



Mary Taylor, CPA
Auditor of State

BUTLER COUNTY
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BUTLER COUNTY

**FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2006**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<u>U.S DEPARTMENT OF AGRICULTURE</u>			
Water & Waste Disposal Systems for Rural Communities	N/A	10.760	\$3,637,236
<i>Passed Through Ohio Department of Education:</i>			
<i>Child Nutrition Cluster:</i>			
School Breakfast Program	065888-O5NP-2004/2005	10.553	18,526
National School Lunch Program	065888-LLN1-2004/2005	10.555	149,590
Total Child Nutrition Cluster			<u>168,116</u>
Total U.S. Department of Agriculture			<u>3,805,352</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Community Development Entitlement Grant	B-0X-UC-39-0008	14.218	1,339,880
HOME Investment Partnerships Program	M-0X-DC-39-0222	14.239	<u>1,090,857</u>
Total U.S. Department of Housing and Urban Development			<u>2,430,737</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Public Safety Partnership & Community Policing Grant	2003UMWX0088	16.710	140,116
Byrne Memorial Grants (Domestic Violence Support)	2005-DJ-BX-1359	16.738	120,628
Byrne Memorial Grants (Domestic Violence Support)	2005-JG-D01-6280	16.738	21,359
Total Byrne Memorial Grants (Domestic Violence Support)			<u>141,987</u>
<i>Passed Through Ohio Office of Criminal Justice Services:</i>			
Byrne Memorial Formula Grant Program	2004-DG-D02-7423	16.579	10,000
Byrne Memorial Grants (Bullying & Hate Crime Project)	2003-DG-B01-7051	16.580	3,325
Juvenile Justice Substance Abuse	2003-RS-SAT-127	16.593	52,798
Violence Against Women Act	2005-WF-VA5-8807	16.588	<u>42,403</u>
<i>Total Passed Through Ohio Office of Criminal Justice Services</i>			<u>108,526</u>
<i>Passed Through Ohio Department of Youth Services:</i>			
Juvenile Accountability Incentive Block Grant	2003-JB-002-B038	16.523	7,062
	2005-JB-015-A025		7,072
	2006-JB-015-A025		44,460
<i>Total Passed Through Ohio Department of Youth Services</i>			<u>58,594</u>
<i>Passed Through Ohio Attorney General's Office:</i>			
Crime Victim Assistance	2006VAGENE103	16.575	83,087
	2005VAGENE103		25,011
	2006VADSCE464		8,382
	2007VADSCE464		21,911
Total Crime Victim Assistance			<u>138,391</u>
<i>Total Passed Through Ohio Attorney General's Office</i>			<u>138,391</u>

(Continued)

BUTLER COUNTY

**FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2006
(Continued)**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
Total U.S. Department of Justice			<u>587,614</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION/FEDERAL HIGHWAY ADMINISTRATION</u>			
<i>Passed Through Ohio Department of Transportation:</i>			
Highway Planning and Construction	PID 18961	20.205	3,342,844
	PID 75512		<u>56,220</u>
Total Highway Planning and Construction			3,399,064
<i>Total Passed Through Ohio Department of Transportation</i>			<u>3,399,064</u>
<i>Passed Through Ohio Governor's Highway Safety Office:</i>			
STEP Grant	LEO-2006-9-00-00-00655	20.601	<u>45,599</u>
Total U.S. Department of Transportation			<u>3,444,663</u>
<u>NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION</u>			
<i>Passed Through Ohio Governor's Highway Safety Office:</i>			
State and Community Highway Safety	TE-2006-9-00-00-00466-00	20.600	<u>21,829</u>
Total National Highway Traffic Safety Administration			<u>21,829</u>
<u>U.S. DEPARTMENT OF LABOR</u>			
<i>Passed Through Ohio Department of Jobs & Family Services:</i>			
Workforce Investment Act Cluster			
Workforce Investment Act - Youth Activities			418,540
Workforce Investment Act - Youth Activities -- Administrative			<u>36,522</u>
Workforce Investment Act -- Youth Total	N/A	17.259	455,062
Workforce Investment Act - Adult			
Workforce Investment Act - Adult -- Administrative			273,798
Workforce Investment Act -- Adult Total	N/A	17.258	<u>23,891</u>
			297,689
Workforce Investment Act - Dislocated Workers			
Workforce Investment Act - Dislocated Workers -- Administrative			364,869
Workforce Investment Act - Dislocated Workers Total	N/A	17.260	<u>31,838</u>
			396,707
Total Workforce Investment Act			1,149,458
Welfare to Work	N/A	17.253	<u>439,045</u>
<i>Total passed through Ohio Department of Job and Family Services</i>			<u>1,588,503</u>
Total U.S. Department of Labor			<u>1,588,503</u>
<u>U.S. DEPT. OF TRANSPORTATION/ FEDERAL AVIATION ADMINISTRATION</u>			
Airport Improvement Grant	3-39-0039-1706	20.106	<u>661,927</u>
Total Federal Aviation Administration			<u>661,927</u>

(Continued)

BUTLER COUNTY

**FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2006
(Continued)**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<u>ENVIRONMENTAL PROTECTION AGENCY</u>			
EPA Grant	XP-00E07301-0	66.202	144,300
Total Environmental Protection Agency			144,300
<u>U.S. DEPARTMENT OF EDUCATION</u>			
<i>Passed Through Ohio Department of Education:</i>			
<i>Special Education Cluster</i>			
Title VI-B	PGS1-2004/2005	84.027	73,013
Preschool Grant	6BSF-2004/2005	84.173	10,801
Total Special Education Cluster			83,814
Title V - Innovative Program	C2S1-2005/2006	84.298	434
Total U.S. Department of Education			84,248
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
<i>Passed Through Ohio Department of Mental Health:</i>			
All HAZARD Grant		93.003	1,636
PATH Federal Grant		93.150	65,784
FAST Federal Grant		93.556	18,801
<i>Passed Through Ohio Department of Mental Health:</i>			
Title XX Social Service Block Grant	N/A	93.667	288,688
<i>Passed Through Ohio Department of Mental Retardation and Developmental Disabilities:</i>			
Title XX Social Service Block Grant	N/A	93.667	223,738
Total Title XX Social Service Block Grant			512,426
<i>Passed Through Ohio Department of Mental Health:</i>			
Title XIX Medical Assistance Program	N/A	93.778	6,092,670
<i>Passed Through Ohio Department of Alcohol and Drug Addiction Services:</i>			
Title XIX Medical Assistance Program	N/A	93.778	821,883
<i>Passed Through Ohio Department of Mental Retardation and Developmental Disabilities:</i>			
Title XIX Medical Assistance Program	N/A	93.778	
Waiver Administration			4,857,164
CAFS-Adults			3,829
CAFS-Children			126
TCM			4,587,551
Supported Employment			2,976
Administrative Fees			262,118
Total Passed Through Ohio Department of Mental Retardation and Development Disabilities			9,713,764

(Continued)

BUTLER COUNTY

**FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2006
(Continued)**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
Total Title XIX Medical Assistance Program		93.778	16,628,317
<i>Passed Through Ohio Department of Mental Health:</i>			
Early Childhood Mental Health Consultation	N/A	93.590	75,875
Block Grant for Community Mental Health Services	N/A	93.958	<u>111,923</u>
Total Block Grant for Community Mental Health Services			<u>187,798</u>
<i>Passed Through Ohio Department of Alcohol and Drug Addiction Services:</i>			
Block Grant for the Prevention and Treatment of Substance Abuse	N/A	93.959	2,075,639
<i>Passed Through Ohio Department of Mental Health:</i>			
State Children's Insurance Program (SCHIP)	N/A	93.767	461,690
<i>Passed Through Ohio Secretary of State:</i>			
Title XIX Medical Assistance Program	N/A	93.617	874
<i>Passed Through Ohio Department of Alcohol and Drug Addiction Services:</i>			
Comprehensive Conflict Management Grant	N/A	93.243	57,500
<i>Passed Through Ohio Department of Job and Family Services:</i>			
CSAT	N/A	93.243	185,176
<i>Passed Through Ohio Department of Alcohol and Drug Addiction Services:</i>			
Head Substance Abuse Prevention Program	N/A	81.186A	<u>27,329</u>
Total U.S. Department of Health and Human Services			<u>20,222,970</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
<i>Passed through Ohio Emergency Management Agency:</i>			
State Domestic Preparedness Support Program	2004-GE-T4-0025	97.004	11,072
ODP Citizens Corps Program Grant	2004-GC-T4-0025	97.053	5,957
State Homeland Security Program (SHSP)	2005-GE-T5-0001 2006-GE-T6-0051 2003-MUP-30015	97.073	648,726 12,328 <u>37,107</u>
Total U.S. Department of Homeland Security			<u>715,190</u>
Total			<u><u>\$33,707,333</u></u>

The accompanying notes to this schedule are an integral part of this schedule.

BUTLER COUNTY

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE
YEAR ENDED DECEMBER 31, 2006**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Expenditures Schedule (the Schedule) summarizes the activity of the County's federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE B – MATCHING REQUIREMENTS

Certain federal programs require that the County contribute non-Federal fund (matching funds) to support the Federally-funded programs. The County has complied with such matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.

NOTE C – WORKFORCE IMPROVEMENT ACT (WIA) FUNDING

WIA funding is distributed to various areas of the State. Butler, Clermont, and Warren Counties belong to Area 12. Butler County receives all funding for Area 12, and, as fiscal agent, distributes amounts to Clermont and Warren Counties. The County distributed \$1,171,128 and \$626,334 to Clermont and Warren Counties, respectively during fiscal year 2006.

NOTE D - CHILD NUTRITION CLUSTER

Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first.

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Butler County
130 High Street
Hamilton, Ohio 45011

To the County Commissioners:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of Butler County, Ohio (the County), as of and for the year ended December 31, 2006, which collectively comprise the County's basic financial statements and have issued our report thereon dated July 24, 2007. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the County's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the County's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the County's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the County's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

We noted certain matters that we reported to the County's management in a separate letter dated July 24, 2007.

Corporate Centre of Blue Ash / 11117 Kenwood Rd. / Blue Ash, OH 45242
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Compliance and Other Matters

As part of reasonably assuring whether the County's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note certain noncompliance or other matters that we reported to the County's management in a separate letter dated July 24, 2007.

We intend this report solely for the information and use of the audit committee, management, Board of County Commissioners, and federal awarding agencies and pass-through entities. We intend it for no one other than these specified parties.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

July 24, 2007



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Butler County
130 High Street
Hamilton, Ohio 45011

To the County Commissioners:

Compliance

We have audited the compliance of Butler County, Ohio (the County), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that apply to each of its major federal programs for the year ended December 31, 2006. The summary of auditor's results section of the accompanying schedule of findings identifies the County's major federal programs. The County's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the types of compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, Butler County complied, in all material respects, with the requirements referred to above that apply to each of its major federal programs for the year ended December 31, 2006.

Internal Control Over Compliance

The County's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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A *control deficiency* in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that the entity's internal control will not prevent or detect more-than-inconsequential noncompliance with a federal program compliance requirement.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that the County's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Federal Awards Expenditures Schedule

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of Butler County, Ohio as of and for the year ended December 31, 2006, and have issued our report thereon dated July 24, 2007. Our audit was performed to form opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying federal awards expenditures schedule provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

We intend this report solely for the information and use of the audit committee, management, Board of County Commissioners, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



Mary Taylor, CPA
Auditor of State

July 24, 2007

BUTLER COUNTY
SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2006

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	CFDA # 93.778 Title XIX Medical Assistance Program CFDA # 20.205 Highway Planning and Construction CFDA # 93.959 Block Grant for Prevention & Treatment of Substance Abuse
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$1,011,220 Type B: all others > \$101,112
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
 REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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BUTLER COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A -133 § .315 (b)

DECEMBER 31, 2006

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2005-001	ORC Section 305.10. Board of Commissioners must maintain a full record of the proceedings of the Board.	No	Partially corrected. Re-issue as a 2006 management letter comment.

BUTLER COUNTY OHIO

Comprehensive Annual Financial Report



For The Year Ended December 31, 2006

In The Spotlight: Butler County Sheriff's Office

Butler County Sheriff's Office



Butler County, Ohio

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2006**

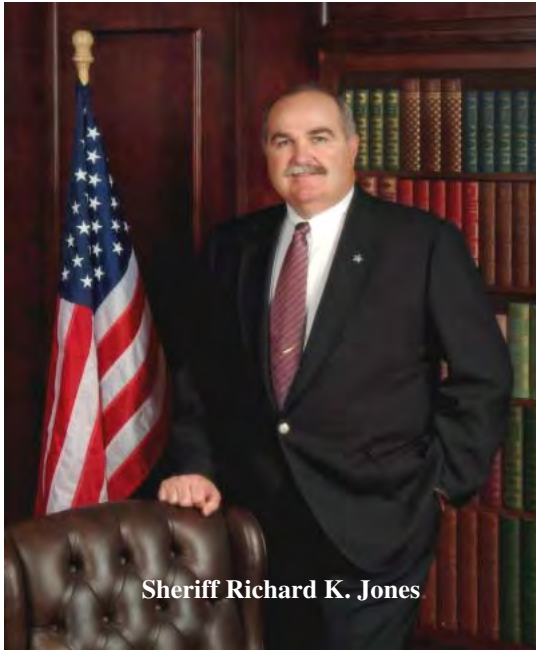
**ISSUE BY:
KAY ROGERS, CPA, CGFM
BUTLER COUNTY AUDITOR**

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INTRODUCTORY SECTION

Focus

This year the Butler County Ohio Comprehensive Annual Financial Report features the Butler County Sheriff's Office.

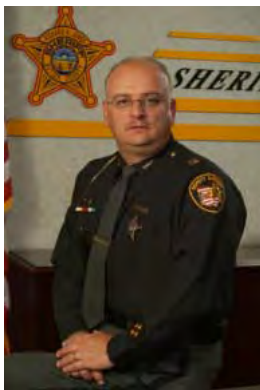


Sheriff Richard K. Jones



Chief Deputy Anthony Dwyer

Richard K. Jones was sworn in as the 45th Sheriff of Butler County on Monday, January 3, 2005. Anthony E. Dwyer was immediately promoted to second in command as Chief Deputy. Sheriff Jones also promoted Norm Lewis and William Stump to Majors, as well as Richard Greer, Katie McMahon and Ed Martin to the rank of Captain.



Major Norm Lewis



Major William Stump



Captain Katie McMahon



Captain Richard Greer



Captain Ed Martin

Corrections Division



Deputy Pam Cox supervises a Chain Gang crew of inmates.



Deputy Warden Lt. Mike Craft of the main jail fills out some paperwork at his desk.



Medical Administrator Brian Ruhl examines data on his computer.



Medics Oney and Cruxton are in the inmate medical unit of the Corrections Division.

Special Units



The Clandestine Lab Response Unit conducts its work in specialized suits and breathing apparatus.



The Butler County Bike Patrol is another community-oriented policing program.

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Year Ended December 31, 2006

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

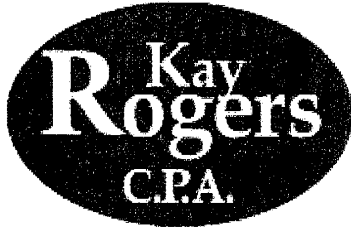
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BUTLER COUNTY AUDITOR

July 24, 2007

To the Citizens and
Board of Commissioners of Butler County:

Butler County is required by Ohio law to prepare an annual financial report using generally accepted accounting principles. It is our pleasure to present the Butler County Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2006.

The CAFR is prepared in conformance with generally accepted accounting principles as set forth by the Government Accounting Standards Board (GASB) and other recognized authoritative sources and contains basic financial statements, supplemental statements, and other financial and statistical information, providing complete and full disclosure of all material financial aspects of Butler County for 2006. This report is presented in fulfillment of the financial reporting requirement and is representative of our continual commitment to provide accurate and timely financial information to the citizens of Butler County.

Management assumes full responsibility for the accuracy and completeness of the information contained in this report, based upon a comprehensive framework of internal control. Because the cost of internal control should not exceed anticipated benefits, management's objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Our independent auditor, the Ohio Auditor of State, has issued an unqualified opinion on Butler County's financial statements for the year ended December 31, 2006. The independent auditor's report is located at the front of the financial section of this report.

Management provides an introductory overview, narrative, and analysis of the basic financial statements known as the Management's Discussion and Analysis (MD&A) to accompany the basic financial statements. This transmittal letter is intended to complement and be read in conjunction with the MD&A, which can be found immediately following the independent accountants' report.

FORM OF GOVERNMENT AND REPORTING ENTITY

Butler County, established in 1803, was one of Ohio's original eight counties. Located in Southwestern Ohio between Hamilton and Montgomery Counties, it shares its northern border with Preble County, and its eastern border with Warren County. To the west is the Indiana state line.

Butler County, with a 2006 estimated population of 352,310, ranks eighth largest of Ohio's 88 counties and third among the 14 counties comprising the Greater Miami Valley. The County encompasses 469 square miles with thirteen municipalities and thirteen townships. The City of Hamilton is the county seat and the largest of the incorporated areas with a population of 62,130. West Chester Township is the largest unincorporated area in the County and, with a population of 54,893, is Ohio's third-most populous township.

The County has only those powers conferred upon it by Ohio statutes. A three-member Board of County Commissioners, elected at large in the even numbered years for four-year, over-lapping terms, is the primary legislative and executive body of the County. An appointed County Administrator directs and supervises activities of departments directly responsible to the Board of County Commissioners. The Administrator's

responsibilities include coordinating the annual budgetary process as primary liaison between the Board of County Commissioners and other County elected officials, designated boards, and other units of government.

The Auditor, who serves as the chief fiscal officer and real estate property assessor for the County, and the Treasurer, who collects property taxes and is the custodian of all funds, are also elected to four-year terms. Other elected officials serving four-year terms include the Prosecuting Attorney, Sheriff, Engineer, Clerk of Courts, Recorder, and Coroner. Judges presiding over the Court of Common Pleas, Domestic Relations Court, Juvenile Court, Probate Court, and the County Court are also elected on a countywide basis.

The County provides its citizens with a wide range of services that include human and social services, health and community assistance related services, civil and criminal justice system services, road and bridge maintenance, and other general and administrative support services. The County maintains enterprise funds to account for the water and sewer system operations, as well as the operations of the Government Services Center parking facility. The County also maintains internal service funds for workers' compensation, the employee health insurance and the County fuel depot.

For financial reporting purposes, the County includes all funds, agencies, boards, and commissions making up Butler County (the Primary Government) and its Component Unit in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity." The Primary Government includes the financial activities of the County Board of Mental Retardation and Developmental Disabilities, Butler County Community Mental Health Board, Butler County Children Services Board, Butler County Planning Commission, Butler County Veterans Service Commission, Board of Elections, and Butler County Alcohol and Drug Addiction Services Board.

The County serves as fiscal agent but is not financially accountable for the following agencies: Butler County General Health District, Butler County Soil and Water Conservation District, Butler County Regional Transit Authority, Metroparks of Butler County, Twelfth District Court of Appeals, Regional Mobile Data Board and the Solid Waste Planning District; therefore, they are reflected as agency funds within the County's financial section.

Connex Group, Inc. has been included as a discretely presented component unit based on the significant services and resources provided by the County.

Excluded from the reporting entity because they are legally separate and fiscally independent of the County are the following agencies: Butler County Education Services Center, Butler County Technology and Career Development School (Joint Vocational School District), Butler County Historical Society, Butler County Law Library, Butler County Agricultural Society, Butler County Humane Society, Alcoholism Council of Butler County, Inc., Certified Development Corporation of Butler County, Inc., House of Calm, Inc. (dba Sojourner Home), Southwestern Ohio Serenity Hall, Drug Counseling Services of Butler County Ohio Inc., Pastoral Counseling Service of Middletown Inc., and the Center for Forensic Psychiatry, Inc.

The Butler County Alliance and Butler County Convention and Visitor Bureau are disclosed as governmental joint ventures. The Butler County Emergency Management Agency and the Transportation Improvement District of Butler County are disclosed as jointly governed organizations. The County Risk Sharing Authority and County Employee Benefits Consortium (CEBCO) as an insurance purchasing pool, are disclosed as risk sharing pools. The Regional Transit Authority is disclosed as a related organization of the County.

A complete discussion of the County's reporting entity is provided in Notes 1 and 20 to the Basic Financial Statements.

ECONOMIC CONDITION AND OUTLOOK

Butler County has been one of the fastest growing counties in Ohio over the last two decades. Recent census returns indicate that Butler County ranks fourth among Ohio's 88 counties in population growth. Considered the center of a "metroplex" connecting Cincinnati and Dayton, Butler County is at the center of a population and market of 2.8 million people. It has been projected that this area could rank among the ten largest markets in the nation by 2010. Served by rail lines, interstate highways, two nearby international airports, and a developing high-speed fiber-optic data communications infrastructure, Butler County is an ideal location for businesses to locate and prosper.

There is a wide diversity of industry in Butler County. What in years past used to be an area that was an industrial center for steel and paper manufacturing, the County is growing new economy industries and is now a magnet for consumer and pharmaceutical R&D, manufacturing technology, supply chain management, and healthcare and medical technology. Southwest Ohio is also attracts the pharmaceutical sector of the bioscience industry. Regional anchor Cincinnati is home to the headquarters of consumer and pharmaceutical product developer and manufacturer Procter & Gamble Co. as well as the Genome Research Institute, a world-class research center dedicated to the discovery and early development of novel and commercially viable therapeutic applications.

A total of 40,000 working scientists and engineers live within a 50 mile radius of Butler County and 58% of the County's population 25 and older has some college, an associate degree, a bachelor's degree, or graduate or professional degrees. Because of its location in the center of a region with a workforce of 1.547 million, Butler County has a distinct advantage in labor resources. Businesses in the County can draw employees with specialized skills locally as well as from the Cincinnati and Dayton metropolitan areas.

Butler County leads the region in job growth netting record numbers of new jobs in recent years. This pace has been sustained despite the fact that the rate of job growth in the State of Ohio is lagging behind other States. The majority of the growth in jobs was in medical or bio-tech related positions. Management expects the medical or bio-tech job growth to continue at least through to 2008 as a result of economic development activity that has created growth opportunities in the eastern sections of Butler County. Currently, there are at least four medical/hospital facilities planned in this area.

It has been reported that nearly half of the capital investment in the U.S. is now spent on enhancing information technology. Regions that can attract, grow, and retain firms and industries proficient at deploying information technology, in addition to producing it, will be at a competitive advantage. Butler County believes these market realities provide a basis for restructuring economic development strategies and therefore has invested heavily in broadband technology.

The County's fiber optic backbone network, consisting of 96 strands of fiber extending nearly 100 miles throughout the County, is a multi-million dollar network funded by Butler County and the private sector. Operational since 2002, the County has opened the door to high-speed connectivity for business, industry, and education and could soon be helping residents enjoy more efficient delivery of public services in their homes. The "open-access" fiber system assures market competition by allowing access to the system to anyone wanting to offer telecommunications and information services to our community. The potential for competition among cable television and telephone providers is good news for the County's resident consumers.

Butler County has demonstrated a history of sustainable tax base growth that can be utilized to fund governmental activities and the County's business activity enterprise funds are self supporting. Sales tax collections have remained steady in recent years and the passage in 2007 of the additional permanent .25% sales tax is a very positive impact on the future financial condition of Butler County, providing Butler County the ability to accomplish four important goals over the next five years. These include paying down short-term debt; increasing the level of cash reserves; providing for annual operating and maintenance expenses for the emergency radio system; and reacting to growth pressures in the general fund.

There are four key underpinnings to the long-term strength of Butler County including the continuance of growth in the tax base, the ability to increase sales tax above current levels, having funding in place for the annual operating and maintenance expenses of the interoperable emergency radio system, and a fully funded adult detention facility with capacity to contract with other counties for prisoner boarding.

Many counties are currently facing the dilemma to provide jail capacity and to fund interoperable emergency communications to meet the growth in the justice system. Butler County has been at the cutting edge in addressing these burdens by previously constructing and absorbing the impact of new adult detention facility and providing temporary and permanent sales tax revenue for the emergency communications system.

The long-term planning horizon for the ten- and fifteen-year strategic plans will be affected by the continued growth in the justice system. This growth will cause the County to use available resources and/or tax revenue capacity to fund capital investments in office facilities on County-owned properties. Master plans are on-going to identify and plan for the location for these long term projects.

MAJOR INITIATIVES

Water System

The water system serves more than 100,000 Butler County residents and businesses. The water system consists of five pump stations, numerous elevated storage tanks and reservoirs and 674 miles of water mains.

Two major water main construction projects took place in 2006. The replacement of polybutylene water service lines is an ongoing project, which began in 2004 and which will continue for a number of years. The Liberty-Fairfield Pump Station, which began construction in 2005 and continued through 2006, will have the capability of pumping over 9 million gallons per day and is expandable to a capacity of over 13 million gallons per day. This project is approximately 90% complete and is expected to be completed in early 2007.

The County began construction on a water transmission main (WTM) between Mulhauser Road and Rialto Road and another on State Route 4, started and completed two other WTM's on Millikin Road and Princeton Road.

Sewer System

The sewer system consists of two regional water reclamation facilities, four satellite treatment plants, 34 lift stations and 811 miles of sewer mains that return clean water to our rivers and streams.

The New Miami Water Reclamation Facility (WRF) was completed during 2006. The new plant services the Cherokee Park subdivision and the village of New Miami. The plant has adequate capacity to handle additional flow from other local communities. Total construction costs were approximately \$12 million.

The Upper Mill Creek Water Reclamation Facility (WRF) was also completed during 2006. The new plant now complies with the more stringent EPA permit requirements in our fastest growing service area. The \$12 million in construction costs allows the County to remove nutrients which could harm aquatic life and the local environment.

The County also initiated several projects from the Master Plan, including the LeSourdsville Regional Water Reclamation Facility (WRF), the upgrade and expansion of the Wade Mill WRF, and the Trenton lift station and wastewater transport facility.

Roads and Bridges

According to Ohio Law, the County Engineer is responsible for the construction, reconstruction, maintenance, and repair of all bridges and highways within the County that fall under the jurisdiction of the Board of County Commissioners. As of December 31, 2006, this responsibility included oversight over 267 miles of County roadways, 371 bridges, and 1,019 culverts. Additionally, the County Engineer is also responsible for the construction, reconstruction, resurfacing, or improvement of township roads falling under the jurisdiction of the various boards of township trustees in the County.

Gasoline taxes and license plate fees serve as the primary sources of funding for projects scheduled by the Engineer each year. These funds serve as an important source of local match money used for leveraging additional outside dollars from State and federal sources. In 2006, the County received \$8,900,093 of such revenues.

During 2006, the Engineer was involved with over \$16 million in roadway construction, maintenance, and repair in Butler County. Additionally in 2006, the Engineer's office completed 4 bridge replacements and rehabilitations, 16 culvert replacements, 2 roadway improvements, over 33 miles of resurfacing, and 4 Community Development Block Grant projects. \$1,897,307 was spent on general roadside maintenance and snow and ice control.

Capital Improvements

The Board of County Commissioners is charged with the responsibility of maintaining the facilities and equipment that serve the primary government offices of the County.

Capital expenditures during 2006 showed a slight increase from the prior period as the County continues to transition toward some major future initiatives. During 2006, the majority of capital expenditures were devoted to infrastructure improvements to support economic development. In particular, \$3.4 million was expended in a Tax Increment Financing (TIF) District for improvements to Cincinnati-Dayton/Yankee Road in Liberty Township in support of the development of the Kroger Marketplace and new Children's Hospital complex. In addition, \$4.3 million was expended for the widening of Cincinnati/Dayton Road from Cimmeron Drive to Millikin Road along with the construction of a new storm sewer system along this development. Other than \$0.6 million expended on Stillwell-Beckett Road for major safety improvements of this roadway, no other major expenditures were incurred.

FOCUS ON THE BUTLER COUNTY SHERIFF'S OFFICE

The Butler County Sheriff's Office is comprised of many different divisions, and each one plays a vital role in the wide array of services offered to the community. Below is a list of some of the divisions and a brief overview of the individual services they provide:

Command Staff

Sheriff Richard K. Jones was sworn in as the 45th Sheriff of Butler County on January 3, 2005. He has working with him a command staff of Chief Deputy Anthony Dwyer, Majors Norm Lewis and William Stump and Captains Katie McMahon, Ed Martin and Richard Greer. These capable men and women are committed to helping Sheriff Jones make Butler County the best it can be.

Road Patrol

The Butler County Road Patrol Division is comprised of approximately 80 uniformed officers who police over 469 square miles. This division works 24 hours a day, 365 days a year, offering the highest level of police service and protection. The County has three K-9 officers that work within the Road Patrol Unit, and are very valued members of the Sheriff's Office. The Traffic Investigations Unit is responsible for the investigation of all serious injury and fatal car crashes. The County also uses a Weights and Scales Unit in an attempt to protect the County roadways. The Mounted Patrol, Aviation Unit, S.W.A.T. Unit, Fleet Management, Crime Prevention, D.A.R.E. Program and School Resource Officers are all additional resources and part of the Sheriff's Office Road Patrol.

Investigations Unit

The Criminal Investigations Unit is comprised of Adult and Juvenile Investigations, Drug and Vice, Sex Offender Registration and the Cold Case Unit. These units often work in unison to bring perpetrators to justice. While Road Patrol is typically the first responder at the scene of a crime, the investigative units are often given the task of solving the crime and filing the charges. The Drug and Vice Unit is instrumental in keeping drugs off the streets, while the Juvenile Investigation Unit works with D.A.R.E. and the School Resource Officers in an attempt to spot troubled youth and get them back on the right path and out of the system.

Corrections Division

Butler County Corrections Division is a large part of the Butler County Sheriff's Department, and continuing to grow each year. Butler County Main Jail is a maximum security, direct supervision jail compound that houses 851 inmates and employs over 175 officers and support staff. Since its completion in 2002, the jail has provided the County's communities with an increased sense of safety and security, as well as a viable source for generating income. The minimum security facility, Resolution, houses up to 385 men and women and allows less serious offenders to receive programs while living in a dormitory type setting. A full medical staff, contracted maintenance and kitchen crew as well as an Inmate Services staff keep the jail running smoothly and the inmate's needs met. Lieutenants Mike Craft, Nick Fisher, Scott Brown and Dennis Adams work with Warden, Captain Ed Martin, on the day to day operations.

Administrative Services Division

Much of the work of the Sheriff's Office is carried out behind the scenes. Our Public Information Officer Monte Mayer is responsible for keeping the public and news media informed of important happenings. Court Security's Sgt. Prescott allows our judges, attorneys and the public to have a sense of security when carrying out justice in the courtroom. Clerical Specialist Carol Walton of the Warrants Unit helps keep offenders off of the streets, making our community safer. Sgt. Todd Langmeyer of Civil Processing keeps the information and documents flowing from one division to the next, and Sgt. Mark Ketteler and Ken Carpenter of Computer Services work non-stop to keep our technology cutting edge. Records Manager Carla Rack of Central Records works with her team to make sure that everything is recorded and proper records are maintained. Clerical Specialist Bobbie Ford of the Sheriff's Sales division oversees the court ordered evictions and sales.

Support Staff

Financial Director Vickie Barger was recently appointed to the Sheriff's Office and is in charge of the 25 million dollar budget. Executive Secretary Pam Stroup is invaluable in assisting the Sheriff maintain his hectic public schedule. Human Resources Manager Sheila Robinson is responsible for the recruitment and hiring of personnel, benefits, risk management and file maintenance for Sheriff's Office employees. Tony Brandenburg is responsible for payroll, and Susan Riley and Kim Prewitt work with the accounts payable and receivable. Vickie Baird helps run the County's Triad program.

FINANCIAL INFORMATION

Basis of Accounting

The County's records are maintained on a cash basis for all funds. At year-end, adjusting entries are prepared for the various funds to convert the cash basis records to the modified accrual basis of accounting for all governmental funds and to the accrual basis for the proprietary and fiduciary funds. Modified accrual accounting requires that revenues be recognized when both measurable and available. Expenditures, other than interest and principal on long-term debt, are recorded when fund liabilities are incurred. The accrual basis of accounting used for the proprietary funds recognizes revenues when earned and expenses when incurred.

Internal Control

The County's system of internal accounting controls is designed to provide reasonable, but not absolute, assurance that (1) financial transactions are processed in accordance with management's authorization, (2) transactions comply with County policies and Ohio law, and (3) financial records are reliable for preparing financial statements and maintaining accountability for assets and obligations. The concept of reasonable assurance recognizes that the cost of internal control should not exceed the benefits likely to be derived from their implementation and that the evaluation of costs and benefits require estimates and judgments by management.

Budgetary Control

By early January, the Board of County Commissioners adopts the annual appropriation measure for all funds, except for agency funds. All disbursements and transfers of cash between funds other than agency funds require appropriation authority from the Commissioners. Budgets are controlled within a department and fund. All purchase orders and contracts must be approved by a majority of the Board of County Commissioners except where another board or elected official is given this responsibility by statute. As contracts and purchase orders are issued to vendors, corresponding amounts of appropriations are reserved by the use of encumbrances to ensure that appropriations are not overspent. Contracts or purchase orders that exceed available appropriations are rejected by the accounting system until additional appropriations are obtained. A description of the various funds and the basis of accounting are included in Note 2 to the basic financial statements.

OTHER INFORMATION

Independent Audit

Included in this report is the Auditor of State's unqualified opinion rendered on the County's basic financial statements as of and for the year ended December 31, 2006. An independent audit of the County's financial statements is part of the annual preparation of the CAFR. This annual independent audit will continue to review, comment on, and thereby strengthen the County's accounting and budgetary controls.

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Butler County for its comprehensive annual financial report for year ended December 31, 2005. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA for consideration.

Acknowledgments

We would like to thank the Butler County Commissioners and all elected and appointed County officials for their support and assistance in this endeavor. It is truly a group effort that would not be possible without the cooperation of all County departments.

A special word of thanks is offered to Corrections Specialist Carol Seals and Sgt. Mark Ketteler with the Butler County Sheriff's Department, Ralph Statzer, with the Department of Environmental Services, David Brown, with the Auditor's Office and Tim Williams with the Commissioners' office, whose efforts are greatly appreciated.

The Auditor of State's Local Government Services Division was invaluable once again in adding their expertise and dedication to the project.

This report would not have been possible if not for the significant efforts and dedication of the Fiscal Services staff. We offer our sincere thanks to the following members of the Fiscal Services staff, each of whom were invaluable contributors committed to this project. To Janie Adkins, Vicki Birri, Pamela Bennett, Lavonne Brandenburg, Jacquie Ferguson, Anne Gaw, Beverly Hoskins, Dona Morningstar-Blizzard, Jodi Rhoads, Angie Shelton, and Mimi Sullivan, we offer thanks for a job well done. We would like to especially recognize Randy Groves, Jill Cole, Dawn McClure, Rachel Sandlin, Hailey Long, and Doug Lewan for their untiring commitment to this project. Well done, once again.

It is the mission of the Auditor's office to bring a high level of professionalism to Butler County government and to better inform and educate its citizens. Through the issuance of this Comprehensive Annual Financial Report, the County remains accountable to the public, and the public trust with which we have been provided, is retained. This report provides a fair representation of the financial condition of the County as of and for the year ended December 31, 2006. We ask for your continuing support of this project and in our efforts to best serve the citizens of Butler County.

Sincerely,



Kay Rogers, CPA, CGFM
Butler County Auditor



Debra J. Maloney
Director – Fiscal Services

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Butler Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2005

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



President

Executive Director

Butler County, Ohio

December 31, 2006

Elected Officials:

Board of
County Commissioners

Charles Furmon
Michael A. Fox
Gregory V. Jolivette

President
Commissioner
Commissioner

Other Elected Officials

Gregory J. Wilkens, PE, PS
Kay Rogers, CPA, CGFM
Carole B. Moschetti
Danny N. Crank
Richard K Jones
Dr. Richard Burkhardt
Cindy Carpenter
Robert N. Piper

Engineer
Auditor
Treasurer
Recorder
Sheriff
Coroner
Clerk of Courts
Prosecutor

Common Pleas Court

Honorable Patricia S. Oney

Administrative Judge

General Division:

Honorable Matthew J. Crehan
Honorable Andrew Nastoff
Honorable Charles L. Pater
Honorable Michael J. Sage
Honorable Keith M. Spaeth

Judge
Judge
Judge
Judge
Judge

Domestic Relations Division:

Honorable Sharon Kennedy
Honorable Eva D. Kessler

Judge
Judge

Juvenile Division:

Honorable David J. Niehaus
Honorable Ronald R. Craft

Presiding Judge
Judge

Probate Division:

Honorable Randy T. Rogers

Judge

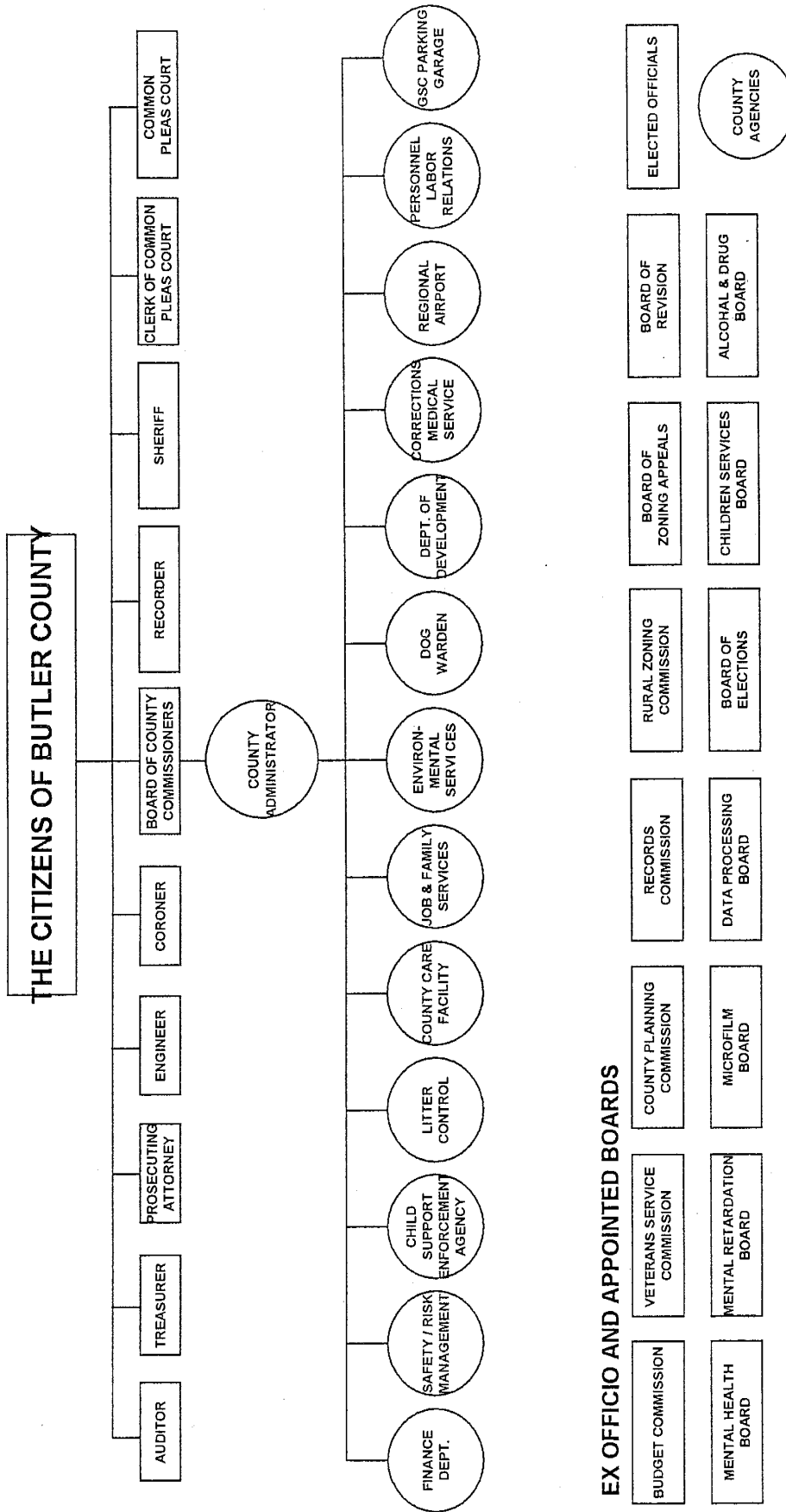
Area Court I
Area Court II
Area Court III

Honorable Robert Lyons
Honorable John B. Connaughton
Honorable Robert Hendrickson

Presiding Judge
Presiding Judge
Presiding Judge

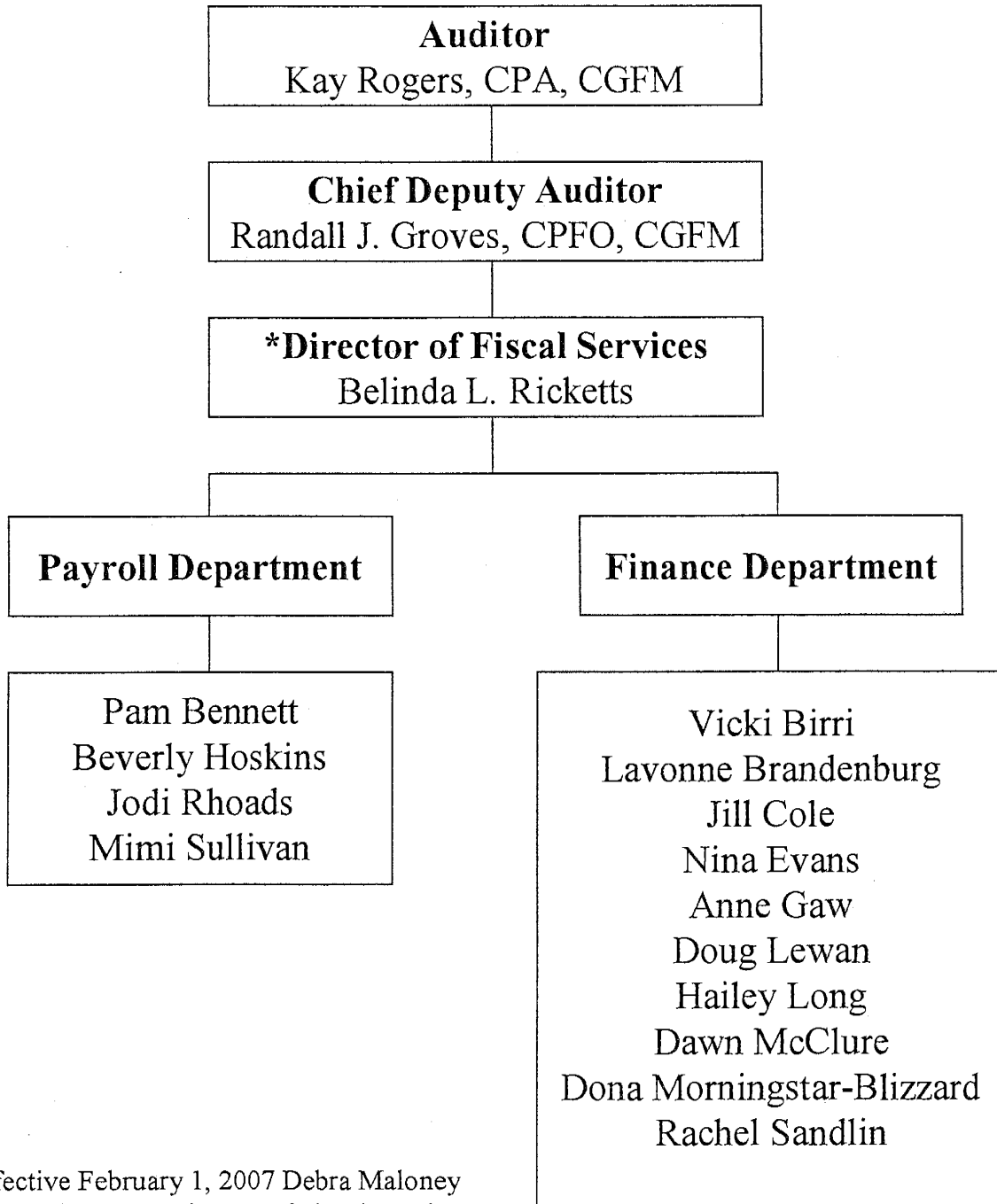
Butler County, Ohio

Organizational Chart



Butler County, Ohio

Auditor's Office - Fiscal Services Division *Organization and Representative Duties*



*Effective February 1, 2007 Debra Maloney was appointed the Director of Fiscal Services

FINANCIAL SECTION

Resolutions and Hanover Street Facility



Corrections Officer Mike Burkett works the Hanover Street Facility control room.



Steve Kleiner of Inmate Services hands out supplies to indigent inmates.



Corrections Officer Foster and Sgt. Clendenin are shown working a Pod.



Booking and releasing inmates is part of Deputy Denise Farthing's job.



The Minimum Security Resolutions Facility was first dedicated in 1989.



Lt. Nick Fisher is shown working on the Court Street Facility Project.

Investigations Unit



Sergeants Carrie Shultheiss and Melina Smith work the phones.



Sgt. Lance Bunnell is a supervisor in the Criminal Investigations Division.

Mounted Patrol and D.A.R.E.



The Sheriff's Mounted Patrol rides in Hamilton's Memorial Day parade.



D.A.R.E. instructor Jody Cobaugh and Crime Prevention Officer Jerry Scrivner are pictured.

Special Equipment



The Fleet Management Unit of the Patrol Division is in charge of maintenance, inventory and distribution.



A welcome addition to the Bomb Squad team is the bomb robot, shown with squad members.



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Butler County
130 High Street
Hamilton, Ohio 45011

To the County Commissioners:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of Butler County, Ohio (the County), as of and for the year ended December 31, 2006, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of Butler County, Ohio, as of December 31, 2006, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General, Mental Retardation Fund, Job and Family Services Fund, and Children Services Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 24, 2007, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis and information regarding the County's infrastructure assets following the Notes to the Basic Financial Statements are not a required part of the basic financial statements but are supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

Corporate Centre of Blue Ash / 11117 Kenwood Rd. / Blue Ash, OH 45242
Telephone: (513) 361-8550 (800) 368-7419 Fax: (513) 361-8577
www.auditor.state.oh.us

We conducted our audit to opine on the financial statements that collectively comprise the County's basic financial statements. The introductory, combining and individual non-major fund statements and schedules and statistical tables provide additional information and are not a required part of the basic financial statements. We subjected the combining and individual non-major fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory and statistical tables to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

July 24, 2007

Butler County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2006
Unaudited

Management's Discussion and Analysis offers the users of these financial statements an introspective look at the finances of Butler County for the year ended December 31, 2006, providing an easily readable overview of the County's financial performance as a whole while assisting readers in interpreting the basic financial statements. In addition to the information presented here, readers are also encouraged to review the transmittal letter, found on page iv, and the County's financial statements, beginning on page 15, for a more complete picture of Butler County's financial performance.

Financial Highlights

- Total net assets for Butler County increased \$51.1 million, or 8%, \$38.1 million of which came from governmental activities.
- General revenues accounted for 42% of total revenues for governmental activities, totaling \$125.7 million. Tax revenues were 83%, or \$106.0 million, of these general revenues, a 38% increase over 2005 due to sales tax receipts in the General Fund and property tax receipts in the Elderly Services Fund which were collected during 2006. The County approved a half percent sales tax increase beginning in October of 2005 for the county-wide 800 megahertz public safety radio communications system.
- The unreserved, undesignated portion of the fund balance in the General Fund at year-end decreased from \$8.7 million in 2005, to \$5.3 million in 2006, and is 17% of the fund balance at December 31, 2006.

Overview of the Financial Statements

This discussion and analysis introduces you to Butler County's basic financial statements, which are made up of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. Other supplementary information is also contained within this report, including the combining financial statements, individual fund schedules, and statistical information.

Government-wide Financial Statements. Butler County's government-wide financial statements include a **Statement of Net Assets** and a **Statement of Activities**, which report the financial activities of the Butler County government as a whole, giving the reader a summary of County finances with a view of the bottom-line results of the County's operations. These statements are now prepared using the economic resources measurement focus and the accrual basis of accounting, similar to financial statements prepared in the private sector. As a result, all assets and liabilities of the County are accrued, and revenues and expenses are reported in the current year regardless of when the resulting cash flows occur.

