Cash and cash equivalents, beginning	<u>63,731</u>	<u>66,098</u>	<u>558,903</u>	<u>15,670,992</u>
Cash and cash equivalents, ending	<u><u>6,289</u></u>	<u><u>23,195</u></u>	<u><u>896,315</u></u>	<u><u>16,457,010</u></u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET ASSETS:				
Cash and investments	<u>6,289</u>	<u>23,195</u>	<u>896,315</u>	<u>16,457,010</u>
Total cash and investments	<u><u>\$ 6,289</u></u>	<u><u>\$ 23,195</u></u>	<u><u>\$ 896,315</u></u>	<u><u>\$ 16,457,010</u></u>

COUNTY OF BUTTE, CALIFORNIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Self Insurance	Worker's Compensation	Unemployment Insurance
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ 775,819	\$ (179,919)	\$ (327,117)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	711	5,773	-
Changes in assets and liabilities:			
(Increase) decrease in:			
Decrease in deposits held		(175,000)	
Accounts receivable	8,451	49,598	3,180
Increase (decrease) in:			
Accounts payable	(411)	(20,239)	-
Claims and judgments	(45,000)	448,186	-
	<u>\$ 739,570</u>	<u>\$ 303,399</u>	<u>\$ (323,937)</u>
Net cash provided (used) by operating activities	<u>\$ 739,570</u>	<u>\$ 303,399</u>	<u>\$ (323,937)</u>

COUNTY OF BUTTE, CALIFORNIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Medical Liability	Miscellaneous Insurance	Utilities Clearing	Total
Reconciliation of Operating Income (Loss)				
to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ (57,574)	\$ (41,915)	\$ 628,319	\$ 797,613
Adjustment to reconcile operating income (loss)				
to net cash provided (used) by				
operating activities:				
Depreciation	-	-	-	6,484
Changes in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	126	130	767	62,252
Increase (decrease) in:				
Accounts payable	-	-	40,633	19,983
Claims and judgments	-	-	-	403,186
Net cash provided (used) by				
operating activities	<u>\$ (57,448)</u>	<u>\$ (41,785)</u>	<u>\$ 669,719</u>	<u>\$ 1,464,518</u>



Fiduciary Funds

COUNTY OF BUTTE

Fiduciary Fund Types

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

Agency Funds

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

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

COUNTY OF BUTTE, CALIFORNIA
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2014

	<u>Other</u>	<u>Tax Resources</u>	<u>Total</u>
ASSETS			
Cash and investments	\$ 16,312,171	\$ 14,873,905	\$ 31,186,076
Due from other governments	18,167	-	18,167
Interest receivable	-	33,749	33,749
Property tax receivable	-	12,138,620	12,138,620
Total assets	<u>16,330,338</u>	<u>27,046,274</u>	<u>43,376,612</u>
LIABILITIES			
Agency funds held for others	<u>16,330,338</u>	<u>27,046,274</u>	<u>43,376,612</u>
Total liabilities	<u>\$ 16,330,338</u>	<u>\$ 27,046,274</u>	<u>\$ 43,376,612</u>

COUNTY OF BUTTE, CALIFORNIA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Balance July 1, 2013	Additions	(Deductions)	Balance June 30, 2014
OTHER				
ASSETS				
Cash and investments	\$ 17,274,202		\$ (962,031)	\$ 16,312,171
Due from other governments	18,167	-	-	18,167
Interest receivable	-	-	-	-
Total assets	<u>17,292,369</u>	<u>-</u>	<u>(962,031)</u>	<u>16,330,338</u>
LIABILITIES				
Agency funds held for others	<u>17,292,369</u>	<u>-</u>	<u>(962,031)</u>	<u>16,330,338</u>
Total liabilities	<u>17,292,369</u>	<u>-</u>	<u>(962,031)</u>	<u>16,330,338</u>
TAX RESOURCES				
ASSETS				
Cash and investments	10,953,420	3,920,485	-	14,873,905
Interest receivable	35,304	-	(1,555)	33,749
Property tax receivable	14,712,220	-	(2,573,600)	12,138,620
Total assets	<u>25,700,944</u>	<u>3,920,485</u>	<u>(2,575,155)</u>	<u>27,046,274</u>
LIABILITIES				
Agency funds held for others	<u>25,700,944</u>	<u>3,920,485</u>	<u>-</u>	<u>27,046,274</u>
Total liabilities	<u>25,700,944</u>	<u>3,920,485</u>	<u>-</u>	<u>27,046,274</u>
TOTAL AGENCY FUNDS				
ASSETS				
Cash and investments	28,227,622	3,920,485	(962,031)	31,186,076
Due from other governments	18,167	-	-	18,167
Interest receivable	35,304	-	(1,555)	33,749
Property tax receivable	14,712,220	-	(2,573,600)	12,138,620
Total assets	<u>42,993,313</u>	<u>3,920,485</u>	<u>(3,537,186)</u>	<u>43,376,612</u>
LIABILITIES				
Agency funds held for others	<u>42,993,313</u>	<u>3,920,485</u>	<u>(3,537,186)</u>	<u>43,376,612</u>
Total liabilities	<u>\$ 42,993,313</u>	<u>\$ 3,920,485</u>	<u>\$ (3,537,186)</u>	<u>\$ 43,376,612</u>