The County's financial activities are identified in the government-wide financial statements as *governmental activities* or *business-type activities*. *Governmental activities* constitute the majority of the County's operations and are financed primarily by operating grants, taxes, charges for services, capital grants, and other intergovernmental revenues. Butler County's governmental activities are accounted for in governmental funds and are classified as follows:

Legislative and Executive - general government operations including the offices of the commissioners, auditor, treasurer, prosecutor, recorder, the department of development, information services, the board of elections, maintenance department, economic development, and records center.

Judicial - court related activities including the operations of the common pleas court, probate court, county courts, juvenile court, domestic relations court, municipal court, court services, court of appeals, and clerk of courts.

Public Safety - activities associated with the protection of the public including the sheriff's operations, juvenile detention center, adult probation department, county paramedics, office of the coroner, and the criminal justice board.

Public Works - activities associated with maintaining County roads and bridges, the Butler County Regional Airport, litter control, and other associated community grant programs.

Health - activities aimed at serving the public health, including activities provided by the Board of Mental Retardation and Developmental Disabilities, Mental Health Board, and the Alcohol and Drug Addiction Services Board.

Butler County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2006
Unaudited

Human Services - activities related to the provision of various forms of services and assistance to individuals, children, and families, including services provided or funded by the County Care Facility, Elderly Services Levy, Veterans Services Board, Children Services Board, Child Support Enforcement Agency, and the Department of Job and Family Services.

Conservation and Recreation - activities associated with conserving and maintaining the beauty of County lands, including the services provided through the Ohio State Agriculture Program and the Butler County Soil and Water Conservation District.

Business-type activities are those activities accounted for in enterprise funds, including the County's water and sewer operations and the Government Services Center Parking Garage operations. Business-type activities rely on user fees and other charges to wholly, or to a large extent, fund their operations.

The **Statement of Net Assets** reports all assets and liabilities of the County, with net assets being the difference between the two. This statement is useful when evaluating the financial condition of the County. Monitoring the changes to net assets over time is one indication of whether the County's financial condition is improving or deteriorating.

The **Statement of Activities** reports for the current fiscal year the changes to the County's net assets, which is the difference between revenues and expenses. However, the format of this statement departs from a more traditional "revenues less expenses equals net assets" format you may see in the private sector.

Generally, private sector goals are to generate income, or simply put, maximize revenues. As such, private sector operating statements present revenues first. Expenses, which reduce revenue maximization, are presented next as a deduction against those revenues.

Public sector goals are different in that servicing the needs of the citizens, or spending, is what drives the financial activities. Thus, the statement of activities is designed to present expenses before revenues in order to emphasize that service activities dictate the level of resources that are required to be raised.

In the County's Statement of Activities, resources used to fund service activities are identified as either program revenues (resources received from people receiving services or in the form of operating and capital grants and contributions) or general revenues (all non-program revenues, including taxes). Butler County operations have also been classified into distinct governmental or business-type service activities. These activities are reported in a format that allows the reader to see the extent to which each activity is supported or self-financed by program revenues or draws on the general resources of the County. The Statement of Activities is therefore useful in assessing the level of self-sufficiency of the various governmental or business type activities versus management established performance benchmarks.

The financial activity of Connex Group, Inc., (formerly known as Miami Valley Industries) a component unit of Butler County, is presented in a separate column on the Statement of Net Assets and as a separately identified activity on the Statement of Activities. While the County provides a significant amount of services and resources to Connex Group, Inc., this discrete presentation is made in order to emphasize that it is a legally separate organization from Butler County. However, the focus of the government-wide financial statements remains clearly on Butler County as the primary government.

The government-wide financial statements begin on page 15 of this report.

Fund Financial Statements. A fund is an accounting term referring to a segregated group of accounts used to account for and to assist with the management of financial resources received. Various funds may be established to account for specific activities or objectives of the County, and to demonstrate compliance with finance related legal requirements associated with those resources.

Fund financial statements report additional and more detailed information about the County with an emphasis on *major* funds. Major funds are those governmental or enterprise funds that have been determined to be the most significant based on a defined set of financial criteria, as well as any other funds deemed to be particularly important to readers because of public interest or to ensure consistency between years. Information is presented separately in the fund financial statements for each of the major funds. Information for all non-major funds is aggregated and presented in a

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separate column of the fund financial statements. Detailed data for each of the non-major funds are provided in the combining statements and individual fund schedules that follow the basic financial statements.

All funds of Butler County are classified into one of three fund categories, governmental, proprietary, or fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements, but use a different measurement focus. Governmental fund financial statements are prepared using the current financial resources measurement focus and modified accrual basis of accounting, a short-term view focusing on the flow of monies into and out of the funds and the year-end balances available for near-future spending. This is in contrast to the government-wide financial statements that incorporate a longer-term focus. A reconciliation included in the governmental fund financial statements compares the *governmental funds* information to the *governmental activities* information as reported in the government-wide financial statements.

Butler County maintains numerous individual governmental funds, the following of which are considered major funds: General, Mental Retardation, Job and Family Services, Children Services Board, Bond Retirement, Buildings Construction and Renovations, and Road Improvements. The basic governmental fund financial statements begin on page 18 of this report.

Proprietary Funds. The County uses two types of proprietary funds - enterprise funds and internal service funds. Since the proprietary fund financial statements are prepared using the same measurement focus and basis of accounting as the government-wide financial statements, they provide the same type of information, only in greater detail.

Enterprise funds are used to account for the County's water and sewer operations and the operations at the Government Services Center parking garage, which are the business-type activities as reported in the government-wide financial statements. Internal service funds are used to account for the financing of services provided by one department to other departments in the County on a cost-reimbursement basis. The County uses internal service funds to account for its workers' compensation, employee health benefit programs and the County fuel depot. Since these programs mostly benefit governmental rather than business functions, they have been included in the governmental activities in the government-wide financial statements.

The basic proprietary fund financial statements begin on page 29 of this report.

Fiduciary Funds. Fiduciary funds are used to account for assets held by the County in a trustee capacity or as an agent for outside parties and are accounted for in a manner similar to proprietary funds. Fiduciary funds are not presented in the government-wide financial statements as their resources are not available to support the County's governmental or business-type activities. The basic fiduciary fund financial statements begin on page 33 of this report.

Notes to the Financial Statements. The notes to the financial statements are an integral part of the basic financial statements, providing additional important disclosures essential for a complete understanding of the financial data reported in the government-wide and fund financial statements. The notes to the financial statements begin on page 34 of this report.

Summary. To summarize, the government-wide financial statements report the County's activities as a whole, using a longer-term, economic resources measurement focus while the fund financial statements report financial activities in more detail, with a shorter-term focus and emphasis on major funds. More simply, the primary focus of government-wide financial statements is demonstrating *operational accountability*, while the primary focus of the governmental fund financial statements is demonstrating *fiscal accountability*. Butler County management believes these basic financial statements provide the reader with the best information yet available to assess the level of Butler County's fiscal and operational accountability, both near-term and long-term.

Government-wide Financial Analysis

The County realized an 8%, \$51.1 million increase in total net assets in 2006 from the combined 2005 governmental and business-type activities. The investment in capital assets (net of related debt issued to acquire the assets) of \$509.5 million represents 75% of total net assets of the County. Capital assets are used to provide services to residents and do not represent assets that may be used for future spending.

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Sixty-one percent (61%) of the County's net assets are used providing governmental activities. Net assets used in governmental activities increased ten percent (10%) from 2005 to 2006 while net assets used in business-type activities increased by five percent (5%).

	Governmental Activities		Business-type Activities		Total	
	2006	2005 Restated	2006	2005	2006	2005
Assets						
Current and other assets	\$ 256,073,377	\$ 207,906,585	\$ 94,892,113	\$ 108,711,178	\$ 350,965,490	\$ 316,617,763
Capital assets	372,902,787	368,806,022	313,408,854	298,039,270	686,311,641	666,845,292
Total Assets	628,976,164	576,712,607	408,300,967	406,750,448	1,037,277,131	983,463,055
Liabilities						
Current and other liabilities	98,510,477	85,271,014	3,309,961	16,321,869	101,820,438	101,592,883
Long-term liabilities:						
Due within one year	9,050,811	23,517,570	7,250,346	6,912,752	16,301,157	30,430,322
Due in more than one year	107,224,206	91,875,944	133,801,203	132,529,295	241,025,409	224,405,239
Total Liabilities	214,785,494	200,664,528	144,361,510	155,763,916	359,147,004	356,428,444
Net Assets						
Invested in capital assets, net of related debt	290,996,712	284,893,107	218,544,211	203,448,271	509,540,923	488,341,378
Restricted for:						
Capital projects	7,075,705	4,252,884	-	-	7,075,705	4,252,884
Debt service	6,267,820	1,065,217	6,615,860	6,406,549	12,883,680	7,471,766
Replacement and improvement	-	-	6,000,000	6,000,000	6,000,000	6,000,000
Other purposes	98,458,325	86,481,269	-	-	98,458,325	86,481,269
Unrestricted	11,392,108	(644,398)	32,779,386	35,131,712	44,171,494	34,487,314
Total Net Assets	\$ 414,190,670	\$ 376,048,079	\$ 263,939,457	\$ 250,986,532	\$ 678,130,127	\$ 627,034,611

Current assets and current liabilities increased in 2006 by \$34.3 million and \$0.2 million, respectively, due in large part to the receipt and accrual of tax revenues from voted property tax increases for the Elderly Services, and the half percent sales tax in the General Fund to fund the county-wide 800 megahertz public safety radio communications system (county-wide communications system). The sales tax increase also affected unrestricted net assets, which increased \$9.7 million in 2006. Other significant changes in assets, liabilities, and net assets of the County are the result of activity analyzed at the fund level in the Fund Analysis section beginning on page 9.

Governmental Activities. The County's governmental activity expenses exceeded program revenues in 2006 by \$87.6 million and, with an infusion of \$125.7 million of general revenues, resulted in a \$38.1 million increase to governmental activity net assets. Total net assets used in governmental activities now total \$414.2 million.

Program revenues supporting governmental activities increased 7% from 2005 to \$170.0 million. Program revenues consisting of charges for services and operating and capital grants and contributions constitute 58% of total revenues associated with governmental activities, while 42% are general revenues. Of the general revenues, 84% come from property taxes or sales taxes, an increase of 37% over 2005 property and sales taxes, largely attributable to the additional property and sales taxes realized in 2006 from the half percent sales tax increase and Elderly Services tax levy.

Operating grants and contributions increased during 2006 to \$104.7 million, a 16% increase over 2005. The increase in funding from the state and federal governments for health programs administered by the ADAS Board, MR/DD Board and Job and Family Services contributed to the increase, as well as the CAFS settlement received by the MR/DD Board and the timing of the drawdowns received by the Job and Family Services fund. In correlation to the increase in operating grants, the Health and Human Services expenses increased \$9.1 million and \$3.6 million, respectively, as public assistance agencies expanded their programs and services provided to the community.

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	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
Revenues						
Program Revenues:						
Charges for Services	\$ 53,024,669	\$ 48,460,490	\$ 41,114,818	\$ 39,556,486	\$ 94,139,487	\$ 88,016,976
Operating Grants and Contributions	104,749,030	90,046,804	-	-	104,749,030	90,046,804
Capital Grants and Contributions	12,307,138	19,949,194	22,321,495	34,706,212	34,628,633	54,655,406
Program Revenues Subtotal	170,080,837	158,456,488	63,436,313	74,262,698	233,517,150	232,719,186
General Revenues:						
Property Taxes	65,278,505	54,504,970	-	-	65,278,505	54,504,970
Sales Taxes	40,662,394	22,607,425	-	-	40,662,394	22,607,425
Payments in Lieu of Taxes	93,487	-	-	-	93,487	-
Grants and Entitlements Not Restricted to Specific Programs	6,276,571	11,954,539	-	-	6,276,571	11,954,539
Interest	9,258,342	5,069,405	635,202	781,251	9,893,544	5,850,656
Other	4,138,504	4,700,166	1,135,722	10,003,224	5,274,226	14,703,390
General Revenues Subtotal	125,707,803	98,836,505	1,770,924	10,784,475	127,478,727	109,620,980
Total Revenues	295,788,640	257,292,993	65,207,237	85,047,173	360,995,877	342,340,166
Program Expenses						
General Government:						
Legislative and Executive	31,211,969	29,973,286	-	-	31,211,969	29,973,286
Judicial	15,952,902	15,310,560	-	-	15,952,902	15,310,560
Public Safety	44,865,490	39,391,890	-	-	44,865,490	39,391,890
Public Works	20,803,499	22,396,375	-	-	20,803,499	22,396,375
Health	56,672,547	47,524,463	-	-	56,672,547	47,524,463
Human Services	82,199,251	78,630,914	-	-	82,199,251	78,630,914
Conservation and Recreation	589,151	517,825	-	-	589,151	517,825
Interest and Fiscal Charges	5,351,240	4,546,165	-	-	5,351,240	4,546,165
Sewer	-	-	26,108,534	26,013,574	26,108,534	26,013,574
Water	-	-	25,975,558	28,528,100	25,975,558	28,528,100
Parking Garage	-	-	170,220	167,163	170,220	167,163
Total Expenses	257,646,049	238,291,478	52,254,312	54,708,837	309,900,361	293,000,315
Increase in Net Assets before Transfers	38,142,591	19,001,515	12,952,925	30,338,336	51,095,516	49,339,851
Transfers	-	31,372	-	(31,372)	-	-
Increase (Decrease) in Net Assets	38,142,591	19,032,887	12,952,925	30,306,964	51,095,516	49,339,851
Net Assets January 1	376,048,079	357,015,192	250,986,532	220,679,568	627,034,611	577,694,760
Net Assets December 31	\$ 414,190,670	\$ 376,048,079	\$ 263,939,457	\$ 250,986,532	\$ 678,130,127	\$ 627,034,611

Governmental activity charges for services in 2006 were 9% or \$4.6 million higher than 2005 due to a contract for boarding of prisoners in the Sheriff's Department. Capital grants decreased \$7.6 million (38%) since the County completed the touch-screen voting machines and the Voice of America TIF projects during 2006. Interest revenue at \$9.3 million almost doubled during 2006 as the additional property and sales tax revenues provided a larger investment pool and the County took advantage of the inverted yield curve by realizing income in the two to three year maturity range.

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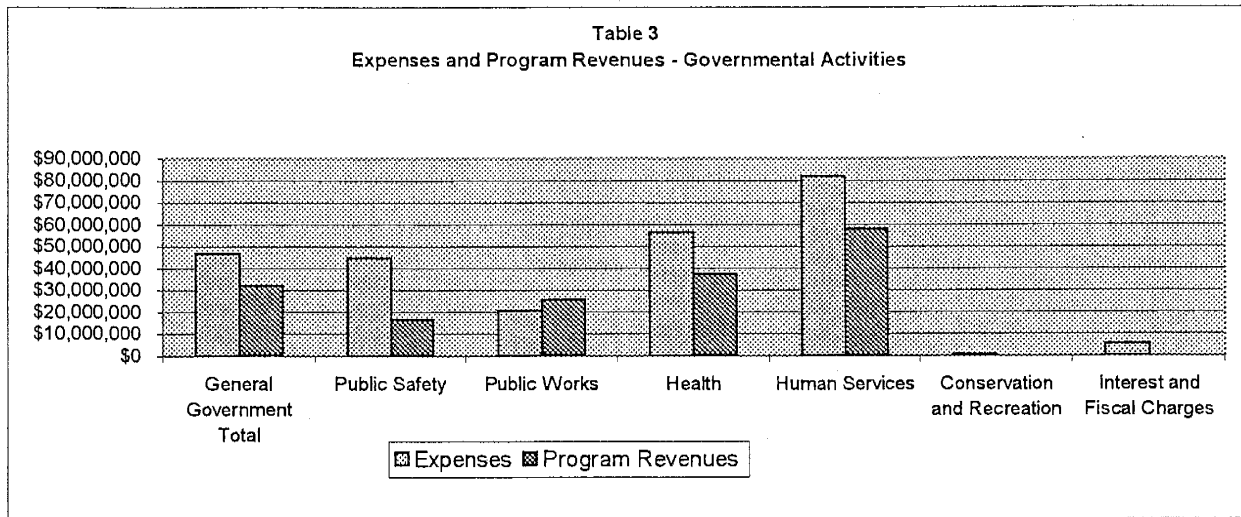
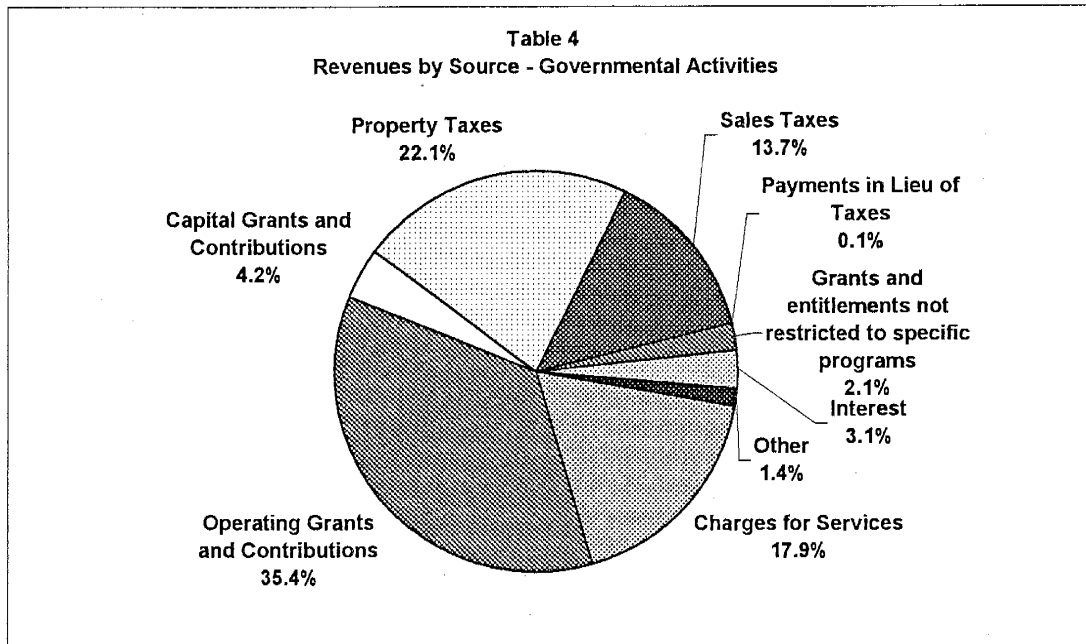


Table 3 provides a comparison of governmental activity expenses with program revenues. Table 4 provides a breakdown of the sources of governmental activity revenues.



Business-type Activities. The County's sewer and water system operations constitute 99% of the business-type activities. Butler County management has established sound fiscal plans and mechanisms in order to respond to the challenges of delivering efficient and cost effective services to a large service area whose capacity has been continually expanding due to the tremendous growth the County has seen over the years. Net assets of the business-type activities increased \$12.9 million in 2006, a five (5%) percent increase over 2005, further improving the County's already excellent financial position. Further detail regarding the financial condition of the sewer and water systems are provided in the *Fund Analysis* section that follows.

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Fund Analysis

As mentioned above, various funds have been established to account for specific County activities or objectives. A summary of the most significant fiscal activity in the County's funds follows.

Governmental Funds. Governmental funds report County financial activity focusing on the near-term flow of expendable resources and assists in demonstrating fiscal accountability. Thus, fund balances provide us with a snapshot of what resources are available at year-end for near-term spending, and an analysis of changes to fund balances over time assists in evaluating the degree to which a specific program, or a group of activities, is "living within its means."

At year-end, the governmental funds combined ending fund balance of \$103.2 million was \$27.5 million greater than the same balance just one year ago, a 36% increase overall. Much of this increase can be attributed to the General Fund and Mental Retardation Fund whose fund balances increased \$19.9 million (187%) and \$4.9 million (31%), respectively. Equity in pooled cash and cash equivalents showed a marked increase in 2006 from \$8.6 million in 2005 to \$27.4 million, an \$18.8 million increase with \$16.8 million of the increase attributable to the 0.5% Sales Tax for the county-wide communications system and the balance of the increase (\$2.0 million) improving the cash availability for the General Fund. During 2006, the County bonded \$17.5 million of long-term tax anticipation notes which included a note on behalf of Butler County Metroparks, thereby, creating a long-term receivable in the amount of \$4.6 million. The long-term receivable is recorded in the General Fund as "Due from Other Governments." The Butler County Metroparks has committed future revenues to the County for the repayment of their portion of the general bond obligation.

The Mental Retardation Fund experienced significant growth in both revenues and expenditures during 2006 due to a Community Alternative Funding Source (CAFS) settlement from the federal government in the amount of \$3.8 million. Due to the CAFS settlement, the Mental Retardation Fund was able to pay off the \$2.3 million mortgage owed on two community homes used to provide residential services to MR/DD clients. The Children Services Board Fund's expenditures only exceeded its revenue by \$.6 million by maintaining control over its personnel expenditures. The Job and Family Services Fund experienced a net operating loss of \$.7 million due to the fact that when the Program Medicare Part D was implemented in 2006, JFS Medicare spenddowns dropped by half thus forcing JFS to spend its reserves.

In the County's other funds reported in All Other Governmental Funds, the ending fund balance had an overall increase of \$.7 million (2%). The Elderly Services levy passed in 2005 and generated in 2006 an additional \$5.9 million in revenues, thus contributing to the overall increase to the fund balances in all other governmental funds.

Only a portion of the \$103.2 million fund balance in the governmental funds is available for spending in next year's budget, however. This is referred to as the *unreserved fund balance*, and at December 31, 2006, the unreserved fund balance for the governmental funds had increased to \$87.3 million, or 85% of the total fund balance. The *reserved fund balance* indicates what monies have already been committed and is not an available expendable resource. The reserved governmental funds balance of \$15.9 million represents 15% of the total fund balance and has either been committed for the payment of current contracts and purchase orders (\$10.6 million), long-term receivable (\$4.6 million), debt service, or has been reserved until loans or advances have been repaid to the General Fund (\$.7 million).

The economic growth that has continued in Butler County in 2006 plays an important supportive role for the County's financial position. The continued growth in the tax base supports the level of financial strength of the County. The overall financial position for Butler County's principal operating fund, the General Fund, substantially increased due to a full year collection of the additional sales tax. Property and sales taxes increased \$20.7 million (61%) and interest earned was up \$4.0 million (85%) over the prior year, revenues and other financing sources substantially exceeded expenditures and other financing uses resulting in a fund balance increase from \$10.6 million in 2005 to \$30.5 million in 2006. However, the majority of the sales tax revenue is designated for the county-wide communications system which began construction during 2006. The General Fund's unreserved/undesignated fund balance, at \$5.3 million was 40% less than the previous year and now represents 6% of 2006 General Fund expenditures and 5% of the General Fund actual revenues and still remains aligned with management's strategic target.

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Proprietary Funds. The proprietary funds financial statements provide the same information as seen in the government-wide financial statements only in more detail. A summary of financial activity occurring in the sewer and water enterprise funds follows.

Sewer Fund. The sewer system's \$27.6 million in current assets, principally (\$21.0 million) composed of equity in pooled cash and cash equivalents, as compared with current liabilities of \$5.5 million, resulted in a current ratio of 5.0 at year-end, meaning that current assets covered current obligations more than 5 times, leaving a significant safety margin of \$22.0 million of working capital (current assets less current liabilities) for ongoing operations, additional debt service (if any), and contingencies.

2006 marked the second consecutive year of a modest sewer rate increase, following three consecutive years of no rate increase at all. There was a 4% rate increase for 2005 and only a 2% rate increase for 2006. Both of these rate increases were effective on January 1. Based on current assumptions, projected annual rate increases over the next few years are not expected to exceed 2%.

2006 operating revenues of \$19.2 million were 4% or \$0.8 million higher than in 2005, while operating expenses were 1% or \$0.3 million higher than in 2005, resulting in an operating loss of \$3.6 million. In comparing 2006 with 2005, as regarding the several categories of operating expense, not much stands out as very significant in terms of differences. However, the category of Depreciation and Amortization Expense continues to be the largest category and, for 2006, at \$8.6 million, exceeded the prior year by 6%, reflecting the continuation of growth-driven additions to sewer system infrastructure capital assets. The next-largest category, Personal Services, comprising employees' salaries and fringe benefits, declined nearly \$.3 million or 4% from 2005 to 2006. Materials and Supplies, at \$1.5 million for 2006, only slightly exceeded 2005's \$1.45 million. In spite of the \$3.6 million operating loss, net assets actually increased by 6% or \$9.8 million, due to a \$16.7 million favorable effect from a host of non-operating items, which including capital grants, capital contributions of sewer lines from developers, and sewer capacity fees from customers (to finance growth), as well as interest income, special assessments, and other non-operating items, offset by \$3.3 million of debt-related interest expense and fiscal charges. However, this net favorable effect of \$13.4 million from non-operating items, offset by the \$3.6 million operating loss, resulted in the \$9.8 million increase to net assets for 2006, which, while quite impressive by usual standards, was considerably less than the unusually favorable net assets increase for 2005, which was 13% or \$18.6 million.

However, 2005's increase is largely explained by the record level of sewer capacity fees in 2005, \$9.2 million. Sewer capacity fees in 2006 declined considerably from the 2005 level, by about 39%, to \$5.7 million, reflecting a rather precipitous decline in housing in the service area, which began in mid-2006, mirroring the national slow-down which had begun to occur at about the same time in many parts of the country; however, it is widely expected that a reversal of the housing slow-down could begin to occur by sometime in 2008.

Water Fund. \$21.0 million or over 81% of the water system's \$25.9 million in current assets consisted of equity in pooled cash and cash equivalents. The ratio of the current assets to the Water Fund's current liabilities of \$5.1 million was 5.1, meaning that only slightly more than one-fifth of current assets would have been required to liquidate current liabilities as of year-end, leaving a substantial safety margin of working capital for ongoing operations, additional debt service (if any), and contingencies.

Even though a 5% water rate increase was effective January 1, 2006, the Water Fund had an operating loss of \$104,000 for 2006. Operating revenues of \$22.2 million for 2006 were only \$.2 million more than 2005's operating revenues of \$22.0 million, while operating expenses of \$22.3 million for 2006 were \$2.1 million or 9% less than 2005's operating expenses of \$24.4 million. The largest category of operating expenses, Contractual Services, at \$11.1 million for 2006, was \$2.2 million less than 2005's \$13.3 million, due primarily to a significant decrease in legal expenses. The next largest category of operating expenses, Depreciation and Amortization, increased 3%, from \$5.5 million in 2005 to \$5.7 million in 2006, reflecting the continuation of growth-driven additions to water system infrastructure capital assets. Personal Services, comprising employees' salaries and fringe benefits, actually declined by nearly \$.4 million or 8% from 2005 to 2006.

In spite of the \$104,000 operating loss, net assets actually increased by 4% or \$3.1 million, due to a \$6.9 million favorable effect from the non-operating items of capital grants, capital contributions of sewer lines from developers, and sewer capacity fees from customers, as well as interest income, and other non-operating items, offset by \$3.7 million of debt-related interest expense and fiscal charges. However, this \$3.2 million of net favorable effect from non-operating items is offset by the \$104,000 operating loss, resulting in the \$3.1 million increase to net assets for 2006. The increase to net assets for 2005 was \$11.7 million or 15%, much more impressive than the increase for 2006. However, water

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capacity fees for 2006, \$2.9 million, were \$1.7 million or 37% less than they were for 2005, reflecting the same housing decline which has adversely affected sewer capacity fees. It is widely expected that a housing recovery could begin by sometime in 2008.

Annual water rate increases since 2002, the year in which there was a 12% decrease in water rates, have averaged about 3% and, based on current assumptions, no water rate increase is planned for 2007 and only very modest rate increases are expected for a number of years thereafter.

General Fund Budget Analysis

Several events influenced the budgetary process and actual results for the year of 2006. The General Fund's final 2006 appropriation budget, at \$94.3 million, was 24% higher than the original appropriation budget and the final revenue budget at \$98.9 million, was 37% higher than the original revenue budget filed at the beginning of the year. The primary reason for the significant variances was that the Commissioners chose to be extremely conservative when preparing the original budget not knowing at the time the full impact of fiscal and legislative changes resulting from the biennial budget adopted by the State of Ohio or the level of sales tax receipts expected during the first quarter of the year. Once the State budget impacts and the final revenue estimates for the sales tax and the new prisoner boarding contract were known, the County adjusted budgets appropriately for 2006.

The final budget included an additional \$16.6 million budgeted in Public Safety for the continuing construction of the county-wide communications system and for additional budget in regards to the prisoner boarding contract negotiated with Hamilton County. Various expenses were also greater than anticipated including: judicial attorney fees (\$.8 million) and salaries and benefits (\$.2 million); and adult probation drug screening and sheriff's material purchases.

A major fiscal initiative in 2006 for the County involved the containment of expenditures in the General Fund in order to sustain and build cash reserves. A mid-year cost reduction contingency plan was instituted in order to slow and contain expenditures. In response to these cost reductions, delays in salary and wage increases, and improvement in actual revenues fueled by the sales tax increase, the General Fund cash reserves increased during 2006. While the final budget projected a \$3.0 million (36%) increase to the General Fund balance, actual expenditures were \$10.5 million less than budgeted and other financing uses were \$0.7 million less than anticipated. Actual public safety expenditures were significantly lower than budgeted as the county-wide communication system was still under construction at the end of 2006. As a result of the above there occurred an actual net change in fund balance of \$14.7 million.

Capital Asset and Debt Administration

Capital Assets

Capital assets include County owned land, land improvements, buildings, furniture and equipment, vehicles, water and sewer mains, and infrastructure. Butler County's total investment in capital assets for governmental and business-type activities (net of accumulated depreciation) amounts to \$686.3 million as of December 31, 2006, an increase of 3% over the previous year. Table 5 contains a summary of capital assets as of December 31, 2006, compared to assets owned by the County at year-end 2005.

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Table 5
Butler County Capital Assets

	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
Land	\$ 10,140,092	\$ 9,616,873	\$ 1,263,110	\$ 1,263,110	\$ 11,403,202	\$ 10,879,983
Land Improvements	6,121,362	6,324,757	1,722,362	1,851,783	7,843,724	8,176,540
Buildings and Improvements	86,853,036	90,467,119	46,377,087	45,257,524	133,230,123	135,724,643
Furniture, Fixtures and Equipment	18,248,068	19,833,335	24,514,845	20,238,135	42,762,913	40,071,470
Vehicles	2,295,075	2,833,484	489,191	425,555	2,784,266	3,259,039
Infrastructure	239,711,804	238,808,719	-	-	239,711,804	238,808,719
Water and Sewer Mains	-	-	187,577,122	176,686,687	187,577,122	176,686,687
Construction in Progress	9,533,350	921,735	51,465,137	52,316,476	60,998,487	53,238,211
Total	\$ 372,902,787	\$ 368,806,022	\$ 313,408,854	\$ 298,039,270	\$ 686,311,641	\$ 666,845,292

Significant capital asset activity occurring during 2006 included the following:

- Governmental Activity Construction in Progress increased by \$8.6 million as the County began construction of the county-wide 800 megahertz public safety radio communications system in the amount of \$5.7 million and Phase II of the West Terminal area at the Butler County Airport in the amount of \$.7 million.
- Land was purchased for \$.5 million for the Butler Regional Airport along Bobmeyer Road as part of their long-term airport layout plan for future development and runway protection, increasing governmental activity land assets. Ninety-five percent (95%) of the land purchases in 2006 were funded through federal grants.
- Significant construction activity occurred in the business-type activities, including 102 current water or sewer projects such as the Upper Mill Creek WRF Load analysis, New Miami WRF, New Miami Sewer System, Cookie Lane/Greencrest/Elk Run LS Elimination, Queen Acres MGD Expansion, Blue Max Water Repair, and LF Pump Station Replacement.
- Water and sewer mains totaling \$17.6 million were added, 63% of which were donated lines. After accounting for depreciation and the loss on disposal of fixed assets, a net increase of \$10.9 million in water and sewer mains was realized.

Infrastructure Assets. Infrastructure assets refer to County roads, bridges, and culverts, and are reported in the governmental activities. Butler County, through the engineer's office, maintains an Infrastructure Asset System that incorporates the "modified approach" method of reporting infrastructure as provided for in Governmental Accounting Standards Board Statement No. 34. Under the modified approach, the County does not use historical cost-based depreciation as a measure of the cost of use for infrastructure assets. Instead, all expenditures made for infrastructure assets that preserve the useful life of the assets are expensed during the year incurred. Expenditures that increase the capacity or efficiency of the infrastructure assets (additions or improvements) are capitalized. The County ensures that infrastructure assets are being preserved at, or above, previously established condition-levels by performing periodic conditional assessments of the infrastructure. Based on these assessment findings, a budget is prepared for the maintenance and repair of these assets. During 2006, the County budgeted \$8.9 million for roads, \$1.0 million for bridges, and \$.2 million for culvert improvements.

Butler County manages its roadway system through the performance of biennial conditional assessments, using factors such as age of pavement, surface condition, and traffic volume and type. Roads are assigned a pavement rating based on a scale of one to four, with one being excellent and four being poor. It is the County's policy to maintain the County roadway system where at least 90% of the roads have a rating of three (3) or better. A five-year paving plan is developed in order to keep the County's roads at condition levels established per policy. Actual maintenance spending on County roads in 2006 was \$6.4 million, and the most recent roadway system assessment indicates that 98% of County roads are currently assessed at a rating of three or better.

The County manages its bridges using a General Appraisal and Operational Status condition coding system as developed by the Federal Highway Administration. The condition of a bridge is rated from zero to nine, with nine being excellent condition and zero meaning the bridge is in a failed or closed condition. Bridges are inspected on an annual basis as required by Ohio law. It is the policy of the county engineer to maintain the bridges such that 85% of the structures have a General Appraisal rating of five (5 - Fair) or better. The County spent \$.6 million in 2006 to maintain

Butler County, Ohio
Management's Discussion and Analysis
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Unaudited

bridges and the most recent bridge system assessment indicates that 92% of County bridges are currently assessed at a rating of five or better.

The engineer inspects culverts on a biennial basis, and conditional assessments are given based on a rating scale of one to four, with one meaning the culvert is in good condition and does not require repair, while a four rating means the culvert is in critical condition and is no longer functioning as designed. It is the policy of the county engineer to maintain 75% of the culverts in a condition of two (2 - Fair) or better. The County spent \$.1 million in 2006 to maintain culverts and the most recent culvert system assessment indicates that 80% of the culverts are currently assessed at a rating of two or better.

Additional information regarding capital assets can be found in Note 8 to the financial statements.

Long-term Debt

At December 31, 2006, Butler County had a total of \$244.3 million in outstanding long-term debt, .5% lower than the prior year-end. Of this total, \$104 million (43%) has helped fund governmental activities while \$140.3 million (57%) has helped fund business-type activities. Governmental activity long-term debt dropped \$2.9 million in 2006 due to scheduled maturities. Business-type activity long-term debt increased by \$1.4 million (1%).

	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
General Obligation Bonds	\$ 64,630,026	\$ 49,038,755	\$ 3,793,870	\$ 838,574	\$ 68,423,896	\$ 49,877,329
Sales Tax Bonds	27,749,172	28,445,588	-	-	27,749,172	28,445,588
Special Assessment debt with governmental commitment	10,003,310	10,510,000	-	-	10,003,310	10,510,000
Ohio Public Works Commission Loans	-	-	751,737	-	751,737	-
Long-term Loans	1,627,870	1,802,025	4,457,737	4,610,110	6,085,607	6,412,135
Long-term Notes	-	17,105,000	-	-	-	17,105,000
Revenue Bonds	-	-	97,204,913	98,674,880	97,204,913	98,674,880
Water Judgement Bonds	-	-	34,110,351	34,747,118	34,110,351	34,747,118
Total	\$ 104,010,378	\$ 106,901,368	\$ 140,318,608	\$ 138,870,682	\$ 244,328,986	\$ 245,772,050

The County's long-term debt consisted of \$119.3 million in obligations backed by the full faith and credit of Butler County, including \$68.4 million in general obligation bonds, \$34.1 million water judgment bonds, and \$10.0 million in special assessment bonds, for which Butler County is liable in case of default of the property owners subject to the assessment. Additionally, \$6.8 million in loans from the Ohio Public Works Commission and Cincinnati Waterworks, and a loan for the county's financial system software, remain outstanding at year-end. These loans are also backed by the full faith and credit of Butler County. A total of \$125.0 million of the total outstanding debt represent bonds secured by specified revenue sources, including water and sewer revenues and sales tax revenues.

Butler County's governmental activities were supported in 2006 through \$17.5 million in various purpose general obligation bonds which were issued to bond several bond anticipation notes for various construction projects throughout the County. The County no longer has any governmental activity long-term notes.

In support of business-type activities, \$3.2 million in general obligation bonds and \$4.0 million in sewer revenue bonds were issued to bond the New Miami Sewer Improvement bond anticipation notes outstanding at year end 2005.

Ohio law, through its direct and indirect debt limitations, restricts the amount of debt the County may issue. The County's total direct debt limit at December 31, 2006 was \$196.9 million and the legal debt margin (debt limit minus net debt) was \$158.8 million. The County's unvoted direct debt limit was \$79.4 million and the unvoted direct debt margin was \$41.3 million. The debt margins for total debt and unvoted debt reflect an increase over the previous year by 8% and 8%, respectively.

Butler County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2006
Unaudited

Ohio's indirect debt limitation, referred to as the ten-mill limitation, further limits the total unvoted general obligation debt that may be issued among overlapping subdivisions to a maximum of 10 mills per dollar of assessed valuation. Since the 10 mills must be shared by the overlapping subdivisions, and is available on a first-come, first-served basis, the level of debt issued by any overlapping political subdivision thus affects the County's ability to issue unvoted general obligation debt. For example, depending on how much room is available under the 10-mill limitation, a relatively small debt issuance by an overlapping subdivision with a low assessed valuation could significantly hinder, or temporarily lock out, the County's ability to issue unvoted general obligation debt. This limitation would continue until unvoted general obligation debt was retired by either subdivision, or until the total assessed value of the subdivision or the County increased, which occurs around December of each year. The County continues to monitor the debt activity of all overlapping subdivisions for the potential affect on future financings.

Butler County's general obligation bond issues are currently rated Aa3 by Moody's Investors Services, a rating the County has maintained since being upgraded from A1 in 1998. The water district and sewer district currently maintain credit ratings from Moody's of A2 and A3, respectively, based on separate revenue bond issuances in 1999.

Besides the long-term bonds outstanding, the County also is liable for other long-term obligations in the form of capital leases payable and compensated absences payable. Governmental activity capital leases totaled \$2.0 million at year end, including \$.75 million for leased sheriff and juvenile detention vehicles; \$.66 million for leased electronic touch-screen voting machines; \$.56 million for a county-wide permitting system, computer equipment, and common pleas court reporting system; and \$39,000 for County Care Facility buildings and equipment. Compensated absences payable at year end was \$6.6 million and claims payable was \$3.7 for governmental activities and \$.7 million for business-type activities. The total liability for capital lease, claims and compensated absences for governmental and business-type activities was \$12.7 million at December 31, 2006. Additional information about the County's long-term obligations can be found in Note 15 to the financial statements.

Economic and Other Potentially Significant Matters

The growth of residential and commercial assets in Butler County has a positive impact on economic activity. Increasing the inventory of homes and businesses leads to additional property and sales taxes. The slowdown in the residential real estate market has affected the growth of real estate tax collections, economic activity and sales tax collections. The slower pace for auto sales also impacted sales tax collection but is offset by the overall growth in the economy and commercial activity in Butler County.

Butler County's financial position was significantly bolstered by the passage of the additional temporary 0.5% sales tax even though the funds are designated for the county-wide communications system. Without the temporary sales tax, the County would be burdened with the necessity to fund improvements for the communications system through General Fund transfers, lease financing or conventional bond financing. Therefore, a significant deterioration in cash reserves or an increase to debt/lease obligations was avoided by the enactment of the temporary sales tax. The increased cash reserves also played a major role in the improvement of the County's investment earnings during 2006. The temporary 0.5% sales tax will be collected through September 30, 2007 for an approximate total of \$36 million for the county-wide communications system.

The County passed a 0.25% permanent sales tax effective July 1, 2007 and will begin receiving distributions on this sales tax in October 2007 for the purpose of building the General Fund balance and decrease the use of short-term bond anticipation notes in 2008 and thereafter. This permanent sales tax will have a very significant impact on the financial position of Butler County.

Requests for Information

The Management's Discussion and Analysis is intended to provide a general overview of Butler County's finances. Questions concerning any of the information provided in this report, or requests for additional financial information should be addressed to the Butler County Auditor, 130 High Street, Hamilton, Ohio, 45011.

Butler County, Ohio
Statement of Net Assets
December 31, 2006 and June 30, 2006 (Component Unit)

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Connex Group Inc.
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 106,336,694	\$ 48,076,703	\$ 154,413,397	\$ -
Cash and Cash Equivalents:				
In Segregated Accounts	508,665	600	509,265	7,382
With Fiscal Agents	105,896	6,963,383	7,069,279	-
Accounts Receivable	16,719,359	4,113,392	20,832,751	900,691
Due from Other Governments	47,562,326	826,527	48,388,853	-
Accrued Interest Receivable	853,845	-	853,845	-
Investments in Segregated Accounts	-	-	-	147,802
Prepaid Items	710,958	51,342	762,300	31,741
Internal Balances	111,857	(111,857)	-	-
Materials and Supplies Inventory	636,719	120,358	757,077	3,977
Property and Other Taxes Receivable	61,350,430	-	61,350,430	-
Sales Tax Receivable	6,436,255	-	6,436,255	-
Loans Receivable	447,254	-	447,254	4,839
Special Assessments Receivable	12,931,695	-	12,931,695	-
Deferred Charges	1,361,424	7,003,110	8,364,534	-
Deferred Charges for Water Rate Stabilization	-	27,848,555	27,848,555	-
Capital Assets:				
Nondepreciable Capital Assets	259,385,246	52,728,247	312,113,493	327,000
Depreciable Capital Assets, net	113,517,541	260,680,607	374,198,148	1,490,045
Total Assets	628,976,164	408,300,967	1,037,277,131	2,913,477
Liabilities				
Accounts Payable	9,105,632	498,356	9,603,988	220,789
Contracts Payable	4,275,242	619,381	4,894,623	-
Accrued Wages and Benefits	3,225,638	271,685	3,497,323	347,712
Due to Other Governments	1,621,840	737,237	2,359,077	-
Matured Compensated Absences Payable	62,069	-	62,069	-
Deferred Revenue	58,066,690	-	58,066,690	189,891
Matured Bonds Payable	18,250	-	18,250	-
Matured Interest Payable	6,401	-	6,401	-
Accrued Interest Payable	668,715	562,022	1,230,737	-
Notes Payable	21,460,000	-	21,460,000	300,000
Retainage Payable	-	507,535	507,535	-
Refundable Deposits	-	113,745	113,745	3,000
Long-Term Liabilities:				
Due Within One Year	9,050,811	7,250,346	16,301,157	40,058
Due In More Than One Year	107,224,206	133,801,203	241,025,409	1,463,355
Total Liabilities	214,785,494	144,361,510	359,147,004	2,564,805
Net Assets				
Invested in Capital Assets, Net of Related Debt	290,996,712	218,544,211	509,540,923	313,632
Restricted for:				
Capital Projects	7,075,705	-	7,075,705	-
Debt Service	6,267,820	6,615,860	12,883,680	-
Replacement and Improvement	-	6,000,000	6,000,000	-
Mental Retardation	22,489,239	-	22,489,239	-
Job and Family Services	12,959,197	-	12,959,197	-
Motor Vehicle	16,628,233	-	16,628,233	-
Other Purposes	46,381,656	-	46,381,656	-
Unrestricted	11,392,108	32,779,386	44,171,494	35,040
Total Net Assets	\$ 414,190,670	\$ 263,939,457	\$ 678,130,127	\$ 348,672

See accompanying notes to the basic financial statements

Butler County, Ohio
Statement of Activities
For the Year Ended December 31, 2006 and June 30, 2006 (Component Unit)

	Program Revenues		
	Expenses	Charges for Services	Operating Grants, Contributions, and Interest
Governmental Activities			
General Government:			
Legislative and Executive	\$ 31,211,969	\$ 25,539,301	\$ 16,966
Judicial	15,952,902	5,405,269	1,246,084
Public Safety	44,865,490	9,018,145	7,661,085
Public Works	20,803,499	9,795,411	4,851,754
Health	56,672,547	930,496	36,549,354
Human Services	82,199,251	2,336,047	54,423,787
Conservation and Recreation	589,151	-	-
Interest and Fiscal Charges	5,351,240	-	-
Total Governmental Activities	<u>257,646,049</u>	<u>53,024,669</u>	<u>104,749,030</u>
Business-Type Activities			
Sewer	26,108,534	18,988,269	-
Water	25,975,558	21,956,744	-
GSC Parking Facility	170,220	169,805	-
Total Business-Type Activities	<u>52,254,312</u>	<u>41,114,818</u>	<u>-</u>
Total Primary Government	<u>\$ 309,900,361</u>	<u>\$ 94,139,487</u>	<u>\$ 104,749,030</u>
Component Unit			
Connex Group, Inc.	<u>\$ 5,527,979</u>	<u>\$ 5,081,382</u>	<u>\$ -</u>

General Revenues
Property Taxes Levied for:
 General Purposes
 Mental Retardation
 Children Services Board
 Mental Health
 Elderly Services Levy
 Animal Shelter
Sales Tax
Payments in Lieu of Taxes
Grants and Entitlements not Restricted
 to Specific Program
Interest
Net Increase in Fair Value of Investments
Other

Total General Revenues

Change in Net Assets

Net Assets Beginning of Year - Restated (see Note 24)

Net Assets End of Year

See accompanying notes to the basic financial statements

Capital Grants, Contributions, and Interest	Net (Expense) Revenue and Changes in Net Assets			
	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Connex Group, Inc.
\$ -	\$ (5,655,702)	\$ -	\$ (5,655,702)	\$ -
-	(9,301,549)	-	(9,301,549)	-
-	(28,186,260)	-	(28,186,260)	-
11,062,312	4,905,978	-	4,905,978	-
-	(19,192,697)	-	(19,192,697)	-
1,244,826	(24,194,591)	-	(24,194,591)	-
-	(589,151)	-	(589,151)	-
-	(5,351,240)	-	(5,351,240)	-
12,307,138	(87,565,212)	-	(87,565,212)	-
16,147,693	-	9,027,428	9,027,428	-
6,173,802	-	2,154,988	2,154,988	-
-	-	(415)	(415)	-
22,321,495	-	11,182,001	11,182,001	-
\$ 34,628,633	(87,565,212)	11,182,001	(76,383,211)	-
\$ -	-	-	-	(446,597)
	14,737,266	-	14,737,266	-
	20,014,999	-	20,014,999	-
	14,283,235	-	14,283,235	-
	2,239,541	-	2,239,541	-
	13,973,467	-	13,973,467	-
	29,997	-	29,997	-
	40,662,394	-	40,662,394	-
	93,487	-	93,487	-
	6,276,571	-	6,276,571	-
	9,258,342	635,202	9,893,544	27,857
	861,416	-	861,416	-
	3,277,088	1,135,722	4,412,810	66,342
	125,707,803	1,770,924	127,478,727	94,199
	38,142,591	12,952,925	51,095,516	(352,398)
	376,048,079	250,986,532	627,034,611	701,070
\$	414,190,670	\$ 263,939,457	\$ 678,130,127	\$ 348,672

Butler County, Ohio
Balance Sheet
Governmental Funds
December 31, 2006

	General	Mental Retardation	Job and Family Services	Children Services Board
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 27,352,633	\$ 21,631,592	\$ 2,940,231	\$ 7,820,826
Cash and Cash Equivalents:				
In Segregated Accounts	217,702	-	-	-
With Fiscal Agents	36,047	-	-	-
Receivables:				
Property and Other Taxes	11,637,831	16,417,174	-	11,465,949
Sales Taxes	6,436,255	-	-	-
Accounts	82,436	35,279	-	491
Due From Other Governments	9,493,548	1,933,274	13,474,056	1,171,736
Accrued Interest	853,845	-	-	-
Special Assessments	-	-	-	-
Loans	115,000	-	-	-
Due from Other Funds	172,911	9,279	-	505,882
Prepaid Items	396,098	23,764	8,869	12,347
Materials and Supplies Inventory	64,571	12,332	5,101	9,065
Advances to Other Funds	365,202	-	-	-
Total Assets	\$ 57,224,079	\$ 40,062,694	\$ 16,428,257	\$ 20,986,296
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$ 2,906,847	\$ 594,155	\$ 1,563,441	\$ 1,074,857
Contracts Payable	2,257,346	-	-	-
Accrued Wages and Benefits	1,559,739	417,665	233,941	281,912
Matured Compensated Absences Payable	54,264	6,464	72	87
Due to Other Funds	735,369	241,551	763,232	221,345
Due to Other Governments	208,296	218,667	335,428	80,668
Deferred Revenue	18,989,397	17,706,994	11,713,342	11,953,160
Advances from Other Funds	-	-	-	-
Matured Bonds Payable	-	-	-	-
Matured Interest Payable	-	-	-	-
Accrued Interest Payable	-	-	-	-
Notes Payable	-	-	-	-
Total Liabilities	26,711,258	19,185,496	14,609,456	13,612,029
Fund Balances				
Reserved for Encumbrances	2,454,294	832,788	397,845	1,287,392
Reserved for Loans	115,000	-	-	-
Reserved for Long-Term Receivable	4,550,000	-	-	-
Reserved for Debt Service	36,047	-	-	-
Reserved for Advances	365,202	-	-	-
Unreserved:				
Designated for:				
County-Wide Communications System	17,729,295	-	-	-
Undesignated, Reported in:				
General Fund	5,262,983	-	-	-
Special Revenue Funds	-	20,044,410	1,420,956	6,086,875
Debt Service Fund	-	-	-	-
Capital Projects Funds (Deficit)	-	-	-	-
Total Fund Balances (Deficit)	30,512,821	20,877,198	1,818,801	7,374,267
Total Liabilities and Fund Balances	\$ 57,224,079	\$ 40,062,694	\$ 16,428,257	\$ 20,986,296

Bond Retirement	Buildings Construction and Renovations	Road Improvements	Other Governmental Funds	Total Governmental Funds
\$ 3,293,874	\$ 2,684,415	\$ 2,532,430	\$ 37,126,717	\$ 105,382,718
-	-	-	290,963	508,665
-	-	-	69,849	105,896
-	2,818,640	-	19,010,836	61,350,430
-	-	-	-	6,436,255
7,906,940	-	8,368,696	277,267	16,671,109
-	-	-	21,489,712	47,562,326
-	-	-	-	853,845
11,089,060	-	-	1,842,635	12,931,695
-	-	-	332,254	447,254
-	-	-	371,742	1,059,814
-	-	-	269,614	710,692
-	-	-	545,650	636,719
-	-	-	-	365,202
<u>\$ 22,289,874</u>	<u>\$ 5,503,055</u>	<u>\$ 10,901,126</u>	<u>\$ 81,627,239</u>	<u>\$ 255,022,620</u>
\$ -	\$ 193,486	\$ -	\$ 2,767,238	\$ 9,100,024
-	52,123	-	1,965,773	4,275,242
-	-	-	719,743	3,213,000
-	-	-	1,182	62,069
55,777	-	-	797,707	2,814,981
-	-	-	179,703	1,022,762
11,089,060	2,818,640	-	35,096,867	109,367,460
-	-	-	175,202	175,202
18,250	-	-	-	18,250
6,401	-	-	-	6,401
-	25,349	168,650	76,054	270,053
-	2,700,000	12,800,000	5,960,000	21,460,000
<u>11,169,488</u>	<u>5,789,598</u>	<u>12,968,650</u>	<u>47,739,469</u>	<u>151,785,444</u>
-	-	-	5,670,348	10,642,667
-	-	-	216,860	331,860
-	-	-	-	4,550,000
-	-	-	-	36,047
-	-	-	-	365,202
-	-	-	-	17,729,295
-	-	-	-	5,262,983
-	-	-	31,320,197	58,872,438
11,120,386	-	-	-	11,120,386
-	(286,543)	(2,067,524)	(3,319,635)	(5,673,702)
<u>11,120,386</u>	<u>(286,543)</u>	<u>(2,067,524)</u>	<u>33,887,770</u>	<u>103,237,176</u>
<u>\$ 22,289,874</u>	<u>\$ 5,503,055</u>	<u>\$ 10,901,126</u>	<u>\$ 81,627,239</u>	<u>\$ 255,022,620</u>

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Butler County, Ohio
Reconciliation of Total Governmental Fund Balances to
Net Assets of Governmental Activities
December 31, 2006

Total Governmental Fund Balances \$103,237,176

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

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

Land	10,140,092	
Infrastructure	239,711,804	
Construction in progress	9,533,350	
Other capital assets	172,440,576	
Accumulated depreciation	(58,923,035)	
Total capital assets	372,902,787	372,902,787

An internal service fund is used by management to charge the costs of
insurance to individual funds. The assets and liabilities of the internal
service fund are included in governmental activities in the statement of
net assets. (1,648,487)

Some of the County's revenues will be collected after year end,
but are not available soon enough to pay for the current period's expenditures
and therefore are deferred in the funds:

Property Taxes	6,544,602	
Special Assessments	12,931,695	
Due From Other Governments	30,719,218	
Charges for Services	391,926	
Interest Revenue	713,329	
	51,300,770	51,300,770

Bond issuance costs reported as an expenditure in governmental funds
are allocated as an expense over the life of the debt on a full
accrual basis 1,361,424

Long-term liabilities are not due and payable in the current period and therefore
are not reported in the funds. Those liabilities consist of:

Accrued interest on bonds	(398,662)	
Capital leases	(1,999,412)	
Bonds	(102,382,508)	
Loans	(1,627,870)	
Compensated absences	(6,554,548)	
Total liabilities	(112,963,000)	(112,963,000)

Net Assets of Governmental Activities \$414,190,670

See accompanying notes to the basic financial statements

Butler County, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2006

	General	Mental Retardation	Job and Family Services	Children Services Board
Revenues				
Property and Other Taxes	\$ 13,974,670	\$ 19,440,295	\$ -	\$ 13,935,181
Sales Taxes	40,557,333	-	-	-
Charges for Services	25,527,934	375,882	-	-
Licenses and Permits	18,579	-	-	-
Fines and Forfeitures	1,669,036	-	-	-
Intergovernmental	7,918,164	15,772,743	29,582,607	11,558,220
Special Assessments	-	-	-	-
Payments in Lieu of Taxes	25,328	31,283	-	15,732
Interest	8,781,404	-	-	-
Net Increase in Fair Value of Investments	861,416	-	-	-
Other	1,623,473	24,911	779,774	3,206
Total Revenues	100,957,337	35,645,114	30,362,381	25,512,339
Expenditures				
Current:				
General Government				
Legislative and Executive	21,790,756	-	-	-
Judicial	13,784,259	-	-	-
Public Safety	37,919,270	-	-	-
Public Works	199,623	-	-	-
Health	449,005	30,738,741	-	-
Human Services	1,223,558	-	32,470,257	26,062,357
Conservation and Recreation	589,151	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal Retirement	3,582,869	-	-	-
Interest and Fiscal Charges	2,880,934	-	-	-
Issuance Costs	245,108	-	-	-
Total Expenditures	82,664,533	30,738,741	32,470,257	26,062,357
Excess of Revenues Over (Under) Expenditures	18,292,804	4,906,373	(2,107,876)	(550,018)
Other Financing Sources (Uses):				
General Obligation Bonds Issued	-	-	-	-
Premium from Debt Issued	-	-	-	-
Inception of Capital Lease	-	-	-	-
Transfers - In	4,710,000	-	1,413,177	-
Transfers - Out	(3,118,417)	-	-	-
Total Other Financing Sources (Uses)	1,591,583	-	1,413,177	-
Net Change in Fund Balance	19,884,387	4,906,373	(694,699)	(550,018)
Fund Balances (Deficit) Beginning of Year	10,628,434	15,970,825	2,513,500	7,924,285
Fund Balances (Deficit) End of Year	\$ 30,512,821	\$ 20,877,198	\$ 1,818,801	\$ 7,374,267

See accompanying notes to the basic financial statements

Bond Retirement	Buildings Construction and Renovations	Road Improvements	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 29,997	\$ -	\$ 16,207,642	\$ 63,587,785
-	-	-	-	40,557,333
-	-	-	24,719,719	50,623,535
-	-	-	560,221	578,800
-	-	-	321,832	1,990,868
-	-	545,631	50,564,827	115,942,192
3,134,366	-	-	1,635,094	4,769,460
-	-	-	21,144	93,487
-	2,184	101,401	128,609	9,013,598
-	-	-	-	861,416
-	-	-	893,177	3,324,541
<u>3,134,366</u>	<u>32,181</u>	<u>647,032</u>	<u>95,052,265</u>	<u>291,343,015</u>
-	-	-	7,074,115	28,864,871
-	-	-	1,830,546	15,614,805
-	-	-	10,278,569	48,197,839
-	-	525,615	21,533,381	22,258,619
-	-	-	24,640,687	55,828,433
-	-	-	22,366,286	82,122,458
-	-	-	-	589,151
-	342,190	332,812	73,993	748,995
861,690	3,680,000	2,600,000	11,036,296	21,760,855
1,012,847	414,215	534,849	892,921	5,735,766
-	-	-	-	245,108
<u>1,874,537</u>	<u>4,436,405</u>	<u>3,993,276</u>	<u>99,726,794</u>	<u>281,966,900</u>
<u>1,259,829</u>	<u>(4,404,224)</u>	<u>(3,346,244)</u>	<u>(4,674,529)</u>	<u>9,376,115</u>
-	6,875,000	2,040,000	8,585,000	17,500,000
-	252,075	81,921	244,722	578,718
-	-	-	83,878	83,878
-	320,987	246,359	1,238,262	7,928,785
-	-	-	(4,810,368)	(7,928,785)
-	<u>7,448,062</u>	<u>2,368,280</u>	<u>5,341,494</u>	<u>18,162,596</u>
1,259,829	3,043,838	(977,964)	666,965	27,538,711
<u>9,860,557</u>	<u>(3,330,381)</u>	<u>(1,089,560)</u>	<u>33,220,805</u>	<u>75,698,465</u>
<u>\$ 11,120,386</u>	<u>\$ (286,543)</u>	<u>\$ (2,067,524)</u>	<u>\$ 33,887,770</u>	<u>\$ 103,237,176</u>

Butler County, Ohio
 Reconciliation of the Statement of Revenues, Expenditures
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Year Ended December 31, 2006

Net Change in Fund Balances - Total Governmental Funds		\$27,538,711
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:		
Capital Asset Additions	8,625,820	
Current Year Depreciation	<u>(7,021,770)</u>	1,604,050
Donations of capital assets are not reported in the governmental funds. However, in the statement of activities, their value at the time of donation is reported as revenue.		
	<u>2,523,865</u>	2,523,865
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		
Loss on Disposal of Capital Assets		(31,150)
Because some revenues will not be collected for several months after the County's year end, they are not considered "available" revenues and are deferred in the governmental funds.		
Property Taxes	1,690,720	
Sales Taxes	105,061	
Due From Other Governments	963,868	
Special Assessments	(866,646)	
Charges for Services	(168,534)	
Interest Revenue	244,744	
Other Revenue	<u>(47,453)</u>	1,921,760
Some capital assets were financed through capital leases. In governmental funds, a capital lease arrangement is considered a source of financing, but in the statement of net assets, the lease obligation is reported as a liability.		
		(83,878)
Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
Bond principal retirement	3,080,000	
Special assessment principal retirement	506,690	
Note principal retirement	17,105,000	
Loan principal retirement	174,155	
Capital lease payments	<u>895,010</u>	21,760,855
In the statement of activities interest is accrued on outstanding bonds, whereas in governmental funds, interest is expensed when due.		
		377,677
Governmental funds report premiums, discounts and bond issuance costs as expenditures, whereas these amounts are deferred and amortized in the statement of activities		
Premium on Bonds	(578,718)	
Bond Issuance Costs	245,108	
Amortization of Gain/Loss on Refunding	(204,052)	
Amortization of Bond Premiums/Discounts on Issue	307,915	
Amortization of Bond Issuance Costs	<u>(97,014)</u>	(326,761)
Bond Proceeds are reported as other financing sources in governmental funds and thus contribute to the change in fund balances. In the government-wide statements, however, issuing debt increases long-term liabilities in the statement of net assets and does not affect the statement of activities.		
Bond Proceeds, Note Proceeds		(17,500,000)
Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:		
Compensated Absences		(907,564)
The internal service funds used by management to charge the costs of insurance to individual funds and the County Fuel Depot. The net revenue (expense) of the internal service fund are reported with governmental activities.		
		<u>1,265,026</u>
Change in Net Assets of Governmental Activities		<u>\$38,142,591</u>

See accompanying notes to the basic financial statements

Butler County, Ohio
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual (Budget Basis)
General Fund
For the Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Property and Other Taxes	\$ 9,311,558	\$ 13,951,558	\$ 13,982,781	\$ 31,223
Sales Taxes	31,728,735	40,404,877	40,412,302	7,425
Charges for Services	16,221,738	25,046,452	25,272,888	226,436
Licenses and Permits	14,569	14,569	20,870	6,301
Fines and Forfeitures	966,076	1,521,076	1,590,191	69,115
Intergovernmental	8,636,189	7,865,274	7,922,939	57,665
Payment in Lieu of Taxes	19,258	25,258	25,328	70
Interest	3,128,995	8,326,126	8,348,112	21,986
Other	2,365,886	1,725,562	1,742,819	17,257
Total Revenues	72,393,004	98,880,752	99,318,230	437,478
Expenditures:				
Current:				
General Government:				
Legislative and Executive	23,118,621	24,080,925	23,207,344	873,581
Judicial	14,247,616	14,408,895	14,016,912	391,983
Public Safety	29,745,070	46,307,139	37,436,134	8,871,005
Public Works	216,466	213,614	198,034	15,580
Health	475,696	474,846	443,269	31,577
Human Services	1,610,633	1,370,358	1,214,078	156,280
Conservation and Recreation	597,100	597,128	589,151	7,977
Debt Service:				
Principal Retirement	3,175,859	3,643,880	3,573,638	70,242
Interest and Fiscal Charges	3,020,637	2,928,575	2,829,383	99,192
Bond Issuance Costs	-	245,108	245,108	-
Total Expenditures	76,207,698	94,270,468	83,753,051	10,517,417
Excess of Revenues Over (Under) Expenditures	(3,814,694)	4,610,284	15,565,179	10,954,895
Other Financing Sources (Uses):				
Other Financing Sources	2,194,462	974,553	1,063,013	88,460
Premium on Debt Issued	1,385,828	-	-	-
Advances - In	164,646	1,075,103	1,075,540	437
Advances - Out	(453,303)	(580,000)	(40,000)	540,000
Transfers - In	110,561	124,590	125,000	410
Transfers - Out	(2,252,500)	(3,183,757)	(3,118,417)	65,340
Total Other Financing Sources (Uses)	1,149,694	(1,589,511)	(894,864)	694,647
Net Change in Fund Balance	(2,665,000)	3,020,773	14,670,315	11,649,542
Fund Balances at Beginning of Year	7,972,860	7,972,860	7,972,860	-
Prior Year Encumbrances Appropriated	416,031	416,031	416,031	-
Fund Balances at End of Year	\$ 5,723,891	\$ 11,409,664	\$ 23,059,206	\$ 11,649,542

See accompanying notes to the basic financial statements.

Butler County, Ohio
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual (Budget Basis)
Mental Retardation Fund
For the Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Property and Other Taxes	\$ 19,412,110	\$ 19,379,768	\$ 19,425,188	\$ 45,420
Charges for Services	1,780,000	466,042	466,061	19
Intergovernmental	6,880,308	15,047,850	15,048,988	1,138
Payment in Lieu of Taxes	-	31,283	31,283	-
Other	3,400	15,303	17,008	1,705
Total Revenues	<u>28,075,818</u>	<u>34,940,246</u>	<u>34,988,528</u>	<u>48,282</u>
Expenditures:				
Current:				
Health	<u>31,605,826</u>	<u>35,720,826</u>	<u>31,767,479</u>	<u>3,953,347</u>
Excess of Revenues Over (Under) Expenditures	<u>(3,530,008)</u>	<u>(780,580)</u>	<u>3,221,049</u>	<u>4,001,629</u>
Other Financing Sources (Uses):				
Other Financing Sources	-	22,600	22,624	24
Transfers - In	763,000	(80)	-	80
Transfers - Out	<u>(763,000)</u>	<u>(763,000)</u>	<u>-</u>	<u>763,000</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(740,480)</u>	<u>22,624</u>	<u>763,104</u>
Net Change in Fund Balance	(3,530,008)	(1,521,060)	3,243,673	4,764,733
Fund Balances at Beginning of Year	15,314,934	15,314,934	15,314,934	-
Prior Year Encumbrances Appropriated	818,595	818,595	818,595	-
Fund Balances at End of Year	<u>\$ 12,603,521</u>	<u>\$ 14,612,469</u>	<u>\$ 19,377,202</u>	<u>\$ 4,764,733</u>

See accompanying notes to the basic financial statements

Butler County, Ohio
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual (Budget Basis)
Job and Family Services Fund
For the Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Intergovernmental	\$ 30,870,769	\$ 28,878,571	\$ 29,452,763	\$ 574,192
Other	-	300,000	779,774	479,774
Total Revenues	<u>30,870,769</u>	<u>29,178,571</u>	<u>30,232,537</u>	<u>1,053,966</u>
Expenditures:				
Current:				
Human Services	<u>33,572,287</u>	<u>33,791,338</u>	<u>33,380,773</u>	<u>410,565</u>
Excess of Revenues Over (Under) Expenditures	<u>(2,701,518)</u>	<u>(4,612,767)</u>	<u>(3,148,236)</u>	<u>1,464,531</u>
Other Financing Sources (Uses):				
Other Financing Sources	63,000	97,998	138,222	40,224
Advances - In	-	-	131,862	131,862
Transfers - In	1,511,030	1,413,230	1,413,177	(53)
Total Other Financing Sources (Uses)	<u>1,574,030</u>	<u>1,511,228</u>	<u>1,683,261</u>	<u>172,033</u>
Net Change in Fund Balance	(1,127,488)	(3,101,539)	(1,464,975)	1,636,564
Fund Balances at Beginning of Year	1,570,927	1,570,927	1,570,927	-
Prior Year Encumbrances Appropriated	1,980,920	1,980,920	1,980,920	-
Fund Balances at End of Year	<u>\$ 2,424,359</u>	<u>\$ 450,308</u>	<u>\$ 2,086,872</u>	<u>\$ 1,636,564</u>

See accompanying notes to the basic financial statements

Butler County, Ohio
 Statement of Revenues, Expenditures, and
 Changes in Fund Balances - Budget and Actual (Budget Basis)
 Children Services Board Fund
 For the Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Property and Other Taxes	\$ 13,566,000	\$ 13,910,981	\$ 13,911,453	\$ 472
Intergovernmental	10,989,000	10,916,597	10,920,569	3,972
Payment in Lieu of Taxes	-	15,000	15,732	732
Other	6,000	3,750	3,889	139
Total Revenues	<u>24,561,000</u>	<u>24,846,328</u>	<u>24,851,643</u>	<u>5,315</u>
Expenditures:				
Current:				
Human Services	<u>28,870,727</u>	<u>28,912,900</u>	<u>27,655,373</u>	<u>1,257,527</u>
Excess of Revenues (Under) Expenditures	<u>(4,309,727)</u>	<u>(4,066,572)</u>	<u>(2,803,730)</u>	<u>1,262,842</u>
Other Financing Sources:				
Other Financing Sources	5,000	5,000	7,825	2,825
Advances - In	-	84,672	110,242	25,570
Total Other Financing Sources	<u>5,000</u>	<u>89,672</u>	<u>118,067</u>	<u>28,395</u>
Net Change in Fund Balance	(4,304,727)	(3,976,900)	(2,685,663)	1,291,237
Fund Balances at Beginning of Year	4,971,273	4,971,273	4,971,273	-
Prior Year Encumbrances Appropriated	2,278,812	2,278,812	2,278,812	-
Fund Balances at End of Year	<u>\$ 2,945,358</u>	<u>\$ 3,273,185</u>	<u>\$ 4,564,422</u>	<u>\$ 1,291,237</u>

See accompanying notes to the basic financial statements

Butler County, Ohio
Statement of Fund Net Assets
Proprietary Funds
December 31, 2006

	Enterprise Funds				Governmental Activities - Internal Service Fund
	Sewer	Water	GSC Parking Facility	Total	
Assets					
Current Assets					
Equity in Pooled Cash and Cash Equivalents	\$ 21,000,567	\$ 20,950,111	\$ 12,280	\$ 41,962,958	\$ 953,976
Cash and Cash Equivalents in Segregated Accounts	250	250	100	600	-
Restricted Assets:					
Cash and Cash Equivalents with Fiscal Agent	4,185,912	2,097,191	-	6,283,103	-
Receivables:					
Accounts	1,655,276	2,458,116	-	4,113,392	48,250
Due from Other Governments	554,003	272,524	-	826,527	-
Due from Other Funds	55,777	2,429	-	58,206	1,867,024
Prepaid Items	26,344	24,998	-	51,342	266
Materials and Supplies Inventory	75,757	44,601	-	120,358	-
Total Current Assets	27,553,886	25,850,220	12,380	53,416,486	2,869,516
Noncurrent Assets					
Deferred Charges	1,599,884	5,403,226	-	7,003,110	-
Deferred Charges for Water Rate Stabilization	-	27,848,555	-	27,848,555	-
Non-Depreciable Capital Assets	39,154,777	13,573,470	-	52,728,247	-
Depreciable Capital Assets	164,740,089	95,940,518	-	260,680,607	-
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents	4,000,000	2,113,745	-	6,113,745	-
Cash and Cash Equivalents with Fiscal Agent	680,280	-	-	680,280	-
Total Noncurrent Assets	210,175,030	144,879,514	-	355,054,544	-
Total Assets	237,728,916	170,729,734	12,380	408,471,030	2,869,516
Liabilities					
Current Liabilities:					
Accounts Payable	285,168	212,875	313	498,356	5,608
Contracts Payable	225,106	394,275	-	619,381	-
Accrued Wages and Benefits	167,859	102,104	1,722	271,685	12,638
Retainage Payable	265,311	242,224	-	507,535	-
Due to Other Funds	105,131	63,869	1,063	170,063	-
Due to Other Governments	36,725	700,512	-	737,237	599,078
Accrued Interest Payable	281,224	280,798	-	562,022	-
General Obligation Bonds Payable	37,190	-	-	37,190	-
Revenue Bonds Payable	3,980,580	1,955,000	-	5,935,580	-
Judgement Bonds Payable	-	815,000	-	815,000	-
Loans Payable	-	194,392	-	194,392	-
Claims Payable	-	-	-	-	1,000,243
Compensated Absences Payable	162,493	104,345	1,346	268,184	13,358
Total Current Liabilities	5,546,787	5,065,394	4,444	10,616,625	1,630,925
Noncurrent Liabilities:					
Advances from Other Funds	-	-	-	-	190,000
Refundable Deposits	-	113,745	-	113,745	-
Claims Payable	-	-	-	-	2,667,341
Compensated Absences Payable	252,600	208,789	3,368	464,757	29,737
General Obligation Bonds Payable	3,756,680	-	-	3,756,680	-
Revenue Bonds Payable	54,995,497	36,273,836	-	91,269,333	-
Judgement Bonds Payable	-	33,295,351	-	33,295,351	-
Loans Payable	-	5,015,082	-	5,015,082	-
Total Noncurrent Liabilities	59,004,777	74,906,803	3,368	133,914,948	2,887,078
Total Liabilities	64,551,564	79,972,197	7,812	144,531,573	4,518,003
Net Assets					
Invested in Capital Assets, Net of Related Debt	144,676,973	73,867,238	-	218,544,211	-
Restricted for:					
Debt Service	4,660,860	1,388,432	-	6,049,292	-
Replacement and Improvement	4,000,000	2,000,000	-	6,000,000	-
Unrestricted	19,839,519	13,501,867	4,568	33,345,954	(1,648,487)
Total Net Assets	\$ 173,177,352	\$ 90,757,537	\$ 4,568	\$ 263,939,457	\$ (1,648,487)

See accompanying notes to the basic financial statements

Butler County, Ohio
Statement of Revenues,
Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2006

	Enterprise Funds				Governmental Activities - Internal Service Fund
	Sewer	Water	GSC Parking Facility	Total	
Operating Revenues:					
Charges for Services	\$ 18,988,269	\$ 21,956,744	\$ 169,805	\$ 41,114,818	\$ 15,849,525
Other Operating Revenues	250,323	230,026	-	480,349	49,484
Total Operating Revenues	19,238,592	22,186,770	169,805	41,595,167	15,899,009
Operating Expenses:					
Personal Services	6,900,819	4,104,811	67,202	11,072,832	464,073
Contractual Services	4,964,916	11,110,472	5,575	16,080,963	13,849,368
Claims and Judgments	-	-	-	-	1,052,076
Materials and Supplies	1,484,055	874,008	15,331	2,373,394	29,295
Depreciation and Amortization Expense	8,596,384	5,654,005	-	14,250,389	-
Other	870,420	547,047	82,112	1,499,579	1,618
Total Operating Expenses	22,816,594	22,290,343	170,220	45,277,157	15,396,430
Operating Income (Loss)	(3,578,002)	(103,573)	(415)	(3,681,990)	502,579
Non-Operating Revenues (Expenses)					
Other Non-Operating Revenues	227,548	427,825	-	655,373	800,000
Interest	333,299	301,903	-	635,202	-
Interest and Fiscal Charges	(3,291,940)	(3,685,215)	-	(6,977,155)	-
Other Non-Operating Expenses	-	-	-	-	(37,553)
Total Non-Operating Revenues (Expenses)	(2,731,093)	(2,955,487)	-	(5,686,580)	762,447
Gain (Loss) Before Contributions	(6,309,095)	(3,059,060)	(415)	(9,368,570)	1,265,026
Capital Contributions	16,147,693	6,173,802	-	22,321,495	-
Change in Net Assets	9,838,598	3,114,742	(415)	12,952,925	1,265,026
Net Assets Beginning of Year	163,338,754	87,642,795	4,983	250,986,532	(2,913,513)
Net Assets End of Year	\$ 173,177,352	\$ 90,757,537	\$ 4,568	\$ 263,939,457	\$ (1,648,487)

See accompanying notes to the basic financial statements

Butler County
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2006

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Sewer	Water	Govt Services Center Parking Facility	Totals	
<u>Increase (Decrease) in Cash and Cash Equivalents:</u>					
<u>Cash Flows from Operating Activities:</u>					
Cash Received from Customers	\$ 19,004,690	\$ 22,089,346	\$ 171,497	\$ 41,265,533	\$ -
Cash Paid to Suppliers	(10,256,199)	(13,485,556)	(20,906)	(23,762,661)	(13,849,785)
Cash Paid to Employees	(5,918,284)	(3,588,867)	(68,557)	(9,575,708)	(451,099)
Cash Received from Interfund Services Provided	-	-	-	-	14,867,847
Cash Payments for Interfund Services Used	(821,100)	(408,424)	-	(1,229,524)	-
Deposits	-	13,750	-	13,750	-
Other Operating Revenues	714,592	264,691	-	979,283	49,484
Other Operating Expenses	(1,358,183)	(533,896)	(82,112)	(1,974,191)	-
Other Non-Operating Revenues	227,548	427,825	-	655,373	800,000
Other Non-Operating Expenses	-	-	-	-	(37,553)
Cash Paid for Claims	-	-	-	-	(766,877)
Net Cash Provided by (Used for) Operating Activities	1,593,064	4,778,869	(78)	6,371,855	612,017
<u>Cash Flows from Noncapital Financing Activities:</u>					
Interest Paid on Judgement Bonds	-	(1,598,334)	-	(1,598,334)	-
Principal Paid on Judgement Bonds	-	(615,000)	-	(615,000)	-
Short-Term Advances to Other Funds	-	-	-	-	(1,458,595)
Short-Term Advances From Other Funds	-	60,016	-	-	42,606
Repayment of Short-Term Advances from Other Funds	78,293	-	441	78,734	-
Net Cash Provided by (Used for) Noncapital Financing Activities	78,293	(2,153,318)	441	(2,134,600)	(1,415,989)
<u>Cash Flows from Capital and Related Financing Activities:</u>					
Proceeds from Sale of General Obligation Bonds and Notes	3,200,000	-	-	3,200,000	-
Proceeds from Sale of Revenue Bonds	4,000,000	-	-	4,000,000	-
Net Proceeds from OPWC Loans	-	751,737	-	751,737	-
Interest Paid on General Obligation Bonds and Notes	(447,580)	(222,583)	-	(670,163)	-
Principal Paid on General Obligation Bonds and Notes	(7,743,914)	(152,373)	-	(7,896,287)	-
Interest and Fiscal Charges on Revenue Bonds	(2,606,742)	(1,814,159)	-	(4,420,901)	-
Principal Paid on Revenue Bonds	(3,800,000)	(1,900,000)	-	(5,700,000)	-
Acquisition and Construction of Capital Assets	(7,348,397)	(9,643,986)	-	(16,992,383)	-
Capital Contributions by Other Governments - Capital Grants	5,195,788	454,854	-	5,650,642	-
Capital Contributions by Customers	5,654,267	2,923,530	-	8,577,797	-
Net Cash Provided by (Used for) Capital and Related Financing Activities	(3,896,578)	(9,602,980)	-	(13,499,558)	-
<u>Cash Flows from Investing Activities:</u>					
Interest	333,299	301,903	-	635,202	-
Net Increase (Decrease) in Cash and Cash Equivalents	(1,891,922)	(6,675,526)	363	(8,627,101)	(803,972)
Cash and Cash Equivalents at Beginning of Year	31,758,931	31,836,823	12,017	63,607,771	1,757,948
Cash and Cash Equivalents at End of Year	\$ 29,867,009	\$ 25,161,297	\$ 12,380	\$ 54,980,670	\$ 953,976

(continued)

Butler County
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2006 (Continued)

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Sewer	Water	Govt Services Center Parking Facility	Totals	
Reconciliation of Operating Loss to Net Income					
<u>Cash Used for Operating Activities:</u>					
Operating Income (Loss)	\$ (3,578,002)	\$ (103,573)	\$ (415)	\$ (3,681,990)	\$ 502,579
Adjustments to Reconcile Operating Loss to Net Cash					
<u>Provided by (Used for) Operating Activities:</u>					
Depreciation and Amortization	8,596,384	5,654,005	-	14,250,389	-
Other Non-Operating Revenues	227,548	427,825	-	655,373	800,000
Other Non-Operating Expenses	-	-	-	-	(37,553)
<u>Changes in Assets and Liabilities:</u>					
(Increase) Decrease in Accounts Receivable	16,326	134,868	-	151,194	(24,681)
(Increase) Decrease in Due from Other Funds	395	(2,266)	1,692	(179)	(956,997)
(Increase) Decrease in Supplies Inventory	(11,977)	138,885	-	126,908	-
(Increase) Decrease in Prepaid Items	5,687	30,095	-	35,782	(230)
Increase (Decrease) in Accrued Wages and Benefits	11,866	6,894	67	18,827	1,825
Increase (Decrease) in Accounts Payable	4,453	120,191	(2,737)	121,907	(3,649)
Decrease in Contracts Payable	(2,922,579)	(1,871,284)	-	(4,793,863)	-
Increase (Decrease) in Retainage Payable	(882,820)	63,184	-	(819,636)	-
Increase in Compensated Absences Payable	94,076	66,756	-	160,832	8,477
Increase (Decrease) in Due to Other Funds	51,557	26,944	571	79,072	(1,272)
Increase (Decrease) in Due to Other Governments	(19,850)	72,595	744	53,489	38,319
Increase in Claims Payable	-	-	-	-	285,199
Increase in Refundable Deposits	-	13,750	-	13,750	-
Total Adjustments	5,171,066	4,882,442	337	10,053,845	109,438
Net Cash Provided by (Used for) Operating Activities	\$ 1,593,064	\$ 4,778,869	\$ (78)	\$ 6,371,855	\$ 612,017

Non-Cash capital and related financing activities:

Capital contributions from other governments of \$554,003 for the sewer fund.
Capital contributions from other governments of \$391,643 for the water fund.
Developers during the year donated \$8,483,280 of sewer lines to the sewer fund.
Developers during the year donated \$2,403,775 of water lines to the water fund.

See accompanying notes to the basic financial statements

Butler County, Ohio
Statement of Fiduciary Net Assets
Agency Funds
December 31, 2006

	<u>Total</u>
Assets	
Equity Pooled in Cash and Cash Equivalents	\$ 29,139,941
Cash and Cash Equivalents in Segregated Accounts	3,643,121
Taxes Receivable	374,378,029
Special Assessments Receivable	33,004,588
Due from Other Governments	<u>15,472,923</u>
 Total Assets	 <u><u>\$ 455,638,602</u></u>
 Liabilities	
Accounts Payable	\$ 14,366
Undistributed Monies	2,995,714
Deposits Held and Due to Others	12,329,477
Due to Other Governments	440,184,045
Loans Payable	<u>115,000</u>
 Total Liabilities	 <u><u>\$ 455,638,602</u></u>

See accompanying notes to the basic financial statements

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 1 - REPORTING ENTITY AND BASIS OF PRESENTATION

REPORTING ENTITY

Butler County, Ohio (The County) was created in 1803. The County is governed by a board of three commissioners elected by the voters of the County. The County Commissioners serve as the taxing authority, the contracting body, and the chief administrators of public services for the County. Other elected officials include the Auditor, Treasurer, Recorder, Sheriff, Coroner, Clerk of Courts, Prosecutor, Engineer, eleven Common Pleas Court Judges and three County Court Judges.

The services provided by the above officials and their departments comprise the primary governmental unit of the County. They have therefore been included as part of the reporting entity.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements of the County are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the County. For Butler County, this includes the Children Services Board, the Board of Mental Retardation and Developmental Disabilities, the Board of Mental Health, the Alcohol and Drug Addiction Services Board, the Veterans Service Board and the Board of Elections and all departments and activities that are directly operated by the elected County officials.

Component units are legally separate organizations for which the County is financially accountable. The County is financially accountable for an organization if the County appoints a voting majority of the organization's governing board and (1) the County is able to significantly influence the programs or services performed or provided by the organization; or (2) the County is legally entitled to or can otherwise access the organization's resources; the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the County is obligated for the debt of the organization. Component units also include organizations that are fiscally dependent on the County, in that the County approves the organizations budget, the issuance of its debt, or the levying of its taxes.

Discretely Presented Component Unit

The component unit column in the combined financial statements identifies the financial data of the County's component unit, Connex Group, Inc. formerly known as Miami Valley Industries. It is reported separately to emphasize that it is legally separate from the County.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 1 - REPORTING ENTITY AND BASIS OF PRESENTATION (continued)

Connex Group, Incorporated

Connex Group, Inc. (The Workshop) is a legally separate entity served by a self-appointing board of trustees. The Workshop, under a contractual agreement with the Butler County Board of Mental Retardation and Developmental Disabilities, provides a comprehensive program of services, including employment for mentally retarded and developmentally disabled citizens. The Workshop is a non-governmental, non-profit corporation. The Butler County Board of MRDD provides the Workshop with expenses and personnel for operation of the Workshop including staff salaries and benefits and certain supplies and advertising. Based on the significant services and resources provided by the County to the Workshop and the Workshop's sole purpose of providing assistance to the developmentally disabled and handicapped adults of Butler County, the Workshop is reflected as a component unit of Butler County. This is because the nature and significance of the relationship is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The component unit column of the financial statements identifies the financial data of the discretely presented component unit. It is reported separately to emphasize that it is legally separate from the County. Connex Group, Inc. operates on a fiscal year ending June 30th. Separately issued financial statements can be obtained from Connex Group, Inc. Workshop of Butler County, Ohio, 449 Patterson Blvd. Hamilton, OH 45011. Disclosures related to Connex can be found in Note 24.

The County participates in the following joint ventures, jointly governed organization, risk sharing pool, insurance pool and related organization. These organizations are presented in Note 20 to the basic financial statements and are excluded from the accompanying financial statements except as noted.

Butler County Alliance
Butler County Emergency Management Agency
Butler County Transportation Improvement District
County Risk Sharing Authority
County Employee Benefits Consortium of Ohio, Inc. (CEBCO)
Regional Transit Authority
Butler County Convention and Visitor Bureau
Butler County Port Authority

As the custodian of public funds, the County Treasurer invests all public moneys held on deposit in the County Treasury. In the case of the legally separate agencies, boards and commissions listed below, the County serves as fiscal agent, but the organizations are not considered a part of Butler County. Accordingly, the activity of the following districts and agencies are presented as agency funds within the County's financial statements:

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 1 - REPORTING ENTITY AND BASIS OF PRESENTATION (continued)

Butler County General Health District

The five member Board of Health which oversees the operation of the Health District is elected by a District Advisory Council comprised of township trustees and mayors of participating municipalities. The Board adopts its own budget which is subject to a compliance oriented review by the County. The District hires and fires its own staff, and operates autonomously from the County.

Butler County Soil and Water Conservation District

The Soil and Water Conservation District is statutorily created as a separate and distinct political subdivision of the state. The five supervisors of the Soil and Water Conservation District are elected officials authorized to contract and sue on behalf of the District. The supervisors adopt their own budget, authorize District expenditures, and do not tax nor issue debt.

Butler County Solid Waste Planning District

A state mandate established by the passage of Amended Sub House Bill 592 created the Butler County Solid Waste Planning District. The Solid Waste Planning Committee was established in March of 1989 and consists of seven members which include a health commissioner, an appointee of the County Commissioners, a chief executive officer, and four members from the public sector. The committee adopts its own budget and authorizes its own expenditures.

Metroparks of Butler County

The District Commissioners are appointed by the Probate Judge of the County. The Commissioners adopt their own budget, authorize expenditures, hire and fire staff, and do not rely on the County to finance deficits. The County is not financially accountable for the District nor is the District fiscally dependent on the County. The District serves as its own taxing and debt issuance authority and is a related organization of the County. The District received \$644,162 of funding from the County Property Transfer Tax during 2006.

Twelfth District Court of Appeals

The State of Ohio is divided into twelve district courts of appeals. The twelfth district includes the counties of Brown, Clermont, Butler, Warren, Clinton, Fayette, Madison, and Preble. The district court is a separate entity from the County. The three judges who are responsible for the court system are elected in the general election by the populous of the above listed counties. The court system sets its own budget, appoints staff, and relies on the County for only the County's proportionate contribution for operations as required by state statute.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Butler County have been prepared in conformity with the generally accepted accounting principals (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principals. The County also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The County has elected not to apply FASB pronouncements and interpretations issued after November 30, 1989 to its business-type activities and to its enterprise funds. The more significant of the County's accounting policies are described below.

BASIS OF PRESENTATION

The County's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service funds is eliminated to avoid "doubling up" revenues and expenses. The statements distinguish between those activities of the County that are governmental and those that are considered business-type activities.

The statement of net assets presents the financial condition of the governmental and business-type activities for the County at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the County's governmental activities and for the business-type activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient for goods and services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues that are not classified as program revenues are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business activity is self-financing or draws from the general revenues of the County.

**BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements

During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Internal service funds are combined and the totals are presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by type.

Fund Accounting

The County uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary.

Governmental Funds

Governmental funds are those through which most governmental functions of the County are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources.

Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the County's major governmental funds:

General - This fund accounts for the general operating revenues and expenditures of the County not recorded elsewhere. The General Fund balance is available to the County for any purpose provided it is expended or transferred according to the general laws of the State of Ohio.

Mental Retardation - This fund accounts for the countywide tax levy, federal and state grants used to pay the costs of services provided to local citizens with mental or developmental disabilities.

Job and Family Services - This fund accounts for various federal and state grants used to provide public assistance to general relief recipients, pay their providers of medical assistance and for certain public social services.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Children Services Board - This fund accounts for the countywide tax levy, and various federal and state grants used to provide services to the local community for child adoption and foster care needs.

Bond Retirement Fund - This fund is used to retire Special Assessment Bonds.

Buildings Construction and Renovations - This fund accounts for the activity involved with the acquisition, construction and renovation of various County buildings. Projects include the Children Services Board Construction, Government Services Center Construction, Jail Construction, Juvenile Detention Center Construction, City Centre Mall Capital Improvements, Administrative Building Roof Improvement, Sheriffs Building Repair, Old Jail Rehabilitation, Common Pleas Court Renovation, Courts Remodeling Project and the Animal Shelter.

Road Improvements - This fund accounts for roadway construction and improvements in Butler County.

The other governmental funds of the County account for grants and other resources whose use is restricted to a particular purpose.

Proprietary Funds

Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service.

Enterprise Funds

Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The County maintains the following three enterprise funds:

Sewer - This fund accounts for fees collected by the Butler County Department of Environmental Services for the processing and disposal of sewage.

Water - This fund accounts for fees collected by the Butler County Department of Environmental Services for providing water services for Butler County residents.

Government Services Center (GSC) Parking Facility - This fund accounts for fees collected by the Butler County Commissioners for revenue received from customers parking in the GSC parking facility and expenses relative to its operation.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Internal Service Funds

Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the County on a cost-reimbursement basis. The County's internal service funds report on self-insurance programs, workers compensation and the County Fuel Depot station.

Fiduciary Funds

The County's only fiduciary funds are agency funds. Agency funds are used to report resources held by the County in a purely custodial capacity. The County's agency funds are primarily established to account for the collection and distribution of various taxes, receipts and fees to other local governments and to account for funds of the County General Health District, Soil and Water Conservation District, Solid Waste Planning District, Metroparks, Twelfth District Court of Appeals, Regional Transit Authority and Emergency Management.

MEASUREMENT FOCUS

Government-Wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the County are included on the statement of net assets. The statement of activities presents increases (i.e. revenues) and decreases (i.e. expenses) in total net assets.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balance reports on the sources (i.e. revenues and other financing sources) and uses (i.e. expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationships between the government-wide statements and the fund financial statements.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Like the government-wide statements, all proprietary fund types are accounted for using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e. revenues) and decreases (i.e. expenses) in total net assets. The statement of cash flows provides information about how the County finances and meets the cash flow needs of its proprietary activities.

BASIS OF ACCOUNTING

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues – Exchange and Non-Exchange Transactions

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the County, available means expected to be received within thirty-one days of year-end.

Non-exchange transactions, in which the County receives value without directly giving equal value in return, includes sales tax, property taxes, grants, entitlements and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the sale occurs. On an accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied (see note 5). Revenue from grants, entitlements and donations are recognized in the year in which all eligibility requirements have been satisfied.

Eligibility requirements include timing requirements, which specify the year when resources are required to be used or the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: sales tax, state levied locally shared taxes (including gasoline tax and motor vehicle license tax), license and permits, fines and forfeitures, grants, interest, and charges for services.

Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of December 31, 2006, but which were levied to finance year 2007 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on the decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

Cash and Cash Equivalents

Cash resources of the majority of individual funds are combined to form a pool of cash and investments, which is managed by the County Treasurer. Individual fund integrity is maintained through the County's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

During fiscal year 2006, investments were limited to the First American Treasury Money Market Mutual Fund, STAROhio, Federal Farm Credit Bank Bonds, Federal Home Loan Bank Bonds, Federal Home Loan Mortgage Corporation Bonds and Federal National Mortgage Association Bonds. Investments are reported at fair value, which is based on quoted market prices, with the exception of certificates of deposit, which are reported at cost. The fair value of the mutual funds is determined by the fund's December 31, 2006, share price. Note 4 provides a detailed disclosure regarding cash, cash equivalents and investments held by the County.

**BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

STAROhio is an investment pool managed by the State Treasurers Office, which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the Securities and Exchange Commission (SEC) as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on December 31, 2006.

Interest earned on investments is distributed to the General Fund, except as stipulated by the Ohio Constitution or State statute. Interest revenue credited to the General Fund during 2006 amounted to \$8,781,404 which includes \$7,958,419 assigned from other County funds.

Cash and Investments in Segregated Accounts

The County has segregated bank accounts for monies held separate from the County's central bank account. These depository accounts are presented as "Cash and cash equivalents in segregated accounts".

The component unit also maintains separate bank accounts. These bank accounts and investments are represented by "Cash and cash equivalents in segregated accounts".

Statement of Cash Flows

Funds included within the Treasurer's cash management pool and investments in segregated accounts (including restricted trustee and retainage accounts) with original maturities of three months or less when purchased are considered to be cash equivalents.

Cash and Cash Equivalents Held with Fiscal Agents

Certain trust accounts that are held by the County, which include bond accounts and reserve accounts are used to accumulate future principal and interest payments on bonds. These bank accounts are represented by "Restricted: Cash and cash equivalents with fiscal agents".

Inventories and Prepaid Items

On the government-wide financial statements inventories are presented at the lower of cost or market, on a first-in, first-out (FIFO) basis, and are expensed when used.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

On fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in first-out basis. The cost of inventory items is recorded as expenditures in the governmental fund types when consumed. Inventories of the enterprise funds are expensed when used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items by using the consumption method.

Interfund Transactions

On fund financial statements, receivables and payables arising between funds for goods provided or services rendered, are classified as “due from other funds” or “due to other funds”. Long-term interfund loans are classified as “advances to / from other funds” and are equally offset by a fund balance reserve account which indicates that they do not constitute available expendable resources. These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for any net residual amounts due between governmental and business type activities which are presented as internal balances.

Restricted Assets

Restricted assets consist of certain trust accounts held by the Department of Environmental Services, which includes bond accounts, bond reserve accounts, replacement and improvement accounts and construction accounts. Cash and investments in the accounts are held by trustee financial institutions. The bond accounts are used to accumulate periodic principal and interest payments. The bond reserve accounts are to be funded in an amount equal to the maximum annual bond principal and interest requirement. In addition, water customer deposits are presented as restricted equity in pooled cash and cash equivalents.

Capital Assets

Capital assets, which include property, plant equipment and infrastructure assets (e.g. roads, bridges and culverts), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets used by the enterprise funds are also reported in the respective funds. Capital assets are defined by the County as assets with an initial individual cost of more than \$15,000 (amount not rounded) or an estimated useful life in excess of ten or more years. Such assets are recorded at historical cost or estimated historical cost, if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. For certain assets estimates were calculated by indexing estimated current costs back to the year of acquisition.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The costs of normal maintenance and repairs that do not add to the value of the asset, or do not materially extend the useful life of the asset are not capitalized.

All reported capital assets except for land, construction in process, and infrastructure are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the County's historical records of necessary improvements and replacement.

Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Useful Lives</u>
Buildings	30 - 60 years
Building and Improvements	10 - 60 years
Water and Sewer Mains	40 years
Furniture, Fixtures and Equipment	3 - 30 years
Vehicles	5 - 7 years
Airport Infrastructure	30 - 60 years

Infrastructure assets under GASB Statement No. 34, do not need to be depreciated. The County has chosen to apply the modified approach for reporting infrastructure assets. All infrastructure items including roads, bridges and culverts, are reported. Under the modified approach the County has developed an asset management system that:

1. Keeps an up-to-date inventory of eligible infrastructure assets,
2. Performs a conditional assessment of those eligible infrastructure assets at least every three years, using a consistent measurement scale and,
3. Estimates each year the annual amount to maintain and preserve those assets at the condition level established and disclosed by the government.

The County documents that the eligible infrastructure assets are being maintained at a level equal to or above the condition level established by the County. Condition appraisals are performed on an annual basis for bridges and a biennial basis for roads and culverts in accordance with the Butler County capital asset policy.

When using the modified approach, expenditures to *extend the life* of infrastructure assets are charged to expense, while expenditures that add to or improve infrastructure assets are capitalized.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Compensated Absences

Vacation and compensatory benefits are accrued as a liability as the benefits are earned if the employee's right to receive compensation is attributable to services already rendered and it is probable that the employer will compensate employees for the benefits through time off or some other means. Sick leave benefits are accrued as a liability based on the termination method. An accrual for sick leave is made to the extent that it is probable that benefits will result in termination payments. The liability is an estimate based on the County's past experience of making termination payments.

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent that payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "matured compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The non-current portion of the liability is not reported in governmental funds. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. All payables, accrued liabilities and long-term obligations payable from the proprietary funds are reported on the enterprise fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are normally due for payment during the current year. Bonds, long-term notes, loans, and capital leases that will be paid from governmental funds are recognized as a liability in the fund financial statements when payment is due.