Statistical Section



Statistical Section

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

CONTENTS

FINANCIAL TRENDS

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

REVENUE CAPACITY

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

DEBT CAPACITY

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

ECONOMIC AND DEMOGRAPHIC INFORMATION

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

OPERATING INFORMATION

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

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

COUNTY OF BUTTE, CALIFORNIA

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

(accrual basis of accounting)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<u>Governmental activities:</u>										
Net investment in capital assets	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	191,735,949
Restricted	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	84,756,029
Unrestricted	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	0
Total government net position	<u>383,092,273</u>	<u>375,799,541</u>	<u>369,702,295</u>	<u>345,691,347</u>	<u>350,484,621</u>	<u>347,861,221</u>	<u>329,645,273</u>	<u>283,939,186</u>	<u>288,897,001</u>	<u>276,491,978</u>
<u>Business-type activities:</u>										
Net investment in capital assets	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	10,771,716
Restricted	6,434,145	6,691,502	4,083,228	4,300,259	4,421,316	5,547,422	4,753,072	3,685,767	0	0
Unrestricted	(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	15,091,013
Total business net position	<u>14,523,299</u>	<u>14,686,366</u>	<u>17,338,823</u>	<u>18,946,805</u>	<u>20,131,718</u>	<u>22,036,309</u>	<u>22,465,196</u>	<u>25,462,743</u>	<u>25,273,088</u>	<u>25,862,729</u>
<u>Primary government:</u>										
Net investment in capital assets	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	202,507,665
Restricted	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	84,756,029
Unrestricted	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	15,091,013
Total primary government, net position	<u>397,615,572</u>	<u>390,485,907</u>	<u>387,041,118</u>	<u>364,638,152</u>	<u>370,616,339</u>	<u>369,897,531</u>	<u>352,110,469</u>	<u>309,401,929</u>	<u>314,170,089</u>	<u>302,354,707</u>

Source: Auditor-Controller, County of Butte

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
Expenses										
General government	28,108,571	16,617,793	19,086,835	20,865,771	20,710,290	25,025,047	29,168,334	30,060,660	28,890,588	33,407,790
Public protection	82,634,178	81,999,331	87,500,747	96,664,267	94,362,185	88,781,607	91,167,264	93,246,404	88,471,224	86,186,647
Public ways and facilities	17,520,672	31,531,708	34,623,721	39,999,631	34,975,071	30,108,420	36,686,173	37,081,727	41,001,623	40,463,446
Health and sanitation	56,395,525	58,593,884	64,268,283	72,458,490	67,582,300	72,502,065	72,015,960	75,317,142	70,530,585	65,919,141
Public assistance	130,935,568	130,966,814	135,871,668	142,125,227	142,615,875	143,688,838	148,220,091	141,998,777	136,125,651	113,277,659
Education	2,723,315	2,905,270	3,117,432	3,394,070	3,291,233	2,805,328	2,959,473	3,208,699	2,486,523	2,514,061
Culture and recreation services	499,967	658,741	604,386	374,615	524,852	512,353	530,319	583,937	166,481	235,251
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	1,967,756
Total	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	343,971,751
Program revenue										
Charges for services:										
General government	16,760,879	16,779,891	19,903,572	20,463,697	16,567,360	21,694,710	22,092,523	19,859,373	10,020,782	8,151,708
Public protection	6,461,794	5,581,142	5,285,862	6,000,509	9,180,534	10,708,534	10,398,936	9,364,760	7,597,320	9,351,682
Public ways and facilities	2,680,446	2,932,837	3,439,296	3,547,975	4,082,071	2,225,165	2,216,854	2,286,810	1,057,902	1,021,132
Health and sanitation	4,109,596	4,041,916	5,011,027	5,176,893	5,673,115	5,756,094	5,785,533	5,607,738	3,945,720	3,859,066
Public assistance	393,023	205,520	354,261	543,906	711,842	676,610	1,079,724	1,012,741	316,723	308,210
Education	72,532	118,108	101,360	89,362	113,684	146,212	146,391	146,391	0	91,604
Culture and recreation services	0	101,775	115,716	120,209	0	0	0	0	0	8,887
Operating grants and contributions	184,501,125	194,629,899	206,381,946	214,119,802	222,937,925	222,575,034	227,348,490	238,623,299	231,245,236	210,165,754
Capital grants and contributions	14,939,327	11,982,196	13,136,901	12,981,464	16,299,993	20,924,224	10,465,668	13,263,837	17,867,527	18,636,817
Total governmental activities program revenues	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	251,594,860
Net expense	(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)	(92,376,891)
General revenue and transfers										
Taxes:										
Property taxes	34,260,317	41,656,548	45,641,947	47,928,940	49,534,039	49,822,100	47,576,400	46,504,613	47,223,804	48,772,866
Sales taxes	4,952,509	3,371,227	4,551,967	4,006,588	3,525,252	3,502,003	3,825,307	3,809,695	3,911,514	4,412,158
Other taxes and related revenues	1,935,715	1,624,332	1,356,479	989,470	1,031,960	1,010,109	942,242	1,022,342	1,311,434	1,158,582
Grants and contributions not restricted to specific programs	18,526,669	25,122,030	21,030,134	21,299,136	17,253,122	15,503,952	16,753,325	17,747,085	17,353,808	17,215,683
Unrestricted investment earnings	3,291,173	1,474,933	5,558,955	5,367,056	4,832,431	3,218,361	3,053,171	1,751,760	3,167,371	3,951,322
Gain (Loss) on sale of assets	(66,147)	19,610	0	0	0	0	0	0	0	0
Miscellaneous	19,507,815	8,327,670	11,430,359	12,932,121	11,688,662	4,521,606	4,886,259	3,934,721	5,044,991	4,459,282
Transfers	0	0	(8,770)	0	0	0	0	14,788	(24,770)	1,975
Total	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	79,971,868
Change in net assets-										
- governmental activities	(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)	(12,405,023)

(continued)

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Business-type activities										
Expenses										
Sanitation	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	5,898,830
Transit	2,243,837	2,528,381	23,907	388,537	0	0	0	0	0	0
Total business-type activities	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	5,898,830
Program revenue										
Charges for services:										
Sanitation	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	6,227,331
Transit	199,588	478,840	71,499	0	0	0	0	0	0	0
Operating grants and contributions	2,103,588	1,605,044	465,263	70,717	108,566	83,808	159,913	0	0	0
Total business-type activities program revenues	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	6,227,331
Net revenue (expense)	(696,353)	470,004	2,331,682	1,941,737	603,913	374,139	1,455,610	1,344,134	861,947	328,501
General revenues										
Unrestricted investment earnings	522,399	384,442	89,643	701,950	1,004,069	810,774	463,350	196,221	182,000	263,115
Gain (loss) on sale of assets	0	0	(2,528,082)	0	0	0	0	0	0	0
Miscellaneous	(11,506)	152,947	186,366	0	0	0	0	0	107,674	0
Transfers	0	0	0	8,770	0	0	0	(14,788)	24,770	(1,975)
Total general revenues	510,893	537,389	(2,252,073)	710,720	1,004,069	810,774	463,350	181,433	314,444	261,140
Change in net position - business-type activities	(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	589,641
Primary Government										
Expenses										
Governmental activities	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	343,971,751
Business-type activities	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	5,898,830
Total	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	349,870,581
Program revenue										
Governmental activities	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	251,594,860
Business-type activities	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	6,227,331
Total	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	257,822,191
Net expense	(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)	(92,376,891)
Governmental activities	(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)	(92,376,891)
Business-type activities	(696,353)	470,004	2,331,682	1,941,737	603,913	374,139	1,455,610	1,344,134	861,947	328,501
Total	(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)	(92,048,390)
General revenue										
Governmental activities	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	79,971,868
Business-type activities	510,893	537,389	(2,252,073)	710,720	1,004,069	810,774	463,350	181,433	314,444	261,140
Total	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	80,233,008
Change in net position	(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)	(12,405,023)
Governmental activities	(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)	(12,405,023)
Business-type activities	(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	589,641
Total primary government change in net position	(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)	(11,815,382)

Source: Auditor-Controller, County of Butte

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

For the Fiscal Year Ended June 30,

	2005	2006	2007	2008	2009	2010
General Fund						
Reserved for:						
Encumbrances	5,130,723	5,535,099	2,829,192	4,164,873	2,437,136	2,348,768
Imprest cash	45,145	45,095	45,595	44,095	44,245	84,345
Prepaid items	4,140	15,503	1,138	0	1,888	1,848
Deposits with others	2,500	2,500	2,500	2,500	2,500	2,500
General restrictions	3,165,083	5,196,551	5,586,824	10,611,120	11,560,087	13,844,851
Debt service	787,482	792,978	808,994	801,259	1,127,040	1,572,685
Inventory	0	0	0	0	0	154,369
Unreserved:						
Designated	24,366,630	19,626,639	3,894,494	91,826	232,510	115,000
Undesignated	10,776,705	15,813,037	16,857,031	10,160,457	9,059,057	16,710,645
Total general fund balance	44,278,408	47,027,402	30,025,768	25,876,130	24,464,463	34,835,011

All other Governmental Funds

Reserved for:						
Encumbrances	4,389,886	2,988,183	10,563,974	17,850,098	11,526,534	10,662,956
Imprest cash	1,215	1,165	1,815	1,750	1,700	2,700
Prepaid items	297	945	1,766	0	4,088	8,945
Deposits with others	500	297	297	297	297	297
Long-term loans receivable	2,226,168	2,074,395	0	0	0	0
Legislative/ Grant restrictions	731,130	948,144	1,961,755	21,963,318	22,424,759	25,932,333
Debt service	8,061,829	7,684,891	8,970,613	5,522,525	7,943,619	7,875,805
Inventories	267,580	310,556	231,586	293,954	273,707	284,270
Unreserved:						
Designated, reported in:						
Special revenue funds	6,053,130	7,102,915	23,931,864	0	4,558,541	4,460,824
Undesignated, reported in:						
Special revenue funds	10,816,972	14,336,025	8,439,849	1,249,734	12,604,968	15,206,987
Capital projects funds	90,015	129,562	220,031	848,587	295,664	551,122
Total other governmental fund balances	32,638,722	35,577,078	54,323,550	47,730,263	59,633,877	64,986,239

	2011	2012	2013	2014
General Fund				
Nonspendable	122,064	290,483	157,012	157,012
Restricted	13,842,210	18,714,771	19,171,026	19,171,026
Committed	2,628,878	808,712	5,831,455	5,831,455
Assigned	6,559,485	5,059,485	30,278	30,278
Unassigned	11,197,976	12,396,380	14,708,683	14,708,683
	34,350,613	37,269,831	39,898,454	39,898,454