Fund Balance Reserves

The County reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Fund balances are reserved for Encumbrances, Loans, Long-Term Receivables, Debt Service, and Advances. Unreserved fund balance indicates that portion of fund equity that is available for appropriation in future periods.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvements of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, laws or regulations of other governments. Net assets restricted for other purposes include funds for the operation of a school; resident homes for the mentally retarded and developmentally disabled; the medical, financial and social support to general relief recipients; the support and placement of children; and County road and bridge repair/improvement programs.

The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

The County's sewer and water enterprise funds have restricted net assets relative to those resources necessary to comply with various covenants of bond financing agreements.

The government wide statement of net assets reports \$124,417,710 of restricted net assets, none of which is restricted by enabling legislation.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the County, these revenues are charges for services for water distribution, wastewater treatment, parking facility operations and self-insurance programs. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. Revenues and expenses that do not meet these criteria are considered non-operating revenues and expenses and are reported as such. All revenues of the Department of Environmental Services (sewer and water operations) are used as security for revenue bonds issued.

Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, from grants, outside contributions of resources restricted to capital acquisition and construction, and system capacity charges.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Internal Activity

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the statement of activities.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Transfers, between governmental funds were eliminated in the statement of activities. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Bond Discounts/ Premiums/Issuance Costs

On the government-wide financial statements (and in the enterprise funds), bond premiums and discounts are deferred and amortized over the term of the bonds using the straight-line (bonds outstanding) method, which approximates the effective interest method. Bond premiums/discounts are presented as additions/reductions to the face amount of bonds payable. Issuance costs are amortized on a straight-line basis over the term of the bonds and are reported as deferred charges.

On the governmental fund financial statements, issuance costs and bond premiums and discounts are recognized in the period in which the debt is issued.

Gain/Loss on Advance Refunding

On the government-wide financial statements (and in the enterprise funds), an advance refunding resulting in the defeasance of debt generates an accounting gain or loss calculated by comparing the reacquisition price and the net carrying amount of the old debt. This accounting gain/loss is amortized as interest expense over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as an increase/reduction of the face amount of the new debt.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principals requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Budgets

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources establishes a limit on the amount the County Commissioners may appropriate. The appropriations resolution is the County Commissioners' authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the County Commissioners. The legal level of control has been established by the County Commissioners at the fund, program, department, and object level.

Estimated Resources

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the County Commissioners. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources that was in effect at the time the final appropriations were passed by the County Commissioners.

Appropriations

The appropriation resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the County Commissioners during the year including all supplemental appropriations.

BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law and described above is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Statements of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Budget Basis) for the general and major special revenue funds are presented on the budget basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Outstanding year end encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).
4. Advances in and advances out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
5. Investments are reported at fair value (GAAP basis) rather than cost (budget basis).

Adjustments necessary to convert the results of operations at the end of the year on the budget basis to the GAAP basis are as follows:

	<u>Net Change in Fund Balance</u>			
	General	Mental Retardation	Job and Family Services	Children Services Board
GAAP Basis	\$ 19,884,387	\$ 4,906,373	\$ (694,699)	\$ (550,018)
Revenue Accruals	(833,753)	(707,874)	8,378	(1,521,636)
Unrecorded Cash	1,119,074	73,912		868,765
Expenditure Accruals	1,259,470	(169,707)	(2,038,077)	(1,794,329)
Encumbrances	(2,347,987)	(859,031)	1,127,561	201,313
Transfers	(4,585,000)	-	-	-
2005 Decrease in Fair Value of Investments	(811,278)	-	-	-
2006 Increase in Fair Value of Investments	(50,138)	-	-	-
Advances	1,035,540	-	131,862	110,242
Budget Basis	<u>\$ 14,670,315</u>	<u>\$ 3,243,673</u>	<u>\$ (1,464,975)</u>	<u>\$ (2,685,663)</u>

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 3 - ACCOUNTABILITY AND ACCOUNTING CHANGES

ACCOUNTABILITY

At year-end, the Buildings Construction and Renovations, Road Improvement, Technology and Other Capital Improvement, Capital Projects funds had deficit fund balances of \$286,543, \$2,067,524, \$3,144,279 and \$93,598 respectively. The Workers Compensation and County Fuel Depot Internal Service Funds had negative net asset balances of \$1,711,147 and \$28,416. The deficits occurring in the Capital Projects Funds arise from the issuance of short-term bond anticipation notes which are used to finance the projects until bonds are issued. These deficits will be alleviated when the bonds are issued or when the notes are paid. The Workers Compensation deficit has been addressed by management by increasing the percentage from 1% to 2% for the participating County funds. The County Fuel Depot fund is a new fund and the deficit will be alleviated once user charges are collected.

NOTE 4 - DEPOSITS AND INVESTMENTS

CASH

Monies held by the County are classified by State statute into two categories.

Active monies are public monies determined to be necessary to meet current demand upon the County treasury. Active monies must be maintained either as cash in the County treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Monies held by the County, which are not considered as active, are classified as inactive. Beginning June 15, 2004, inactive monies may be deposited or invested in the following securities provided a written investment policy has been filed with the Ohio Auditor of State:

1. United States Treasury notes, bills, bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States; or any book entry zero-coupon United States treasury security that is a direct obligation of the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 4 - DEPOSITS AND INVESTMENTS (continued)

3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or its political subdivisions, provided that such political subdivisions are located wholly or partly within the County;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio);
8. Securities lending agreements in which the County lends securities and the eligible institution agrees to exchange similar securities, or cash, equal value for equal value;
9. Up to twenty-five percent of the County's average portfolio in either of the following:
 - a. commercial paper notes in entities incorporated under the laws of Ohio or any other State that have assets exceeding five hundred million dollars rated at the time of purchase, which are rated in the highest qualification established by two nationally recognized standard rating services, which do not exceed 10 percent of the value of the outstanding commercial paper of the issuing corporation and which mature within two hundred seventy days after purchase;
 - b. bankers acceptances eligible for purchase by the federal reserve system and which mature within one hundred eighty days after purchase;
10. Up to 15 percent of the County's average portfolio in notes issued by United States corporations or by depository institutions that are doing business under authority granted by the United States provided the notes are rated in the second highest or higher category by at least two nationally recognized standard rating services at the time of purchase and the notes mature within two years from the date of purchase;
11. No-load money market mutual funds rated in the highest category at the time of purchase by at least one nationally recognized standard rating service consisting exclusively of obligations guaranteed by the United States, securities issued by a federal government agency or instrumentality, and/or highly rated commercial paper; and

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 4 - DEPOSITS AND INVESTMENTS (continued)

12. Up to 1 percent of the County's average portfolio in debt interests rated at the time of purchase in the three highest categories by two nationally recognized standard rating services and issued by foreign nations diplomatically recognized by the United States government.

Protection of the County's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the County Treasurer by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the County, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

DEPOSITS

Custodial credit risk for deposits is the risk that in the event of bank failure, the County will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$84,139,174 of the County's bank balance of \$85,552,270 was exposed to custodial credit risk because it was uninsured and uncollateralized. Although all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the County to a successful claim by the FDIC.

The County has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the County or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 4 - DEPOSITS AND INVESTMENTS (continued)

INVESTMENTS

As of December 31, 2006, the County had the following investments:

Investment Type	Fair Value	Investment Maturities (in Years)		
		Less Than 1	1-2	3-4
First American Treasury Money Market Mutual Fund	\$ 1,723,441	\$ 1,723,441	\$ -	\$ -
STAROhio	778,399	778,399	-	-
Federal Farm Credit Banks Bonds	2,986,250	2,986,250	-	-
Federal Home Loan Banks Bonds	35,603,175	11,427,065	14,255,160	9,920,950
Federal Home Loan Mortgage Corporation Bonds	30,385,106	17,925,400	7,535,306	4,924,400
Federal National Mortgage Association Bonds	40,550,230	15,566,409	11,495,506	13,488,315
Total Investments	<u>\$ 112,026,601</u>	<u>\$ 50,406,964</u>	<u>\$ 33,285,972</u>	<u>\$ 28,333,665</u>

Interest Rate Risk. The County has an investment policy that addresses interest rate risk. As a means of limiting the County's exposure to fair value losses caused by rising interest rates, the Treasurer will attempt to maintain adequate liquidity so that current obligations can be met without a sale of securities and maintain diversification of assets and maturities.

Credit Risk. The First American Treasury Money Market Mutual Fund, Federal Farm Credit Bank Bonds, Federal Home Loan Banks Bonds, Federal Home Loan Mortgage Corporation Bonds and Federal National Mortgage Association Bonds carry a rating of Aaa by Moody's and AAA by Standard and Poor's and Fitch. STAROhio carries a rating of AAAM by Standard and Poor's and Fitch. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market funds be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service. The County's investment policy limits investments to those authorized by State statute.

Concentration of Credit Risk. The County places no limit on the amount it may invest in any one issuer. The County's investment in the Federal Home Loan Mortgage Corporation Bonds, Federal National Mortgage Association Bonds and Federal Home Loan Banks Bonds represent thirty seven percent, twenty six percent, and twenty four percent of the County's total investment.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 5 - PROPERTY TAXES

Property taxes include amounts levied against real, public utility, and tangible personal property. The assessed value by property classification upon which the 2006 collection year was based is as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Property	\$ 6,935,887,900
Tangible Personal Property	756,743,427
Public Utility Personal Property	244,863,700
Totals	<u>\$ 7,937,495,027</u>

Ohio law prohibits taxation of property by all overlapping taxing authorities in excess of 10 mills per dollar of assessed value without a vote of the people. Presently, the County levies 1.94 mills of this 10 mill limit. In addition to the 1.94 mills, voted levies in the amount of 7.5 mills have been approved for the Children Services Board, Mental Health Board, Mental Retardation Board and Senior Citizens Services. A summary of voted levies follows:

<u>Purpose</u>	<u>Voter Levy Date</u>	<u>Authorized Rate</u>	<u>Rate Levied for</u>		<u>Final Levy Year</u>
			<u>R/A</u>	<u>C/I</u>	
Mental Retardation Board	2004	1.00	0.93	0.98	Continuing
Mental Retardation Board	2000	2.00	1.57	1.87	Continuing
Mental Health Board	1985	0.50	0.23	0.29	2009
Children Services Board	2003	2.00	1.85	1.97	2008
Senior Citizens	2005	2.00	1.87	1.97	2009
Total		<u>7.50</u>	<u>6.45</u>	<u>7.08</u>	

Ohio law provides for a reduction in the rates of voted levies to offset increased values resulting from a reappraisal of real property. Reduction factors are applied to authorized voted levies so that each levy yields the same amount of property taxes on carry-over property as in the year in which the levy was approved.

Increases to voted levy revenues are restricted to assessments for new construction. The reduction factors are computed annually and applied separately for (R/A) residential/agricultural property and (C/I) commercial/industrial property.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 5 - PROPERTY TAXES (continued)

Taxes collected on real property (other than public utility) in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of the appraised market value. A general reappraisal is mandated by Ohio law every six years with an update at the three-year midpoint. The most recent revaluation was completed in 2002, with a triennial update completed in 2005. Taxes assessed from the 2006 update are payable in 2007. Real property taxes are payable annually or semiannually. The first payment is due December 31, with the remainder payable June 20, unless extended.

Taxes collected from tangible personal property (other than public utility) in one calendar year are levied in the prior calendar year on assessed values as of December 31, of that calendar year, and at the tax rates determined in the preceding year. Tangible personal property used in business (except for public utilities) was assessed for ad valorem taxation purposes at 25 percent of its true value for capital assets and 23 percent of true value for inventory. The tangible personal property tax is being phased out-the assessment percentage for all property including inventory for 2006 is 18.75 percent. This will be reduced to 12.5 for 2007, 6.25 percent for 2008 and zero for 2009.

Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30 with the remainder payable by September 20.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Certain public utility tangible personal property currently is assessed at 88 percent of its true value. Public utility property taxes are payable on the same date as real property taxes described previously.

The County Treasurer collects property tax on behalf of all taxing districts within the County. The County Auditor periodically remits to the taxing districts their portions of the taxes collected. Property taxes receivables represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2006 and for which there is an enforceable legal claim. In the General, Mental Health, Mental Retardation, Elderly Services, Miami Conservancy and Children Services Funds the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2006 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 6 - PERMISSIVE SALES TAX

In 2006, \$40,557,333 of permissive sales tax was received into the General Fund. Of this total, \$20,278,677 was based upon a permanent one-half percent tax on all retail sales made in the County. Vendor collections of the tax are paid to the State Treasurer by the twenty-third day of the month following collection. The State Tax Commissioner certifies to the State Auditor the amount of the tax to be returned to the County. The Tax Commissioner's certification must be made within forty-five days after the end of each month. The State Auditor then has five days in which to draw the warrant payable to the County.

In June 2005 the Commissioners passed a resolution increasing the permissive sales tax by one-half percent for the design, engineering, purchase, and installation of a county-wide 800 megahertz public safety radio communications system. This sales tax took effect in October 2005 and will expire at the end of two years or after the tax generates twenty-five million dollars, whichever comes first. The County received \$20,278,677 in 2006 for the new sales tax.

NOTE 7 - RECEIVABLES

Receivables at December 31, 2006, consisted of taxes, unpaid utilities, intergovernmental receivables arising from grants, accrued interest, special assessments, loans, tax incremental financing, interfund receivables, interest, entitlements, and shared revenues. Loans receivable represent general fund advances to agency funds and low-interest loans for development projects and home improvements granted to eligible County residents and businesses under the Federal Community Development Block Grant Program. The Block Grant loans bear interest at annual rates between two and five percent. These loans are to be repaid over periods ranging from two to five years. All receivables are considered collectable in full, including amounts receivable which, if delinquent, may be certified and collected as a special assessment, subject to foreclosure for nonpayment. The following are receivables expected to be collected in more than one year: Special Assessments \$7,229,627, Due From Other Governments \$4,550,000, Loans Receivable \$331,860 and Tax Incremental Financing \$16,150,636. The County had \$95,929 in delinquent Special Assessments and Tax Incremental Financing at December 31, 2006.

A summary of intergovernmental receivables follows:

<u>Governmental Activities:</u>	<u>Amount</u>
Indigent Defense Reimbursement	\$ 439,499
Motor Vehicle Tax	4,056,975
Local Government	2,900,642
Motor Vehicle Permissive Tax	248,926
Boarding of Prisoners	973,458
Gasoline Tax	1,070,630
Court Fines and Fees	58,157
Election Expenses	46,486
Lunch, Milk and Breakfast Grant	10,761

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 7 - RECEIVABLES (continued)

<u>Governmental Activities:</u>	<u>Amount</u>
Prison Diversion Grant	438,660
Jail Diversion Grant	53,902
CBCF Subsidy	1,380,062
Community Corrections Grant	769,175
Felony Delinquent Care and Custody Grant	730,162
Victims of Crime	100,570
Core Over/Under Grant	1,691,055
Home Grant	1,476,765
CDBG Grant	1,027,205
Path Federal Grant	16,072
Medicaid/Medicare	1,663,503
Medicaid FFP	72,297
Drug Court Program	112,500
Federal Women's Fund	317,425
TASC Program	160,272
Federal Per Capita	859,356
State Per Capita	490,313
Adolescent Treatment Initiative	168,750
Block Grant Base Grant	42,367
Airport Maintenance Grant	102,336
HB 484 Child Welfare Services	60,715
Recovery Healthcare Assistance	70,875
Title XX	114,807
State 505 Subsidy	1,499,011
State 408 Flex Subsidy	2,325,296
State 401 Subsidy	90,989
State 404 Children	100,000
Waiver Administration	1,562,629
Chaffee Grant	14,697
Title XIX	444,601
Title IV-B	95,026
Workforce Development	1,207,171
Public Assistance	12,266,886
State Child Allocation	637,643
Metroparks	4,585,000
Twelfth District Court Reimbursements	463,348
All Other	545,351
Total Governmental Activities	<u>\$ 47,562,326</u>

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 7 - RECEIVABLES (continued)

<u>Business-Type Activities</u>	<u>Amount</u>
USDA Rd New Miami Grant	\$ 554,003
OPWC 2005 CI WM	272,524
Total Business-Type Activities	<u>\$ 826,527</u>
<u>Agency Fund Activities</u>	
Local Government	\$ 13,479,883
Motor Vehicle License Tax	1,090,675
Permissive Tax	154,058
Gasoline Tax	737,612
Court Fines and Fees	10,695
Total Agency Fund Activities	<u>\$ 15,472,923</u>

NOTE 8 - CAPITAL ASSETS

Primary Government capital asset activity for the year ended December 31, 2006, was as follows:

	<u>Balance At December 31, 2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance At December 31, 2006</u>
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land	\$ 9,616,873	\$ 523,219	\$ -	\$ 10,140,092
Infrastructure:				
Roads	159,561,330	903,085	-	160,464,415
Bridges	64,783,331	-	-	64,783,331
Culverts	14,464,058	-	-	14,464,058
Construction in Progress	921,735	9,562,067	(950,452)	9,533,350
Total Capital Assets, Not Being Depreciated	<u>249,347,327</u>	<u>10,988,371</u>	<u>(950,452)</u>	<u>259,385,246</u>
Depreciable Capital Assets:				
Land Improvements	7,845,644	-	-	7,845,644
Buildings and Improvements	124,253,708	47,367	-	124,301,075
Furniture, Fixtures and Equipment	30,538,414	890,346	(314,844)	31,113,916
Vehicles	9,064,763	174,053	(58,875)	9,179,941
Total Depreciable Capital Assets	<u>171,702,529</u>	<u>1,111,766</u>	<u>(373,719)</u>	<u>172,440,576</u>
Total Capital Assets At Historical Cost	<u>421,049,856</u>	<u>12,100,137</u>	<u>(1,324,171)</u>	<u>431,825,822</u>
Less Accumulated Depreciation:				
Land Improvements	(1,520,887)	(203,395)	-	(1,724,282)
Buildings and Improvements	(33,786,589)	(3,661,450)	-	(37,448,039)
Furniture, Fixtures and Equipment	(10,705,079)	(2,465,363)	304,594	(12,865,848)
Vehicles	(6,231,279)	(691,562)	37,975	(6,884,866)
Total Accumulated Depreciation	<u>(52,243,834)</u>	<u>(7,021,770)</u>	<u>342,569</u>	<u>(58,923,035)</u>
Depreciable Capital Assets, Net	<u>119,458,695</u>	<u>(5,910,004)</u>	<u>(31,150)</u>	<u>113,517,541</u>
Governmental Activities Capital Assets, Net	<u>\$368,806,022</u>	<u>\$ 5,078,367</u>	<u>\$ (981,602)</u>	<u>\$ 372,902,787</u>

Additions to capital assets being depreciated include \$2,523,865 in assets donated by outside entities, such as property developers.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 8 - CAPITAL ASSETS (continued)

	Balance At December 31, 2005	Additions	Deletions	Balance At December 31, 2006
Business-Type Activities				
Capital Assets Not Being Depreciated:				
Land	\$ 1,263,110	\$ -	\$ -	\$ 1,263,110
Construction in Progress	52,316,476	16,357,985	(17,209,324)	51,465,137
Total Capital Assets, Not Being Depreciated	<u>53,579,586</u>	<u>16,357,985</u>	<u>(17,209,324)</u>	<u>52,728,247</u>
Depreciable Capital Assets:				
Land Improvements	2,930,775	-	-	2,930,775
Buildings and Improvements	62,244,021	3,367,011	-	65,611,032
Furniture, Fixtures and Equipment	45,873,944	7,566,912	-	53,440,856
Vehicles	2,378,484	207,701	-	2,586,185
Water and Sewer Mains	251,832,504	17,589,153	-	269,421,657
Total Depreciable Capital Assets	<u>365,259,728</u>	<u>28,730,777</u>	<u>-</u>	<u>393,990,505</u>
Total Capital Assets At Historical Cost	<u>418,839,314</u>	<u>45,088,762</u>	<u>(17,209,324)</u>	<u>446,718,752</u>
Less Accumulated Depreciation:				
Land Improvements	(1,078,992)	(129,421)	-	(1,208,413)
Buildings and Improvements	(16,986,497)	(2,247,448)	-	(19,233,945)
Furniture, Fixtures and Equipment	(25,635,809)	(3,290,202)	-	(28,926,011)
Vehicles	(1,952,929)	(144,065)	-	(2,096,994)
Water and Sewer Mains	(75,145,817)	(6,698,718)	-	(81,844,535)
Total Accumulated Depreciation	<u>(120,800,044)</u>	<u>(12,509,854)</u>	<u>-</u>	<u>(133,309,898)</u>
Depreciable Capital Assets, Net	<u>244,459,684</u>	<u>16,220,923</u>	<u>-</u>	<u>260,680,607</u>
Business-Type Activities Capital Assets, Net	<u>\$ 298,039,270</u>	<u>\$ 32,578,908</u>	<u>\$ (17,209,324)</u>	<u>\$ 313,408,854</u>

Depreciation expense was charged to governmental functions as follows:

General Government:	
Legislative and Executive	\$ 2,560,396
Judicial	377,883
Public Safety	2,292,429
Public Works	785,850
Health:	
Mental Health	3,620
Mental Retardation and Developmental Disabilities	685,671
Drug and Alcohol	35,582
Other Health	13,113
Human Services:	
Children Services Board	85,908
County Care Facility	74,094
Job and Family Services	45,226
Other Human Services	61,998
Total Depreciation Expense	<u>\$ 7,021,770</u>

Additions to business-type capital assets being depreciated include \$10,887,055 in assets donated by outside entities, such as property developers.

**BUTLER COUNTY, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2006**

NOTE 9 - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; damage to, theft of, or destruction of assets; errors and omissions; injuries to employees and natural disasters. During 2006 the County contracted with County Risk Sharing Authority Inc. (CORSA) (a risk sharing pool - see Note 20) for liability, property, and crime damage. Coverage provided by the pool is as follows:

Property Coverage:

Blanket all risks of direct physical loss or damage
 \$100,000,000 Annual Aggregate pool limit for flood and earthquake

Liability Coverage:

Automobile Liability	\$	6,000,000
Uninsured Motorist		250,000
General Liability		6,000,000
Stop Gap Liability		1,000,000
Law Enforcement Liability		6,000,000
Errors and Omissions Liability		6,000,000
Medical Professional Liability		6,000,000

Crime:

Employee Dishonesty/Faithful Performance	1,000,000
Money and Securities (Inside)	1,000,000
Money and Securities (Outside)	1,000,000
Money Orders and Counterfeit Currency	1,000,000
Depositor's Forgery	1,000,000

Boiler and Machinery 100,000,000

Business Interruption 1,000,000

Deductible:

General, Law Enforcement and Public Officials	25,000
Each and every loss/claim and/or occurrence	5,000

Settled claims have not exceeded coverage in any of the last three years. The County has had no reduction in coverage in 2006.

The County has workers' compensation coverage for all employees. The merit-rated premium for workers' compensation for the calendar year 2006 would have been approximately \$1,855,247. Based on that, the minimum premium percentage due would be approximately \$562,264 (21%) with maximum aggregate liability, at the 200% stop-loss level, equal to \$3,710,494. The County's year end liability for unpaid claims costs was \$3,667,584 (based on 12/31/06 MIRA reserves) with approximately \$1,000,243 payable within one year. The County maintains a retrospective rating plan for workers' compensation insurance.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 9 - RISK MANAGEMENT (continued)

The County has a self-insurance internal service fund to account for its workers' compensation self-insured activity. Claims, liabilities and expenses are estimated through a case by case review of all claims. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. The historical changes in claims payable during years December 31, 2005 and 2006 are:

	Liability - Beginning of Year	Current Year Claims and Changes in Estimates	Claims Payments	Liability - End of Year
2005	\$ 2,919,316	\$ 901,141	\$ 438,072	\$ 3,382,385
2006	3,382,385	1,052,076	766,877	3,667,584

During 2006, the County participated in a risk-sharing pool, the County Employee Benefits Consortium of Ohio, Inc. (CEBCO). CEBCO charges a fixed premium per month per enrolled employee. The premiums, along with an administrative charge, are paid into the Health Insurance internal service fund by the participating County funds and, in turn, the premiums are paid to CEBCO. Premiums charged by CEBCO are based upon the County's claims experience. An excess coverage policy covers annual individual claims in excess of \$125,000 with an unlimited maximum. CEBCO retains liability for claims that exceed the expected losses and charged premiums.

NOTE 10 - CAPITAL LEASES

During 2006 and in prior years, the County has entered into capital leases to finance various county purchases. The leases meet the criteria of a capital lease as defined by Statement of Financial Accounting standards No. 13, "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the basic financial statements for the governmental funds. These expenditures are reported as program expenditures in the budgetary statements.

General capital assets consisting of buildings, vehicles, software and equipment have been capitalized in the amount of \$3,032,290. This amount represents the present value of the minimum lease payments at the time of acquisition. Principal payments in 2006 totaled \$895,010 in the governmental funds.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 10 - CAPITAL LEASES (continued)

	Asset Value	Accumulated Depreciation	Net Book Value
Modular Facility	\$ 87,215	\$ 11,629	\$ 75,586
Buses	35,625	15,276	20,349
Sheriff Vehicles	1,004,800	143,542	861,258
Juvenile Detention Vehicles	39,162	5,595	33,567
Accela Permitting System	699,327	46,622	652,705
Computer Server	35,578	3,558	32,020
Common Pleas Court Reporting System	35,865	3,586	32,279
Fire Alarm Upgrade	47,118	-	47,118
Electronic Voting Machines	1,047,600	34,920	1,012,680
Total	<u>\$ 3,032,290</u>	<u>\$ 264,728</u>	<u>\$ 2,767,562</u>

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2006:

Year	Amount
2007	\$ 964,259
2008	877,907
2009	180,999
2010	96,008
Total	2,119,173
Less Amount Representing Interest	(118,053)
Present Value of Net Minimum Lease Payments	<u>\$ 2,001,120</u>

NOTE 11 - DEFINED BENEFIT PENSION PLANS

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

The County participates in the Ohio Public Employees Retirement Systems (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 11 - DEFINED BENEFIT PENSION PLANS (continued)

The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

For the year ended December 31, 2006, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 9 percent of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1 percent of their annual covered salary; members in public safety contributed 9 percent. The County's contribution rate for pension benefits for 2006 was 9.2 percent, except for those plan members in law enforcement or public safety. For those classifications, the County's pension contributions were 12.43 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The County's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2006, 2005 and 2004 were \$9,129,175, \$8,161,938 and \$8,103,866 respectively; 88 percent has been contributed for 2006 and 2005; 100 percent for 2004. Contributions to the member-directed plan for 2006 were \$160,865 made by the County and \$105,678 made by the plan members.

STATE TEACHERS RETIREMENT SYSTEM (STRS)

Certified teachers employed by the County for Mental Retardation and Developmental Disabilities participate in the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple-employer public employee retirement system. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3371 or by calling (614) 227-4090 or by visiting the STRS Ohio website at www.strsoh.org.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 11 - DEFINED BENEFIT PENSION PLANS (continued)

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions equal to 10.5% of earned compensation into an investment account. Investment decisions are made by the member.

A member is eligible to receive a retirement benefit at age 50 and termination of employment. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan.

Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

For the year ended December 31, 2006, plan members were required to contribute 10 percent of their annual covered salaries. The County was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2005, the portion used to fund pension obligations was 13. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The County's required contributions for pension obligations to the DB Plan for the years ended December 31, 2006, 2005, and 2004 were \$161,074, \$226,214, and \$270,491, respectively; 87.99 percent has been contributed for fiscal year 2006, 90.51 percent for 2005 and 100 percent for fiscal year 2004. Contributions to the DC and Combined Plans for fiscal year 2006 were \$23,670 made by the County and \$22,542 made by the plan members.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 12 - POSTEMPLOYMENT BENEFITS

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available.

Members of the member-directed plan do not qualify for postretirement health care coverage. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2006 local government employer contribution rate 9.2 percent of covered payroll (12.43 percent for public safety and law enforcement); 4.50 percent of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2005, include a rate of return on investments of 6.50 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care costs were assumed to increase between .50 and 6.00 percent annually for the next nine year and 4.00 percent annually after nine years.

All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12 percent corridor.

The number of active contributing participants in the traditional and combined plans was 369,214. The number of active contributing participants for both plans used in the December 31, 2005 actual valuation was 376,109. Actual employer contributions for 2006 which were used to fund post employment benefits were \$3,649,338. The actual contribution and the actuarially required contribution amounts are the same. The actuarially value of OPERS's net assets available for payment of benefits at December 31, 2005, (the latest information available) were \$11.1 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$31.3 billion and \$20.2 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health care Preservation Plan (HCPP) with an effective date of January 1, 2007. To improve the solvency of the Health Care Fund, OPERS created a separate investment pool for health-care assets. Member and employer contribution rates increased as of January 1, 2006, and January 1, 2007, which will allow additional funds to be allocated to the health care plan.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 12 - POSTEMPLOYMENT BENEFITS (continued)

STATE TEACHERS RETIREMENT SYSTEM (STRS)

Comprehensive health care benefits are provided to retired teachers and their dependents through the State Teachers Retirement System (STRS Ohio). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare premiums. Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by State statute. Benefits are funded on a pay-as-you-go basis.

All Retirees who participated in the DB or Combined Plans and their dependents are eligible for health care coverage. The STRS Ohio Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. All benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS Ohio funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2006, the STRS Ohio allocated employer contributions equal to 1.0 percent of covered payroll to the Health Care Stabilization Fund. For the County, this amount equaled \$13,075 for the fiscal year 2006.

STRS Ohio pays health care benefits from the Health Care Stabilization Fund. At June 30, 2005, (the latest information available) the balance in the Fund was \$3.3 billion. For the year ended June 30, 2006, net health care costs paid by STRS were \$300,690,000 and STRS Ohio had 119,184 eligible benefit recipients.

NOTE 13 - OTHER EMPLOYEE BENEFITS

COMPENSATED ABSENCES

County employees earn vacation and sick leave at varying rates depending on length of service and department policy. All accumulated, unused vacation time is paid upon separation if the employee has at least one year of service with the County. Unused vacation time may be accumulated, with the approval of the appointing authority, to a maximum of three one-year accruals. All accumulated, unused compensatory time is paid upon separation. Accumulated, unused sick leave is paid at varying rates depending on length of service to employees who retire.

HEALTH CARE BENEFITS

The County has elected to provide employee medical/surgical benefits through the County Employee Benefits Consortium of Ohio (CEBCO). Dental insurance is provided to all employees as a function of the health care plan through the Metropolitan Insurance Company.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 14 - DEFEASANCE OF REVENUE BONDS

PRIOR YEAR DEFEASANCE OF REVENUE BONDS

Effective November 1, 1989 the County entered into an Escrow Trust Agreement with the First National Bank of Southwestern Ohio. The agreement provided that the County deposit \$1,067,973 from operating revenues into an irrevocable trust with the bank for the payment to final maturity of outstanding revenue bonds from the U.S. Treasury obligations in substitution of the revenues of the waterworks system. The funds deposited, together with interest earned thereon, shall be sufficient to pay annual bond principal and semiannual interest payments, thus providing an in-substance defeasance.

As of March 1, 2005 an escrow trust agreement went into effect between the Bank of New York and Butler County. The agreement provided that \$14,833,963 from the proceeds of the 2005 Water Refunding Bonds, \$668,608 from the reoffering premium, and \$1,270,000 from the 1996 Water Debt Service Reserve Account be deposited into an irrevocable trust account with the bank for the payment to final maturity of the outstanding 1996 Water Revenue Bonds. The funds deposited, together with interest earned thereon, shall be sufficient to pay annual bond principal and semiannual interest payments, thus providing an in-substance defeasance.

Effective June 1, 2005 the County entered into an escrow trust agreement with U.S. Bank National Association for the partial refunding of the 1997, 1998 and 1999 Sewer Revenue Bonds. The County deposited \$20,983,483 of the 2005 Sewer Refunding bonds into an irrevocable trust account with the bank for the payment of the bonds maturing 2008 through 2017 for the 1997 Sewer Bonds, 2009 through 2023 for the 1998 Sewer Bonds, and 2010 through 2019 for the 1999 Sewer Bonds. The funds deposited, together with interest earned thereon, shall be sufficient to pay annual bond principal and semiannual interest payments, thus providing an in-substance defeasance

On June 1, 2005 the County entered into an escrow trust agreement with the Bank of New York Trust Company, N.A. The agreement stipulated that \$28,696,561 from the proceeds of the 2005 Refunding Bonds \$1,911,519 from the reoffering premium, and \$2,300,000 from the 1997 Debt Service Reserve account be deposited into an irrevocable trust account with the bank for the payment to final maturity of the outstanding 1997 Government Services Center General Obligation and Sales Tax Bonds. The funds deposited, together with interest earned thereon, shall be sufficient to pay annual bond principal and semiannual interest payments, thus providing an in-substance defeasance.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 14 - DEFEASANCE OF REVENUE BONDS (continued)

Revenue Bond Issues	Original Issue	Unmatured and Unpaid at December 31, 2006
Fairfield Liberty Sewer District Number 2 Dated April 1, 1968	525,000	60,000
Water Revenue Dated April 1, 1996	14,075,000	12,970,000
Sewer Dated October 1, 1997	1,485,000	1,485,000
Sewer Dated June 1, 1998	5,490,000	5,490,000
Sewer Dated March 1, 1999	12,790,000	12,790,000
Sales Tax Revenue Bonds Dated 1997	23,810,000	21,510,000
Government Services Center Dated 1997	7,375,000	6,660,000

NOTE 15 - LONG-TERM OBLIGATIONS

Changes in the County's long-term obligations during the year consist of the following:

GOVERNMENTAL ACTIVITIES

Types/Issues	Balance January 1, 2006	Increases	Decreases	Balance December 31, 2006	Due Within One Year
General Obligation Bonds					
2002 1.43-5.25% - \$29,875,000					
Adult Detention Facility	\$ 26,915,000	\$ -	\$ 1,110,000	\$ 25,805,000	\$ 1,130,000
Premium on Debt Issue	1,683,799	-	99,046	1,584,753	-
2002 1.43-5.25% - \$2,745,000					
Fiber Optic Ring	2,475,000	-	100,000	2,375,000	105,000
Premium on Debt Issue	155,146	-	9,126	146,020	-
2004 2.00-4.75% - \$19,255,000					
Various Purpose	18,020,000	-	835,000	17,185,000	905,000
Premium on Debt Issue	339,583	-	26,321	313,262	-
2006 3.75-5.00% - \$17,500,000					
Various Purpose	-	17,500,000	355,000	17,145,000	605,000
Premium on Debt Issue	-	578,718	6,889	571,829	-
Less: Calculated difference between old and new debt for 2004 advance refunding	(549,773)	-	(53,935)	(495,838)	-
Total General Obligation Bonds	49,038,755	18,078,718	2,487,447	64,630,026	2,745,000

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 15 - LONG-TERM OBLIGATIONS (continued)

Types/Issues	Balance			Balance December 31, 2006	Due Within One Year
	January 1, 2006	Increases	Decreases		
Sales Tax Bonds					
2005 3.00-5.00% - \$29,365,000					
Government Services Center	28,265,000	-	680,000	27,585,000	1,200,000
Premium on Debt Issue	1,831,873	-	166,533	1,665,340	-
Less: Calculated difference between old and new debt for 2005 advance refunding	(1,651,285)	-	(150,117)	(1,501,168)	-
Total Sales Tax Bonds	28,445,588	-	696,416	27,749,172	1,200,000
Special Assessment Bonds with Governmental Commitment					
1986 8.00% - \$40,964 Water System	2,000	-	2,000	-	-
1988 7.75% - \$55,040 Water System	9,000	-	3,000	6,000	3,000
1989 7.375% - \$90,369 Water System	25,000	-	5,000	20,000	5,000
2000 4.35-5.65%- \$355,000 Lakota Drive	295,000	-	15,000	280,000	15,000
2000 4.35-5.65% - \$6,860,000 Mulhauser Road	5,545,000	-	315,000	5,230,000	325,000
2000 4.35-5.65% - \$1,045,000 Union Centre Phase 2	875,000	-	40,000	835,000	45,000
2001 2.40-5.10% - \$3,045,000 Union Centre Phase 1	2,615,000	-	115,000	2,500,000	120,000
2005 4.125% - \$1,144,000 Venice Gardens Sewer	1,144,000	-	11,690	1,132,310	12,170
Total Special Assessment Bonds	10,510,000	-	506,690	10,003,310	525,170

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 15 - LONG-TERM OBLIGATIONS (continued)

Types/Issues	Balance January 1, 2006	Increases	Decreases	Balance December 31, 2006	Due Within One Year
Long Term Notes					
2005 4.50% - CSB Expansion	1,975,000	-	1,975,000	-	-
2005 4.50% - Juvenile Detention Expansion A	1,365,000	-	1,365,000	-	-
2005 4.50% - Computers/Software	3,630,000	-	3,630,000	-	-
2005 4.00% - Airport Construction	2,150,000	-	2,150,000	-	-
2005 4.50% - Symmes Road Construction	2,090,000	-	2,090,000	-	-
2005 4.50% - Metroparks Construction	4,710,000	-	4,710,000	-	-
2005 4.50% - Building Remodel 301 South Third Street	340,000	-	340,000	-	-
2005 4.50% - University Pointe Landscaping	335,000	-	335,000	-	-
2005 4.50% - State Route 129 Liberty Interchange Engineering	510,000	-	510,000	-	-
Total Long Term Notes	<u>17,105,000</u>	<u>-</u>	<u>17,105,000</u>	<u>-</u>	<u>-</u>
Loans					
1998 2.00% - \$1,811,520 OPWC Mulhauser Road	863,115	-	83,363	779,752	85,039
2001 0.00% - \$789,748 OPWC Cincinnati Dayton Road	750,260	-	39,488	710,772	39,488
2004 3.90% - \$263,660 Oracle Software Loan	188,650	-	51,304	137,346	53,339
Total Loans	<u>1,802,025</u>	<u>-</u>	<u>174,155</u>	<u>1,627,870</u>	<u>177,866</u>
Other Long-Term Obligations					
Capital Leases Payable	2,810,544	83,878	895,010	1,999,412	888,821
Claims Payable	3,382,385	1,052,076	766,877	3,667,584	1,000,243
Compensated Absences Payable	5,681,602	5,801,658	4,885,617	6,597,643	2,513,651
Total Other Long-Term Obligations	<u>11,874,531</u>	<u>6,937,612</u>	<u>6,547,504</u>	<u>12,264,639</u>	<u>4,402,715</u>
Total Governmental Activities	<u>\$ 118,775,899</u>	<u>\$ 25,016,330</u>	<u>\$ 27,517,212</u>	<u>\$ 116,275,017</u>	<u>\$ 9,050,811</u>

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 15 - LONG-TERM OBLIGATIONS (continued)

BUSINESS TYPE ACTIVITIES

Types/Issues	Balance			Balance December 31, 2006	Due Within One year
	January 1, 2006	Increases	Decreases		
General Obligation Bonds					
1986 7.13% - \$4,500,000 Sanitary Sewer	\$ 237,784	\$ -	\$ 237,784	\$ -	\$ -
2005 4.125% - \$600,000 Venice Gardens Sewer	600,000	-	6,130	593,870	6,380
Premium on Debt Issue	790	-	790	-	-
2006 4.375% - \$3,200,000 New Miami Sewer USDA	-	3,200,000	-	3,200,000	30,810
Total General Obligation Bonds	838,574	3,200,000	244,704	3,793,870	37,190
Water Judgement Bonds					
2002 1.55-5.25% - \$35,030,000 Water Judgement Bonds	34,290,000	-	615,000	33,675,000	815,000
Premium on Debt Issue	457,118	-	21,767	435,351	-
Total Water Judgement Bonds	34,747,118	-	636,767	34,110,351	815,000
Revenue Bonds					
Water					
1999 3.00-5.00% - \$17,140,000	12,750,000	-	805,000	11,945,000	830,000
2005 3.50-5.00% - \$14,850,000 Premium on Debt Issue	14,850,000 516,324	- -	505,000 25,816	14,345,000 490,508	525,000 -
2005 3.00-5.125% - \$13,235,000 Premium on Debt Issue	12,520,000 639,111	- -	590,000 39,330	11,930,000 599,781	600,000 -
Less: Calculated difference between old and new debt for 2005 refunding	(1,152,368)	-	(70,915)	(1,081,453)	-
Total Water	40,123,067	-	1,894,231	38,228,836	1,955,000
Sewer					
1997 4.00-5.25% - \$2,380,000	215,000	-	105,000	110,000	110,000
1998 4.00-5.25% - \$23,050,000	12,145,000	-	1,650,000	10,495,000	1,725,000
1999 3.20-5.10% - \$28,160,000	9,240,000	-	1,165,000	8,075,000	1,210,000
2004 3.20-5.10% - \$19,620,000 Premium on Debt Issue	18,675,000 21,242	- -	860,000 1,118	17,815,000 20,124	875,000 -
Less: Calculated difference between old and new debt for 2004 refunding	(1,588,433)	-	(99,277)	(1,489,156)	-
2005 3.00-5.00% - \$19,575,000 Premium on Debt Issue	19,575,000 1,884,665	- -	20,000 104,704	19,555,000 1,779,961	20,000 -
Less: Calculated difference between old and new debt for 2005 refunding	(1,615,661)	-	(230,809)	(1,384,852)	-
2006 4.375-4.375% - \$4,000,000 USDA Sewer	-	4,000,000	-	4,000,000	40,580
Total Sewer	58,551,813	4,000,000	3,575,736	58,976,077	3,980,580
Total Revenue Bonds	98,674,880	4,000,000	5,469,967	97,204,913	5,935,580

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 15 - LONG-TERM OBLIGATIONS (continued)

Types/Issues	Balance January 1, 2006	Increases	Decreases	Balance December 31, 2006	Due Within One Year
Loans					
2005 4.19% - \$4,634,892 Cincinnati Waterworks Loan	4,610,110	-	152,373	4,457,737	158,882
2006 0% - \$710,200 OPWC Cast Iron Watermain	-	710,200	-	710,200	35,510
2006 0% - \$41,537 OPWC Watermain Improvements	-	41,537	-	41,537	-
Total Loans	<u>4,610,110</u>	<u>751,737</u>	<u>152,373</u>	<u>5,209,474</u>	<u>194,392</u>
Other Long-Term Obligations					
Compensated Absences	571,365	685,060	523,484	732,941	268,184
Total Business-Type Activities	<u>\$ 139,442,047</u>	<u>\$ 8,636,797</u>	<u>\$ 7,027,295</u>	<u>\$ 141,051,549</u>	<u>\$ 7,250,346</u>

GENERAL OBLIGATION BONDS

All general obligation bonded debt issued is a general obligation supported by the full faith and credit of the County. The unvoted general obligation bonds will be retired from the general fund using unvoted general property tax revenues. The unvoted general obligation bonds, Sanitary Sewer System and Venice Gardens Sewer, are being paid by an Enterprise fund.

New 2006 \$17,500,000 Various Purpose General Obligation

In September 2006 the County issued a \$17,500,000 Various Purpose General Obligation bond for the purpose of bonding short-term bond anticipation notes for various construction projects. These projects included building expansions or renovations for Children Services, the Juvenile Detention Center, County Administration Building, Middletown Mall roof, a grand jury room and the building located at 301 South Third Street. Other projects bonded in this issue included the Symmes Road Extension, various computer hardware/software and construction of the Metro Parks lodge and lake facility at the old Voice of America property. The bonds were issued for a twenty-year period, with the final maturity in December 2026. The Bonds maturing on or after December 1, 2017 are subject to optional redemption as a whole at any time or in part on any interest payment date at the option of the County on or after December 1, 2016 at the redemption price of 100% of the principal amount redeemed.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 15 - LONG-TERM OBLIGATIONS (continued)

The Bonds maturing on December 1, 2021-2026 are subject to mandatory sinking fund redemption prior to maturity at par plus accrued interest to the date of redemption in the following principal amounts on December 1 of each of the following years:

<u>Year</u>	<u>Principal Amount Subject To Mandatory Redemption</u>
2019	\$785,000
2020	\$815,000
2022	\$900,000
2024	\$830,000
2025	\$765,000

Unless previously redeemed, the remaining principal amount of \$570,000 will mature at stated maturity (December 1, 2026).

New 2006 New Miami Sewer Improvement General Obligation

In September 2006 the County issued a \$3,200,000 General Obligation bond for the purpose of bonding short-term bond anticipation notes for the New Miami Sewer Improvement project. These bonds are registered to the United States Department of Agriculture, Rural Development. The bonds were issued for a forty-year period, with the final maturity in August 2046. The bonds shall be subject to redemption at any time prior to maturity, in whole or in part, at the option of the County, in inverse order of maturity at the redemption price of 100% of the outstanding bonds.

SALES TAX BONDS

The sales tax bonds are payable through sales tax revenues generated by the County's one-half percent permanent permissive sales tax. These bonds were issued to construct the County's Government Services Center. The County is under no obligation to have such sales tax revenues directly paid to the bond trustees as long as the County finances all principal and interest payments due on the bonds sixty days prior to their payment date. Therefore, all payments made on the sales tax bonds are to be paid using sales tax revenue or any other general revenue source.

In June 2005 the County issued a \$29,365,000 Sales Tax bond for the purpose of advance refunding \$31,185,000 of existing bonds. The bonds were issued for a twelve year period, with final maturity in December 2016. The bonds maturing on or after December 15, 2015 are subject to optional redemption as a whole at any time or in part on any interest payment date the option of the County on or after June 15, 2015 at the redemption price of par plus accrued interest to the redemption date.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 15 - LONG-TERM OBLIGATIONS (continued)

SPECIAL ASSESSMENT BONDS WITH GOVERNMENTAL COMMITMENT

Special assessment debt will be paid from the proceeds of special assessments levied against benefited property owners. In the event that a property owner defaults on an assessment, the County would be responsible for the debt payments. Special assessment bonds are retired from the debt service fund using special assessment revenues.

In August 2005 the County Issued a \$1,144,000 special assessment bond for the purpose of bonding short-term bond anticipation notes. The bonds were issued for a forty-year period, with final maturity in August 2045. The bonds are subject to optional redemption as a whole at any time or in part, at the option of the County, in inverse order of maturity at the redemption price of 100% of the principal amount redeemed plus accrued interest, to the redemption date.

LONG TERM LOANS

In 2005, Butler County entered into a contractual agreement with the City of Cincinnati to assist in financing the construction of water lines and a master meter that runs from International Boulevard to Mulhauser Road. This expansion will allow Butler County a secondary water source and provide access to water for future development. The project was financed by the City of Cincinnati. Approximately, \$549,623 of water lines will be assets of Butler County, recorded as depreciable capital assets. The remaining assets belong to the City of Cincinnati. The total amount owed to the City of Cincinnati as a result of this project is \$4,634,892. This amount has been recorded on the Counties books as a long-term liability in the Water enterprise fund. A corresponding amount of \$4,085,629 has been recorded as deferred charges in the water enterprise fund. This amount will be amortized over the life of the debt.

OPWC (Ohio Public Works Commission) loans are low interest loans from the State of Ohio for infrastructure projects and are paid by special assessments levied against the property owners who benefit from the projects.

REVENUE BONDS

Revenue bonds are supported by user charges and are not backed by the full faith and credit of the County. These bonds have been issued to pay for Water and Sewer projects.

New 2006 \$4,000,000 New Miami Sewer Revenue

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 15 - LONG-TERM OBLIGATIONS (continued)

In September 2006 the County issued a \$4,000,000 revenue bond for the purpose of bonding short-term bond anticipation notes for the New Miami Sewer Improvement project. These bonds are registered to the United States Department of Agriculture, Rural Development. The bonds were issued for a forty-year period, with the final maturity in December 2045. The bonds shall be subject to redemption at any time prior to maturity, in whole or in part, at the option of the County, in inverse order of maturity at the redemption price of one 100% of the outstanding bonds.

In June 2005 the County issued a \$19,575,000 Sewer Revenue bond for the purpose of partially advance refunding \$1,485,000 of existing 1997, \$5,490,000 of existing 1998, and \$12,790,000 of existing 1999 Sewer bonds. The bonds were issued for an eighteen year period, with final maturity in December 2023. The bonds maturing on or after December 1, 2016 are subject to optional redemption as a whole at any time or in part on any interest payment date at the option of the County on or after June 1, 2015, at the redemption price of par, plus accrued interest to the redemption date. Certain bonds maturing between December 1, 2020 and December 1, 2023 are subject to mandatory sinking fund redemption prior to maturity at par plus accrued interest to the date of redemption amount in each following years.