All other Governmental Funds

Nonspendable	323,212	364,031	322,391	322,391
Restricted	64,521,687	64,470,569	67,838,156	67,838,156
Committed	0	0	0	0
Assigned	0	0	5,398,018	0
Unassigned	0	(1,726,040)	0	0
	64,844,899	63,108,560	73,558,565	68,160,547

Source: Auditor-Controller, County of Butte

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
REVENUE										
Taxes	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	54,343,606
License and permits	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	3,808,020
Fines, forfeitures and penalties	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	2,173,480
Revenues from use of money	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	3,719,926
Aid from other governments	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	245,850,909
Charges for services	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	16,810,792
Other	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	4,459,273
Total revenue	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	331,166,006
EXPENDITURES										
Current										
General government	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	34,986,797
Public protection	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	87,074,775
Public ways and facilities	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	21,242,482
Health and sanitation	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	65,096,539
Public assistance	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	112,558,765
Education	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	2,508,004
Recreation and cultural services	455,878	356,178	540,284	475,794	574,995	538,899	344,806	363,065	76,733	252,717
Debt service (1)										
Principal	0	4,160,315	5,562,451	2,854,718	6,774,954	746,483	767,210	765,957	738,305	1,105,042
Interest	0	3,259,717	4,218,911	4,226,524	3,599,724	2,597,561	2,398,702	2,387,171	2,001,044	1,969,457
Cost of issuance	0	162,344	19,300	0	0	0	0	0	0	0
Total expenditures	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	326,794,578
Excess (deficiency) of revenues over expenditures	(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)	4,371,428
OTHER FINANCING SOURCES (USES)										
Sales of capital assets	16,283	184,210	22,973	24,014	463,507	72,392	68,894	169,364	96,457	238,595
Transfers in	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	31,781,697
Transfers out	(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)	(31,079,685)
Proceeds from issuance of debt	52,387,282	15,474,418	1,254,300	23,535	123,162	0	0	272,915	0	1,539,884
Total other financing sources	52,672,036	13,137,733	5,218,320	557,791	1,277,428	361,167	1,218,580	764,834	882,628	2,480,491
SPECIAL ITEM										
Payment for unfunded actuarial liability	(49,100,000)	0	0	0	0	0	0	0	0	0
Net change in fund balance	(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)	6,851,919
Debt service as a percentage of noncapital expenditures	n/a	n/a	2.5%	3.1%	2.1%	2.9%	10%	0.9%	0.8%	0.9%

Source: Auditor-Controller, County of Butte

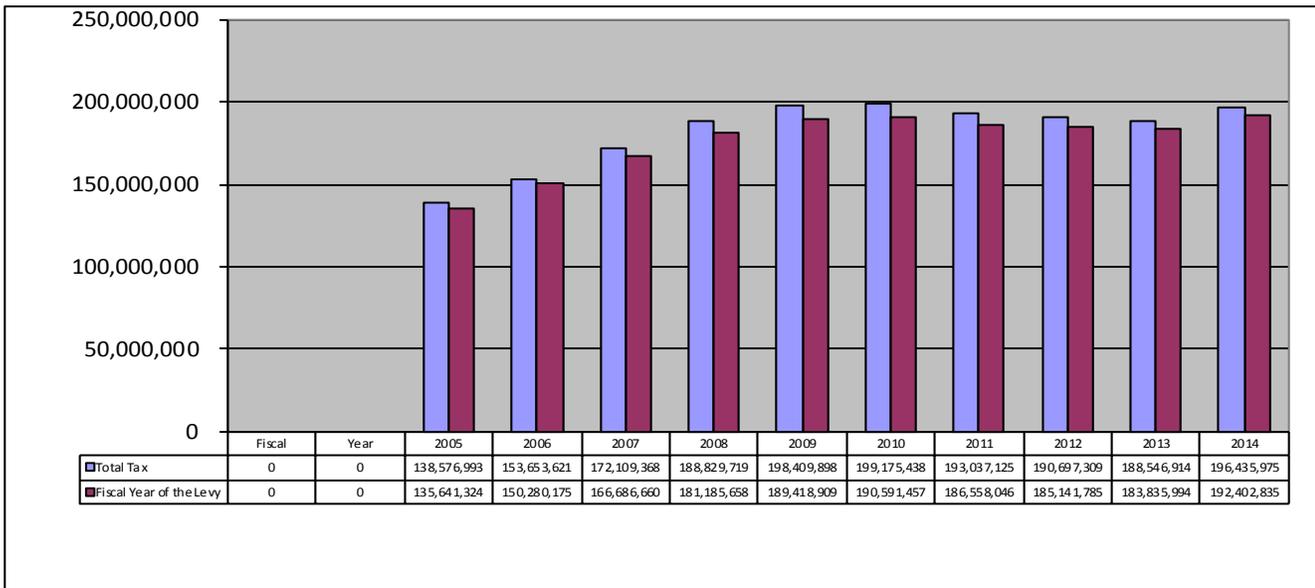
Note 1: Debt service was shown as a separate function during fiscal year 2004-05