<u>Year</u>	<u>Principal Amount Subject to Mandatory Redemption</u>
2020	\$400,000
2021	\$425,000
2022	\$440,000

In March 2005 the County issued a \$13,235,000 Water Revenue bond for the purpose of advance refunding \$14,075,000 of existing 1996 Water bonds. The bonds were issued for a seventeen year period, with final maturity in December 2021. The bonds maturing on or after December 1, 2015 are subject to optional redemption as a whole at any time or in part on any interest payment date the option of the County on or after June 1, 2015, at the redemption price of par, plus accrued interest to the redemption date. The bonds maturing on December 1, 2021 shall be subject to mandatory sinking fund redemption. This redemption may occur through the County depositing sufficient funds in the 2005 Bond Account to redeem such 2005 Bonds at a price of par plus accrued interest to the date of redemption and without premium, as set forth below.

<u>Year</u>	<u>Amount</u>
2018	\$1,000,000
2019	\$1,000,000
2020	\$1,000,000

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 15 - LONG-TERM OBLIGATIONS (continued)

In June 2005 the County issued a \$14,850,000 Water Revenue bond for the purpose of bonding \$8,400,000 in bond anticipation notes and to issue a new Water bond for \$6,450,000. The bonds were issued for a twenty-year period, with final maturity in December 2025. The bonds maturing on or after December 1, 2016 are subject to optional redemption as a whole at any time or in part on any interest payment date at the option of the County on or after December 1, 2015 at the redemption price of par plus accrued interest to the redemption date. The bonds maturing December 1, 2021 are subject to mandatory sinking fund redemption at 100% of the principal amount to be redeemed plus accrued interest to the date of redemption, on December 1 in the years and in the respective principal amounts as follows.

<u>Year</u>	<u>Principal Amount Subject to Mandatory Redemption</u>
2020	\$855,000

WATER JUDGEMENT BONDS

Water judgement bonds are court ordered bonds to settle the water contract dispute between Butler County and the City of Hamilton. The principal and interest are paid from the Water fund.

LONG TERM NOTES

Long term bond anticipation notes were issued to finance various building, road and Water system construction projects within Butler County. These notes were issued with the backing of the full faith and credit of the County's general fund. All long term notes were bonded in 2006.

OTHER PAYABLES

Capital Leases are for modular office units, buses and a fire alarm system for the Butler County Care Facility, Police Cruisers for the Sheriffs office, vehicles for Juvenile Detention Center, a County wide permitting system and computer server, a Court reporting system for Common Pleas and electronic voting machines for the Board of Elections. A contract was entered into with Pac-van for the lease of the modular office, Star Financial for the bus leases, SimplexGrinnell for the fire alarm system, Diebold Global Financial for electronic voting machines, Ford Motor Credit for the vehicles and Lasalle National Leasing Company for the permitting, computer server and court reporting systems. These leases are paid out of the Care Facility fund and the General Fund.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 15 - LONG-TERM OBLIGATIONS (continued)

Compensated absences liability will be paid from the General Fund, Mental Retardation, Job and Family Services, Children Services Board, Real Estate Assessment, All Other Legislative and Executive, All Other Judicial, All Other Public Safety, Child Support Enforcement, Motor Vehicle, All Other Public Works, Alcohol and Drug Addiction, Mental Health, All Other Health, County Care Facility, and All Other Human Services special revenue funds, the Workers Compensation internal service fund, and the Water, Sewer, and GSC Parking Facility enterprise funds.

Governmental Funds

Year	General Obligation Bonds		Sales Tax Bonds	
	Principal	Interest	Principal	Interest
2007	\$ 2,745,000	\$ 2,772,857	\$ 1,200,000	\$ 1,242,975
2008	2,995,000	2,674,077	1,765,000	1,200,975
2009	3,325,000	2,557,057	1,825,000	1,139,200
2010	3,500,000	2,432,094	9,600,000	1,075,325
2011	3,570,000	2,299,419	1,965,000	614,225
2012-2016	19,715,000	9,291,873	11,230,000	1,708,125
2017-2021	17,865,000	4,945,513	-	-
2022-2026	8,795,000	906,963	-	-
2027-2031	-	-	-	-
2032-2045	-	-	-	-
Totals	\$ 62,510,000	\$ 27,879,853	\$ 27,585,000	\$ 6,980,825

Year	Special Assessment Bonds		Loans	
	Principal	Interest	Principal	Interest
2007	\$ 525,170	\$ 490,329	\$ 177,866	\$ 19,769
2008	555,670	467,114	181,693	16,043
2009	573,200	441,787	156,528	12,138
2010	603,740	415,217	129,758	9,940
2011	624,300	384,741	131,572	8,126
2012-2016	3,605,890	1,430,821	534,555	13,619
2017-2021	2,629,000	501,618	197,437	-
2022-2026	121,180	173,309	118,461	-
2027-2031	148,320	146,155	-	-
2032-2045	616,840	207,630	-	-
Totals	\$ 10,003,310	\$ 4,658,721	\$ 1,627,870	\$ 79,635

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 15 - LONG-TERM OBLIGATIONS (continued)

Business Type

Year	General Obligation Bonds		Judgement Bonds	
	Principal	Interest	Principal	Interest
2007	\$ 37,190	\$ 147,237	\$ 815,000	\$ 1,582,344
2008	38,800	163,266	1,010,000	1,558,709
2009	40,480	161,205	1,165,000	1,523,359
2010	42,240	159,451	1,210,000	1,465,109
2011	44,060	157,621	1,260,000	1,420,944
2012-2016	250,680	758,469	7,220,000	6,305,663
2017-2021	309,900	698,860	9,195,000	4,353,300
2022-2026	383,100	625,614	11,800,000	1,744,923
2027-2031	473,650	535,052	-	-
2032-2045	2,173,770	821,230	-	-
Totals	<u>\$3,793,870</u>	<u>\$4,228,005</u>	<u>\$ 33,675,000</u>	<u>\$ 19,954,351</u>

Year	Revenue Bonds		Loans	
	Principal	Interest	Principal	Interest
2007	\$ 5,935,580	\$ 4,345,264	\$ 196,469	\$ 183,751
2008	6,162,360	4,122,366	203,255	176,965
2009	6,394,220	3,885,976	210,331	169,888
2010	6,646,140	4,291,919	217,710	162,510
2011	6,908,170	4,024,065	225,404	154,816
2012-2016	29,609,340	13,357,587	1,254,432	646,666
2017-2021	27,204,840	5,676,059	1,502,512	398,585
2022-2026	6,665,980	1,319,221	1,399,361	102,000
2027-2031	521,490	556,434	-	-
2032-2045	2,221,880	796,291	-	-
Totals	<u>\$ 98,270,000</u>	<u>\$ 42,375,182</u>	<u>\$ 5,209,474</u>	<u>\$ 1,995,181</u>

INDUSTRIAL DEVELOPMENT REVENUE BONDS

The County has issued industrial development revenue bonds (in the aggregate outstanding principal amount of \$13,960,000 at December 31, 2006) for facilities used by private corporations or other entities. The County is not obligated in any way to pay debt charges on the bonds from any of its funds, and therefore they have been excluded entirely from the County's debt presentation. There has not been and is not any condition of default under the bonds or the related financing documents.

**BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006**

NOTE 15 - LONG-TERM OBLIGATIONS (continued)

HOSPITAL REVENUE BONDS

The County has served as the issuer of hospital revenue bonds. The proceeds were used to acquire, construct, improve and equip hospital facilities. The hospital revenue bonds do not constitute a general obligation, debt or bonded indebtedness of the County. Neither is the full faith and credit or taxing power of the County pledged to make repayment. The amount of revenue bonds outstanding at December 31, 2006 was \$269,210,000.

CAPITAL FUNDING REVENUE BONDS

The capital funding revenue bonds were issued on behalf of the County Commissioners Association of Ohio for their low cost capital pooled financing program. Butler County is not obligated in any way to pay debt charges on the bonds from any of its funds, and therefore they have been excluded entirely from the County's debt presentation. The principal balance outstanding at December 31, 2006 was \$47,325,000.

LEGAL DEBT MARGIN

The Ohio Revised Code provides that the net general obligation debt of the County, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed one percent of the total assessed valuation of the County. The Code further provides that the total voted and unvoted net debt of the County, less the same exempt debt, shall never exceed a sum equal to three percent of the first \$100,000,000 of the assessed valuation, plus one and one-half percent of such valuation in excess of \$100,000,000 and not in excess of \$300,000,000, plus two and one-half percent of such valuation in excess of \$300,000,000.

The effects of the debt limitations described above at December 31, 2006 are an overall debt margin of \$158,815,030 and unvoted debt margin of \$41,252,604.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 16 - SHORT-TERM OBLIGATIONS

A summary of the note transactions for the year ended December 31, 2006 follows:

Fund Type	Balance January 1, 2006	Increase	Decrease	Balance December 31, 2006
<u>Governmental</u>				
Short Term Notes				
Special Revenue				
4.50% - Road Improvement	\$ 505,000	\$ 420,000	\$ 505,000	\$ 420,000
4.75% - Airport Construction	-	4,250,000	2,150,000	2,100,000
Capital Projects				
4.50% - Yankee Road TIF Improvements	-	2,000,000	-	2,000,000
4.50% - Children Services Facilities	-	1,975,000	1,975,000	-
4.50% - Juvenile Detention Center	-	1,365,000	1,365,000	-
4.50% - Computer Hardware/Software	-	3,630,000	3,630,000	-
4.50% - Symmes Road Extension	-	2,090,000	2,090,000	-
4.50% - Metroparks Construction	-	4,710,000	4,710,000	-
4.50% - Building Remodel 301 S Third St	-	340,000	340,000	-
4.50% - University Pointe Landscaping	-	670,000	335,000	335,000
4.50% - Yankee Road TIF Improvements	-	3,700,000	1,850,000	1,850,000
4.50% - Cincinnati Dayton/Interstate 75 TIF	1,030,000	1,030,000	1,030,000	1,030,000
4.50% - Cincinnati Dayton/Interstate 75 TIF	2,550,000	2,550,000	2,550,000	2,550,000
4.50% - Cincinnati Dayton/State Route 129	1,040,000	1,040,000	1,040,000	1,040,000
4.50% - Cincinnati Dayton/State Route 129	1,800,000	1,800,000	1,800,000	1,800,000
4.50% - State Route 129 Liberty Interchange	1,000,000	1,680,000	1,000,000	1,680,000
4.50% - State Route 129 Liberty Interchange	-	1,020,000	510,000	510,000
4.50% - Courts Remodeling and Expansion	-	2,000,000	-	2,000,000
4.50% - Highway Construction	425,000	340,000	425,000	340,000
4.00% - Computers/Software	360,500	-	360,500	-
4.60% - Fiber Optic Ring (2)	2,595,000	2,595,000	2,595,000	2,595,000
4.60% - Fiber Optic Ring (3)	510,000	510,000	510,000	510,000
4.00% - County Admin Roof Repair	154,500	-	154,500	-
4.00% - Old Sheriff Building Repair	105,000	-	105,000	-
4.00% - Common Pleas Court Renovations	50,000	-	50,000	-
4.00% - Middletown Mall	3,015,000	-	3,015,000	-
4.40% - Old Jail Rehabilitation	-	700,000	-	700,000
Total Governmental Funds	<u>\$ 15,140,000</u>	<u>\$ 40,415,000</u>	<u>\$ 34,095,000</u>	<u>\$ 21,460,000</u>
<u>Business-Type Activities</u>				
Short Term Notes				
4.00% - New Miami Sewer Improvement	<u>\$ 7,500,000</u>	<u>\$ -</u>	<u>\$ 7,500,000</u>	<u>\$ -</u>

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 17 - INTERFUND BALANCES AND ACTIVITY

Due From/Due To balances at December 31, 2006 consist of the following individual fund receivables and payables:

	Receivable							Total
	General	Mental Retardation	Children Services Board	Other Governmental	Sewer	Water	Internal Service	
Payable								
General	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 735,369	\$ 735,369
Mental Retardation	551	-	-	25,568	-	260	215,172	241,551
Job and Family Service	35,838	-	500,000	70,945	-	2,030	154,419	763,232
Children Services Board	41,737	-	-	12,773	-	-	166,835	221,345
Bond Retirement	-	-	-	-	55,777	-	-	55,777
Other Governmental	91,376	9,279	5,882	262,360	-	139	428,671	797,707
Sewer	2,045	-	-	58	-	-	103,028	105,131
Water	1,364	-	-	38	-	-	62,467	63,869
GSC Parking Facility	-	-	-	-	-	-	1,063	1,063
Total	\$172,911	\$ 9,279	\$ 505,882	\$ 371,742	\$ 55,777	\$ 2,429	\$ 1,867,024	\$2,985,044

Advances From/Advances To balances at December 31, 2006 consist of the following individual fund receivables and payables:

		Advances From
		General
Advances To	Governmental	\$175,202
	Internal Service	190,000
	Total	\$365,202

Transfers In/Transfers Out activity for 2006, consisted of the following:

		Transfers From		
		Other Governmental		Total
		General	Funds	
Transfers to	General	\$ -	\$ 4,710,000	\$ 4,710,000
	Job and Family Services	1,413,177	-	1,413,177
	Buildings Construction and Renovation	320,987	-	320,987
	Road Improvements	145,991	100,368	246,359
	Other Governmental Funds	1,238,262	-	1,238,262
	Total	\$ 3,118,417	\$ 4,810,368	\$ 7,928,785

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 17 - INTERFUND BALANCES AND ACTIVITY (continued)

All balances in the Due From/Due To schedule resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, (3) payments between funds are made, and (4) internal service fund billing to other county funds. The balance of \$365,202 due to the General Fund for advances to other Governmental Funds results from cash flow issues in those funds. The amounts reported as Due From/Due to Other Funds are expected to be repaid within one year; the advances are not.

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 18 - WATER RATE AGREEMENT

Litigation between the County and the city of Hamilton (the "City") regarding a 1989 water agreement was settled in 2002, whereby the existing water agreement was terminated and replaced with a new water agreement effective for the period July 1, 2002 through December 31, 2021. Under the terms of the agreement, the County agreed to (1) refinance \$35 million of the City's debt related to certain capital improvements made to its water system, and (2) agreed to purchase from the City a minimum water supply of eight million gallons per day through December 31, 2021. In exchange, the City agreed to reduce the rate charged to the County for water from \$3.28 per thousand gallons to a two-tier rate structure based on a Tier A rate of \$2.15 per thousand gallons (adjusted annually using an agreed-upon inflation index) for the first eight million gallons of water purchased daily, and a Tier B rate of \$1.07 per thousand gallons (to remain unchanged through June 30, 2007, when a new Tier B rate may be negotiated or the Tier B rate defaults to a new rate of \$1.55 per thousand gallons) for water purchased above eight million gallons per day.

Several factors emanating from this new water agreement have provided the County with more flexibility in servicing customers as well as the potential to realize significant savings during the life of the agreement. While the County has secured a steady water supply through at least 2021, it now has the ability to build and operate its own water plant by 2010, if desired, as well as the ability to consider sources of water other than the city of Hamilton for better water rates over the eight million gallon per day minimum, and to sell water to customers outside the County's water district.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 18 - WATER RATE AGREEMENT (continued)

The new agreement has also provided the County with a more favorable rate structure for water purchases. The County recorded an asset in 2002 in the amount of \$34,810,695, as "Deferred Charges for Water Rate Stabilization." This amount represents the purchase of future water rights. In 2006 the County amortized \$1,740,535 using the straight line amortization method, leaving \$27,848,555 in the statement of net assets.

NOTE 19 - CONTINGENT LIABILITIES

The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their representatives. These audits could lead to a request for reimbursement to the grantor agency for any expenditures disallowed under terms of the grant. Based on prior experience the County believes such disallowances, if any, will be immaterial.

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the County the resolution of these matters will not have a material adverse effect on the financial condition of the County.

NOTE 20 - JOINT VENTURES/JOINTLY GOVERNED ORGANIZATION/RISK SHARING POOL/INSURANCE POOL/RELATED ORGANIZATION

A. THE BUTLER COUNTY ALLIANCE

The Butler County Alliance was created by resolution of the County Commissioners and organized as a non-profit corporation under Internal Revenue Code Section 501 C (6).

The Butler County Alliance is a joint venture among the County and investors. The purpose of the organization is to promote Butler County as the premier location to grow or relocate a business in the Cincinnati/Dayton metro areas. Specific activities include; advertising Butler County as a place to locate a business, meeting with site consultants to help companies make decisions as to where to locate manufacturing and office facilities and to educate local elected officials and business leaders on activities or programs that can make Butler County more attractive to business investment. The mission of the Alliance is to provide value-added services above and beyond the efforts of local community resources to encourage new investment, create jobs and expand the tax base in Butler County. The degree of control exercised by any investor is limited to its representation on the board of trustees, which is limited to one person per organization or political subdivision. The Alliance has no debt outstanding and its continued existence is dependent upon the County's continued participation. However, the County does not have any equity interest in the Association.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 20 - JOINT VENTURES/JOINTLY GOVERNED ORGANIZATION/RISK SHARING POOL/INSURANCE POOL/RELATED ORGANIZATION (continued)

The Alliance is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit or burden on the County. In 2006 the County contributed \$37,500. Complete financial statements can be obtained from the Butler County Alliance, 315 High Street, Hamilton, Ohio 45011.

B. BUTLER COUNTY EMERGENCY MANAGEMENT AGENCY

The Butler County Emergency Management Agency is a jointly governed organization among the County, five cities and seven villages created by a countywide agreement with the Butler County Commissioners. The twenty-six members of the advisory council are appointed as follows: one County Commissioner and the chief elected official of each of the thirteen townships, five cities and seven villages. The degree of control exercised by any participating government is limited to its representation on the Board. The Agency does not have any outstanding debt. The County does not have an equity interest in the Agency.

The Agency is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit to or burden on the County. In 2006, the County contributed \$42,933 which represents 18% of total contributions. Ninety percent of the operating revenues are contributed by the Federal government. Complete financial statements can be obtained from the Emergency Management Agency, 315 High St. Hamilton, OH 45011.

C. TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY

The Transportation Improvement District, a jointly governed organization, provides the opportunity to construct roads, bridges and accompanying improvements within the County. The Transportation Improvement District Board, which consists of representatives from each of the participating governments, including the County, oversees the operation of the District. Complete financial statements can be obtained from the Transportation Improvement District, 315 High St. 6th Floor Hamilton, Ohio 45011.

D. COUNTY RISK SHARING AUTHORITY (CORSA)

The County Risk Sharing Authority (CORSA) is a risk sharing pool made up of fifty-three counties in Ohio. CORSA was formed as an Ohio non-profit corporation for the purpose of establishing the CORSA Insurance/Self-Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverage provided by CORSA. This coverage includes comprehensive general liability, automobile liability, certain property insurance and public officials' errors and omissions liability insurance.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 20 - JOINT VENTURES/JOINTLY GOVERNED ORGANIZATION/RISK SHARING POOL/INSURANCE POOL/RELATED ORGANIZATION (continued)

Each member county has one vote on all matters requiring a vote, to be cast by a designated representative. An elected board of not more than nine trustees manages the affairs of the Corporation. Only county commissioners of member counties are eligible to serve on the board. No county may have more than one representative on the board at any time. Each member county's control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the board of trustees. CORSA has issued certificates of participation in order to provide adequate cash reserves. The certificates are secured by the member counties' obligations to make coverage payments to CORSA. The participating counties have no responsibility for the payment of certificates. The County's payment for insurance to CORSA in 2006 was \$726,295.

E. COUNTY EMPLOYEE BENEFITS CONSORTIUM OF OHIO, INC. (CEBCO)

The County participates in the County Employee Benefits Consortium of Ohio, Inc. (CEBCO), an Ohio not-for-profit corporation and insurance purchasing pool with membership open to Ohio political subdivisions, to collectively pool resources to purchase employee benefits. The County pays, on a monthly basis the annual actuarially determined funding rate. Components of the funding rate include the claims fund contribution, incurred but not reported claims, a claims contingency reserve fund, as well as the fixed cost of the consortium.

The business and affairs of the consortium are managed by a board of not less than nine or more than fifteen directors that exercise all powers of the consortium. Two thirds of the directors are County Commissioners of the member Counties and one third are employees of member Counties. Each member of the consortium is entitled to one vote. At all times one director is required to be a member of the board of directors of the County Commissioners Association of Ohio and another is required to be a board member of the County Risk Sharing Authority, Inc.

F. REGIONAL TRANSIT AUTHORITY (RTA)

The Regional Transit Authority (RTA) is a related organization to the County. The County Commissioners are responsible for appointing the trustees of the RTA; however, the County Commissioners cannot influence the RTA's operations, nor does the RTA represent a potential financial benefit or burden to the County. Although the County does serve as the taxing authority and may issue tax related debt on behalf of the RTA, its role is limited to a ministerial function. Once the RTA determines to present a levy to the voters, including the determination of the rate and duration, the County must place the levy on the ballot. The RTA may issue debt and determine its own budget. Financial information for the RTA may be obtained at 3045 Moser Ct. Hamilton, OH 45011.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 20 - JOINT VENTURES/JOINTLY GOVERNED ORGANIZATION/RISK SHARING POOL/INSURANCE POOL/RELATED ORGANIZATION (continued)

G. BUTLER COUNTY CONVENTION AND VISITOR BUREAU

The Butler County Convention and Visitor Bureau is a related organization established to promote economic activity and development through tourism. The County Commissioners appoint fifteen members to serve on the Convention and Visitor Bureau Board. Nine of the Board members represent local community interests. Three members include representatives from existing Convention and Visitor Bureaus already established in the County. The remaining Board members consist of a member from Butler County Metroparks, Butler County Chamber Caucus and a board member recommended by the Commissioners.

The County Commissioners passed a 3% hotel excise tax in August of 2003 pursuant to the regulations in Ohio Revised Code 5739.09. The hotel tax collections are collected by Butler County and can only be distributed to a Convention and Visitor Bureau according to the statute. The County is not required to contribute any of their own resources to the Convention and Visitor Bureau in the event of fiscal stress, not nor would Butler County benefit from any significant financial resources of the Butler County Visitor and Convention Bureau. Complete financial statements can be obtained from the Butler County Convention and Visitor Bureau, 315 High Street, Hamilton, OH 45011.

H. BUTLER COUNTY PORT AUTHORITY

On July 29, 2004 the Butler County Commissioners established the Butler County Port Authority to undertake various projects that would create or preserve jobs and employment opportunities within the County. The Butler County Port Authority is a related organization of the County. The Port Authority Board consists of 7 voting members of which 4 members must have business or places of employment within Butler County. The remaining 3 members of the board need not possess either of the preceding qualifications. The President of the Butler County Transportation Improvement District (BCTID) shall serve as an ex officio member of the Port Authority Board without voting privileges.

The Agency is not accumulating significant financial resources or experiencing financial stress which would cause additional financial benefit to or burden on the County. In 2006, the County contributed \$70,000 as part of the local funding received. Financial Information for the Butler County Port Authority may be obtained at 315 High Street, Hamilton, OH 45011.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 21 - RELATED PARTY TRANSACTION

Connex Group, Inc. (the Workshop, a discretely presented component unit of Butler County), received contributions from the County for facilities, certain equipment, transportation and salaries for administration, implementation and supervision of its programs. In 2006, these contributions were \$779,201.

NOTE 22 - CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

The County has several outstanding contracts for construction and professional services. The following amounts remain on these contracts as of December 31, 2006.

<u>Project/Vendor</u>	<u>Outstanding Balance</u>
747 Widening-BUT 4.25 - Larry Smith	\$ 100,896
Bethany Rd Cincinnati Dayton to Liberty Ln - SK Construction	398,686
Cherokee Park Sewer Lining	314,630
Cincinnati Dayton Rd corridor WM Repl - Larry Smith	475,554
Cincinnati Dayton WM Repl (Kyles to Monroe) - Miami Western	209,628
LeSourdsville WRF Expansion	279,600
Liberty Fairfield and Millikin Rd Sanitary Sewer Impr	296,790
Liberty Fairfield PS Repl - Dugan & Meyers	144,664
Mulhauser Rialto Pump Station - Armrel Burns	1,492,660
Mulhauser Rialto Pump Station - Sunesis	1,044,418
New Miami Sewers - Reynolds	800,616
Princeton Rd Water Main Replacement proj - Don May Contracting	837,226
PRV installations (QA, Rialto, Princeton) - Sunesis	176,004
Repair Services Blu Max - Curry Plumbing	626,787
SR 4 Greenlawn to Kyles Station - Lykins	200,629
Trenton Lift Station and FM Repl - Miami Western Contractor	59,522
Wade Mill WRF - JYG	64,689
Winwood DR WM Repl - Miami Western	189,169

NOTE 23 - SUBSEQUENT EVENTS

DEBT RELATED ACTIVITY

On April 05, 2007 the County issued \$41,230,000 in Various Purpose bonds to partially advance refund various existing bonds. These bonds included the 2002 Adult Detention Facility and 2002 Fiber Optic Ring General Obligation Bonds, the 2000 Mulhauser, Lakota Drive & Union Centre Special Assessments Bonds and the 2002 Water Judgement Bonds.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 23 - SUBSEQUENT EVENTS (continued)

The new Various Purpose General Obligation proceeds were sent to a trust account at the Bank of New York. The funds deposited, together with interest earned thereon, shall be sufficient to pay annual bond principal and semiannual interest on the advance refunded portions of 2002 Adult Detention Facility and 2002 Fiber Optic Ring General Obligation Bonds, the 2000 Mulhauser, Lakota Drive & Union Centre Special Assessments Bonds and the 2002 Water Judgement Bonds.

SALES TAX REVENUES

On January 24, 2007 the Butler County Board of Commissioners passed a temporary .25% sales tax increase commencing July 1, 2007 and ending January 1, 2008. In addition, a permanent sales tax increase of .25% will become effective July 1, 2007. The increase in the sales tax will be used for general operations of Butler County.

NOTE 24 - CONNEX GROUP, INC.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Nature of Operations – Connex Group, Inc. (the Organization) was incorporated as a not-for-profit organization under the laws of the State of Ohio. The Organization provides services to individuals with disabilities living in Southwestern Ohio. The Organization considers the Butler County Board of MR/DD a primary partner in providing services to individuals with mental retardation and developmental disabilities in Butler County.

B. Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of the revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

C. Cash Equivalents – The Organization considers all highly liquid investments, if any, with original maturities of three months or less to be cash equivalents.

D. Investments and Investment Return – Investments consist of mutual funds and are carried at fair value. Investment return includes dividend, interest and realized and unrealized gains and losses on investments carried at fair value.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 24 - CONNEX GROUP, INC (continued)

E. Accounts Receivable – Accounts receivable are stated at the amount billed to customers. Accounts receivable are ordinarily due 30 days after the issuance of the invoice. Accounts past due, more than 60 days, are considered delinquent. Delinquent receivables are written off based on individual credit evaluation and specific circumstances of the customer. Management believes that all amounts reported as accounts receivable at year end are collectible. As such, an allowance for doubtful accounts has not been recorded at year end.

F. Property and Equipment – Property and equipment are recorded at cost and depreciated on a straight-line basis over the estimated useful life of each asset.

G. Deferred Program Revenue – Deferred program revenue is recognized into income as program expenses are incurred.

H. Deferred Rent Revenue – Income from rental activities is deferred and recognized over the period to which the rent relates.

I. Income Taxes – Connex Group, Inc. is a non-profit corporation and are exempt from Federal Income taxes under Section 501 (c) (3) of the Internal Revenue Code. Connex Group, Inc. is subject to federal income tax on any unrelated business taxable income.

J. Expense Allocation – Expenses have been classified as either program costs or selling and administrative based on the actual direct expenditures and cost allocations based upon estimates of time spent by Organization personnel.

PROPERTY AND EQUIPMENT

A summary of Connex Group, Inc. property and equipment for the year ended June 30, 2006 follows:

Land	\$	327,000
Buildings and Improvements		1,765,149
Furnishings and Equipment		422,271
Computer Equipment		251,150
Autos and Trucks		130,415
Subtotal	\$	2,895,985
Less Accumulated Depreciation		(1,078,940)
Total	\$	<u>1,817,045</u>

**BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006**

NOTE 24 - CONNEX GROUP, INC. (continued)

The Ohio Department of Transportation holds the title to vans used by Butler County Board of MR/DD (BCBMR/DD). Connex Group, Inc. was reimbursed for the cost of these vans by BCBMR/DD and the vans are used exclusively by BCBMR/DD. The title passes to Connex Group, Inc. after five years and 120,000 miles. These vans are not capitalized on the books of Connex Group, Inc. The estimated value of the vans at the time of transfer is considered to be negligible.

Net Assets Restated

On July 1, 2005, Miami Valley Industries merged with RADD. The merger was accounted for as a "Pooling of Interests" in accordance with APB Opinion No. 16, Business Combinations. The pooling of interests method views the business combination as a uniting of two separate interests. Under this method, the historical costs of the separate entities' assets and liabilities as well as the net asset balances as the beginning of the year are combined and become the recorded amounts of the entity's assets, liabilities and net assets. Prior to the combination, the separate organizations were involved in mutual transactions that resulted in amount due to or due from each other. Those amounts were eliminated in merger.

The combination had the following effect on the net assets:

MVI net assets at July 1, 2005	\$ 456,636
RADD net assets at July 1, 2005	<u>244,434</u>
Connex Group Inc. net assets at July 1, 2005	<u>\$ 701,070</u>

DEBT

A summary of Connex Group, Inc. notes payable and long-term debt consisted of the following at June 30, 2006:

Revolving line of credit, up to \$100,000. Bank advances on the credit line are payable on demand and carry interest at prime plus ½%. The credit line is secured by substantially all assts of the Organization.	<u>\$300,000</u>
Note payable to bank – Interest varies bases on Prime. Payable in monthly installments of \$5,225 through maturity in September 2030. Secured by Substantially all assets of the Organization	790,757
Note payable to bank – Interest at 6.75% payable in monthly installments of \$3,802 through maturity in November 2025. Secured by substantially all assets of the Organization.	492,957

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 24 - CONNEX GROUP, INC. (continued)

Note payable to bank – Interest at 7.00% payable in monthly installments of \$1,557 through maturity in June 2025. Secured by substantially all assets of the Organization.	196,023
Note payable to bank – Interest at 6.90% payable in monthly installments of \$395 through February 2009. Secured by related truck.	13,774
Note payable to bank – Interest at 5.75% payable in monthly installments of \$346 through February 2009. Secured by related truck.	<u>9,902</u>
	<u>\$1,503,413</u>

Aggregate annual maturities of notes payable at June 30, 2006 follows:

2007	\$ 40,058
2008	42,736
2009	43,855
2010	40,649
2011	39,130
Thereafter	<u>1,296,985</u>
Totals	<u>\$ 1,503,413</u>

Total interest expense for the year ended June 30, 2006 was \$56,393.

COMPONENT SUBSEQUENT EVENTS

In May 2007 Connex Group Inc. discontinued providing services for the mentally disabled. The Connex Group Inc. board agreed to allow Cincinnati-based Jewish Vocational Services to assume operations for these programs. A new contract was signed between Jewish Vocational Services and the Butler County Board of Mental Retardation and Development Disabilities.

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Butler County, Ohio
 Required Supplementary Information
 Condition Assessment of the County's Infrastructure
 Reported Using the Modified Approach as Outlined in GASB 34
 For The Year Ended December 31, 2006

Butler County reports its infrastructure assets using the modified approach as outlined in Governmental Accounting Standards Board (GASB) Statement No. 34. The following disclosures pertain to the conditional assessment and budgeted versus actual expenditures for the preservation of these assets. Data for the conditional assessment is presented in each of the following three sections for 2006, 2005, and 2004.

County Roads

The condition of road pavement is evaluated and measured using a physical condition rating system. This approach assigns a numerical rating to each road, or section thereof, based on the following criteria: age of pavement, date of last surface maintenance, traffic flow and volume, traffic type and availability of funds. The physical condition rating is determined by a committee of experts from the County Engineer's Office based on the criteria below:

Pavement Rating	Condition Rating	Description
1	Excellent	Pavements not in need of maintenance. New condition. Typically pavements 1-4 years old fall into this category. Older pavements with lower traffic counts and low truck traffic also fall into this category.
2	Good	Pavement in need of minor maintenance to restore to Excellent condition. Typically pavements 5-8 years old with high traffic counts or a large percentage of truck traffic.
3	Fair	Pavement in need of major maintenance to restore to Excellent condition. Typically pavements are 9-12 years old.
4	Poor	Pavement in need of major repair or heavy overlays to bring to Excellent condition. Pavements over 12 years old, or with high traffic volume and/or high truck traffic could be rated 4.

It is the County policy that at least 90% of the roadways will have a rating of 3 (Fair) or higher. The County Engineer's Office has implemented a system whereby the total mileage of the roadway in the County will be repaved on a 12-year rotational basis. Historical data has shown that with yearly inspection and maintenance, the average road of the County will be maintained at a usable level for a 12-year period. Each roadway in the County will be assessed on a biennial basis, with higher emphasis on older and more heavily used pavements.

The following summarizes the physical condition assessment of county roads as of December 31 for 2006, 2005, and 2004:

Road Condition	2006		2005		2004	
	Road Miles	% of Total	Road Miles	% of Total	Road Miles	% of Total
Fair or Better	263	98%	253	93%	238	87%
Less than Fair	4	2%	20	7%	35	13%
Total	267	100%	273	100%	273	100%

The following is a comparison of county budgeted and actual expenditures for preservation of the existing roadways:

Year	Budgeted Expenditures	Actual Expenditures	Difference
2006	\$ 8,865,982	\$ 6,370,154	\$ 2,495,828
2005	\$ 2,949,348	\$ 2,769,401	179,946
2004	2,321,751	2,219,402	102,349
2003	3,048,992	2,129,994	918,998
2002	9,207,636	5,800,104	3,407,532

Butler County, Ohio
 Required Supplementary Information
 Condition Assessment of the County's Infrastructure
 Reported Using the Modified Approach as Outlined in GASB 34
 For The Year Ended December 31, 2006

County Bridges

The condition of the County's bridges is determined using a general appraisal and operational status rating which is a conditional coding system developed by the Federal Highway Administration. This system is comprised of ratings for the individual elements of the structure. The primary elements of this appraisal system include the following:

- *bridge decks* (riding surface, roadway approaches, end joints, curbing and sidewalks)
- *superstructures* (side rails, above-road piers and overhead truss)
- *substructures* (undercarriage, piers, footings, abutments and erosion protection)

The Federal Highway Administration has defined specific criteria for each element of the bridge, based on its construction. For each element, a 1-9 rating scale is used, where 4 or less is defined as "poor" condition. The ratings of all elements are combined to summarize the structural condition of a bridge as follows:

Bridge Rating	Condition Rating	Description
9	Excellent	Superior to present desirable criteria.
8	Very Good	Equal to present desirable criteria.
7	Good	Better than present minimum criteria.
6	Satisfactory	Equal to present minimum criteria.
5	Fair	Better than minimum adequacy to tolerate being left in place as is.
4	Poor	Meets minimum tolerable condition requiring high priority to repair.
3	Serious	Basically intolerable condition requiring high priority to repair.
2	Critical	Basically intolerable condition requiring high priority of replacement.
1	Imminent Failure	Immediate repair necessary to put back into service.
0	Closed	Bridge closed.

It is the County policy to maintain the bridge system in the County where 85% of the structures have a general appraisal summary of 5 (Fair) condition or higher. The following is a summary of the conditional assessment for bridges as of December 31 for 2006, 2005, and 2004:

Bridge Condition	2006		2005		2004	
	Number of Bridges	% of Total	Number of Bridges	% of Total	Number of Bridges	% of Total
Fair or Better	341	92%	338	91%	340	92%
Less than Fair	30	8%	33	9%	31	8%
Total	371	100%	371	100%	371	100%

The following is a comparison of county budgeted and actual expenditures for preservation of the existing bridges:

Year	Budgeted Expenditures	Actual Expenditures	Difference
2006	\$ 984,612	\$ 590,306	\$ 394,306
2005	1,810,823	1,496,159	314,664
2004	2,383,037	2,297,516	85,521
2003	3,674,302	2,667,956	1,006,346
2002	3,365,739	2,776,965	588,774

Butler County, Ohio
 Required Supplementary Information
 Condition Assessment of the County's Infrastructure
 Reported Using the Modified Approach as Outlined in GASB 34
 For The Year Ended December 31, 2006

County Culverts

The Butler County Engineer maintains a culvert inventory system. All culverts are inspected on a biennial basis with any critical structure being inspected as needed, as per the Engineer's internal policy. A committee of experts from the County Engineer's Office determines the condition rating, and a general appraisal of the condition is categorized as follows:

Culvert Rating	Condition Rating	Description
1	Good	No repair required.
2	Fair	Minor deficiency, culvert still functioning as designed.
3	Poor	Major deficiency, culvert in need of repair to continue functioning as designed.
4	Critical	Culvert no longer functioning as designed.

It is the goal of the Butler County Engineer to maintain 75% of culverts in a condition of 2-Fair or better. The following is a summary of the conditional assessment for culverts as of December 31 for 2006, 2005, and 2004:

Culvert Condition	2006		2005		2004	
	Number of Culverts	% of Total	Number of Culverts	% of Total	Number of Culverts	% of Total
Fair or Better	812	80%	817	80%	805	79%
Less than Fair	207	20%	202	20%	214	21%
Total	1019	100%	1019	100%	1019	100%

The following is a comparison of county budgeted and actual expenditures for preservation of the existing culverts:

Year	Budgeted Expenditures	Actual Expenditures	Difference
2006	\$ 187,361	\$ 145,231	\$ 42,130
2005	1,297,972	1,297,636	336
2004	896,500	887,587	8,913
2003	100,000	78,272	21,728
2002	100,000	99,056	944

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Combining Statements and Individual Fund Schedules

Combining Statements – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

Special Revenue funds are used to account for the proceeds of specific revenue sources (other than capital projects) that are legally restricted to expenditure for specified purposes. The following are descriptions of each nonmajor special revenue fund:

Real Estate Assessment – To account for state mandated county-wide real estate reappraisals that are funded by charges to the County’s political subdivisions.

All Other Legislative and Executive – To account for all other Legislative and Executive activities not presented on an individual basis.

All Other Judicial – To account for all other Judicial activities not presented on an individual basis.

All Other Public Safety – To account for all other Public Safety activities not presented on an individual basis.

Child Support Enforcement – To account for the poundage fee collected by the Bureau of Child Support that are restricted by State statute to finance the operation of the Child Support Enforcement Agency.

Motor Vehicle – To account for the revenue derived from motor vehicle licenses and gasoline taxes. Expenditures in this special revenue fund are restricted by State law to County roads and bridge repair/improvement programs.

All Other Public Works – To account for all other Public Works activities not presented on an individual basis.

Alcohol and Drug Addiction – To account for Federal and State grants that are used to pay the cost of contracts with local agencies that provide services to the public.

Mental Health – To account for a county-wide property tax levy and Federal and State grants that are used to pay the cost of contracts with local mental health agencies that provide services to the public.

All Other Health – To account for all other Health activities no presented on an individual basis.

County Care Facility – To account for the collection of medicaid and fees from residents’ families for the operations of the County Home.

Nonmajor Special Revenue Funds (continued)

Elderly Services Levy – To account for a county-wide property tax and the expenditure of those funds.

All Other Human Services – To account for all other Human Service activities not presented on an individual basis.

Nonmajor Capital Projects Funds

Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by the Proprietary funds). The following are descriptions of each nonmajor capital projects fund:

Technology – To account for the financing and related cost

Other Capital Improvements – To account for all other capital improvements not presented on an individual basis.

Butler County, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2006

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 37,000,987	\$ 125,730	\$ 37,126,717
Cash and Cash Equivalents:			
In Segregated Accounts	290,963	-	290,963
With Fiscal Agents	69,849	-	69,849
Receivables:			
Property and Other Taxes	19,010,836	-	19,010,836
Accounts	277,267	-	277,267
Due from Other Governments	21,489,712	-	21,489,712
Special Assessments	1,842,635	-	1,842,635
Loans	332,254	-	332,254
Due from Other Funds	223,492	148,250	371,742
Prepaid Items	269,614	-	269,614
Materials and Supplies Inventory	545,650	-	545,650
Total Assets	\$ 81,353,259	\$ 273,980	\$ 81,627,239
Liabilities and Fund Balances			
Accounts Payable	\$ 2,763,615	\$ 3,623	\$ 2,767,238
Contracts Payable	1,940,964	24,809	1,965,773
Accrued Wages and Benefits	719,743	-	719,743
Matured Compensated Absences Payable	1,182	-	1,182
Due to Other Funds	797,707	-	797,707
Due to Other Governments	179,703	-	179,703
Deferred Revenue	35,096,867	-	35,096,867
Advances from Other Funds	175,202	-	175,202
Accrued Interest Payable	32,629	43,425	76,054
Notes Payable	2,520,000	3,440,000	5,960,000
Total Liabilities	44,227,612	3,511,857	47,739,469
Fund Balances			
Reserved for Encumbrances	5,588,590	81,758	5,670,348
Reserved for Loans	216,860	-	216,860
Unreserved, Undesignated, Reported in:			
Special Revenue Funds	31,320,197	-	31,320,197
Capital Projects Funds	-	(3,319,635)	(3,319,635)
Total Fund Balances	37,125,647	(3,237,877)	33,887,770
Total Liabilities and Fund Balances	\$ 81,353,259	\$ 273,980	\$ 81,627,239

Butler County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2006

	Real Estate Assessment	All Other Legislative and Executive	All Other Judicial	All Other Public Safety	Child Support Enforcement
Assets					
Equity in Pooled Cash and Cash Equivalents	\$ 826,078	\$ 2,059,081	\$ 2,012,553	\$ 2,567,272	\$ 244,437
Cash and Cash Equivalents:					
In Segregated Accounts	-	82,356	164,312	31,186	319
With Fiscal Agents	-	-	-	-	-
Receivables:					
Property and Other Taxes	-	180,259	-	-	-
Accounts	-	-	-	10,197	-
Due from Other Governments	-	-	165	3,678,259	1,691,055
Special Assessments	-	210,474	-	-	-
Loans	-	-	-	-	-
Due from Other Funds	-	-	-	107,080	-
Prepaid Items	1,739	19,271	24,297	4,452	5,484
Materials and Supplies Inventory	2,007	1,237	1,469	60,407	1,125
Total Assets	\$ 829,824	\$ 2,552,678	\$ 2,202,796	\$ 6,458,853	\$ 1,942,420
Liabilities and Fund Balances					
Accounts Payable	\$ 16,040	\$ 68,293	\$ 16,091	\$ 211,392	\$ 6,639
Contracts Payable	93,725	-	-	2,384	-
Accrued Wages and Benefits	61,004	53,009	32,472	140,419	104,111
Matured Compensated Absences Payable	-	54	-	239	889
Due to Other Funds	34,985	37,074	18,696	111,385	193,536
Due to Other Governments	-	945	-	9,427	3
Deferred Revenue	-	390,733	-	2,203,682	1,181,647
Advances From Other Funds	-	-	25,002	-	-
Accrued Interest Payable	-	-	-	-	-
Notes Payable	-	-	-	-	-
Total Liabilities	205,754	550,108	92,261	2,678,928	1,486,825
Fund Balances					
Reserved for Encumbrances	52,966	157,854	97,041	46,345	-
Reserved for Loans	-	-	-	-	-
Unreserved, Undesignated, Reported in:					
Special Revenue Funds	571,104	1,844,716	2,013,494	3,733,580	455,595
Total Fund Balances	624,070	2,002,570	2,110,535	3,779,925	455,595
Total Liabilities and Fund Balances	\$ 829,824	\$ 2,552,678	\$ 2,202,796	\$ 6,458,853	\$ 1,942,420

Motor Vehicle	All Other Public Works	Alcohol and Drug Addiction	Mental Health	All Other Health
\$ 11,993,464	\$ 3,498,957	\$ 883,556	\$ 3,690,464	\$ 186,357
12,374		-	-	225
69,849	-	-	-	
-	-	-	7,388,523	-
266,658	412	-	-	-
5,388,026	2,606,306	2,434,824	5,103,936	300
20,663	1,611,498	-	-	-
-	332,254	-	-	-
21,705	-	4,017	88,690	-
28,933	8,833	7,401	163,891	67
460,434	192	501	3,109	679
<u>\$ 18,262,106</u>	<u>\$ 8,058,452</u>	<u>\$ 3,330,299</u>	<u>\$ 16,438,613</u>	<u>\$ 187,628</u>
\$ 225,165	\$ 182,811	\$ 120,349	\$ 188,752	\$ 3,338
438,536	24,694	-	1,381,625	-
125,956	15,702	9,495	14,504	7,292
-	-	-	-	-
91,743	179,311	18,898	18,747	3,893
1,811	120,480	2,159	38	-
4,518,870	3,952,266	1,428,079	9,888,822	-
-	-	134,200	-	-
5,198	27,431	-	-	-
420,000	2,100,000	-	-	-
<u>5,827,279</u>	<u>6,602,695</u>	<u>1,713,180</u>	<u>11,492,488</u>	<u>14,523</u>
2,489,038	68,227	61,117	1,617,146	296,974
-	216,860	-	-	-
<u>9,945,789</u>	<u>1,170,670</u>	<u>1,556,002</u>	<u>3,328,979</u>	<u>(123,869)</u>
<u>12,434,827</u>	<u>1,455,757</u>	<u>1,617,119</u>	<u>4,946,125</u>	<u>173,105</u>
<u>\$ 18,262,106</u>	<u>\$ 8,058,452</u>	<u>\$ 3,330,299</u>	<u>\$ 16,438,613</u>	<u>\$ 187,628</u>

(Continued)

Butler County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (Continued)
December 31, 2006

	County Care Facility	Elderly Services Levy	All Other Human Services	Total Nonmajor Special Revenue Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 264,615	\$ 8,711,540	\$ 62,613	\$ 37,000,987
Cash and Cash Equivalents:				
In Segregated Accounts	191	-	-	290,963
With Fiscal Agents	-	-	-	69,849
Receivables:				
Property and Other Taxes	-	11,442,054	-	19,010,836
Accounts	-	-	-	277,267
Due from Other Governments	480,273	-	106,568	21,489,712
Special Assessments	-	-	-	1,842,635
Loans	-	-	-	332,254
Due from Other Funds	2,000	-	-	223,492
Prepaid Items	5,246	-	-	269,614
Materials and Supplies Inventory	14,436	-	54	545,650
Total Assets	\$ 766,761	\$ 20,153,594	\$ 169,235	\$ 81,353,259
Liabilities and Fund Balances				
Accounts Payable	\$ 222,868	\$ 1,499,713	\$ 2,164	\$ 2,763,615
Contracts Payable	-	-	-	1,940,964
Accrued Wages and Benefits	150,003	-	5,776	719,743
Matured Compensated Absences Payable	-	-	-	1,182
Due to Other Funds	87,258	-	2,181	797,707
Due to Other Governments	18,010	-	26,830	179,703
Deferred Revenue	-	11,442,054	90,714	35,096,867
Advances From Other Funds	-	-	16,000	175,202
Accrued Interest Payable	-	-	-	32,629
Notes Payable	-	-	-	2,520,000
Total Liabilities	478,139	12,941,767	143,665	44,227,612
Fund Balances				
Reserved for Encumbrances	8,292	692,791	799	5,588,590
Reserved for Loans	-	-	-	216,860
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	280,330	6,519,036	24,771	31,320,197
Total Fund Balances	288,622	7,211,827	25,570	37,125,647
Total Liabilities and Fund Balances	\$ 766,761	\$ 20,153,594	\$ 169,235	\$ 81,353,259

Butler County, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2006

	Technology	Other Capital Improvements	Total Nonmajor Capital Projects Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ -	\$ 125,730	\$ 125,730
Receivables:			
Due from Other Funds	-	148,250	148,250
Total Assets	\$ -	\$ 273,980	\$ 273,980
Liabilities and Fund Balances			
Liabilities:			
Accounts Payable	\$ -	\$ 3,623	\$ 3,623
Contracts Payable	-	24,809	24,809
Accrued Interest Payable	39,279	4,146	43,425
Notes Payable	3,105,000	335,000	3,440,000
Total Liabilities	3,144,279	367,578	3,511,857
Fund Balances			
Reserved for Encumbrances	-	81,758	81,758
Unreserved, Undesignated, Reported in:			
Capital Projects Funds	(3,144,279)	(175,356)	(3,319,635)
Total Fund Balances (Deficit)	(3,144,279)	(93,598)	(3,237,877)
Total Liabilities and Fund Balances	\$ -	\$ 273,980	\$ 273,980