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

Fiscal Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections of Delinquent Tax from Prior Years(1)	Total Collections to Date (2)	
		Amount Collected	Percentage of Levy		Amount Collected	Percentage of Levy
2005	138,576,993	135,641,324	97.88%	1,860,069	137,501,392	99.22%
2006	153,653,621	150,280,175	97.80%	2,385,542	152,665,717	99.36%
2007	172,109,368	166,686,660	96.85%	3,058,897	169,745,557	98.63%
2008	188,829,719	181,185,658	95.95%	4,143,155	185,328,813	98.15%
2009	198,409,898	189,418,909	95.47%	4,496,295	193,915,204	97.73%
2010	199,175,438	190,591,457	95.69%	4,447,409	195,038,866	97.92%
2011	193,037,125	186,558,046	96.64%	2,945,199	189,503,245	98.17%
2012	190,697,309	185,141,785	97.09%	2,537,452	187,679,237	98.42%
2013	188,546,914	183,835,994	97.50%	2,528,186	186,364,180	98.84%
2014	196,435,975	192,402,835	97.95%	-	192,402,835	97.95%

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
2005	13,489,660,152	21,878,301	671,570,735	14,183,109,188
2006	15,151,263,794	19,279,234	728,715,203	15,899,258,231
2007	16,635,665,987	8,367,262	772,641,464	17,416,674,713
2008	17,533,281,603	7,930,798	836,615,856	18,377,828,257
2009	17,425,202,572	7,930,548	867,695,459	18,300,828,579
2010	17,072,831,203	5,152,377	867,854,918	17,945,838,498
2011	16,727,958,629	4,882,202	915,364,830	17,648,205,661
2012	16,485,706,992	4,857,082	905,984,882	17,396,548,956
2013	16,742,852,223	4,821,511	933,668,753	17,681,342,487
2014	17,332,622,639	6,270,694	986,767,326	18,325,660,659

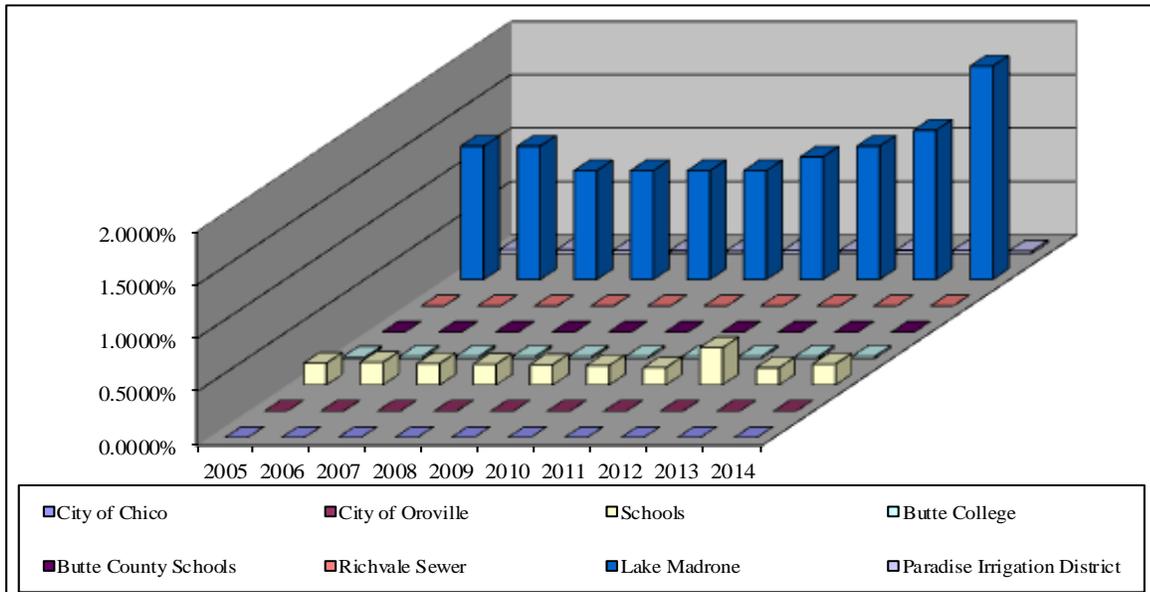
Note: Total estimated actual value of taxable property was not reasonably estimable.

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	
2005	1.00%	0.000%	0.000%	0.2034%	0.0160%	0.000%	0.0000%	1.250%	0.034%	2.5034%
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%	0.1997%	0.0209%	0.000%	0.0000%	1.020%	0.027%	2.2676%
2008	1.00%	0.000%	0.000%	0.1939%	0.0209%	0.000%	0.0000%	1.020%	0.024%	2.2588%
2009	1.00%	0.000%	0.000%	0.1899%	0.0209%	0.000%	0.0000%	1.020%	0.022%	2.2528%
2010	1.00%	0.000%	0.000%	0.1822%	0.0209%	0.000%	0.0000%	1.020%	0.026%	2.2491%
2011	1.00%	0.000%	0.000%	0.1620%	0.0209%	0.000%	0.0000%	1.150%	0.024%	2.3569%
2012	1.00%	0.000%	0.000%	0.3479%	0.0209%	0.000%	0.0000%	1.250%	0.028%	2.6468%
2013	1.00%	0.000%	0.000%	0.1603%	0.0209%	0.000%	0.0000%	1.400%	0.026%	2.6072%
2014	1.00%	0.000%	0.000%	0.1955%	0.0209%	0.000%	0.0000%	2.000%	0.021%	3.2374%