Butler County, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2006

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues			
Property and Other Taxes	\$ 16,207,642	\$ -	\$ 16,207,642
Charges for Services	24,719,719	-	24,719,719
Licenses and Permits	560,221	-	560,221
Fines and Forfeitures	321,832	-	321,832
Intergovernmental	50,564,827	-	50,564,827
Special Assessments	1,635,094	-	1,635,094
Payments in Lieu of Taxes	21,144	-	21,144
Interest	108,476	20,133	128,609
Other	673,140	220,037	893,177
Total Revenues	94,812,095	240,170	95,052,265
Expenditures			
Current:			
General Government			
Legislative and Executive	7,074,115	-	7,074,115
Judicial	1,830,546	-	1,830,546
Public Safety	10,278,569	-	10,278,569
Public Works	21,533,381	-	21,533,381
Health	24,640,687	-	24,640,687
Human Services	22,366,286	-	22,366,286
Capital Outlay	-	73,993	73,993
Debt Service:			
Principal Retirement	2,361,296	8,675,000	11,036,296
Interest and Fiscal Charges	177,447	715,474	892,921
Total Expenditures	90,262,327	9,464,467	99,726,794
Excess of Revenues (Under) Expenditures	4,549,768	(9,224,297)	(4,674,529)
Other Financing Sources (Uses)			
General Obligation Bonds Issued	-	8,585,000	8,585,000
Premium from Debt Issued	-	244,722	244,722
Inception of Capital Lease	83,878	-	83,878
Transfers - In	399,404	838,858	1,238,262
Transfers - Out	(225,368)	(4,585,000)	(4,810,368)
Total Other Financing Sources (Uses)	257,914	5,083,580	5,341,494
Net Change in Fund Balance	4,807,682	(4,140,717)	666,965
Fund Balances Beginning of Year	32,317,965	902,840	33,220,805
Fund Balances End of Year	\$ 37,125,647	\$ (3,237,877)	\$ 33,887,770

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Butler County, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2006

	Real Estate Assessment	All Other Legislative and Executive	All Other Judicial	All Other Public Safety
Revenues				
Property and Other Taxes	\$ -	\$ 352,264	\$ -	\$ -
Charges for Services	3,367,565	3,159,278	1,957,166	3,853,464
Licenses and Permits	-	-	-	46,407
Fines and Forfeitures	-	-	42,360	3,174
Intergovernmental	-	14,165	-	7,243,518
Special Assessments	-	-	-	-
Payment in Lieu of Taxes	-	396	-	-
Interest	-	64,952	-	-
Other	9,384	-	175	7,666
Total Revenues	3,376,949	3,591,055	1,999,701	11,154,229
Expenditures				
Current:				
General Government				
Legislative and Executive	3,579,210	3,494,905	-	-
Judicial	-	-	1,830,546	-
Public Safety	-	-	-	10,278,569
Public Works	-	-	-	-
Health	-	-	-	-
Human Services	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	3,579,210	3,494,905	1,830,546	10,278,569
Excess of Revenues Over (Under) Expenditures	(202,261)	96,150	169,155	875,660
Other Financing Sources (Uses)				
Inception of Capital Lease	-	-	-	-
Transfers - In	-	-	-	14,340
Transfers - Out	-	(125,000)	-	-
Total Other Financing Sources (Uses)	-	(125,000)	-	14,340
Net Change in Fund Balance	(202,261)	(28,850)	169,155	890,000
Fund Balances Beginning of Year	826,331	2,031,420	1,941,380	2,889,925
Fund Balances End of Year	\$ 624,070	\$ 2,002,570	\$ 2,110,535	\$ 3,779,925

Child Support Enforcement	Motor Vehicle	All Other Public Works	Alcohol and Drug Addiction
\$ -	\$ -	\$ -	\$ -
1,048,232	9,650,349	176,460	123,300
-	-	-	-
-	257,225	-	-
4,955,091	5,964,129	3,167,907	5,696,519
-	4,123	1,630,971	-
-	-	-	-
-	-	43,524	-
-	413,634	18,057	8,691
<u>6,003,323</u>	<u>16,289,460</u>	<u>5,036,919</u>	<u>5,828,510</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	16,847,270	4,686,111	-
-	-	-	5,481,589
5,990,903	-	-	-
-	122,851	2,150,000	-
-	35,910	135,545	-
<u>5,990,903</u>	<u>17,006,031</u>	<u>6,971,656</u>	<u>5,481,589</u>
<u>12,420</u>	<u>(716,571)</u>	<u>(1,934,737)</u>	<u>346,921</u>
-	-	-	-
22,700	-	303,106	-
-	(100,368)	-	-
<u>22,700</u>	<u>(100,368)</u>	<u>303,106</u>	<u>-</u>
35,120	(816,939)	(1,631,631)	346,921
420,475	13,251,766	3,087,388	1,270,198
<u>\$ 455,595</u>	<u>\$ 12,434,827</u>	<u>\$ 1,455,757</u>	<u>\$ 1,617,119</u>

(Continued)

Butler County, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2006 (Continued)

	Mental Health	All Other Health	County Care Facility	Elderly Services Levy
Revenues				
Taxes	\$ 2,154,434	\$ -	\$ -	\$ 13,700,944
Charges for Services	96,060	30	1,287,815	-
Licenses and Permits	-	513,814	-	-
Fines and Forfeitures	-	19,073	-	-
Intergovernmental	15,746,585	-	6,304,623	1,244,826
Special Assessments	-	-	-	-
Payment in Lieu of Taxes	3,729	-	-	17,019
Interest	-	-	-	-
Other	190,596	-	16,648	-
Total Revenues	18,191,404	532,917	7,609,086	14,962,789
Expenditures				
Current:				
General Government				
Legislative and Executive	-	-	-	-
Judicial	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Health	18,695,170	463,928	-	-
Human Services	-	-	7,547,371	8,539,366
Debt Service:				
Principal Retirement	-	-	88,445	-
Interest and Fiscal Charges	-	-	5,992	-
Total Expenditures	18,695,170	463,928	7,641,808	8,539,366
Excess of Revenues Over (Under) Expenditures	(503,766)	68,989	(32,722)	6,423,423
Other Financing Sources (Uses)				
Inception of Capital Lease	-	-	83,878	-
Transfers - In	-	-	-	-
Transfers - Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	83,878	-
Net Change in Fund Balance	(503,766)	68,989	51,156	6,423,423
Fund Balances Beginning of Year	5,449,891	104,116	237,466	788,404
Fund Balances End of Year	\$ 4,946,125	\$ 173,105	\$ 288,622	\$ 7,211,827

All Other Human Services	Total Nonmajor Special Revenue Funds
\$ -	\$ 16,207,642
-	24,719,719
-	560,221
-	321,832
227,464	50,564,827
-	1,635,094
-	21,144
-	108,476
8,289	673,140
<u>235,753</u>	<u>94,812,095</u>
-	7,074,115
-	1,830,546
-	10,278,569
-	21,533,381
-	24,640,687
288,646	22,366,286
-	2,361,296
-	177,447
<u>288,646</u>	<u>90,262,327</u>
<u>(52,893)</u>	<u>4,549,768</u>
-	83,878
59,258	399,404
-	(225,368)
<u>59,258</u>	<u>257,914</u>
6,365	4,807,682
19,205	32,317,965
<u>\$ 25,570</u>	<u>\$ 37,125,647</u>

Butler County, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2006

	Technology	Other Capital Improvements	Total Nonmajor Capital Projects Funds
Revenues			
Interest	\$ -	\$ 20,133	\$ 20,133
Other	-	220,037	220,037
Total Revenues	-	240,170	240,170
Expenditures			
Capital Outlay	-	73,993	73,993
Debt Service:			
Principal Retirement	3,630,000	5,045,000	8,675,000
Interest and Fiscal Charges	412,800	302,674	715,474
Total Expenditures	4,042,800	5,421,667	9,464,467
Excess of Revenues (Under) Expenditures	(4,042,800)	(5,181,497)	(9,224,297)
Other Financing Sources (Uses)			
General Obligation Bonds Issued	4,000,000	4,585,000	8,585,000
Premium from Debt Issued	49,360	195,362	244,722
Transfers In	583,055	255,803	838,858
Transfers Out	-	(4,585,000)	(4,585,000)
Total Other Financing Sources (Uses)	4,632,415	451,165	5,083,580
Net Change in Fund Balance	589,615	(4,730,332)	(4,140,717)
Fund Balances (Deficit) at Beginning of Year	(3,733,894)	4,636,734	902,840
Fund Balances (Deficit) End of Year	\$ (3,144,279)	\$ (93,598)	\$ (3,237,877)

INTERNAL SERVICE FUNDS

The Internal Service Funds are used to account for the financing of services provided by one department or agency to other departments or agencies of the County, or to other governmental units, on a cost-reimbursement basis. The following are descriptions of each Internal Service Fund:

Health Insurance – To account for monies received from governmental and business type funds and regional governmental agencies to pay for the actual expense of medical, dental and life insurance costs for employees.

Worker’s Compensation – To account for funds received from governmental and proprietary funds and regional governmental agencies to pay for the actual expense of workers’ compensation benefits.

Employee Health Insurance – To account for prior year advances received from governmental and proprietary funds and regional governmental agencies to process outstanding 2003 claims payable liabilities.

County Fuel Depot – To account for funds received from governmental and proprietary funds to pay for the actual expenses of operating the County gas facility.

Butler County, Ohio
Combining Statement of Fund Net Assets
Internal Service Funds
December 31, 2006

	Health Insurance	Workers Compensation	County Fuel Depot	Total
Assets				
Current Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 267,933	\$ 674,459	\$ 11,584	\$ 953,976
Receivables:				
Accounts	-	48,250	-	48,250
Due from Other Funds	-	1,867,024	-	1,867,024
Prepaid Items	46	220	-	266
Total Assets	\$ 267,979	\$ 2,589,953	\$ 11,584	\$ 2,869,516
Liabilities				
Current Liabilities				
Accounts Payable	\$ 1,664	\$ 3,944	\$ -	\$ 5,608
Accrued Wages and Benefits	4,558	8,080	-	12,638
Due to Other Governments	-	599,078	-	599,078
Claims Payable	-	1,000,243	-	1,000,243
Compensated Absences Payable	5,541	7,817	-	13,358
Total Current Liabilities	11,763	1,619,162	-	1,630,925
Long-Term Liabilities				
Advances from Other Funds	150,000	-	40,000	190,000
Claims Payable	-	2,667,341	-	2,667,341
Compensated Absences Payable	15,140	14,597	-	29,737
Total Long-Term Liabilities	165,140	2,681,938	40,000	2,887,078
Total Liabilities	176,903	4,301,100	40,000	4,518,003
Total Net Assets (Deficit)	\$ 91,076	\$ (1,711,147)	\$ (28,416)	\$ (1,648,487)

Butler County, Ohio
Combining Statement of Revenues,
Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended December 31, 2006

	Health Insurance	Workers Compensation	Employee Health Insurance	County Fuel Depot	Total
Operating Revenues					
Charges for Services	\$ 13,358,877	\$ 1,918,298	\$ 572,350	\$ -	\$ 15,849,525
Other Operating Revenues	-	22,302	27,182	-	49,484
Total Operating Revenues	13,358,877	1,940,600	599,532	-	15,899,009
Operating Expenses					
Personal Services	158,750	305,323	-	-	464,073
Contractual Services	13,115,426	723,636	10,306	-	13,849,368
Claims and Judgments	-	1,052,076	-	-	1,052,076
Materials and Supplies	879	-	-	28,416	29,295
Other Operating Expenses	1,618	-	-	-	1,618
Total Operating Expenses	13,276,673	2,081,035	10,306	28,416	15,396,430
Operating Income (Loss)	82,204	(140,435)	589,226	(28,416)	502,579
Non-Operating Revenues (Expenses)					
Other Non-Operating Revenues	-	-	800,000	-	800,000
Other Non-Operating Expenses	-	-	(37,553)	-	(37,553)
Total Non-Operating Revenues (Expenses)	-	-	762,447	-	762,447
Change in Net Assets	82,204	(140,435)	1,351,673	(28,416)	1,265,026
Net Assets Beginning of Year	8,872	(1,570,712)	(1,351,673)	-	(2,913,513)
Net Assets End of Year	\$ 91,076	\$ (1,711,147)	\$ -	\$ (28,416)	\$ (1,648,487)

Butler County
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2006

	Health Insurance	Worker's Compensation	Employee Health Insurance	County Fuel Depot	Totals
<u>Increase (Decrease) in Cash and Cash Equivalents:</u>					
<u>Cash Flows from Operating Activities:</u>					
Cash Received from Interfund Services Provided	\$ 13,358,877	\$ 936,620	\$ 572,350	\$ -	\$ 14,867,847
Cash Paid to Suppliers	(13,116,305)	(694,758)	(10,306)	(28,416)	(13,849,785)
Cash Paid to Employees	(153,822)	(297,277)	-	-	(451,099)
Other Operating Revenues	-	22,302	27,182	-	49,484
Other Non-Operating Revenues	-	-	800,000	-	800,000
Other Non-Operating Expenses	-	-	(37,553)	-	(37,553)
Cash Paid for Claims	-	(766,877)	-	-	(766,877)
Net Cash Provided by (Used for) Operating Activities	<u>88,750</u>	<u>(799,990)</u>	<u>1,351,673</u>	<u>(28,416)</u>	<u>612,017</u>
<u>Cash Flows from Noncapital Financing Activities:</u>					
Short-Term Advances to Other Funds	-	-	(1,458,595)	-	(1,458,595)
Short-Term Advances from Other Funds	-	2,606	-	40,000	42,606
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>-</u>	<u>2,606</u>	<u>(1,458,595)</u>	<u>40,000</u>	<u>(1,415,989)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	88,750	(797,384)	(106,922)	11,584	(803,972)
Cash and Cash Equivalents at Beginning of Year	<u>179,183</u>	<u>1,471,843</u>	<u>106,922</u>	<u>-</u>	<u>1,757,948</u>
Cash and Cash Equivalents at End of Year	<u>\$ 267,933</u>	<u>\$ 674,459</u>	<u>\$ -</u>	<u>\$ 11,584</u>	<u>\$ 953,976</u>
<u>Reconciliation of Operating Income (Loss) to net Cash Provided by (Used for) Operating Activities:</u>					
Operating Income (Loss)	\$ 82,204	\$ (140,435)	\$ 589,226	\$ (28,416)	\$ 502,579
<u>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</u>					
Other Non-Operating Revenues	-	-	800,000	-	800,000
Other Non-Operating Expenses	-	-	(37,553)	-	(37,553)
<u>Changes in Assets and Liabilities:</u>					
Decrease in Accounts Receivable	-	(24,681)	-	-	(24,681)
Increase in Due from Other Funds	-	(956,997)	-	-	(956,997)
Increase in Prepaid Items	(46)	(184)	-	-	(230)
Increase (Decrease) in Accrued Wages and Benefits	596	1,229	-	-	1,825
Increase in Accounts Payable	1,664	(5,313)	-	-	(3,649)
Increase in Compensated Absences Payable	5,604	2,873	-	-	8,477
Increase in Due to Other Funds	(1,272)	-	-	-	(1,272)
Decrease in Due to Other Governments	-	38,319	-	-	38,319
Increase in Claims Payable	-	285,199	-	-	285,199
Total Adjustments	<u>6,546</u>	<u>(659,555)</u>	<u>762,447</u>	<u>-</u>	<u>109,438</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ 88,750</u>	<u>\$ (799,990)</u>	<u>\$ 1,351,673</u>	<u>\$ (28,416)</u>	<u>\$ 612,017</u>

AGENCY FUNDS

Agency funds are purely custodial (assets equal liabilities) and thus do not involve the measurement of results and operations. The following are the County's agency funds:

Undivided Tax - Accounts for various agency funds used for collection and distribution of taxes by the County.

All Other Agency – All other Agency account for various individual agency funds combined for reporting purposes.

Butler County, Ohio
Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2006

	Undivided Tax	All Other Agency	Total
Assets			
Equity Pooled in Cash and Cash Equivalents	\$ 17,499,032	\$ 11,640,909	\$ 29,139,941
Cash and Cash Equivalents in Segregated Accounts	13,218	3,629,903	3,643,121
Taxes Receivable	374,378,029	-	374,378,029
Special Assessments Receivable	33,002,677	1,911	33,004,588
Due from Other Governments	15,172,164	300,759	15,472,923
Total Assets	\$ 440,065,120	\$ 15,573,482	\$ 455,638,602
Liabilities			
Accounts Payable	\$ -	\$ 14,366	\$ 14,366
Undistributed Monies	-	2,995,714	2,995,714
Deposits Held and Due to Others	-	12,329,477	12,329,477
Due to Other Governments	440,065,120	118,925	440,184,045
Loans Payable	-	115,000	115,000
Total Liabilities	\$ 440,065,120	\$ 15,573,482	\$ 455,638,602

Butler County, Ohio
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended December 31, 2006

	Beginning Balance 01/01/06	Additions	Deductions	Ending Balance 12/31/06
Undivided Tax Funds				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 16,133,778	\$ 800,770,570	\$ 799,405,316	\$ 17,499,032
Cash and Cash Equivalents in Segregated Accounts	9,340	13,218	9,340	13,218
Due from Other Funds	-	22,558	22,558	-
Taxes Receivable	357,641,364	374,378,029	357,641,364	374,378,029
Special Assessments Receivable	30,343,791	32,450,263	29,791,377	33,002,677
Due from Other Governments	15,406,560	15,172,164	15,406,560	15,172,164
Total Assets	\$ 419,534,833	\$ 1,222,806,802	\$ 1,202,276,515	\$ 440,065,120
Liabilities				
Due to Other Governments	\$ 419,534,833	\$ 1,222,784,244	\$ 1,202,253,957	\$ 440,065,120
All Other Agency Funds				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 10,267,848	\$ 131,238,650	\$ 129,865,589	\$ 11,640,909
Cash and Cash Equivalents in Segregated Accounts	3,089,299	62,653,521	62,112,917	3,629,903
Due from Other Funds	-	123,206	123,206	-
Special Assessments Receivable	1,436	1,911	1,436	1,911
Due from Other Governments	303,192	300,759	303,192	300,759
Total Assets	\$ 13,661,775	\$ 194,318,047	\$ 192,406,340	\$ 15,573,482
Liabilities				
Accounts Payable	\$ -	\$ 14,366	\$ -	\$ 14,366
Undistributed Monies	2,667,068	11,888,840	11,560,194	2,995,714
Deposits Held and Due to Others	10,776,817	141,953,896	140,401,236	12,329,477
Due to Other Funds	-	27,386,821	27,386,821	-
Due to Other Governments	100,345	12,967,894	12,949,314	118,925
Loans Payable	117,545	-	2,545	115,000
Total Liabilities	\$ 13,661,775	\$ 194,211,817	\$ 192,300,110	\$ 15,573,482

(Continued)

Butler County, Ohio
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended December 31, 2006 (Continued)

	Beginning Balance 01/01/06	Additions	Deductions	Ending Balance 12/31/06
Total - All Funds				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 26,401,626	\$ 932,009,220	\$ 929,270,905	\$29,139,941
Cash and Cash Equivalents in Segregated Accounts	3,098,639	62,666,739	62,122,257	3,643,121
Due from Other Funds	-	145,764	145,764	-
Taxes Receivable	357,641,364	374,378,029	357,641,364	374,378,029
Special Assessments Receivable	30,345,227	32,452,174	29,792,813	33,004,588
Due from Other Governments	15,709,752	15,472,923	15,709,752	15,472,923
Total Assets	\$ 433,196,608	\$ 1,417,124,849	\$ 1,394,682,855	\$ 455,638,602
Liabilities				
Accounts Payable	-	14,366	-	14,366
Undistributed Monies	2,667,068	11,888,840	11,560,194	2,995,714
Deposits Held and Due to Others	10,776,817	141,953,896	140,401,236	12,329,477
Due to Other Governments	419,635,178	1,235,752,138	1,215,203,271	440,184,045
Loans Payable	117,545	-	2,545	115,000
Total Liabilities	\$ 433,196,608	\$ 1,389,609,240	\$ 1,367,167,246	\$ 455,638,602

**Individual Fund Schedules of Revenues,
Expenditures/Expenses, and Changes in Fund
Balance/Equity – Budget (Budget Basis) and Actual**

Butler County, Ohio
Schedule of Revenues, Expenditures, and
Changes in Fund Balance-Budget and Actual
General Fund
Budget Basis
For the Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Property and Other Taxes	\$ 9,311,558	\$ 13,951,558	\$ 13,982,781	\$ 31,223
Sales Taxes	31,728,735	40,404,877	40,412,302	7,425
Charges for Services	16,221,738	25,046,452	25,272,888	226,436
Licenses and Permits	14,569	14,569	20,870	6,301
Fines and Forfeitures	966,076	1,521,076	1,590,191	69,115
Intergovernmental	8,636,189	7,865,274	7,922,939	57,665
Payment in Lieu of Taxes	19,258	25,258	25,328	70
Interest	3,128,995	8,326,126	8,348,112	21,986
Other	2,365,886	1,725,562	1,742,819	17,257
Total Revenues	72,393,004	98,880,752	99,318,230	437,478
Expenditures:				
Current:				
General Government :				
Legislative and Executive				
Information Services				
Personal Services	1,412,944	1,370,882	1,368,987	1,895
Materials and Supplies	35,742	36,463	36,461	2
Contractual Services	140,539	144,262	133,751	10,511
Other	-	60,725	60,725	-
Total Information Services	1,589,225	1,612,332	1,599,924	12,408
Audit Services				
Contractual Services	165,094	185,094	163,150	21,944
Total Audit Services	165,094	185,094	163,150	21,944
Auditor				
Personal Services	1,386,714	1,374,702	1,373,392	1,310
Materials and Supplies	69,056	62,056	60,614	1,442
Contractual Services	13,086	142,086	140,581	1,505
Other	15,042	13,042	10,394	2,648
Total Auditor	1,483,898	1,591,886	1,584,981	6,905
Commissioners				
Personal Services	834,158	819,421	816,633	2,788
Materials and Supplies	32,000	41,900	39,891	2,009
Contractual Services	162,934	136,584	86,682	49,902
Other	30,810	27,810	27,775	35
Total Commissioners	1,059,902	1,025,715	970,981	54,734
Department of Development				
Personal Services	1,280,434	1,216,289	1,214,637	1,652
Materials and Supplies	20,000	24,800	23,009	1,791
Contractual Services	205,419	204,019	190,436	13,583
Other	5,000	3,500	2,883	617
Total Department of Development	1,510,853	1,448,608	1,430,965	17,643
Mailroom				
Personal Services	90,547	93,183	93,134	49
Materials and Supplies	780,000	798,880	798,192	688
Other	500	500	480	20
Total Mailroom	871,047	892,563	891,806	757

(continued)

Butler County, Ohio
Schedule of Revenues, Expenditures, and
Changes in Fund Balance-Budget and Actual
General Fund (continued)
Budget Basis
For the Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Maintenance				
Personal Services	\$ 285,237	\$ 263,469	\$ 251,725	\$ 11,744
Materials and Supplies	153,617	178,617	162,604	16,013
Contractual Services	3,573,273	3,723,523	3,602,492	121,031
Other	6,000	5,400	2,160	3,240
Total Maintenance	4,018,127	4,171,009	4,018,981	152,028
Records Center				
Personal Services	508,096	495,701	482,163	13,538
Materials and Supplies	30,965	36,289	33,377	2,912
Contractual Services	130,169	203,519	200,854	2,665
Other	10,400	4,250	3,034	1,216
Total Records Center	679,630	739,759	719,428	20,331
Insurance, Pension and Taxes				
Personal Services	70,000	379,865	333,413	46,452
Contractual Services	780,000	780,000	736,126	43,874
Other	301,349	301,249	144,129	157,120
Total Insurance, Pension and Taxes	1,151,349	1,461,114	1,213,668	247,446
Commissioners-Other				
Contractual Services	535,000	524,250	450,513	73,737
Other	1,125,000	954,100	893,061	61,039
Total Commissioners-Other	1,660,000	1,478,350	1,343,574	134,776
Economic Development				
Personal Services	398,556	388,246	384,215	4,031
Materials and Supplies	1,500	1,350	172	1,178
Contractual Services	4,000	2,580	1,457	1,123
Other	2,000	600	239	361
Total Economic Development	406,056	392,776	386,083	6,693
Board of Elections				
Personal Services	1,405,673	1,637,894	1,633,782	4,112
Materials and Supplies	380,104	581,304	579,222	2,082
Contractual Services	404,404	534,949	533,253	1,696
Total Board of Elections	2,190,181	2,754,147	2,746,257	7,890
Prosecuting Attorney				
Personal Services	3,678,153	3,566,740	3,479,017	87,723
Materials and Supplies	50,992	68,887	57,866	11,021
Contractual Services	168,216	148,312	129,529	18,783
Other	65,336	59,336	57,552	1,784
Total Prosecuting Attorney	3,962,697	3,843,275	3,723,964	119,311
CSEA Prosecutor				
Personal Services	243,091	244,502	238,465	6,037
Materials and Supplies	4,344	6,644	5,603	1,041
Contractual Services	22,949	46,509	42,044	4,465
Other	4,000	747	-	747
Total CSEA Prosecutor	274,384	298,402	286,112	12,290

(continued)

Butler County, Ohio
Schedule of Revenues, Expenditures, and
Changes in Fund Balance-Budget and Actual
General Fund (continued)
Budget Basis
For the Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Recorder				
Personal Services	\$ 771,796	\$ 765,370	\$ 753,015	\$ 12,355
Materials and Supplies	10,000	9,000	8,680	320
Contractual Services	13,309	12,871	6,117	6,754
Other	6,280	17,387	16,235	1,152
Total Recorder	801,385	804,628	784,047	20,581
Treasurer				
Personal Services	1,037,293	1,141,525	1,128,952	12,573
Materials and Supplies	31,377	24,762	23,173	1,589
Contractual Services	221,123	210,480	188,750	21,730
Other	5,000	4,500	2,548	1,952
Total Treasurer	1,294,793	1,381,267	1,343,423	37,844
Total General Government:				
Legislative and Executive	23,118,621	24,080,925	23,207,344	873,581
General Government:				
Judicial				
Area Courts				
Personal Services	1,051,632	1,045,393	1,043,768	1,625
Materials and Supplies	18,525	18,100	18,001	99
Contractual Services	83,034	76,987	67,144	9,843
Total Area Courts	1,153,191	1,140,480	1,128,913	11,567
Clerk of Courts				
Personal Services	1,572,822	1,478,572	1,469,884	8,688
Materials and Supplies	40,569	44,321	43,740	581
Contractual Services	37,734	44,763	44,750	13
Other	600	600	587	13
Total Clerk of Courts	1,651,725	1,568,256	1,558,961	9,295
Common Pleas Court				
Personal Services	1,466,027	1,499,779	1,497,461	2,318
Materials and Supplies	27,177	28,177	25,915	2,262
Contractual Services	1,396,959	1,363,482	1,342,053	21,429
Other	5,049	6,549	5,928	621
Total Common Pleas Court	2,895,212	2,897,987	2,871,357	26,630
Court Services				
Personal Services	458,123	433,272	429,848	3,424
Materials and Supplies	360	340	190	150
Contractual Services	115,005	114,880	114,419	461
Other	47	47	-	47
Total Court Services	573,535	548,539	544,457	4,082

(continued)

Butler County, Ohio
Schedule of Revenues, Expenditures, and
Changes in Fund Balance-Budget and Actual
General Fund (continued)
Budget Basis
For the Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Domestic Relations Court				
Personal Services	\$ 1,539,301	\$ 1,473,965	\$ 1,414,117	\$ 59,848
Materials and Supplies	31,041	31,041	30,635	406
Contractual Services	187,396	187,351	142,821	44,530
Other	8,515	3,765	2,689	1,076
Total Domestic Relations Court	1,766,253	1,696,122	1,590,262	105,860
Parenting Education				
Contractual Services	38,000	37,620	36,774	846
Other	500	450	-	450
Total Parenting Education	38,500	38,070	36,774	1,296
Juvenile Court				
Personal Services	2,476,316	2,451,922	2,426,388	25,534
Materials and Supplies	67,566	59,566	59,135	431
Contractual Services	1,205,927	1,453,997	1,417,913	36,084
Other	4,059	3,659	3,131	528
Total Juvenile Court	3,753,868	3,969,144	3,906,567	62,577
Juvenile Court FDC				
Personal Service	-	61,200	19,640	41,560
Probate Court				
Personal Services	757,043	713,333	703,693	9,640
Materials and Supplies	21,849	25,599	25,052	547
Contractual Services	38,188	43,533	34,955	8,578
Other	2,800	2,520	2,415	105
Total Probate Court	819,880	784,985	766,115	18,870
Court of Appeals				
Personal Services	261,132	255,508	235,903	19,605
Materials and Supplies	32,024	37,262	33,456	3,806
Contractual Services	537,239	526,584	465,022	61,562
Other	11,235	7,613	3,742	3,871
Total Court of Appeals	841,630	826,967	738,123	88,844
Municipal Courts				
Personal Services	372,322	388,195	374,193	14,002
Contractual Services	381,000	488,500	481,550	6,950
Other	500	450	-	450
Total Municipal Courts	753,822	877,145	855,743	21,402
Total General Government: Judicial	14,247,616	14,408,895	14,016,912	391,983
Public Safety				
Adult Probation				
Personal Services	1,672,091	1,596,576	1,553,261	43,315
Materials and Supplies	111,175	102,675	101,319	1,356
Contractual Services	64,462	63,382	63,309	73
Other	2,274	2,047	1,600	447
Total Adult Probation	1,850,002	1,764,680	1,719,489	45,191

(continued)

Butler County, Ohio
Schedule of Revenues, Expenditures, and
Changes in Fund Balance-Budget and Actual
General Fund (continued)
Budget Basis
For the Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Criminal Justice Board				
Personal Services	\$ 57,373	\$ 56,497	\$ 55,826	\$ 671
Materials and Supplies	125	112	-	112
Contractual Services	600	155	45	110
Other	75	75	-	75
Total Criminal Justice Board	58,173	56,839	55,871	968
General Communications Sales Tax				
Contractual Services	-	14,400,000	5,727,806	8,672,194
Coroner				
Personal Services	534,642	591,911	589,709	2,202
Materials and Supplies	9,000	16,400	13,729	2,671
Contractual Services	11,673	17,163	2,917	14,246
Other	26,167	7,550	3,666	3,884
Total Coroner	581,482	633,024	610,021	23,003
Coroner's Morgue				
Materials and Supplies	12,417	16,417	12,149	4,268
Contractual Services	254,702	252,166	238,583	13,583
Total Coroner' Morgue	267,119	268,583	250,732	17,851
Juvenile Facilities				
Personal Services	1,943,643	1,963,832	1,934,590	29,242
Materials and Supplies	198,289	205,289	202,149	3,140
Contractual Services	76,080	85,805	75,566	10,239
Other	5,533	4,333	3,767	566
Total Juvenile Facilities	2,223,545	2,259,259	2,216,072	43,187
Sheriffs Academy				
Personal Services	9,152	8,675	8,637	38
Contractual Services	22,490	25,373	25,349	24
Other	550	495	478	17
Total Sheriffs Academy	32,192	34,543	34,464	79
Sheriffs Resolutions				
Personal Services	14,884	14,884	14,884	-
Contractual Services	5,027,093	5,915,293	5,915,229	64
Total Sheriffs Resolutions	5,041,977	5,930,177	5,930,113	64
Sheriff				
Personal Services	16,931,475	17,778,475	17,715,389	63,086
Materials and Supplies	453,597	610,842	610,715	127
Contractual Services	595,543	682,119	681,933	186
Other	224,369	310,696	310,611	85
Total Sheriff	18,204,984	19,382,132	19,318,648	63,484

(continued)

Butler County, Ohio
Schedule of Revenues, Expenditures, and
Changes in Fund Balance-Budget and Actual
General Fund (continued)
Budget Basis
For the Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Paramedics				
Personal Services	\$ 642,765	\$ 687,380	\$ 682,724	\$ 4,656
Materials and Supplies	12,958	10,858	10,804	54
Contractual Services	829,873	879,664	879,390	274
Total Paramedics	1,485,596	1,577,902	1,572,918	4,984
Total Public Safety	29,745,070	46,307,139	37,436,134	8,871,005
Public Works				
Solid Waste Landfill				
Contractual Services	30,000	30,000	14,624	15,376
Engineers-Plat Room				
Personal Services	186,466	183,614	183,410	204
Total Public Works	216,466	213,614	198,034	15,580
Health				
Other-Health				
Contractual Service	467,196	467,196	438,110	29,086
Registration Vital Statistics				
Other	8,500	7,650	5,159	2,491
Total Health	475,696	474,846	443,269	31,577
Human Services				
Veterans Memorial				
Contractual Services	15,000	14,850	13,293	1,557
Other	7,000	7,000	5,520	1,480
Total Veterans Memorial	22,000	21,850	18,813	3,037
Veterans Services				
Personal Services	613,285	600,410	530,353	70,057
Materials and Supplies	6,000	9,000	8,703	297
Contractual Services	300,107	348,857	297,258	51,599
Other	669,241	390,241	358,951	31,290
Total Veterans Services	1,588,633	1,348,508	1,195,265	153,243
Total Human Services	1,610,633	1,370,358	1,214,078	156,280

(continued)

Butler County, Ohio
Schedule of Revenues, Expenditures, and
Changes in Fund Balance-Budget and Actual
General Fund (continued)
Budget Basis
For the Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Conservation and Recreation				
Agricultural				
Contractual Services	\$ 3,000	\$ 3,000	\$ 2,855	\$ 145
Other	512,000	512,028	512,028	-
Total Agricultural	515,000	515,028	514,883	145
Historical Society				
Other	29,100	29,100	29,100	-
Emergency Management				
Other	53,000	53,000	45,168	7,832
Total Conservation and Recreation	597,100	597,128	589,151	7,977
Debt Service:				
Principal Retirement	3,175,859	3,643,880	3,573,638	70,242
Interest and Fiscal Charges	3,020,637	2,928,575	2,829,383	99,192
Bond Issuance Costs	-	245,108	245,108	-
Total Debt Service	6,196,496	6,817,563	6,648,129	169,434
Total Expenditures	76,207,698	94,270,468	83,753,051	10,517,417
Excess of Revenues Over (Under) Expenditures	(3,814,694)	4,610,284	15,565,179	10,954,895
Other Financing Sources (Uses):				
Other Financing Sources	2,194,462	974,553	1,063,013	88,460
Premium on Debt Issued	1,385,828	-	-	-
Advances - In	164,646	1,075,103	1,075,540	437
Advances - Out	(453,303)	(580,000)	(40,000)	540,000
Transfers - In	110,561	124,590	125,000	410
Transfers - Out	(2,252,500)	(3,183,757)	(3,118,417)	65,340
Total Other Financing Sources (Uses)	1,149,694	(1,589,511)	(894,864)	694,647
Net Change in Fund Balance	(2,665,000)	3,020,773	14,670,315	11,649,542
Fund Balance at Beginning of Year	7,972,860	7,972,860	7,972,860	-
Prior Year Encumbrances Appropriated	416,031	416,031	416,031	-
Fund Balance at End of Year	\$ 5,723,891	\$ 11,409,664	\$ 23,059,206	\$ 11,649,542

Butler County, Ohio
Schedule of Revenues, Expenditures, and
Changes in Fund Balance-Budget and Actual
Mental Retardation-Special Revenue Fund
Budget Basis
For the Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Property and Other Taxes	\$ 19,412,110	\$ 19,379,768	\$ 19,425,188	\$ 45,420
Charges for Services	1,780,000	466,042	466,061	19
Intergovernmental	6,880,308	15,047,850	15,048,988	1,138
Payment in Lieu of Taxes	-	31,283	31,283	-
Other	3,400	15,303	17,008	1,705
Total Revenues	28,075,818	34,940,246	34,988,528	48,282
Expenditures:				
Current:				
Health				
Mental Retardation				
Personal Services	16,880,231	16,425,231	14,480,465	1,944,766
Materials and Supplies	1,459,438	1,519,438	1,272,514	246,924
Contractual Services	8,802,573	11,072,573	9,978,024	1,094,549
Capital Outlay	800,000	640,000	254,557	385,443
Other	3,663,584	6,063,584	5,781,919	281,665
Total Expenditures	31,605,826	35,720,826	31,767,479	3,953,347
Excess of Revenues Over (Under) Expenditures	(3,530,008)	(780,580)	3,221,049	4,001,629
Other Financing Sources (Uses):				
Other Financing Sources	-	22,600	22,624	24
Transfers - In	763,000	(80)	-	80
Transfers - Out	(763,000)	(763,000)	-	763,000
Total Other Financing Sources (Uses)	-	(740,480)	22,624	763,104
Net Change in Fund Balance	(3,530,008)	(1,521,060)	3,243,673	4,764,733
Fund Balance at Beginning of Year	15,314,934	15,314,934	15,314,934	-
Prior Year Encumbrances Appropriated	818,595	818,595	818,595	-
Fund Balance at End of Year	\$ 12,603,521	\$ 14,612,469	\$ 19,377,202	\$ 4,764,733

Butler County, Ohio
Schedule of Revenues, Expenditures, and
Changes in Fund Balance-Budget and Actual
Job and Family Services-Special Revenue Fund
Budget Basis
For the Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Intergovernmental	\$ 30,870,769	\$ 28,878,571	\$ 29,452,763	\$ 574,192
Other	-	300,000	779,774	479,774
Total Revenues	<u>30,870,769</u>	<u>29,178,571</u>	<u>30,232,537</u>	<u>1,053,966</u>
Expenditures:				
Current:				
Human Services				
Job and Family Services				
Personal Services	8,903,076	9,299,739	9,158,413	141,326
Materials and Supplies	476,999	380,306	374,018	6,288
Contractual Services	21,121,161	22,744,134	22,510,200	233,934
Other	3,071,051	1,367,159	1,338,142	29,017
Total Expenditures	<u>33,572,287</u>	<u>33,791,338</u>	<u>33,380,773</u>	<u>410,565</u>
Excess of Revenues Over (Under) Expenditures	<u>(2,701,518)</u>	<u>(4,612,767)</u>	<u>(3,148,236)</u>	<u>1,464,531</u>
Other Financing Sources:				
Other Financing Sources	63,000	97,998	138,222	40,224
Advances - In	-	-	131,862	131,862
Transfers - In	1,511,030	1,413,230	1,413,177	(53)
Total Other Financing Sources	<u>1,574,030</u>	<u>1,511,228</u>	<u>1,683,261</u>	<u>172,033</u>
Net Change in Fund Balance	(1,127,488)	(3,101,539)	(1,464,975)	1,636,564
Fund Balance at Beginning of Year	1,570,927	1,570,927	1,570,927	-
Prior Year Encumbrances Appropriated	1,980,920	1,980,920	1,980,920	-
Fund Balance at End of Year	<u>\$ 2,424,359</u>	<u>\$ 450,308</u>	<u>\$ 2,086,872</u>	<u>\$ 1,636,564</u>

Butler County, Ohio
Schedule of Revenues, Expenditures, and
Changes in Fund Balance-Budget and Actual
Children Services Board-Special Revenue Fund
Budget Basis
For the Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Property and Other Taxes	\$ 13,566,000	\$ 13,910,981	\$ 13,911,453	\$ 472
Intergovernmental	10,989,000	10,916,597	10,920,569	3,972
Payment in Lieu of Taxes	-	15,000	15,732	732
Other	6,000	3,750	3,889	139
Total Revenues	24,561,000	24,846,328	24,851,643	5,315
Expenditures:				
Current:				
Human Services				
Children Services				
Personal Services	11,855,295	11,385,168	10,675,417	709,751
Materials and Supplies	175,674	215,674	178,819	36,855
Contractual Services	15,683,450	16,252,227	15,806,351	445,876
Capital Outlay	40,000	40,000	24,873	15,127
Other	1,116,308	1,019,831	969,913	49,918
Total Expenditures	28,870,727	28,912,900	27,655,373	1,257,527
Excess of Revenues (Under) Expenditures	(4,309,727)	(4,066,572)	(2,803,730)	1,262,842
Other Financing Sources:				
Other Financing Sources	5,000	5,000	7,825	2,825
Advances In	-	84,672	110,242	25,570
Total Other Financing Sources	5,000	89,672	118,067	28,395
Net Change in Fund Balance	(4,304,727)	(3,976,900)	(2,685,663)	1,291,237
Fund Balance at Beginning of Year	4,971,273	4,971,273	4,971,273	-
Prior Year Encumbrances Appropriated	2,278,812	2,278,812	2,278,812	-
Fund Balance at End of Year	\$ 2,945,358	\$ 3,273,185	\$ 4,564,422	\$ 1,291,237

Butler County, Ohio
Schedule of Revenues, Expenditures, and
Changes in Fund Balance-Budget and Actual
Bond Retirement-Debt Service Fund
Budget Basis
For the Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Special Assessments	\$ 415,000	\$ 3,183,642	\$ 3,184,366	\$ 724
Expenditures:				
Debt Service:				
Principal Retirement	10,100	845,100	845,000	100
Interest and Fiscal Charges	2,500	939,136	939,730	(594)
Total Expenditures	<u>12,600</u>	<u>1,784,236</u>	<u>1,784,730</u>	<u>(494)</u>
Excess of Revenues Over (Under) Expenditures	<u>402,400</u>	<u>1,399,406</u>	<u>1,399,636</u>	<u>230</u>
Other Financing Sources:				
Advances Out	<u>-</u>	<u>(540)</u>	<u>(540)</u>	<u>-</u>
Net Change in Fund Balance	402,400	1,398,866	1,399,096	230
Fund Balance at Beginning of Year	<u>1,893,646</u>	<u>1,893,646</u>	<u>1,893,646</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 2,296,046</u>	<u>\$ 3,292,512</u>	<u>\$ 3,292,742</u>	<u>\$ 230</u>

Butler County, Ohio
Schedule of Revenues, Expenditures, and
Changes in Fund Balance-Budget and Actual
Buildings Construction and Renovations-Capital Projects Fund
Budget Basis
For the Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Interest	\$ -	\$ 1,799	\$ 2,184	\$ 385
Expenditures:				
Capital Outlay				
Buildings Construction and Renovations				
Capital Outlay	69,873	2,190,934	171,908	2,019,026
Debt Service:				
Principal Retirement	-	10,684,500	10,684,500	-
Interest and Fiscal Charges	-	457,635	457,336	299
Total Expenditures	<u>69,873</u>	<u>13,333,069</u>	<u>11,313,744</u>	<u>2,019,325</u>
Excess of Revenues (Under) Expenditures	<u>(69,873)</u>	<u>(13,331,270)</u>	<u>(11,311,560)</u>	<u>2,019,710</u>
Other Financing Sources:				
Bonds Issued	-	6,875,000	6,875,000	-
Notes Issued	-	6,380,000	6,380,000	-
Premium on Debt Issued	-	291,109	292,102	993
Transfers - In	5,445	320,987	320,987	-
Total Other Financing Sources	<u>5,445</u>	<u>13,867,096</u>	<u>13,868,089</u>	<u>993</u>
Net Change in Fund Balance	(64,428)	535,826	2,556,529	2,020,703
Fund Balance at Beginning of Year	28,017	28,017	28,017	-
Prior Year Encumbrances Appropriated	69,873	69,873	69,873	-
Fund Balance at End of Year	<u>\$ 33,462</u>	<u>\$ 633,716</u>	<u>\$ 2,654,419</u>	<u>\$ 2,020,703</u>

Butler County, Ohio
Schedule of Revenues, Expenditures, and
Changes in Fund Balance-Budget and Actual
Road Improvement -Capital Projects Fund
Budget Basis
For the Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Intergovernmental	\$ -	\$ 545,631	\$ 545,631	\$ -
Interest	-	92,350	101,401	9,051
Total Revenues	-	637,981	647,032	9,051
Expenditures:				
Capital Outlay	305,636	5,434,057	4,875,003	559,054
Debt Service:				
Principal Retirement	-	14,895,000	14,895,000	-
Interest and Fiscal Charges	-	593,998	585,481	8,517
Total Expenditures	305,636	20,923,055	20,355,484	567,571
Excess of Revenues (Under) Expenditures	(305,636)	(20,285,074)	(19,708,452)	576,622
Other Financing Sources (Uses):				
Bonds Issued	-	2,040,000	2,040,000	-
Notes Issued	2,090,000	17,250,000	17,250,000	-
Premium on Debt Issued	4,934	203,999	204,753	754
Transfers - In	62,806	246,359	246,359	-
Total Other Financing Sources (Uses)	2,157,740	19,740,358	19,741,112	754
Net Change in Fund Balance	1,852,104	(544,716)	32,660	577,376
Fund Balance at Beginning of Year	1,766,891	1,766,891	1,766,891	-
Prior Year Encumbrances Appropriated	305,636	305,636	305,636	-
Fund Balance at End of Year	\$ 3,924,631	\$ 1,527,811	\$ 2,105,187	\$ 577,376

Butler County, Ohio
Schedule of Revenues, Expenses, and
Changes in Fund Equity-Budget and Actual
Sewer -Enterprise Fund
Budget Basis
For the Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Charges for Services	\$ 18,353,400	\$ 18,850,200	\$ 18,978,449	\$ 128,249
Contributed Capital	7,193,175	5,649,887	5,654,267	4,380
Special Assessments	300,000	26,241	26,241	-
Interest Income	-	40,333	40,433	100
Grants	2,000,000	5,030,947	5,030,947	-
Other Non-Operating Revenues	205,000	205,000	227,548	22,548
Other Operating Revenues	387,000	525,747	714,592	188,845
Bonds Issued	-	7,200,000	7,200,000	-
Total Revenues	<u>28,438,575</u>	<u>37,528,355</u>	<u>37,872,477</u>	<u>344,122</u>
Expenses:				
Personal Services	6,844,902	6,926,216	6,739,384	186,832
Contractual Services	18,847,716	22,578,167	16,618,014	5,960,153
Materials and Supplies	1,251,051	1,791,910	1,584,233	207,677
Other Operating Expenses	1,067,543	1,487,558	1,425,320	62,238
Capital Outlay	874,422	973,172	643,277	329,895
Debt Service:				
Principal Retirement	4,042,820	11,270,673	11,270,673	-
Interest and Fiscal Charges	3,891,176	2,853,168	2,810,984	42,184
Total Expenses	<u>36,819,630</u>	<u>47,880,864</u>	<u>41,091,885</u>	<u>6,788,979</u>
Excess of Revenues Over (Under) Expenses	(8,381,055)	(10,352,509)	(3,219,408)	7,133,101
Advances - In	-	-	78,293	78,293
Transfers - In	3,250,000	-	-	-
Transfer - Out	<u>(3,250,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Equity	(8,381,055)	(10,352,509)	(3,141,115)	7,211,394
Fund Equity at Beginning of Year	23,949,340	23,949,340	23,949,340	-
Prior Year Encumbrances Appropriated	2,604,915	2,604,915	2,604,915	-
Fund Equity at End of Year	<u>\$18,173,200</u>	<u>\$16,201,746</u>	<u>\$23,413,140</u>	<u>\$7,211,394</u>

Butler County, Ohio
Schedule of Revenues, Expenses, and
Changes in Fund Equity-Budget and Actual
Water -Enterprise Fund
Budget Basis
For the Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Charges for Services	\$ 21,505,800	\$ 21,850,145	\$ 21,872,402	\$ 22,257
Contributed Capital	4,845,000	2,921,128	2,923,530	2,402
Special Assessments	124,000	177,418	216,944	39,526
Interest Income	-	172,361	172,365	4
Grants	-	454,064	454,854	790
Other Non-Operating Revenues	253,000	220,380	441,575	221,195
Other Operating Revenues	137,000	170,566	264,691	94,125
Proceeds from Loans	-	751,737	751,737	-
Total Revenues	<u>26,864,800</u>	<u>26,717,799</u>	<u>27,098,098</u>	<u>380,299</u>
Expenses:				
Personal Services	3,957,892	4,118,600	3,997,291	121,309
Contractual Services	28,466,427	29,972,513	25,903,276	4,069,237
Materials and Supplies	796,076	1,172,946	829,000	343,946
Other Operating Expenses	522,125	677,915	534,183	143,732
Capital Outlay	249,448	267,065	135,051	132,014
Debt Service:				
Principal Retirement	2,658,700	2,581,008	2,581,007	1
Interest and Fiscal Charges	3,670,500	3,562,438	3,562,438	-
Payment to Refunded Bond Escrow Agent	-	-	-	-
Total Expenses	<u>40,321,168</u>	<u>42,352,485</u>	<u>37,542,246</u>	<u>4,810,239</u>
Excess of Revenues Over (Under) Expenses	(13,456,368)	(15,634,686)	(10,444,148)	5,190,538
Advances - In	-	-	60,016	60,016
Transfers - In	3,136,000	-	-	-
Transfers - Out	(3,136,000)	-	-	-
Net Change in Fund Equity	(13,456,368)	(15,634,686)	(10,384,132)	5,250,554
Fund Equity at Beginning of Year	28,098,274	28,098,274	28,098,274	-
Prior Year Encumbrances Appropriated	2,175,249	2,175,249	2,175,249	-
Fund Equity at End of Year	<u>\$16,817,155</u>	<u>\$14,638,837</u>	<u>\$19,889,391</u>	<u>\$5,250,554</u>

Butler County, Ohio
Schedule of Revenues, Expenses, and
Changes in Fund Equity-Budget and Actual
GSC Parking Facility-Enterprise Fund
Budget Basis
For the Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Charges for Services	\$ 165,000	\$ 170,030	\$ 172,988	\$ 2,958
Total Revenues	<u>165,000</u>	<u>170,030</u>	<u>172,988</u>	<u>2,958</u>
Expenses:				
Personal Services	66,220	69,060	68,557	503
Contractual Services	8,000	7,116	5,575	1,541
Materials and Supplies	3,600	16,600	15,331	1,269
Other Operating Expenses	87,180	87,180	82,112	5,068
Total Expenses	<u>165,000</u>	<u>179,956</u>	<u>171,575</u>	<u>8,381</u>
Excess of Revenues Over (Under) Expenses	-	(9,926)	1,413	11,339
Advances - In	-	-	441	441
Net Change in Fund Equity	-	(9,926)	1,854	11,780
Fund Equity at Beginning of Year	9,926	9,926	9,926	-
Fund Equity at End of Year	<u>\$ 9,926</u>	<u>\$ -</u>	<u>\$ 11,780</u>	<u>\$ 11,780</u>

Butler County, Ohio
Schedule of Revenues, Expenditures, and
Changes in Fund Balance-Budget and Actual
Real Estate Assessment-Special Revenue Fund
Budget Basis
For the Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Charges for Services	\$ 3,080,000	\$ 3,350,960	\$ 3,367,670	\$ 16,710
Other	-	9,300	9,420	120
Total Revenues	<u>3,080,000</u>	<u>3,360,260</u>	<u>3,377,090</u>	<u>16,830</u>
Expenditures:				
Current:				
General Government:				
Legislative and Executive				
Real Estate Assessment				
Personal Services	2,269,468	2,285,161	2,267,813	17,348
Materials and Supplies	143,325	145,825	96,254	49,571
Contractual Services	889,414	1,268,564	1,164,657	103,907
Capital Outlay	58,858	41,092	36,193	4,899
Other	11,027	11,027	298	10,729
Total Expenditures	<u>3,372,092</u>	<u>3,751,669</u>	<u>3,565,215</u>	<u>186,454</u>
Excess of Revenues Over (Under) Expenditures	<u>(292,092)</u>	<u>(391,409)</u>	<u>(188,125)</u>	<u>203,284</u>
Other Financing Sources:				
Other Financing Sources	-	40	40	-
Advances - In	-	21,400	28,658	7,258
Total Other Financing Sources	<u>-</u>	<u>21,440</u>	<u>28,698</u>	<u>7,258</u>
Net Change in Fund Balance	(292,092)	(369,969)	(159,427)	210,542
Fund Balance at Beginning of Year	848,187	848,187	848,187	-
Prior Year Encumbrances Appropriated	53,474	53,474	53,474	-
Fund Balance at End of Year	<u>\$ 609,569</u>	<u>\$ 531,692</u>	<u>\$ 742,234</u>	<u>\$ 210,542</u>

Butler County, Ohio
Schedule of Revenues, Expenditures, and
Changes in Fund Balance-Budget and Actual
All Other Legislative and Executive-Special Revenue Fund
Budget Basis
For the Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Property and Other Taxes	\$ 348,000	\$ 351,309	\$ 351,755	\$ 446
Charges for Services	3,218,000	3,165,264	3,176,633	11,369
Intergovernmental	15,000	12,269	14,165	1,896
Interest	40,000	61,000	64,952	3,952
Payment in Lieu of Taxes	500	396	396	-
Other	-	5,652	5,652	-
Total Revenues	3,621,500	3,595,890	3,613,553	17,663
Expenditures:				
Current:				
General Government:				
Personal Services	2,397,404	2,401,762	2,291,262	110,500
Materials and Supplies	152,756	200,071	165,014	35,057
Contractual Services	657,167	863,763	743,080	120,683
Capital Outlay	102,320	94,820	76,174	18,646
Other	349,477	428,587	417,447	11,140
Total Expenditures	3,659,124	3,989,003	3,692,977	296,026
Excess of Revenues Over (Under) Expenditures	(37,624)	(393,113)	(79,424)	313,689
Other Financing Sources (Uses):				
Advances - In	-	4,419	36,721	32,302
Transfers - Out	-	(125,000)	(125,000)	-
Total Other Financing Sources (Uses)	-	(120,581)	(88,279)	32,302
Net Change in Fund Balance	(37,624)	(513,694)	(167,703)	345,991
Fund Balance at Beginning of Year	1,964,701	1,964,701	1,964,701	-
Prior Year Encumbrances Appropriated	152,956	152,956	152,956	-
Fund Balance at End of Year	\$ 2,080,033	\$ 1,603,963	\$ 1,949,954	\$ 345,991

Butler County, Ohio
Schedule of Revenues, Expenditures, and
Changes in Fund Balance-Budget and Actual
All Other Judicial-Special Revenue Fund
Budget Basis
For the Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Charges for Services	\$ 1,397,464	\$ 1,907,787	\$ 1,915,137	\$ 7,350
Fines and Forfeitures	43,500	42,550	42,592	42
Other	72,000	125	175	50
Total Revenues	<u>1,512,964</u>	<u>1,950,462</u>	<u>1,957,904</u>	<u>7,442</u>
Expenditures:				
Current:				
General Government:				
Judicial				
Other Judicial				
Personal Services	1,097,116	1,197,296	1,151,683	45,613
Materials and Supplies	303,312	286,273	189,621	96,652
Contractual Services	742,179	625,039	490,254	134,785
Capital Outlay	3,000	-	-	-
Other	52,580	30,050	15,733	14,317
Total Expenditures	<u>2,198,187</u>	<u>2,138,658</u>	<u>1,847,291</u>	<u>291,367</u>
Excess of Revenues (Under) Expenditures	<u>(685,223)</u>	<u>(188,196)</u>	<u>110,613</u>	<u>298,809</u>
Other Financing (Uses):				
Advances - In	-	1,869	5,257	3,388
Total Other Financing (Uses)	<u>-</u>	<u>1,869</u>	<u>5,257</u>	<u>3,388</u>
Net Change in Fund Balance	(685,223)	(186,327)	115,870	302,197
Fund Balance at Beginning of Year	1,815,194	1,815,194	1,815,194	-
Prior Year Encumbrances Appropriated	39,492	39,492	39,492	-
Fund Balance at End of Year	<u>\$ 1,169,463</u>	<u>\$ 1,668,359</u>	<u>\$ 1,970,556</u>	<u>\$ 302,197</u>

Butler County, Ohio
Schedule of Revenues, Expenditures, and
Changes in Fund Balance-Budget and Actual
All Other Public Safety-Special Revenue Fund
Budget Basis
For the Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Charges for Services	\$ 3,355,470	\$ 3,433,550	\$ 3,453,251	\$ 19,701
Licenses and Permits	54,500	45,500	46,407	907
Fines and Forfeitures	25,000	3,000	3,157	157
Intergovernmental	6,406,194	6,974,611	6,985,857	11,246
Other	20,000	7,611	7,611	-
Total Revenues	<u>9,861,164</u>	<u>10,464,272</u>	<u>10,496,283</u>	<u>32,011</u>
Expenditures:				
Current:				
Public Safety				
Other Public Safety				
Personal Services	5,742,788	5,632,160	5,386,035	246,125
Materials and Supplies	930,607	1,052,187	978,805	73,382
Contractual Services	3,504,949	4,149,639	3,906,744	242,895
Capital Outlay	6,000	22,330	22,330	-
Other	153,766	135,713	119,895	15,818
Total Expenditures	<u>10,338,110</u>	<u>10,992,029</u>	<u>10,413,809</u>	<u>578,220</u>
Excess of Revenues Over (Under) Expenditures	<u>(476,946)</u>	<u>(527,757)</u>	<u>82,474</u>	<u>610,231</u>
Other Financing Sources:				
Other Financing Sources	35,200	48,321	50,387	2,066
Advances - In	-	42,786	43,391	605
Transfers - In	-	14,340	14,340	-
Total Other Financing Sources	<u>35,200</u>	<u>105,447</u>	<u>108,118</u>	<u>2,671</u>
Net Change in Fund Balance	(441,746)	(422,310)	190,592	612,902
Fund Balance at Beginning of Year	2,100,193	2,100,193	2,100,193	-
Prior Year Encumbrances Appropriated	88,354	88,354	88,354	-
Fund Balance at End of Year	<u>\$ 1,746,801</u>	<u>\$ 1,766,237</u>	<u>\$ 2,379,139</u>	<u>\$ 612,902</u>

Butler County, Ohio
Schedule of Revenues, Expenditures, and
Changes in Fund Balance-Budget and Actual
Child Support Enforcement-Special Revenue Fund
Budget Basis
For the Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Charges for Services	\$ 1,035,000	\$ 1,035,000	\$ 1,048,196	\$ 13,196
Intergovernmental	5,535,047	4,829,457	4,829,457	-
Other	500	500	744	244
Total Revenues	<u>6,570,547</u>	<u>5,864,957</u>	<u>5,878,397</u>	<u>13,440</u>
Expenditures:				
Current:				
Human Services				
Child Support Enforcement				
Personal Services	4,525,037	4,306,543	4,278,770	27,773
Materials and Supplies	109,000	117,000	109,170	7,830
Contractual Services	1,765,024	1,211,010	1,115,277	95,733
Other	277,000	589,887	586,998	2,889
Total Expenditures	<u>6,676,061</u>	<u>6,224,440</u>	<u>6,090,215</u>	<u>134,225</u>
Excess of Revenues Over (Under) Expenditures	<u>(105,514)</u>	<u>(359,483)</u>	<u>(211,818)</u>	<u>147,665</u>
Other Financing Sources:				
Transfer In	-	22,765	22,700	(65)
Other Financing Sources	6,000	97,225	97,240	15
Advances - In	-	-	71,787	71,787
Total Other Financing Sources	<u>6,000</u>	<u>119,990</u>	<u>191,727</u>	<u>71,737</u>
Net Change in Fund Balance	(99,514)	(239,493)	(20,091)	219,402
Fund Balance at Beginning of Year	224,313	224,313	224,313	-
Prior Year Encumbrances Appropriated	15,180	15,180	15,180	-
Fund Balance at End of Year	<u>\$ 139,979</u>	<u>\$ -</u>	<u>\$ 219,402</u>	<u>\$ 219,402</u>

Butler County, Ohio
Schedule of Revenues, Expenditures, and
Changes in Fund Balance—Budget and Actual
Motor Vehicle—Special Revenue Fund
Budget Basis
For the Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Property and Other Taxes	\$ 2,281,445	\$ 2,450,725	\$ 2,450,725	\$ -
Charges for Services	7,302,648	6,931,448	6,946,083	14,635
Fines and Forfeitures	241,571	250,356	250,404	48
Intergovernmental	10,160,215	6,062,485	6,062,088	(397)
Special Assessments	300,000	4,125	4,123	(2)
Other	251,200	325,785	433,341	107,556
Total Revenues	<u>20,537,079</u>	<u>16,024,924</u>	<u>16,146,764</u>	<u>121,840</u>
Expenditures:				
Current:				
Public Works				
Motor Vehicle				
Personal Services	5,324,310	5,245,816	4,845,081	400,735
Materials and Supplies	1,536,083	1,387,583	1,032,468	355,115
Contractual Services	19,961,405	17,405,651	13,605,201	3,800,450
Capital Outlay	2,316,607	3,989,607	819,409	3,170,198
Other	2,012,000	607,000	153,514	453,486
Debt Service:				
Principal Retirement	505,000	1,010,000	505,000	505,000
Interest and Fiscal Charges	285,000	41,825	21,825	20,000
Total Expenditures	<u>31,940,405</u>	<u>29,687,482</u>	<u>20,982,498</u>	<u>8,704,984</u>
Excess of Revenues (Under) Expenditures	<u>(11,403,326)</u>	<u>(13,662,558)</u>	<u>(4,835,734)</u>	<u>8,826,824</u>
Other Financing Sources (Uses):				
Other Financing Sources	26,209	33,593	51,177	17,584
Notes Issued	505,000	420,000	420,000	-
Premium on Debt Issued	2,801	2,801	3,639	838
Advances - In	-	67,500	67,472	(28)
Transfers - Out	-	(100,369)	(100,368)	1
Total Other Financing Sources (Uses)	<u>534,010</u>	<u>423,525</u>	<u>441,920</u>	<u>18,395</u>
Net Change in Fund Balance	(10,869,316)	(13,239,033)	(4,393,814)	8,845,219
Fund Balance at Beginning of Year	10,197,300	10,197,300	10,197,300	-
Prior Year Encumbrances Appropriated	3,041,733	3,041,733	3,041,733	-
Fund Balance at End of Year	<u>\$ 2,369,717</u>	<u>\$ -</u>	<u>\$ 8,845,219</u>	<u>\$ 8,845,219</u>

Butler County, Ohio
Schedule of Revenues, Expenditures, and
Changes in Fund Balance-Budget and Actual
All Other Public Works-Special Revenue Fund
Budget Basis
For the Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Charges for Services	\$ 174,460	\$ 176,194	\$ 176,257	\$ 63
Intergovernmental	2,595,281	3,284,658	3,284,665	7
Special Assessments	1,420,000	1,630,971	1,630,971	-
Interest	49,164	43,514	43,524	10
Other	80,796	130,521	133,449	2,928
Total Revenues	4,319,701	5,265,858	5,268,866	3,008
Expenditures:				
Current:				
Public Works				
Other Public Works				
Personal Services	664,076	661,745	584,432	77,313
Materials and Supplies	228,956	224,206	64,532	159,674
Contractual Services	3,925,839	4,325,010	3,350,150	974,860
Capital Outlay	180,000	768,000	767,084	916
Other	977,995	818,231	457,816	360,415
Debt Service:				
Principal Retirement	-	4,300,000	4,300,000	-
Interest and Fiscal Charges	-	125,015	125,015	-
Total Expenditures	5,976,866	11,222,207	9,649,029	1,573,178
Excess of Revenues (Under) Expenditures	(1,657,165)	(5,956,349)	(4,380,163)	1,576,186
Other Financing Sources (Uses):				
Other Financing Sources				
Notes Issued	-	4,250,000	4,250,000	-
Premium on Debt Issued	-	16,896	16,901	5
Transfers - In	200,000	303,106	303,106	-
Advances - Out	-	(30,000)	(30,000)	-
Advances - In	-	-	1,777	1,777
Total Other Financing Sources (Uses)	200,000	4,540,002	4,541,784	1,782
Net Change in Fund Balance	(1,457,165)	(1,416,347)	161,621	1,577,968
Fund Balance at Beginning of Year	2,400,987	2,400,987	2,400,987	-
Prior Year Encumbrances Appropriated	818,220	818,220	818,220	-
Fund Balance at End of Year	\$ 1,762,042	\$ 1,802,860	\$ 3,380,828	\$ 1,577,968

Butler County, Ohio
Schedule of Revenues, Expenditures, and
Changes in Fund Balance-Budget and Actual
Alcohol and Drug Addiction -Special Revenue Fund
Budget Basis
For the Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Charges for Services	\$ 94,800	\$ 122,300	\$ 122,300	\$ -
Intergovernmental	5,457,893	5,241,218	5,241,143	(75)
Other	-	5,675	5,674	(1)
Total Revenues	<u>5,552,693</u>	<u>5,369,193</u>	<u>5,369,117</u>	<u>(76)</u>
Expenditures:				
Current:				
Health				
Alcohol and Drug Addiction				
Personal Services	379,365	368,230	365,005	3,225
Materials and Supplies	17,308	18,774	10,532	8,242
Contractual Services	5,320,645	5,348,396	5,341,590	6,806
Other	46,000	27,919	26,815	1,104
Total Expenditures	<u>5,763,318</u>	<u>5,763,319</u>	<u>5,743,942</u>	<u>19,377</u>
Excess of Revenues Over (Under) Expenditures	<u>(210,625)</u>	<u>(394,126)</u>	<u>(374,825)</u>	<u>19,301</u>
Other Financing Sources:				
Transfers - In	110,000	-	-	-
Other Financing Sources	-	24,000	24,165	165
Total Other Financing Sources	<u>110,000</u>	<u>24,000</u>	<u>24,165</u>	<u>165</u>
Net Change in Fund Balance	(100,625)	(370,126)	(350,660)	19,466
Fund Balance at Beginning of Year	1,070,891	1,070,891	1,070,891	-
Prior Year Encumbrances Appropriated	15,753	15,753	15,753	-
Fund Balance at End of Year	<u>\$ 986,019</u>	<u>\$ 716,518</u>	<u>\$ 735,984</u>	<u>\$ 19,466</u>

Butler County, Ohio
Schedule of Revenues, Expenditures, and
Changes in Fund Balance-Budget and Actual
Mental Health-Special Revenue Fund
Budget Basis
For the Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Property and Other Taxes	\$ 2,077,195	\$ 2,088,613	\$ 2,088,699	\$ 86
Charges for Services	96,252	96,252	96,058	(194)
Intergovernmental	15,151,532	14,605,597	14,605,600	3
Payment in Lieu of Taxes	4,051	4,051	3,729	(322)
Other	379,376	191,043	191,046	3
Total Revenues	17,708,406	16,985,556	16,985,132	(424)
Expenditures:				
Current:				
Health				
Mental Health				
Personal Services	690,170	649,177	605,993	43,184
Materials and Supplies	43,386	18,386	16,514	1,872
Contractual Services	19,562,430	20,538,022	20,443,609	94,413
Other	15,495	25,495	19,749	5,746
Total Expenditures	20,311,481	21,231,080	21,085,865	145,215
Excess of Revenues (Under) Expenditures	(2,603,075)	(4,245,524)	(4,100,733)	144,791
Other Financing Sources:				
Advances - In	-	1,850	10,072	8,222
Net Change in Fund Balance	(2,603,075)	(4,243,674)	(4,090,661)	153,013
Fund Balance at Beginning of Year	1,842,105	1,842,105	1,842,105	-
Prior Year Encumbrances Appropriated	2,401,649	2,401,649	2,401,649	-
Fund Balance (Deficit) at End of Year	\$ 1,640,679	\$ 80	\$ 153,093	\$ 153,013

Butler County, Ohio
Schedule of Revenues, Expenditures, and
Changes in Fund Balance-Budget and Actual
All Other Health-Special Revenue Fund
Budget Basis
For the Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Charges for Services	\$ -	\$ -	\$ 30	\$ 30
Licenses and Permits	430,000	510,225	515,606	5,381
Fines and Forfeitures	23,000	18,525	20,021	1,496
Other	-	250	402	152
Total Revenues	<u>453,000</u>	<u>529,000</u>	<u>536,059</u>	<u>7,059</u>
Expenditures:				
Current:				
Health				
Other Health				
Personal Services	246,640	257,273	251,407	5,866
Materials and Supplies	22,500	31,000	23,657	7,343
Contractual Services	13,061	27,561	22,799	4,762
Other	174,800	173,800	169,585	4,215
Total Expenditures	<u>457,001</u>	<u>489,634</u>	<u>467,448</u>	<u>22,186</u>
Net Change in Fund Balance	(4,001)	39,366	68,611	29,245
Fund Balance at Beginning of Year	108,245	108,245	108,245	-
Prior Year Encumbrances Appropriated	3,061	3,061	3,061	-
Fund Balance at End of Year	<u>\$ 107,305</u>	<u>\$ 150,672</u>	<u>\$ 179,917</u>	<u>\$ 29,245</u>

Butler County, Ohio
Schedule of Revenues, Expenditures, and
Changes in Fund Balance-Budget and Actual
County Care Facility-Special Revenue Fund
Budget Basis
For the Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Charges for Services	\$ 750,316	\$ 1,212,166	\$ 1,294,895	\$ 82,729
Intergovernmental	6,778,200	6,331,579	6,331,505	(74)
Other	-	71,816	72,714	898
Total Revenues	<u>7,528,516</u>	<u>7,615,561</u>	<u>7,699,114</u>	<u>83,553</u>
Expenditures:				
Current:				
Human Services				
County Care Facility				
Personal Services	5,749,581	5,733,855	5,720,277	13,578
Materials and Supplies	805,341	1,037,231	996,850	40,381
Contractual Services	555,370	547,810	521,504	26,306
Capital Outlay	190,000	143,000	141,822	1,178
Other	174,351	162,747	162,747	-
Debt Service:				
Principal Retirement	-	10,578	10,578	-
Interest and Fiscal Charges	-	1,467	1,467	-
Total Expenditures	<u>7,474,643</u>	<u>7,636,688</u>	<u>7,555,245</u>	<u>81,443</u>
Net Change in Fund Balance	53,873	(21,127)	143,869	164,996
Fund Balance at Beginning of Year	59,887	59,887	59,887	-
Prior Year Encumbrances Appropriated	40,062	40,062	40,062	-
Fund Balance at End of Year	<u>\$ 153,822</u>	<u>\$ 78,822</u>	<u>\$ 243,818</u>	<u>\$ 164,996</u>

Butler County, Ohio
Schedule of Revenues, Expenditures, and
Changes in Fund Balance-Budget and Actual
Elderly Services Levy-Special Revenue Fund
Budget Basis
For the Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Property and Other Taxes	\$ 7,800,000	\$ 13,671,474	\$ 13,693,513	\$ 22,039
Intergovernmental	70,000	1,244,826	1,244,826	-
Payment in Lieu of Taxes	15,000	15,000	17,019	2,019
Total Revenues	<u>7,885,000</u>	<u>14,931,300</u>	<u>14,955,358</u>	<u>24,058</u>
Expenditures:				
Current:				
Human Services				
Contractual Services	9,033,937	9,033,937	9,017,184	16,753
Total Expenditures	<u>9,033,937</u>	<u>9,033,937</u>	<u>9,017,184</u>	<u>16,753</u>
Net Change in Fund Balance	(1,148,937)	5,897,363	5,938,174	40,811
Fund Balance at Beginning of Year	1,537,790	1,537,790	1,537,790	-
Prior Year Encumbrances Appropriated	233,937	233,937	233,937	-
Fund Balance at End of Year	<u>\$ 622,790</u>	<u>\$ 7,669,090</u>	<u>\$ 7,709,901</u>	<u>\$ 40,811</u>

Butler County, Ohio
Schedule of Revenues, Expenditures, and
Changes in Fund Balance-Budget and Actual
All Other Human Services-Special Revenue Fund
Budget Basis
For the Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Intergovernmental	\$ 185,675	\$ 212,606	\$ 219,730	\$ 7,124
Other	2,000	8,289	8,289	-
Total Revenues	<u>187,675</u>	<u>220,895</u>	<u>228,019</u>	<u>7,124</u>
Expenditures:				
Current:				
Human Services				
Other Human Services				
Personal Services	244,891	227,008	221,092	5,916
Materials and Supplies	1,140	13,596	13,560	36
Contractual Services	8,004	43,652	13,699	29,953
Other	3,351	12,007	12,004	3
Total Expenditures	<u>257,386</u>	<u>296,263</u>	<u>260,355</u>	<u>35,908</u>
Excess of Revenues (Under) Expenditures	<u>(69,711)</u>	<u>(75,368)</u>	<u>(32,336)</u>	<u>43,032</u>
Other Financing Sources				
Transfers - In	57,714	59,239	59,258	19
Total Other Financing Sources	<u>57,714</u>	<u>59,239</u>	<u>59,258</u>	<u>19</u>
Net Change in Fund Balance	(11,997)	(16,129)	26,922	43,051
Fund Balance at Beginning of Year	32,532	32,532	32,532	-
Prior Year Encumbrances Appropriated	351	351	351	-
Fund Balance at End of Year	<u>\$ 20,886</u>	<u>\$ 16,754</u>	<u>\$ 59,805</u>	<u>\$ 43,051</u>

Butler County, Ohio
Schedule of Revenues, Expenditures, and
Changes in Fund Balance-Budget and Actual
Technology-Capital Projects Fund
Budget Basis
For the Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Expenditures:				
Debt Service:				
Principal Retirement	\$ -	\$ 10,725,500	\$ 10,725,500	\$ -
Interest and Fiscal Charges	-	426,541	426,541	-
Total Expenditures	-	11,152,041	11,152,041	-
Excess of Revenues (Under) Expenditures				
	-	(11,152,041)	(11,152,041)	-
Other Financing Sources:				
Notes Issued	3,630,000	6,735,000	6,735,000	-
Bonds Issued	-	4,000,000	4,000,000	-
Premium on Debt Issued	8,570	68,746	68,746	-
Transfers - In	109,080	583,055	583,055	-
Advances Out	-	(235,000)	(235,000)	-
Total Other Financing Sources	3,747,650	11,151,801	11,151,801	-
Net Change in Fund Balance	3,747,650	(240)	(240)	-
Fund Balance at Beginning of Year	240	240	240	-
Fund Balance at End of Year	\$ 3,747,890	\$ -	\$ -	\$ -

Butler County, Ohio
Schedule of Revenues, Expenditures, and
Changes in Fund Balance-Budget and Actual
Other Capital Improvement Funds-Capital Projects Fund
Budget Basis
For the Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Interest	\$ -	\$ 18,913	\$ 20,133	\$ 1,220
Other	-	220,037	220,037	-
Total Revenues	-	238,950	240,170	1,220
Expenditures:				
Capital Outlay	2,401,676	1,381,545	1,381,070	475
Debt Service:				
Principal Retirement	-	10,090,000	10,090,000	-
Interest and Fiscal Charges	-	313,537	313,537	-
Total Expenditures	2,401,676	11,785,082	11,784,607	475
Excess of Revenues (Under) Expenditures	(2,401,676)	(11,546,132)	(11,544,437)	1,695
Other Financing Sources:				
Other Financing Sources	2,500	-	-	-
Bonds Issued	-	4,585,000	4,585,000	-
Notes Issued	-	5,380,000	5,380,000	-
Premium on Debt Issued	-	210,372	210,371	(1)
Transfers - In	-	255,738	255,803	65
Total Other Financing Sources	2,500	10,431,110	10,431,174	64
Net Change in Fund Balance	(2,399,176)	(1,115,022)	(1,113,263)	1,759
Fund Balance at Beginning of Year	71,983	71,983	71,983	-
Prior Year Encumbrances Appropriated	1,061,659	1,061,659	1,061,659	-
Fund Balance at End of Year	\$ (1,265,534)	\$ 18,620	\$ 20,379	\$ 1,759

Butler County, Ohio
Schedule of Revenues, Expenses, and
Changes in Fund Equity-Budget and Actual
Health Insurance-Internal Service Fund
Budget Basis
For the Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Charges for Services	\$ 13,730,000	\$ 13,348,000	\$ 13,359,476	\$ 11,476
Total Revenues	<u>13,730,000</u>	<u>13,348,000</u>	<u>13,359,476</u>	<u>11,476</u>
Expenses:				
Personal Services	163,630	163,630	153,822	9,808
Materials and Supplies	-	1,200	879	321
Contractual Services	13,450,000	13,357,700	13,231,733	125,967
Other	5,200	4,000	1,618	2,382
Total Expenses	<u>13,618,830</u>	<u>13,526,530</u>	<u>13,388,052</u>	<u>138,478</u>
Excess of Revenues Over Expenses	<u>111,170</u>	<u>(178,530)</u>	<u>(28,576)</u>	<u>149,954</u>
Net Change in Fund Equity	111,170	(178,530)	(28,576)	149,954
Fund Equity at Beginning of Year	178,584	178,584	178,584	-
Fund Equity at End of Year	<u>\$ 289,754</u>	<u>\$ 54</u>	<u>\$ 150,008</u>	<u>\$ 149,954</u>

Butler County, Ohio
Schedule of Revenues, Expenses, and
Changes in Fund Equity-Budget and Actual
Workers Compensation Benefit-Internal Service Fund
Budget Basis
For the Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Charges for Services	\$ 967,000	\$ 936,620	\$ 936,620	\$ -
Other	20,000	22,280	22,302	22
Total Revenues	<u>987,000</u>	<u>958,900</u>	<u>958,922</u>	<u>22</u>
Expenses:				
Personal Services	316,400	309,397	297,277	12,120
Contractual Services	686,000	700,000	695,197	4,803
Claims and Judgments	500,000	766,877	766,877	-
Other	4,000	4,000	-	4,000
Total Expenses	<u>1,506,400</u>	<u>1,780,274</u>	<u>1,759,351</u>	<u>20,923</u>
Excess of Revenues (Under) Expenses	(519,400)	(821,374)	(800,429)	20,945
Other Financing Sources:				
Advances - In	-	-	2,606	2,606
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>2,606</u>	<u>2,606</u>
Net Change in Fund Equity	(519,400)	(821,374)	(797,823)	23,551
Fund Equity at Beginning of Year	1,471,843	1,471,843	1,471,843	-
Fund Equity at End of Year	<u>\$ 952,443</u>	<u>\$ 650,469</u>	<u>\$ 674,020</u>	<u>\$ 23,551</u>

Butler County, Ohio
Schedule of Revenues, Expenses, and
Changes in Fund Equity-Budget and Actual
Employee Health Insurance-Internal Service Fund
Budget Basis
For the Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Charges for Services	\$ -	\$ 572,350	\$ 572,350	\$ -
Other Operating Revenues	27,180	24,181	27,182	3,001
Total Revenues	<u>27,180</u>	<u>596,531</u>	<u>599,532</u>	<u>3,001</u>
Expenses:				
Contractual Services	12,000	10,306	10,306	-
Total Expenses	<u>12,000</u>	<u>10,306</u>	<u>10,306</u>	<u>-</u>
Excess of Revenues Over (Under) Expenses	15,180	586,225	589,226	3,001
Other Non-Operating Revenues		800,000	800,000	-
Other Non-Operating Expenses	-	(37,553)	(37,553)	-
Advances-Out	-	(1,458,595)	(1,458,595)	-
Net Change in Fund Equity	15,180	(109,923)	(106,922)	3,001
Fund Equity at Beginning of Year	106,922	106,922	106,922	-
Fund Equity at End of Year	<u>\$ 122,102</u>	<u>\$ (3,001)</u>	<u>\$ -</u>	<u>\$ 3,001</u>

Butler County, Ohio
 Schedule of Revenues, Expenses, and
 Changes in Fund Equity-Budget and Actual
 County Fuel Depot
 Budget Basis
 For the Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Expenses:				
Contractual Services	\$ 30,000	\$ 1,500	\$ -	\$ 1,500
Materials and Supplies	-	28,500	28,416	84
Total Expenses	<u>30,000</u>	<u>30,000</u>	<u>28,416</u>	<u>1,584</u>
Excess of Revenues Over (Under) Expenses	(30,000)	(30,000)	(28,416)	1,584
Advances - In	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>-</u>
Net Change in Fund Equity	10,000	10,000	11,584	1,584
Fund Equity at End of Year	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 11,584</u>	<u>\$ 1,584</u>

STATISTICAL SECTION

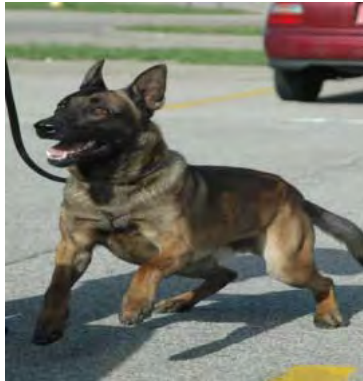
Canine and S.W.A.T. Unit



BCSO has three canine officers, Dex, Rocky and Ammo. Their handlers are Deputies Brickles, Blume and Tolley, respectively.



Dex and Rocky with handlers Deputies Brickles and Blume. The K-9 Unit is part of the Sheriff's Office Patrol Division.



Canine Officer Rocky is ready to get to work.



Pictured are Sheriff Jones, center, and some S.W.A.T. team members.



The Special Weapons and Tactics team takes part in a training exercise to help maintain their proficiency and skills.



The S.W.A.T. team can respond to any type of critical incident in the county. Members of the team train 8 hours per month.

Behind the Scenes at the Sheriff's Office



Sheriff Jones talks with Sgt. Mark Ketteler of the Computer Services Division.



Major Norm Lewis, part of the command staff, has a laugh in his office.



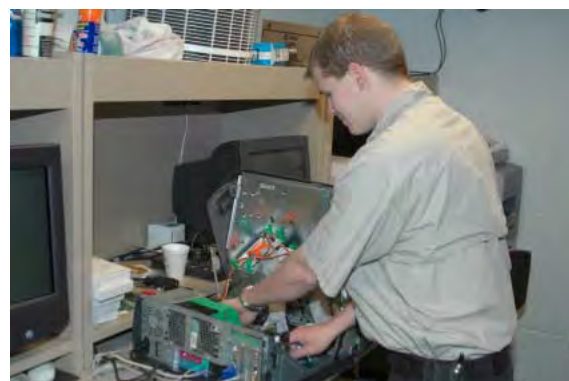
Dispatcher Tammy Miller works at her station in the 911 Communications Center.



Records Clerk Sandy Kluhman is part of the Central Records unit.



The BCSO Honor Guard take part in the Memorial Wreath Ceremony.



Ken Carpenter, computer technician, works on a computer system.

Statistical Section

This part of the Butler County Ohio's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the County's financial position has changed over time.	158-162
Revenue Capacity These schedules contain information to help the reader understand and assess the factors affecting the County's ability to generate its most significant local revenue sources, the property tax and the sales tax.	163-174
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.	175-179
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 and to provide information that facilitates comparisons of financial information over time and among governments.	180-181
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.	182-185

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The County implemented GASB Statement 34 in 2001; schedules presenting government-wide information include information beginning in that year.

Butler County, Ohio
Net Assets by Component
Last Six Years
(accrual basis of accounting)

	2001	2002	2003	2004	2005	2006
Governmental Activities:						
Invested in Capital Assets, Net of Related Debt	\$ 263,677,486	\$ 261,504,606	\$ 273,113,179	\$ 274,568,990	\$ 284,893,107	\$ 290,996,712
Restricted for:						
Capital Projects	-	302,669	1,453,290	5,014,909	519,749	7,075,705
Debt Service	17,453,413	5,826,160	10,014,410	6,956,835	7,008,908	6,267,820
Other Purposes	58,124,881	61,021,859	68,545,971	79,585,288	86,481,269	98,458,325
Unrestricted (Deficit)	10,147,021	19,884,831	(2,953,484)	(9,110,830)	(2,854,954)	11,392,108
Total Governmental Activities Net Assets	349,402,801	348,540,125	350,173,366	357,015,192	376,048,079	414,190,670
Business-type Activities:						
Invested in Capital Assets, Net of Related Debt	130,247,858	142,565,025	147,192,603	175,845,751	203,448,271	218,544,211
Restricted						
Debt Service	8,881,586	8,951,296	9,123,280	7,894,357	6,406,549	6,615,860
Replacement and Improvement	3,660,457	8,064,434	6,000,000	6,000,000	6,000,000	6,000,000
Unrestricted	27,450,012	28,037,520	39,070,468	30,939,460	35,131,712	32,779,386
Total Business-type Activities Net Assets	170,239,913	187,618,275	201,386,351	220,679,568	250,986,532	263,939,457
Primary Government:						
Invested in Capital Assets, Net of Related Debt	393,925,344	404,069,631	420,305,782	450,414,741	488,341,378	509,540,923
Restricted	88,120,337	84,166,418	95,136,951	105,451,389	106,416,475	124,417,710
Unrestricted	37,597,033	47,922,351	36,116,984	21,828,630	32,276,758	44,171,494
Total Primary Government Net Assets	\$ 519,642,714	\$ 536,158,400	\$ 551,559,717	\$ 577,694,760	\$ 627,034,611	\$ 678,130,127

Butler County, Ohio
Changes in Net Assets of Governmental Activities
Last Five Years
(accrual basis of accounting)

	2002	2003	2004	2005	2006
Expenses					
Governmental Activities					
General Government:					
Legislative and Executive	\$ 24,241,162	\$ 31,288,759	\$ 41,811,607	\$ 29,973,286	\$ 31,211,969
Judicial	12,735,544	12,834,297	13,961,424	15,310,560	15,952,902
Public Safety	34,599,025	36,659,180	39,076,252	39,391,890	44,865,490
Public Works	15,657,130	17,582,429	20,443,207	22,396,375	20,803,499
Health	47,395,622	46,285,012	47,785,590	47,524,463	56,672,547
Human Services	69,442,215	69,048,201	70,220,434	78,630,914	82,199,251
Conservation and Recreation	520,722	531,971	477,828	517,825	589,151
Interest and Fiscal Charges	4,905,164	4,795,392	4,445,020	4,546,165	5,351,240
Total Governmental Activities Expenses	<u>209,496,584</u>	<u>219,025,241</u>	<u>238,221,362</u>	<u>238,291,478</u>	<u>257,646,049</u>
Business-type Activities:					
Sewer	20,016,850	20,988,143	24,059,068	26,013,574	26,108,534
Water	22,896,846	21,173,268	22,957,096	28,528,100	25,975,558
GSC Parking Garage	83,212	80,760	162,505	167,163	170,220
Total Business-type Activities Expenses	<u>42,996,908</u>	<u>42,242,171</u>	<u>47,178,669</u>	<u>54,708,837</u>	<u>52,254,312</u>
Total Primary Government Expenses	<u>252,493,492</u>	<u>261,267,412</u>	<u>285,400,031</u>	<u>293,000,315</u>	<u>309,900,361</u>
Program Revenues					
Governmental Activities					
Charges for Services					
General Government:					
Legislative and Executive	16,942,229	26,064,981	39,481,913	26,096,369	25,539,301
Judicial	5,220,484	3,703,685	3,711,346	4,171,246	5,405,269
Public Safety	1,436,746	5,996,412	6,490,098	4,435,139	9,018,145
Human Services	1,911,831	1,945,316	1,946,389	1,928,863	2,336,047
Public Works	1,131,460	2,175,913	10,026,807	10,382,866	9,795,411
Health	897,590	1,042,160	1,355,895	1,446,007	930,496
Subtotal - Charges for Services	<u>27,540,340</u>	<u>40,928,467</u>	<u>63,012,448</u>	<u>48,460,490</u>	<u>53,024,669</u>
Operating Grants and Contributions					
General Government:					
Legislative and Executive	1,226,721	160,789	355,609	353,185	16,966
Judicial	48,770	1,182,707	1,020,690	1,186,715	1,246,084
Public Safety	6,136,704	6,721,740	6,671,901	7,086,662	7,661,085
Human Services	41,788,193	46,424,550	44,947,797	46,836,974	54,423,787
Public Works	2,305,868	193,292	3,658,865	3,960,609	4,851,754
Health	30,257,939	30,579,700	29,222,174	30,622,659	36,549,354
Subtotal - Operating Grants and Contributions	<u>81,764,195</u>	<u>85,262,778</u>	<u>85,877,036</u>	<u>90,046,804</u>	<u>104,749,030</u>
Capital Grants and Contributions					
General Government:					
Legislative and Executive	34,813	-	-	3,543,122	-
Judicial	5,757	-	-	89,041	-
Public Safety	6,158,459	301,836	20,272	-	-
Human Services	-	15,736,890	-	-	1,244,826
Public Works	17,880,521	-	13,337,057	16,317,031	11,062,312
Health	-	-	758,073	-	-
Subtotal - Capital Grants and Contributions	<u>24,079,550</u>	<u>16,038,726</u>	<u>14,115,402</u>	<u>19,949,194</u>	<u>12,307,138</u>
Total Governmental Activities Program Revenues	<u>133,384,085</u>	<u>142,229,971</u>	<u>163,004,886</u>	<u>158,456,488</u>	<u>170,080,837</u>

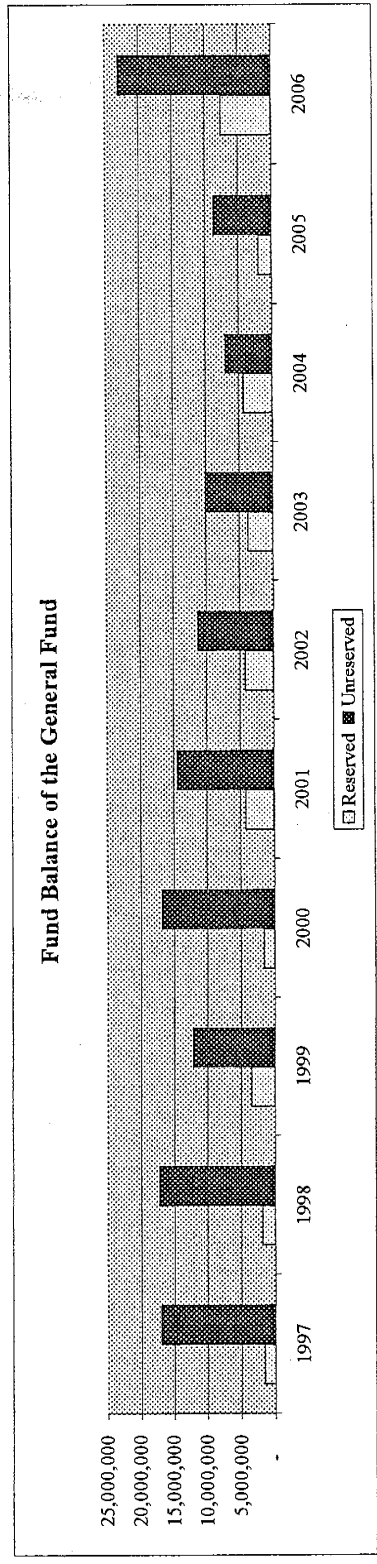
(continued)

Butler County, Ohio
Changes in Net Assets of Governmental Activities (continued)
Last Five Years
(accrual basis of accounting)

	2002	2003	2004	2005	2006
Business-type Activities:					
Charges for Services					
Sewer	16,527,843	16,464,896	17,330,204	17,547,243	18,988,269
Water	20,166,493	16,500,238	19,243,602	21,836,928	21,956,744
GSC Parking Facility	131,445	176,084	160,594	172,315	169,805
Capital Grants and Contributions	19,328,626	21,624,175	26,867,947	34,706,212	22,321,495
Total Business-type Activities Program Revenues	56,154,407	54,765,393	63,602,347	74,262,698	63,436,313
Total Primary Government Program Revenues	189,538,492	196,995,364	226,607,233	232,719,186	233,517,150
Net (Expense)/Revenue					
Governmental Activities	(76,112,499)	(76,795,270)	(75,216,476)	(79,834,990)	(87,565,212)
Business-type Activities	13,157,499	12,523,222	16,423,678	19,553,861	11,182,001
Total Primary Government Net (Expense)/Revenue	(62,955,000)	(64,272,048)	(58,792,798)	(60,281,129)	(76,383,211)
General Revenues and Other Changes in Net Assets					
Governmental Activities:					
Property Taxes Levied for:					
General Purposes	9,571,297	12,810,448	12,419,287	12,956,608	14,737,266
Health - Mental Retardation and Developmental Disabilities	16,803,125	14,890,749	14,765,474	18,467,802	20,014,999
Human Services - Child Welfare	7,804,510	8,214,528	12,829,080	13,282,374	14,283,235
Health - Alcohol, Drug Abuse and Mental Health	1,869,810	1,959,018	1,920,227	1,995,109	2,239,541
Human Services - Council on Aging	7,259,359	7,583,447	7,476,865	7,803,077	13,973,467
Animal Shelter	-	-	-	-	29,997
Sales Tax	16,642,460	17,182,889	18,414,113	22,607,425	40,662,394
Payments in Lieu of Taxes	-	-	-	-	93,487
Permissive License Tax	2,110,549	2,278,929	-	-	-
Grants and Entitlements not Restricted to Specific Programs	10,072,833	9,966,355	11,232,408	11,954,539	6,276,571
Interest	4,968,360	1,397,806	2,891,968	5,069,405	9,258,342
Net decrease in Fair Value of Investments	(241,646)	(746,510)	(1,159,879)	(147,597)	861,416
Other	819,767	2,771,852	2,412,759	4,847,763	3,277,088
Transfers	(380,965)	119,000	-	31,372	-
Total Governmental Activities	77,299,459	78,428,511	83,202,302	98,867,877	125,707,803
Business-type Activities:					
Interest	112,115	77,142	276,589	781,251	635,202
Other	1,678,347	1,286,712	1,448,950	10,003,224	1,135,722
Transfers	380,965	(119,000)	-	(31,372)	-
Total Business-type Activities	2,171,427	1,244,854	1,725,539	10,753,103	1,770,924
Total Primary Government	79,470,886	79,673,365	84,927,841	109,620,980	127,478,727
Change in Net Assets					
Governmental Activities	1,186,960	1,633,241	7,985,826	19,032,887	38,142,591
Business-type Activities	15,328,926	13,768,076	18,149,217	30,306,964	12,952,925
Total Primary Government Change in Net Assets	\$ 16,515,886	\$ 15,401,317	\$ 26,135,043	\$ 49,339,851	\$ 51,095,516

Butler County, Ohio
Fund Balances, Governmental Funds
 Last Ten Years
 (modified accrual basis of accounting)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General Fund										
Reserved	\$ 1,529,446	\$ 1,832,717	\$ 3,427,392	\$ 1,496,938	\$ 4,187,656	\$ 4,195,492	\$ 3,637,460	\$ 4,216,411	\$ 1,912,847	\$ 7,520,543
Unreserved	16,880,635	17,183,624	12,185,981	16,743,199	14,352,808	11,313,356	10,013,728	6,957,053	8,715,587	22,992,278
Total General Fund	18,410,081	19,016,341	15,613,373	18,240,137	18,540,464	15,508,848	13,651,188	11,173,464	10,628,434	30,512,821
All Other Governmental Funds										
Reserved	4,483,673	29,894,293	15,282,275	9,089,084	6,797,712	7,512,507	5,870,249	10,462,267	10,488,074	8,520,627
Unreserved, Undesignated, Reported in:										
Special Revenue Funds	30,300,726	22,838,338	28,907,206	35,452,761	37,326,719	26,955,861	28,827,510	38,329,806	49,050,968	58,757,044
Debt Service Funds	1,197,652	1,118,247	1,167,711	1,079,271	930,745	701,453	7,056,879	9,394,492	9,860,557	11,120,386
Capital Projects Funds	26,320,430	(7,654,929)	(17,877,839)	(20,261,460)	(39,631,918)	(7,405,332)	(12,841,676)	(5,623,226)	(4,329,568)	(5,673,702)
Total All Other Governmental Funds	62,302,481	46,195,949	27,479,353	25,359,656	5,423,258	27,764,489	28,912,962	52,563,339	65,070,031	72,724,355
Total Governmental Funds	\$ 80,712,562	\$ 65,212,290	\$ 43,092,726	\$ 43,599,793	\$ 23,963,722	\$ 43,273,337	\$ 42,564,150	\$ 63,736,803	\$ 75,698,465	\$ 103,237,176