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		
	Rank	Assessed Valuation	Percentage of Total Assessed	Rank	Assessed Valuation	Percentage of Total Assessed
Pacific Gas and Electric Company	1	\$ 510,503,617	3.048%	1	\$ 346,921,754	2.595%
Wild Goose Storage LLC	2	185,381,328	1.107%	2	91,461,818	0.684%
Pacific Bell California	3	54,312,968	0.324%	3	58,258,685	0.436%
Chico Mall Investors LP	4	50,946,525	0.304%	5	28,858,611	0.216%
Pacific Realty Associates L P	5	45,764,369	0.273%		-	-
Farmland Reserve, Inc.	6	45,358,345	0.271%			
Merle A Webb & Sons	7	42,221,734	0.252%		-	-
Union Pacific Railroad Company	8	34,431,025	0.206%			
Chico Crossroads LP	9	33,235,000	0.198%			
Pacific Coast Producers	10	29,155,088	0.174%	9	23,425,271	0.175%
Largest Secured Property Valuation		1,031,309,999	6.157%		548,926,139	4.106%
Other Secured Taxpayers		15,716,363,735			12,822,255,583	
Total Secured Property Valuation - net of exemptions		\$ 16,747,673,734			\$ 13,371,181,722	
Other Secured Taxpayers		17,338,893,333			13,371,181,722	
Total Secured Property Valuation - net of exemptions		\$ 17,338,893,333			\$ 13,371,181,722	

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

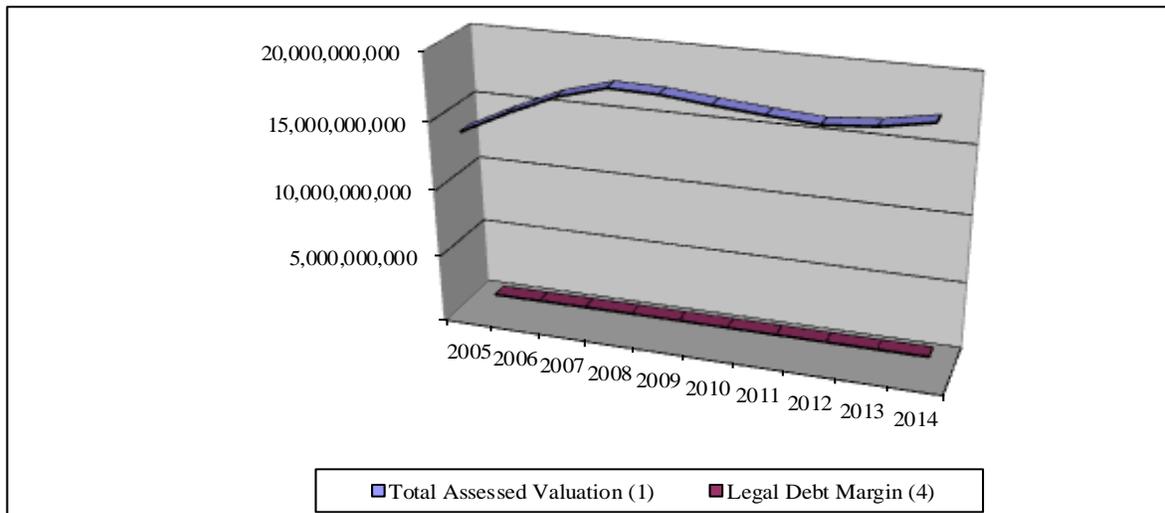
COUNTY OF BUTTE, CALIFORNIA

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
2005	14,183,109,188	177,288,865	-	177,288,865	100%
2006	15,899,258,231	198,740,728	-	198,740,728	100%
2007	17,416,674,713	217,708,434	-	217,708,434	100%
2008	18,377,828,257	229,722,853	-	229,722,853	100%
2009	18,300,828,579	228,760,357	-	228,760,357	100%
2010	17,945,838,498	224,322,981	-	224,322,981	100%
2011	17,648,205,661	220,602,571	-	220,602,571	100%
2012	17,396,548,956	217,456,862	-	217,456,862	100%
2013	17,681,342,487	221,016,781	-	221,016,781	100%
2014	18,325,660,659	229,070,758	-	229,070,758	100%

Note:

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



Source: Auditor-Controller, County of Butte

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

Fiscal Year	County Population (1)	Assessed Value	Gross Bonded Debt	Debt Payable from Enterprise Revenue	Net Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2005	214,119	14,183,109,188					
2006	217,209	15,899,258,231					
2007	218,069	17,416,674,713					
2008	220,407	18,377,828,257					
2009	220,748	18,300,828,579					
2010	221,331	17,945,838,498					
2011	221,388	17,648,205,661					
2012	221,273	17,396,548,956					
2013	221,485	17,681,342,487					
2014	222,316	18,325,660,659					

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				
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	0.3754%	1.02%	311
2010	50,403	1,945	2,278	922	300	11,300	20	67,167	0.3743%	0.94%	303
2011	49,895	2,439	2,053	848	250	10,550	-	66,035	0.3742%	0.88%	298
2012	49,895	1,835	1,575	699	200	9,770	-	63,974	0.3677%	0.84%	289
2013	49,895	1,835	1,575	699	150	8,960	559	63,673	0.3601%	0.87%	287
2014	49,545	1,422	1,322	2,150	100	8,210	951	63,700	0.3476%	0.81%	287

Source: Auditor-Controller, County of Butte

COUNTY OF BUTTE, CALIFORNIA
OVERLAPPING BONDED DEBT
JUNE 30, 2014

2013-14 Assessed Valuation: \$18,790,698,163

	Total Debt <u>6/30/14</u>	<u>% Applicable (1)</u>	County's Share of <u>Debt 6/30/14</u>
OVERLAPPING TAX AND ASSESSMENT DEBT:			
Butte-Glenn Community College District	\$ 73,013,079	87.637%	\$ 63,986,472
Yuba Joint Community College District	125,466,219	0.167	209,529
Chico Unified School District	61,695,000	100.	61,695,000
Marysville Joint Unified School District	67,813,777	1.224	830,041
Gridley Unified School District School Facilities Improvement District No. 1	2,455,000	100.	2,455,000
Oroville Union High School District	17,741,385	100.	17,741,385
Manzanita School District	610,000	100.	610,000
Oroville School District	3,451,411	100.	3,451,411
Thermalito Union School District	1,710,867	100.	1,710,867
Sutter Butte Flood Control Agency Assessment District	41,035,000	100.	<u>2,482,207</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$155,171,912
DIRECT AND OVERLAPPING GENERAL FUND DEBT:			
Butte County Certificates of Participation	\$ 9,537,333	100. %	\$ 9,537,333
Butte County Pension Obligation Bonds	49,545,000	100.	49,545,000
Butte-Glenn Community College District General Fund Obligations	2,255,000	87.637	1,976,214
Yuba Joint Community College District General Fund Obligations	17,986,422	0.167	30,037
Chico Unified School District Certificates of Participation	935,000	100.	935,000
Paradise Unified School District Certificates of Participation	910,000	100.	910,000
City of Oroville Pension Obligation Bonds	5,745,000	100.	5,745,000
City of Paradise Pension Obligation Bonds	7,802,928	100.	<u>7,802,928</u>
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$76,481,512
OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):	\$129,875,000	100. %	\$129,875,000
TOTAL DIRECT DEBT			\$59,082,333
TOTAL OVERLAPPING DEBT			\$307,446,091
COMBINED TOTAL DEBT			\$361,528,424 (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 2013-14 Assessed Valuation:

Total Overlapping Tax and Assessment Debt.....	0.83%
Total Direct Debt (\$59,082,000)	0.31%
Combined Total Debt	1.92%

Ratios to Redevelopment Successor Agencies Incremental Valuation (\$3,135,527,086):

Total Overlapping Tax Increment Debt	4.14%
--	-------

Source: California Municipal Statistics, Inc.

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Obligation										
Bonds	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	49,545,000
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	9,355,363
Total Net Obligation										
Bonds Outstanding:	36,230,917	49,954,720	47,887,389	45,189,373	42,686,206	42,669,966	41,106,365	41,092,561	41,050,785	40,189,637
Percentage of Estimated Actual Taxable Value of Property	0.26%	0.31%	0.27%	0.25%	0.23%	0.24%	0.23%	0.24%	0.23%	0.22%
Per Capita	\$ 166.8	\$ 229.1	\$ 217.3	\$ 204.7	\$ 192.9	\$ 192.7	\$ 185.8	\$ 185.5	\$ 185.3	\$ 181.5

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)		
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%
2014	222,316	7,907,991,000	35,696	31,069	8.3%

Detail of estimated population, as June, 2014:

Incorporated Cities/Towns:

City of Biggs	1,684
City of Chico	88,389
City of Gridley	6,739
City of Oroville	15,980
Town of Paradise	26,109
Total of incorporated	138,901
Total of unincorporated	83,415
Total Population	222,316

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, 2014

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

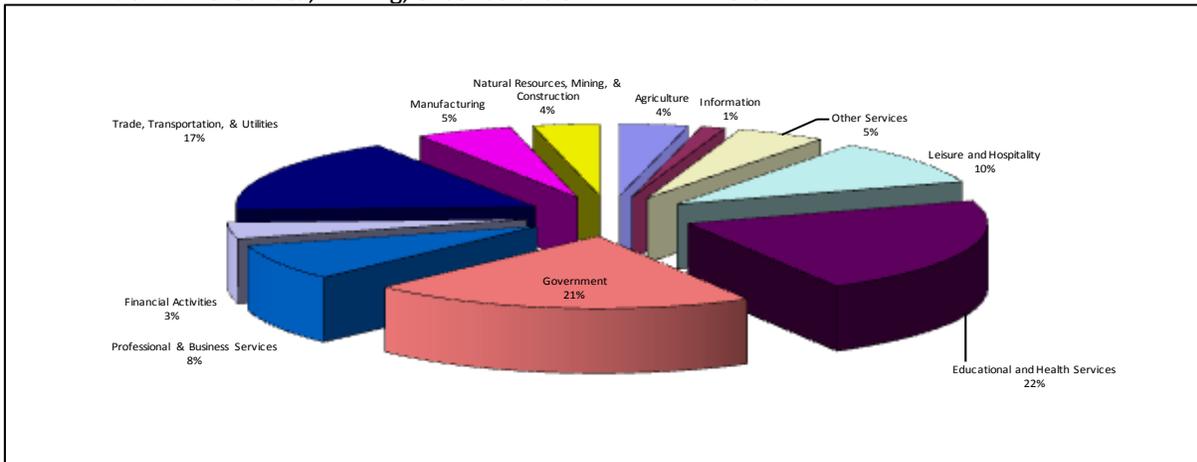
Form of Government: General Law County, governed by a five-member Board of Supervisors

Fiscal Year Begins: July 1

County Employees: as of June 30, 2014: 2,274

Employment Distribution (2013 Annual Average)(1):

Agriculture	3.7%
Information	1.3%
Other Services	4.8%
Leisure and Hospitality	10.1%
Educational and Health Services	21.8%
Government	20.8%
Professional & Business Services	8.1%
Financial Activities	3.6%
Trade, Transportation, & Utilities	16.9%
Manufacturing	5.2%
Natural Resources, Mining, & Construction	3.6%



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, 2014 and Ten Years Ago

Major County Employers

Company	2014			2005		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Enloe Medical Center, Inc.	2,350	1	2.48%	n/a	n/a	n/a
Butte County	2,274	2	2.40%	n/a	n/a	n/a
California State University, Chico	1,847	3	1.95%	n/a	n/a	n/a
Chico Unified School District	1,800	4	1.90%	n/a	n/a	n/a
Pacific Coast Producers	1,200	5	1.27%	n/a	n/a	n/a
Feather River Hospital	1,160	6	1.23%	n/a	n/a	n/a
Butte County Office of Education	1,100	7	1.16%	n/a	n/a	n/a
Butte Glenn Community College	971	8	1.03%	n/a	n/a	n/a
Associated Students California	750	9	0.79%	n/a	n/a	n/a
Oroville Hospital	637	10	0.67%	n/a	n/a	n/a
Total	<u>14,089</u>		<u>14.89%</u>			

Note: June 30, 2005 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

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Sheriff										
Number of Bookings	12,964	13,543	13,920	12,693	14,241	13,487	12,792	13,285	12,597	13,009
Coroner Case Load	1,618	1,701	1,709	1,632	1,677	1,734	1,606	1,656	1,729	1,521
Calls for Services - Unincorp. Are	43,585	43,261	56,131	64,121	63,871	63,787	60,499	58,843	63,664	62,065
Fire										
Medical Assistance	13,964	13,240	8,287	8,101	8,021	11,941	12,054	12,511	12,255	11,148
Fires Extinguished	884	740	753	1,311	1,089	2,169	2,022	2,311	2,426	2,167
Probation										
Juveniles in Detention (bed days)	19,967	20,987	21,484	19,242	17,949	17,564	17,789	17,593	17,086	12,466
Waste Management										
Landfill Tonnage	202,189	191,676	196,153	192,073	163,370	152,257	152,822	154,531	153,691	135,919
Recycling Tonnage	20,186	13,640	26,484	23,377	19,390	13,768	12,420	12,094	11,643	13,183
County Libraries										
Total Circulation	662,590	723,178	744,881	826,821	910,249	840,078	918,069	963,052	748,756	980,903
Reference Questions Answered	41,672	37,703	36,948	38,546	42,366	27,449	32,526	39,798	39,798	50,391
Patrons	106,696	96,049	90,702	93,616	94,574	79,326	74,057	80,135	87,954	103,439
Programs Offered	975	1,169	1,019	1,214	1,353	1,415	1,377	1,510	1,510	2,010
Program Attendance	18,917	22,510	23,439	30,916	34,764	28,395	32,943	36,751	6,036	27,554
Visitor Count	628,430	662,302	656,949	723,460	756,901	642,112	640,096	672,851	672,851	622,692
Clerk- Recorder										
Official Records Recorded	77,545	74,963	77,497	61,002	51,388	52,738	52,863	53,996	62,605	51,662
Vital Records Copies Issued	12,813	13,179	13,903	13,629	13,689	12,430	12,393	11,771	10,785	11,410
Official Records Copies Issued	7,319	6,665	6,442	6,172	5,408	4,272	5,431	5,161	4,954	4,347
Community Health Agency										
Facilities Inspections	3,200	4,015	4,905	5,577	5,276	5,714	5,704	4,905	4,827	5,333
Public Social Services										
CalWORKS Clients	122,799	115,616	121,734	105,953	103,947	102,663	103,267	101,884	100,669	97,567
Food Stamp Clients	206,012	209,550	221,324	228,513	251,732	290,417	311,695	339,557	356,989	365,153
Medi- Cal Clients	152,590	148,090	144,901	159,384	157,048	169,544	245,592	230,464	211,106	242,111
In- Home Support Services	33,044	30,927	36,416	35,951	37,593	36,322	33,376	33,660	33,749	31,952
Foster Care Placements	9,166	8,859	8,343	8,417	7,542	7,065	5,812	5,070	4,402	4,615
Child Welfare Services	12,193	12,019	11,130	12,282	11,237	10,150	9,800	8,936	7,441	6,581

Source: Auditor- Controller, County of Butte

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

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Sheriff										
Patrol Stations	4	4	4	4	4	4	4	4	4	4
Patrol Vehicles	65	65	60	60	50	50	61	82	81	92
Fire										
Stations	26	26	26	26	26	26	26	26	26	12
Trucks	40	40	40	40	40	40	40	40	40	16
Waste Management										
Landfills	1	1	1	1	1	1	1	1	1	1
Capacity in Tons	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	11,233,172
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	296,795	299,262	309,681	306,155	321,799	302,828	243,280	256,893	246,731	222,150
Electronic Books	n/a	3,406	581							



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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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