Butler County, Ohio
Changes in Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Revenues										
Property and Other Taxes	\$ 44,844,854	\$ 46,214,218	\$ 48,921,817	\$ 51,471,925	\$ 56,994,477	\$ 56,635,633	\$ 47,667,011	\$ 49,452,124	\$ 54,548,053	\$ 63,587,785
Sales Tax	-	-	-	-	-	-	17,071,061	18,226,392	21,013,937	40,537,333
Charges for Services	16,293,415	19,015,113	20,178,062	24,781,590	22,893,309	24,051,238	37,586,693	54,430,214	39,599,181	50,623,535
Licenses and Permits	41,058	28,660	27,748	29,286	451,134	356,079	393,704	625,484	576,368	578,800
Fines and Forfeitures	1,047,993	1,150,712	1,061,046	1,745,472	1,381,193	1,496,642	1,577,450	1,588,923	1,596,855	1,990,868
Intergovernmental	71,244,168	78,794,396	89,356,200	97,673,685	109,774,122	116,397,421	104,819,010	115,938,364	121,141,697	115,942,192
Special Assessments	928,464	869,453	1,438,009	1,540,991	3,243,508	1,935,767	1,796,964	3,437,822	4,069,049	4,769,460
Payments in Lieu of Taxes	-	-	-	-	-	-	-	102,604	98,044	93,487
Interest	4,650,941	8,264,370	6,861,399	7,565,330	7,988,825	5,150,982	3,066,622	3,202,111	4,900,790	9,013,598
Net Increase (Decrease) in Fair Value of Investments	296,905	58,276	(1,342,196)	1,678,776	961,775	(241,646)	(746,510)	(1,159,879)	(147,597)	861,416
Contributions and Donations	-	-	-	-	-	-	-	-	57,442	-
Other	383,311	619,806	1,217,384	1,233,265	3,319,072	3,347,703	2,476,504	2,152,051	4,733,899	3,324,541
Total Revenues	139,731,109	155,015,004	167,519,669	187,720,320	206,109,415	209,129,819	215,710,509	247,996,210	252,187,718	291,343,015
Expenditures										
Current:										
General Government:										
Legislative and Executive	15,572,020	15,656,274	20,145,825	24,227,740	22,320,463	22,416,059	27,389,325	39,470,890	32,422,732	28,864,871
Judicial	8,166,627	9,192,151	9,832,946	10,075,022	10,774,926	11,973,877	12,417,152	13,600,268	14,903,814	15,614,805
Public Safety	19,606,894	21,815,087	20,922,077	25,779,523	28,030,833	32,038,169	33,995,976	36,712,267	37,831,821	48,197,839
Public Works	18,692,026	21,820,580	27,231,103	20,874,389	22,342,883	17,495,693	16,723,691	21,793,001	24,075,562	22,258,619
Health	32,961,002	34,890,693	36,559,053	38,633,572	43,063,262	47,016,101	47,016,129	47,080,225	46,791,219	55,828,433
Human Services	32,414,019	36,401,630	40,866,226	53,383,561	74,701,273	70,167,063	68,945,768	69,795,718	78,182,733	82,122,458
Conservation and Recreation	363,291	410,878	446,976	460,000	487,768	520,722	531,971	477,828	517,825	589,151
Other	308,437	1,524,994	407,636	267,497	743,474	-	-	902,028	702,757	748,995
Capital Outlay	6,806,520	23,033,437	28,159,608	18,192,673	33,491,306	17,202,016	2,864,741	902,028	702,757	748,995
Intergovernmental	1,459,828	1,546,302	1,529,327	1,410,577	-	-	-	-	-	-
Debt Service:										
Principal Retirement	680,143	890,143	947,585	2,164,123	2,431,193	12,196,730	14,895,447	18,282,294	19,421,622	21,760,855
Interest and Fiscal Charges	2,286,840	3,393,490	3,324,510	4,252,619	4,404,660	-	4,892,067	4,801,820	4,463,136	5,735,766
Refunding Bond Issuance Cost	-	-	-	-	-	-	-	156,127	555,185	245,108
Total Expenditures	139,317,647	170,575,659	190,372,872	199,921,296	242,792,041	231,026,430	229,672,267	253,072,466	259,868,406	281,966,900
Excess of Revenues Over (Under) Expenditures	413,462	(15,560,655)	(22,853,203)	(12,200,976)	(36,682,626)	(21,896,611)	(13,961,758)	(5,076,256)	(7,680,688)	9,376,115
Other Financing Sources (Uses)										
General Obligation Bonds Issued	37,695,000	-	-	8,260,000	3,043,000	32,620,000	-	10,350,000	-	17,500,000
Premium from Debt Issued	-	-	-	-	-	2,163,461	192,695	470,259	2,042,726	578,718
Notes Issued	-	-	-	-	-	11,465,000	14,485,000	15,470,000	17,105,000	-
Refunding Bonds Issued	-	-	-	-	-	-	-	8,905,000	29,365,000	-
Special Assessment Bonds Issued	-	-	-	-	-	-	-	-	1,144,000	-
Proceeds of Loans	-	-	-	-	-	-	-	768,868	-	-
Accrued Interest Received on Debt Issued	-	-	-	-	-	-	-	11,851	-	-
Payment to Refund Bond Escrow Agent	-	-	-	-	-	4,776,101	-	(8,841,258)	32,908,080	83,878
Inception of Capital Lease	-	-	-	-	-	87,215	72,200	-	2,862,332	-
Sale of Fixed Assets	48,280	60,903	44,099	672,237	672,237	-	-	-	-	-
Transfers In	36,837,475	6,970,561	6,430,115	6,447,331	7,764,627	6,322,346	6,242,489	6,100,441	7,071,238	7,928,785
Transfers Out	(36,837,475)	(6,996,635)	(6,460,115)	(6,648,885)	(8,098,273)	(6,703,311)	(6,123,489)	(6,100,441)	(7,039,886)	(7,928,785)
Total Other Financing Sources	37,743,280	34,829	14,099	8,058,446	3,383,591	50,730,812	14,868,895	27,434,720	85,458,510	18,162,596
Prior Year Restatement of Fund Balance	-	23,554	719,540	4,649,597	13,662,964	27,616	(1,616,324)	(1,185,811)	-	-
Net Change in Fund Balances	\$ 38,156,742	\$ (15,500,272)	\$ (22,119,564)	\$ 507,067	\$ (19,636,071)	\$ 28,861,817	\$ (709,187)	\$ 21,172,653	\$ 77,777,822	\$ 27,538,711
Debt Service as a Percentage of Noncapital Expenditures	2.15%	2.53%	2.26%	3.23%	2.82%	7.20%	8.62%	9.18%	19.59%	9.84%

Butler County, Ohio
Assessed and Estimated Actual Value of Taxable Property
Last Ten Years

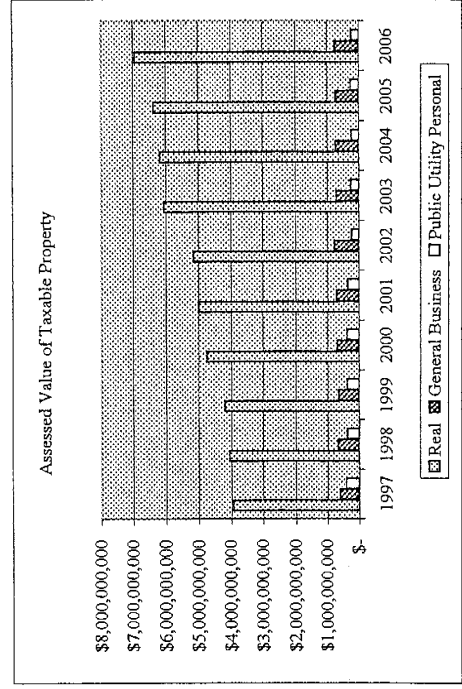
Collection Year	Real Property			Tangible Personal Property			Public Utility			Total			Weighted Average Tax Rate
	Assessed Value		Estimated Actual Value	General Business		Estimated Actual Value	Assessed Value		Estimated Actual Value	Assessed Value		Estimated Actual Value	
	Residential/Agricultural	Commercial/Industrial/PU		Assessed Value	Assessed Value		Assessed Value	Assessed Value					
1997	\$2,999,305,390	\$939,767,380	\$11,254,493,629	\$618,825,072	\$2,475,300,288	\$427,678,739	\$485,998,567	\$4,985,576,581	\$14,215,792,484	35.07 %	\$ 8.65		
1998	3,107,944,820	958,160,030	11,617,442,429	680,948,334	2,723,793,336	370,024,500	420,482,386	5,117,077,684	14,761,718,151	34.66	6.98		
1999	3,200,230,460	999,234,450	11,998,471,171	659,774,662	2,639,098,648	377,009,040	428,419,364	5,236,248,612	15,065,989,183	34.76	7.32		
2000	3,629,217,240	1,135,502,180	13,613,484,057	694,566,748	2,778,266,992	381,459,890	433,477,148	5,840,746,058	16,825,228,197	34.71	5.65		
2001	3,783,180,290	1,206,848,680	14,257,225,629	722,909,820	2,891,639,280	360,025,500	409,119,886	6,072,964,290	17,557,984,795	34.59	7.44		
2002	3,922,893,560	1,221,719,660	14,698,894,914	766,473,543	3,193,639,763	237,777,970	270,202,239	6,148,864,733	18,162,736,915	33.85	7.05		
2003	4,638,038,390	1,405,199,000	17,266,392,543	724,768,577	3,151,167,726	258,533,610	293,788,193	7,026,539,577	20,711,348,462	33.93	6.42		
2004	4,762,263,590	1,413,231,970	17,644,273,029	739,614,001	3,215,713,048	246,408,050	280,009,148	7,161,517,611	21,139,995,224	33.88	6.79		
2005	4,942,502,150	1,420,219,660	18,179,205,171	744,780,872	3,238,177,704	251,886,670	286,234,852	7,359,389,352	21,703,617,728	33.91	6.81		
2006	5,425,220,650	1,510,667,250	19,816,822,571	756,743,427	4,035,964,944	244,863,700	278,254,205	7,937,495,027	24,131,041,720	32.89	6.82		

Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. Personal property tax is assessed on all tangible personal property used in business in Ohio. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property is assessed at 25 percent for machinery and equipment and 23 percent for inventories. The general business tangible personal property tax is being phased out beginning in 2006. The listing percentage is 18.75% for 2006, 12.5% for 2007, 6.25% for 2008 and zero for 2009.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10%, 2 1/2% and homestead exemptions before being billed. Beginning in the 2006 collection year, the 10% rollback for commercial/industrial property has been eliminated.

Source: Butler County Auditor



Butler County, Ohio
Property Tax Rates - Direct and Overlapping Governments
 (Per \$1,000 Assessed Value)
 Last Ten Years

Collection Year	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Unvoted Millage										
Operating	\$ 1.92	\$ 1.92	\$ 1.92	\$ 1.92	\$ 1.92	\$ 1.92	\$ 1.92	\$ 1.92	\$ 1.92	\$ 1.92
Miami Conservancy	0.03	0.03	0.03	0.03	0.03	0.03	0.02	0.02	0.02	0.02
Voted Millage - by levy										
1976 Mental Retardation Board										
Residential/Agricultural Real	0.17336	0.17278	0.17241	0.15542	0.15359	0.15242	0.13203	0.13161	-	-
Commercial/Industrial and Public Utility Real	0.24301	0.24673	0.24662	0.22676	0.22908	0.22919	0.21211	0.21719	-	-
General Business and Public Utility Personal	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	-	-
1984 Mental Retardation Board										
Residential/Agricultural Real	0.29292	0.29193	0.29131	0.26260	0.25950	0.25754	0.22308	0.22237	-	-
Commercial/Industrial and Public Utility Real	0.33037	0.33543	0.33528	0.30828	0.31146	0.31158	0.28836	0.29327	-	-
General Business and Public Utility Personal	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	-	-
1986 Mental Retardation Board										
Residential/Agricultural Real	1.29146	1.28710	1.28436	1.15779	-	-	-	-	-	-
Commercial/Industrial and Public Utility Real	1.36687	1.38782	1.38721	1.27549	-	-	-	-	-	-
General Business and Public Utility Personal	2.00	2.00	2.00	2.00	-	-	-	-	-	-
1985 Mental Health Board										
Residential/Agricultural Real	0.32148	0.32040	0.31971	0.28821	0.28480	0.28265	0.24483	0.24405	0.24218	0.22682
Commercial/Industrial and Public Utility Real	0.33944	0.34464	0.34449	0.31675	0.32001	0.32013	0.29628	0.30338	0.30389	0.29882
General Business and Public Utility Personal	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
1989 Childrens Services Board										
Residential/Agricultural Real	1.35641	1.35183	1.34894	1.21601	1.20165	1.19256	-	-	-	-
Commercial/Industrial and Public Utility Real	1.47888	1.50154	1.50088	1.38001	1.39422	1.39475	-	-	-	-
General Business and Public Utility Personal	2.00	2.00	2.00	2.00	2.00	2.00	2.00	-	-	-
2000 Mental Retardation Board										
Residential/Agricultural Real	-	-	-	-	1.97639	1.96143	1.69901	1.69357	1.68058	1.57403
Commercial/Industrial and Public Utility Real	-	-	-	-	2.00000	2.00000	1.85098	1.89535	1.89852	1.86687
General Business and Public Utility Personal	-	-	-	-	2.00	2.00	2.00	2.00	2.00	2.00
2003 Childrens Services Board										
Residential/Agricultural Real	-	-	-	-	-	-	-	1.99360	1.97830	1.85287
Commercial/Industrial and Public Utility Real	-	-	-	-	-	-	-	2.00000	2.00000	1.96666
General Business and Public Utility Personal	-	-	-	-	-	-	-	2.00	2.00	2.00
2004 Mental Retardation Board										
Residential/Agricultural Real	-	-	-	-	-	-	-	-	0.99233	0.92941
Commercial/Industrial and Public Utility Real	-	-	-	-	-	-	-	-	1.00000	0.98333
General Business and Public Utility Personal	-	-	-	-	-	-	-	-	1.00	1.00

(continued)

Butler County, Ohio
Property Tax Rates - Direct and Overlapping Governments
 (Per \$1,000 Assessed Value)

Last Ten Years
 (continued)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
1996 Senior Citizens										
Residential/Agricultural Real	\$ 0.90615	\$ 0.90309	\$ 0.90117	\$ 0.81236	\$ 0.80277	\$ -	\$ -	\$ -	\$ -	\$ -
Commercial/Industrial and Public Utility Real	0.97	0.98	0.98	0.90	0.91	-	-	-	-	-
General Business and Public Utility Personal	1.00	1.00	1.00	1.00	1.00	-	-	-	-	-
2001 Senior Citizens										
Residential/Agricultural Real	-	-	-	-	-	1.29016	1.11755	1.11397	1.10543	-
Commercial/Industrial and Public Utility Real	-	-	-	-	-	1.30000	1.20314	1.23198	1.23404	-
General Business and Public Utility Personal	-	-	-	-	-	1.30	1.30	1.30	1.30	-
2005 Senior Citizens										
Residential/Agricultural Real	-	-	-	-	-	-	-	-	-	1.87320
Commercial/Industrial and Public Utility Real	-	-	-	-	-	-	-	-	-	1.96666
General Business and Public Utility Personal	-	-	-	-	-	-	-	-	-	2.00
Total voted millage by type of property										
Residential/Agricultural Real	4.34178	4.32713	4.31790	3.89239	4.67870	5.13677	3.41651	5.39917	4.89339	6.45633
Commercial/Industrial and Public Utility Real	4.72732	4.79976	4.79764	4.41127	5.16806	5.55565	3.85086	5.94317	5.20241	7.08234
General Business and Public Utility Personal	6.50	6.50	6.50	6.50	6.50	6.80	4.80	4.50	5.50	7.50
Total millage by type of property										
Residential/Agricultural Real	6.29178	6.27713	6.26790	5.84239	6.62870	7.08677	5.35651	7.33917	6.83339	8.39633
Commercial/Industrial and Public Utility Real	6.67732	6.74976	6.74764	6.36127	7.11806	7.50565	5.79086	7.88317	7.14241	9.02234
General Business and Public Utility Personal	8.45	8.45	8.45	8.45	8.45	8.75	6.74	6.44	7.44	9.44
Rates by Taxing District										
Cities										
Fairfield										
Residential/Agricultural Real	3.61330	3.61100	3.60731	3.38981	5.90933	5.90272	5.35541	5.35741	5.34934	5.02221
Commercial/Industrial and Public Utility Real	3.62981	3.64987	3.66173	3.50206	5.94000	5.94000	5.46168	5.52777	5.58406	5.37459
General Business and Public Utility Personal	4.54	4.54	4.54	4.54	5.94	5.94	5.94	5.94	5.94	5.94
Hamilton										
Residential/Agricultural Real	5.06000	5.06000	5.06000	5.06000	5.12000	5.12000	6.79564	6.79902	6.83473	6.69492
Commercial/Industrial and Public Utility Real	5.06000	5.06000	5.06000	5.06000	5.12000	5.12000	7.01672	7.06603	7.14589	7.09028
General Business and Public Utility Personal	5.06	5.06	5.06	5.06	5.12	5.12	7.12	7.12	7.16	7.16
Indian Springs										
Residential/Agricultural Real	4.31745	4.24116	4.20350	-	-	-	-	-	-	-
Commercial/Industrial and Public Utility Real	4.06796	3.85556	3.93392	-	-	-	-	-	-	-
General Business and Public Utility Personal	7.19	7.19	7.19	-	-	-	-	-	-	-
Middletown										
Residential/Agricultural Real	6.31000	6.31000	6.36000	6.46000	5.86000	5.86000	5.86000	5.88000	5.90000	5.90000
Commercial/Industrial and Public Utility Real	6.31000	6.31000	6.36000	6.46000	5.86000	5.86000	5.86000	5.88000	5.90000	5.90000
General Business and Public Utility Personal	6.31	6.31	6.36	6.46	5.86	5.86	5.86	5.88	5.9	5.9

(continued)

Butler County, Ohio
Property Tax Rates - Direct and Overlapping Governments
 (Per \$1,000 Assessed Value)
 Last Ten Years
 (continued)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Monroe										
Residential/Agricultural Real	\$ 6.78443	\$ 6.72390	\$ 6.71583	\$ 6.14274	\$ 6.60934	\$ 6.46646	\$ 5.78934	\$ 7.06429	\$ 6.98737	\$ 7.01895
Commercial/Industrial and Public Utility Real	8.37677	8.37290	8.31752	7.93183	8.31289	8.39148	8.21447	10.01255	10.00393	10.03001
General Business and Public Utility Personal	9.17	9.17	9.17	9.17	9.85	9.85	9.85	11.17	11.17	11.17
Oxford										
Residential/Agricultural Real	3.65000	3.65000	3.65000	3.65000	3.65000	3.65000	3.65000	3.65000	3.65000	3.65000
Commercial/Industrial and Public Utility Real	3.65000	3.65000	3.65000	3.65000	3.65000	3.65000	3.65000	3.65000	3.65000	3.65000
General Business and Public Utility Personal	3.65	3.65	3.65	3.65	3.65	3.65	3.65	3.65	3.65	3.65
Trenton										
Residential/Agricultural Real	4.65284	4.62972	4.62325	4.60046	4.55989	4.54447	4.40188	4.39271	3.24000	3.24000
Commercial/Industrial and Public Utility Real	4.92062	4.91624	4.90587	4.58380	4.58285	4.56804	4.43234	4.43413	3.24000	3.24000
General Business and Public Utility Personal	4.99	4.99	4.99	4.74	4.74	4.74	4.74	4.74	3.24	3.24
Villages										
College Corner										
Residential/Agricultural Real	7.15529	7.18294	7.18294	6.16105	6.15572	6.15572	5.50066	5.50066	5.50095	5.49357
Commercial/Industrial and Public Utility Real	8.57320	8.34398	8.34398	7.60372	7.60372	7.60372	6.79368	6.84204	6.84204	6.83666
General Business and Public Utility Personal	14.40	14.40	14.40	14.40	14.40	14.40	14.40	14.40	14.40	14.40
Jacksonburg										
Residential/Agricultural Real	2.00000	2.00000	2.00000	2.00000	2.00000	2.00000	2.00000	2.00000	2.00000	2.00000
Commercial/Industrial and Public Utility Real	2.00000	2.00000	2.00000	2.00000	2.00000	2.00000	2.00000	2.00000	2.00000	2.00000
General Business and Public Utility Personal	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Millville										
Residential/Agricultural Real	2.30000	2.30000	2.30000	2.30000	2.30000	2.30000	2.30000	2.30000	2.30000	4.10000
Commercial/Industrial and Public Utility Real	2.30000	2.30000	2.30000	2.30000	2.30000	2.30000	2.30000	2.30000	2.30000	4.10000
General Business and Public Utility Personal	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	4.10
New Miami										
Residential/Agricultural Real	3.86997	3.87009	3.87009	3.69009	3.69032	7.99488	7.29526	7.30259	7.30259	7.05463
Commercial/Industrial and Public Utility Real	4.27681	4.27674	4.27674	4.10089	4.10089	8.20041	7.51588	7.51591	7.51591	7.17936
General Business and Public Utility Personal	4.30	4.30	4.30	4.30	4.30	8.30	8.30	8.30	8.30	8.30
Sevensville										
Residential/Agricultural Real	8.04074	6.14568	7.64217	6.66123	6.26028	5.66027	5.25700	5.15851	5.15752	7.05464
Commercial/Industrial and Public Utility Real	8.80855	6.90855	8.40855	7.40442	7.00442	6.40442	6.18269	6.08269	6.08269	7.17936
General Business and Public Utility Personal	9.22	7.32	8.82	8.02	7.62	7.02	6.82	6.72	6.72	6.72
Somerville										
Residential/Agricultural Real	3.09000	3.09000	3.09000	3.09000	3.09000	3.09000	3.09000	3.09000	3.09000	3.09000
Commercial/Industrial and Public Utility Real	3.09000	3.09000	3.09000	3.09000	3.09000	3.09000	3.09000	3.09000	3.09000	3.09000
General Business and Public Utility Personal	3.09	3.09	3.09	3.09	3.09	3.09	3.09	3.09	3.09	3.09

(continued)

Butler County, Ohio
Property Tax Rates - Direct and Overlapping Governments
 (Per \$1,000 Assessed Value)
 Last Ten Years
 (continued)

Townships	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Fairfield										
Residential/Agricultural Real	\$ -	\$ -	\$ -	\$ 3.97666	\$ 6.97612	\$ 6.84975	\$ 6.00824	\$ 5.96827	\$ 5.93866	\$ 5.69314
Commercial/Industrial and Public Utility Real	-	-	-	3.61927	7.17721	7.19000	6.16790	6.38986	5.16953	5.75430
General Business and Public Utility Personal	-	-	-	7.19	7.19	7.19	7.19	7.19	7.19	7.19
Fairfield - Fire District										
Residential/Agricultural Real	-	-	-	6.45376	11.79268	11.55814	10.00553	9.93105	9.87616	9.42364
Commercial/Industrial and Public Utility Real	-	-	-	5.83524	12.16542	12.19000	10.25863	10.68224	8.37058	9.47644
General Business and Public Utility Personal	-	-	-	12.19	12.19	12.19	12.19	12.19	12.19	12.19
Hanover										
Residential/Agricultural Real	2.72000	2.72000	2.72000	2.72000	2.72000	2.72000	2.72000	2.72000	2.72000	2.72000
Commercial/Industrial and Public Utility Real	2.72000	2.72000	2.72000	2.72000	2.72000	2.72000	2.72000	2.72000	2.72000	2.72000
General Business and Public Utility Personal	2.72	2.72	2.72	2.72	2.72	2.72	2.72	2.72	2.72	2.72
Liberty										
Residential/Agricultural Real	4.94885	7.16289	7.13315	8.29426	9.65225	9.44701	8.60930	8.46939	8.29812	8.08019
Commercial/Industrial and Public Utility Real	4.93925	7.10322	7.04726	7.68319	9.36170	9.05024	8.81452	8.80417	8.51552	8.74424
General Business and Public Utility Personal	5.59	7.59	7.59	9.09	10.59	10.59	10.59	10.59	10.59	10.59
Madison										
Residential/Agricultural Real	1.81014	1.08924	1.80863	1.74684	1.74579	1.74402	1.67161	1.67146	1.67062	1.62584
Commercial/Industrial and Public Utility Real	1.89326	1.90074	1.90008	1.84544	1.88711	1.88711	1.83876	1.84668	1.86908	1.84953
General Business and Public Utility Personal	2.26	2.26	2.26	2.26	2.26	2.26	2.26	2.26	2.26	2.26
Milford										
Residential/Agricultural Real	4.91038	4.90433	4.90159	4.65993	4.65391	4.64783	4.48500	4.49477	4.49446	4.32320
Commercial/Industrial and Public Utility Real	5.25068	5.25068	5.25068	5.15822	5.15822	5.10450	4.99677	4.99677	4.99677	4.92652
General Business and Public Utility Personal	5.74	5.74	5.74	5.74	5.74	5.74	5.74	5.74	5.74	5.74
Morgan										
Residential/Agricultural Real	4.88008	4.87556	5.87151	5.41015	5.40332	5.54938	5.21615	5.46729	5.45731	5.12685
Commercial/Industrial and Public Utility Real	5.15051	5.17635	6.13727	5.81046	5.80073	5.61132	5.02325	5.29820	5.29820	5.23022
General Business and Public Utility Personal	5.22	5.22	6.22	6.22	6.22	5.72	5.72	5.72	5.72	5.72
Oxford										
Residential/Agricultural Real	6.63589	6.63252	6.63499	5.62843	5.61958	5.60183	5.20114	6.95904	6.95211	6.17824
Commercial/Industrial and Public Utility Real	7.37146	7.37146	7.37146	6.51285	6.51188	6.51188	6.48900	8.23900	8.23900	7.64170
General Business and Public Utility Personal	7.84	7.84	7.84	7.84	7.84	7.84	7.84	9.59	9.59	9.59
Rely										
Residential/Agricultural Real	5.20242	5.19952	7.38465	6.77284	7.24589	6.75579	6.44892	7.39000	7.36915	7.05233
Commercial/Industrial and Public Utility Real	5.35296	5.35296	7.39000	7.24589	7.24589	7.23638	6.79602	7.39000	7.39000	7.32789
General Business and Public Utility Personal	5.39	5.39	7.39	7.39	7.39	7.39	7.39	7.39	7.39	7.39

(continued)

Butler County, Ohio
Property Tax Rates - Direct and Overlapping Governments
 (Per \$1,000 Assessed Value)

Last Ten Years
 (continued)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Ross										
Residential/Agricultural Real	\$ 5.33016	\$ 5.32907	\$ 5.32396	\$ 4.91859	\$ 4.89024	\$ 6.43050	\$ 6.10720	\$ 6.07934	\$ 6.33714	\$ 6.00272
Commercial/Industrial and Public Utility Real	5.45035	5.45802	5.43170	5.06395	5.06233	6.50392	6.18917	6.21257	6.47485	6.22600
General Business and Public Utility Personal	5.72	5.72	5.72	5.72	5.72	6.72	6.72	6.72	6.72	6.72
St Clair										
Residential/Agricultural Real	3.65066	3.65351	3.95230	3.82485	3.82496	3.82343	3.69544	4.14391	4.46851	4.44145
Commercial/Industrial and Public Utility Real	3.69633	3.69633	3.95976	3.84700	3.84590	3.84593	3.86077	4.23634	4.46689	4.45291
General Business and Public Utility Personal	4.47	4.47	4.47	4.47	4.47	4.47	4.47	4.47	4.47	4.47
Union										
Residential/Agricultural Real	8.82971	8.81167	8.79777	9.15252	-	-	-	-	-	-
Commercial/Industrial and Public Utility Real	8.85469	8.93968	8.87546	9.23068	-	-	-	-	-	-
General Business and Public Utility Personal	9.59	9.59	9.59	10.59	-	-	-	-	-	-
Wayne										
Residential/Agricultural Real	4.26585	4.25224	3.41399	3.30787	3.57639	3.56717	3.46418	3.46469	4.76164	4.60155
Commercial/Industrial and Public Utility Real	4.09244	4.09246	3.36622	3.23848	3.58000	3.58000	3.48059	3.47766	4.77766	4.81274
General Business and Public Utility Personal	4.58	4.58	3.58	3.58	3.58	3.58	3.58	3.58	4.88	4.88
West Chester										
Residential/Agricultural Real	-	-	-	-	9.68700	12.39019	11.29850	11.28300	11.20549	10.86922
Commercial/Industrial and Public Utility Real	-	-	-	-	9.44359	12.44096	12.01912	12.24324	12.03437	12.22604
General Business and Public Utility Personal	-	-	-	-	10.59	13.09	13.09	13.09	13.09	13.09
Joint Vocational Schools										
Butler County JVS										
Residential/Agricultural Real	1.93000	1.93000	1.93000	1.93000	1.93000	1.93000	1.93000	1.93000	1.93000	1.93000
Commercial/Industrial and Public Utility Real	1.93000	1.93000	1.93000	1.93000	1.93000	1.93000	1.93000	1.93000	1.93000	1.93000
General Business and Public Utility Personal	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93
Great oaks JVS										
Residential/Agricultural Real	2.00000	2.00000	2.00000	2.37848	2.34421	2.33712	2.13885	2.11538	2.108827	2.00000
Commercial/Industrial and Public Utility Real	2.11272	2.12922	2.12525	2.50207	2.46880	2.48728	2.34505	2.36535	2.376635	2.23693
General Business and Public Utility Personal	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70
Montgomery County JVS										
Residential/Agricultural Real	2.06686	2.05192	2.01751	2.00000	2.00000	2.00000	2.30689	2.29585	2.275391	2.10844
Commercial/Industrial and Public Utility Real	2.41411	2.43718	2.36872	2.27947	2.75376	2.25602	2.33263	2.33654	2.348741	2.25405
General Business and Public Utility Personal	2.58	2.58	2.58	2.58	2.58	2.58	2.58	2.58	2.58	2.58
Schools										
Edgewood City										
Residential/Agricultural Real	23.25000	22.75001	26.69000	26.25001	26.25001	32.73708	30.27635	30.21236	30.03971	35.28072
Commercial/Industrial and Public Utility Real	25.56591	25.05480	28.96861	26.86926	27.16008	33.74129	33.40668	33.39966	33.38948	39.83427
General Business and Public Utility Personal	34.11	33.61	37.55	37.11	37.11	43.76	43.76	43.76	43.76	50.64

(continued)

Butler County, Ohio
Property Tax Rates - Direct and Overlapping Governments
 (Per \$1,000 Assessed Value)
 Last Ten Years
 (continued)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Fairfield City										
Residential/Agricultural Real	\$ 33,78139	\$ 32,01119	\$ 32,50289	\$ 30,79470	\$ 30,24206	\$ 29,95467	\$ 27,05724	\$ 28,48467	\$ 33,23818	\$ 31,55048
Commercial/Industrial and Public Utility Real	34,76519	33,29772	34,02843	32,66840	33,09322	33,05070	30,28542	31,98280	36,81783	35,69384
General Business and Public Utility Personal	55.16	53.56	54.16	54.46	54.23	54.11	53.82	53.82	58.66	58.60
Hamilton City										
Residential/Agricultural Real	25,88878	25,85600	25,84680	27,68287	27,65690	27,64353	27,20002	27,43744	27,40002	27,20001
Commercial/Industrial and Public Utility Real	30,16165	31,39679	31,57294	34,05498	34,19338	34,23823	32,65664	33,39285	33,92930	32,96734
General Business and Public Utility Personal	43.81	43.81	43.81	48.21	48.21	48.21	48.01	48.21	48.21	48.01
Lakota Local										
Residential/Agricultural Real	35,56345	35,37960	35,31570	32,78870	39,04158	38,71042	34,20658	33,23384	32,92870	37,61133
Commercial/Industrial and Public Utility Real	36,79151	36,72687	36,47560	32,69604	39,31170	39,14837	36,61006	36,30944	35,71049	41,81848
General Business and Public Utility Personal	56.24	56.14	56.14	55.14	61.88	61.88	60.84	60.04	60.04	65.64
Madison Local										
Residential/Agricultural Real	24,55001	24,40002	24,40001	29,40000	29,75001	30,00001	29,30000	29,15001	29,10001	36,50002
Commercial/Industrial and Public Utility Real	24,55001	24,59383	24,57237	29,40000	29,95264	30,20276	29,30001	29,47105	30,35233	37,17764
General Business and Public Utility Personal	31.09	30.94	30.94	35.94	36.29	36.54	32.14	31.99	31.94	39.34
Middletown City										
Residential/Agricultural Real	33,84000	33,44000	33,37000	32,14000	31,79000	31,59000	30,39000	34,89872	34,89382	41,94000
Commercial/Industrial and Public Utility Real	33,84000	33,64326	33,54216	32,14000	31,79000	31,62466	30,39000	35,33044	35,83617	45,52261
General Business and Public Utility Personal	37.03	36.63	36.56	35.33	34.98	34.78	33.58	38.08	38.08	45.13
Monroe Local										
Residential/Agricultural Real	-	-	-	-	31,79000	39,93001	-	37,25001	36,62001	36,89001
Commercial/Industrial and Public Utility Real	-	-	-	-	31,79000	40,32449	-	38,32615	37,67802	38,01213
General Business and Public Utility Personal	-	-	-	-	34.98	43.36	-	40.68	40.05	40.32
New Miami Local										
Residential/Agricultural Real	20,00001	20,00607	20,05908	24,00001	24,30001	24,32961	24,25575	24,29220	24,29522	24,24146
Commercial/Industrial and Public Utility Real	20,00001	19,98337	20,00001	24,00001	24,30001	24,33136	24,30528	24,30531	24,30231	24,28661
General Business and Public Utility Personal	25.09	25.09	25.09	29.09	29.39	29.42	29.42	29.42	29.42	29.42
Ross Local										
Residential/Agricultural Real	28,32560	28,20104	28,17735	24,76118	24,62602	24,56734	28,94295	28,87405	28,64743	26,71995
Commercial/Industrial and Public Utility Real	30,58690	30,55691	30,38726	27,22518	27,19716	27,25679	31,11014	31,17261	31,12516	29,84849
General Business and Public Utility Personal	45.84	45.73	45.73	45.73	45.73	45.73	51.98	51.98	51.98	51.73
Talawanda City										
Residential/Agricultural Real	24,21903	21,67768	21,66171	20,00002	26,40272	26,31517	24,24443	25,45427	25,37183	23,17002
Commercial/Industrial and Public Utility Real	25,87753	23,50130	23,53106	21,19066	27,98817	27,93829	25,21530	26,77622	26,86896	25,52164
General Business and Public Utility Personal	46.30	43.80	43.80	43.80	50.30	50.30	50.30	51.49	51.49	51.47

(continued)

Butler County, Ohio
Property Tax Rates - Direct and Overlapping Governments
 (Per \$1,000 Assessed Value)
 Last Ten Years
 (continued)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Out-of-County School Districts										
College Corner Local										
Residential/Agricultural Real	\$ 28.55107	\$ 25.76998	\$ 25.76860	\$ 24.72153	\$ 24.71343	\$ 24.71943	\$ 24.30488	\$ 24.32231	\$ 24.33114	\$ 24.37675
Commercial/Industrial and Public Utility Real	30.18729	25.75480	25.75480	25.77504	25.77504	25.77504	25.13507	25.23619	25.23619	24.76491
General Business and Public Utility Personal	40.10	32.10	32.10	32.10	32.10	32.10	32.10	32.10	32.10	32.10
Mason Local										
Residential/Agricultural Real	36.99252	32.99672	32.34030	31.71708	31.48572	37.73514	38.76762	37.95676	37.59062	43.74732
Commercial/Industrial and Public Utility Real	37.39442	35.27034	34.88509	34.67035	34.11770	40.64756	41.79058	42.85488	42.08389	48.17900
General Business and Public Utility Personal	62.36	61.95	61.95	61.95	64.57	71.11	72.61	74.11	74.11	80.65
Northwest Local										
Residential/Agricultural Real	25.55471	32.76447	32.77377	28.82161	28.51493	28.54339	26.89285	26.84669	26.80263	23.96740
Commercial/Industrial and Public Utility Real	28.18002	34.32705	34.63690	31.48023	31.57760	32.31974	30.13759	30.41112	30.76530	28.33662
General Business and Public Utility Personal	42.98	50.18	50.18	50.13	49.80	49.80	49.64	49.64	49.64	49.64
Preble Shawnee Local										
Residential/Agricultural Real	24.50000	22.50000	25.49000	25.49000	25.49000	25.48901	25.44130	22.99000	23.44086	23.39818
Commercial/Industrial and Public Utility Real	24.50000	22.50000	25.49000	25.49000	25.49000	25.48591	25.47680	22.99000	23.48172	23.44091
General Business and Public Utility Personal	24.50	22.50	25.49	25.49	25.49	25.49	25.49	23.49	23.49	23.49
Princeton Local										
Residential/Agricultural Real	23.89135	23.88256	23.89818	24.78618	24.67755	24.69631	22.93628	25.99338	25.97780	23.48106
Commercial/Industrial and Public Utility Real	27.92316	28.24986	28.36265	29.14202	29.32211	29.53832	28.03975	31.51204	31.90181	30.13473
General Business and Public Utility Personal	42.24	42.24	42.24	46.19	46.19	46.19	45.79	49.03	49.03	49.03
Southwest Local										
Residential/Agricultural Real	23.79014	23.82558	27.30029	26.15454	25.84902	25.74574	25.31913	25.12157	24.94505	24.46831
Commercial/Industrial and Public Utility Real	30.69705	30.80573	34.29659	31.35189	31.11609	31.04264	29.47580	29.22645	28.99390	27.08158
General Business and Public Utility Personal	44.77	44.74	48.22	48.22	47.88	47.75	47.44	47.25	47.08	46.68

The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue billed in that year.

Real property tax rates are reduced so that inflationary increases in value do not generate additional taxes.

Real property is reappraised every six years and property values are updated in the third year following each reappraisal.

Rates may only be raised by obtaining the approval of a majority of the voters at a public election.

Source: Butler County Auditor

Butler County, Ohio
Property Tax Levies and Collections (1)
Last Ten Years

Collection Year	Current Tax Levy	Current Tax Collections	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections (2)	Total Tax Collections	Percent of Total Tax Collections to Current Tax Levy
1997	\$28,283,906	\$27,489,724	97.19%	\$681,121	\$28,170,845	99.60 %
1998	28,283,906	28,152,592	99.54	686,905	28,839,497	101.96
1999	29,948,107	29,250,458	97.67	851,008	30,101,466	100.51
2000	32,781,175	30,576,335	93.27	708,757	31,285,092	95.44
2001	36,710,203	35,296,717	96.15	924,003	36,220,720	98.67
2002	39,050,967	37,431,914	95.85	1,166,797	38,598,711	98.84
2003	41,908,616	40,079,541	95.64	1,288,439	41,367,980	98.71
2004	48,245,395	46,139,554	95.64	1,642,553	47,782,107	99.04
2005	53,335,484	51,293,478	96.17	1,741,707	53,035,185	99.44
2006	61,493,150	58,964,700	95.89	2,096,044	61,060,744	99.30

Source: Butler County Auditor

(1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental revenue.

(2) The County does not identify delinquent tax collections by tax year.

Butler County, Ohio
Principal Taxpayers
Real Estate Tax
2006 and 2002 (1)

Name of Taxpayer	2006	
	Assessed Value	Percent of Real Property Assessed Value
Cincinnati Gas & Electric	\$185,038,750	2.67 %
Miller Brewing Co.	21,045,150	0.30
Cincinnati Financial Insurance	16,913,280	0.24
AK Steel Corp.	15,965,410	0.23
Cincinnati Bell	12,500,650	0.18
Meijer	12,451,050	0.18
Ohio Casualty Insurance	11,139,210	0.16
Butler Rural Electric	8,979,560	0.13
Walmart Real Estate Business Trust	8,849,240	0.13
Fath-Village Park Apartments	7,763,210	0.11
Totals	\$300,645,510	4.33 %
Total Assessed Valuation	\$6,935,887,900	

Name of Taxpayer	2002	
	Assessed Value	Percent of Real Property Assessed Value
Dugan Financial LLC	\$44,197,930	0.86 %
Cincinnati Financial Insurance	29,611,470	0.58
Miller Brewing Co	25,539,850	0.50
AK Steel Corp.	22,455,780	0.44
Meijer	14,336,250	0.28
Security Capital	13,106,870	0.25
Centerpoint Realty	13,105,870	0.25
Distribution Funding Services	12,963,830	0.25
Duke Realty Ohio	12,791,250	0.25
Smart Papers	12,782,920	0.25
Totals	\$200,892,020	3.91 %
Total Assessed Valuation	\$5,144,613,220	

(1) The amounts presented represent the assessed values upon which 2006 and 2002 collections were based.

Note: Information prior to 2002 not available

Source: Butler County Auditor

Butler County, Ohio
Principal Taxpayers
Tangible Personal Property Tax
2006 and 1997 (1)

Name of Taxpayer	2006	
	Assessed Value	Percent of Tangible Personal Property Assessed Value
AK Steel Corp.	\$ 113,174,840	14.96 %
Miller Breweries East Inc.	28,890,151	3.82
Worthington Steel Co.	9,198,550	1.22
Bay West Paper Corp.	8,652,080	1.14
O Gara Hess Eisenhardt	8,504,496	1.12
Misa Metals Inc.	7,491,730	0.99
Pierre Foods Inc.	6,729,290	0.89
Procter & Gamble Co.	5,795,770	0.77
Deceuninck North America	5,742,127	0.76
Smurfit Stone Container	4,893,330	0.64
Total	199,072,364	26.32 %
Total Assessed Valuation	\$ 756,743,427	

Name of Taxpayer	1997	
	Assessed Value	Percent of Tangible Personal Property Assessed Value
AK Steel Corp.	\$ 85,149,690	13.76 %
Miller Brewing Co.	47,779,820	7.72
Champion Intl. Corp.	27,124,630	4.38
International Paper Co.	12,222,380	1.98
Southwestern Ohio	8,173,220	1.32
Mckesson Corp.	7,299,940	1.18
Jefferson Smurfit Corp.	7,094,910	1.15
Messer Griesheim	6,949,120	1.12
Hamilton Stevens	6,891,224	1.11
Xerox Corp.	6,043,850	0.98
Total	\$ 214,728,784	34.70 %
Total Assessed Valuation	\$ 618,825,072	

(1) The amounts presented represent the assessed values upon which 2006 and 1997 collections were based.

Source: Butler County Auditor

Butler County, Ohio
Principal Taxpayers
Public Utilities Tangible Personal Property Tax
2006 and 2002 (1)

Name of Taxpayer	2006	
	Assessed Value	Percent of Public Utility Assessed Value
Cincinnati Gas & Electric	\$ 62,768,830	25.63 %
Cincinnati Bell Telephone Co.	4,375,210	1.79
Butler Rural Electric	2,912,140	1.19
Texas Eastern Transmission	2,257,860	0.92
CSX Transportation Inc.	1,260,000	0.51
Norfolk Southern Combined	1,068,060	0.44
Dayton Power & Light	1,036,530	0.42
Cincinnati Gas Transmission LLC	885,960	0.36
Verizon North Inc.	545,840	0.22
New Par	534,860	0.22
Total	\$ 77,645,290	31.70 %
Total Assessed Valuation	\$ 244,863,700	

Name of Taxpayer	2002	
	Assessed Value	Percent of Public Utility Assessed Value
Ohio Bell Telephone Co.	\$ 9,673,690	4.07 %
Dayton Power & Light	3,369,910	1.42
Norfolk Southern Combined	2,911,320	1.22
MCI Worldcom Network Svcs.	2,114,700	0.89
Qwest Communications	1,581,070	0.66
Nextel West Corp.	762,730	0.32
Ohio Telephone	523,980	0.22
KMC Funding Corp.	406,950	0.17
Mid Valley Pipeline Co.	282,280	0.12
Genuity Solutions Inc.	226,550	0.10
Total	\$ 21,853,180	9.19 %
Total Assessed Valuation	\$ 237,777,970	

(1) The amounts presented represent the assessed values upon which 2006 and 2002 collections were based.

Note: Information prior to 2002 not available

Butler County, Ohio
Ratios of Outstanding Debt By Type

Last Ten Years

Year	Governmental Activities										Business-Type Activities						Percentage of Personal Income	Per Capita
	General Obligation Bonds	Special Assessment Bonds	Sales Tax Bonds	Leases Payable Bonds	Capital Leases	Long Term Notes	Short Term Notes	Revenue Bonds Payable	Loans Payable	General Obligation Bonds	Water Judgement Bonds	Long Term Notes	Short Term Notes	Long Term Notes	Short Term Notes			
1997	\$ 17,180,000	\$ 5,156,000	\$ 28,780,000	\$ -	\$ 192,850	\$ -	\$ 13,360,000	\$ 58,587,243	\$ -	\$ 2,044,966	\$ -	\$ -	\$ -	\$ -	\$ 18,125,000	1.78%	\$ 437	
1998	16,820,000	4,645,000	28,780,000	-	173,707	-	45,410,000	65,471,583	-	1,821,564	-	-	-	-	-	1.89	493	
1999	16,445,000	4,128,000	28,780,000	1,329,907	154,564	-	32,375,000	105,483,266	-	1,598,162	-	-	-	-	-	2.07	569	
2000	15,765,000	11,912,000	27,865,000	1,255,927	135,421	-	33,523,338	101,739,949	-	1,371,564	-	-	-	-	2,415,000	2.06	589	
2001	15,060,000	14,294,000	26,915,000	1,179,705	25,047	-	50,125,000	97,841,632	-	1,144,966	-	-	-	-	2,005,000	2.17	627	
2002	49,173,461	13,511,000	25,925,000	1,103,476	85,516	11,465,000	23,085,000	93,773,315	-	918,368	35,552,419	-	-	-	1,945,000	2.57	753	
2003	47,535,289	12,748,000	24,890,000	1,024,945	133,800	14,485,000	-	89,520,000	-	691,770	35,470,652	4,830,000	-	-	27,765,000	2.52	756	
2004	58,404,314	9,981,000	23,810,000	1,972,576	104,283	15,470,000	18,655,000	89,614,650	371,750	465,172	35,198,885	8,400,000	-	-	9,250,000	2.55	783	
2005	49,038,755	10,510,000	28,445,588	1,802,025	2,810,544	17,105,000	15,140,000	98,674,880	4,610,110	838,574	34,747,118	-	-	-	7,500,000	2.45	754	
2006	64,630,026	10,003,310	27,749,172	1,627,870	1,999,412	-	21,460,000	97,204,913	5,209,474	3,793,870	34,110,351	-	-	-	-	2.40	760	

Source: Butler County Auditor

Butler County, Ohio
Ratios of General Bonded Debt Outstanding

Last Ten Years

Year	General Obligation Bonds (1)	Ratio of Net Bonded Debt to Estimated Actual Value	Net Bonded Debt per Capita
1997	\$17,180,000	0.12 %	\$52.34
1998	16,820,000	0.11	50.81
1999	16,445,000	0.11	49.23
2000	15,765,000	0.09	47.37
2001	15,060,000	0.09	45.16
2002	49,173,461	0.27	144.40
2003	47,535,289	0.23	138.50
2004	58,404,314	0.28	168.53
2005	49,038,755	0.23	140.30
2006	64,630,026	0.27	183.45

(1) Does not include General Obligation Bonds paid from Enterprise funds.

Source: Butler County Auditor

Butler County, Ohio
Computation of Legal Debt Margin
Last Five Years (3)

	2002	2003	2004	2005	2006
Tax Valuation	<u>\$ 6,148,864,733</u>	<u>\$ 7,026,539,577</u>	<u>\$ 7,161,517,611</u>	<u>\$ 7,359,389,352</u>	<u>\$ 7,937,495,027</u>
Debt Limit (1)	<u>\$ 152,221,618</u>	<u>\$ 179,163,489</u>	<u>\$ 177,537,940</u>	<u>\$ 182,484,734</u>	<u>\$ 196,937,376</u>
Amount of Debt Applicable to Debt Limit					
General Obligation Bonds	18,047,784	16,425,000	28,700,000	20,495,000	30,780,000
General Obligation Notes	15,385,000	15,710,000	15,600,000	14,885,000	7,205,000
General Obligation Loans	-	-	-	-	137,346
Less Amount Available in Debt Service	-	-	-	-	-
Amount of Debt Subject to Limit	<u>33,432,784</u>	<u>32,135,000</u>	<u>44,300,000</u>	<u>35,380,000</u>	<u>38,122,346</u>
Legal Debt Margin	<u>\$ 118,788,834</u>	<u>\$ 147,028,489</u>	<u>\$ 133,237,940</u>	<u>\$ 147,104,734</u>	<u>\$ 158,815,030</u>
Legal Debt Margin as a Percentage of the Debt Limit	78.04%	82.06%	75.05%	80.61%	80.64%
Unvoted Debt Limit (2)	<u>\$ 61,488,647</u>	<u>\$ 70,265,396</u>	<u>\$ 71,615,176</u>	<u>\$ 73,593,894</u>	<u>\$ 79,374,950</u>
Amount of Debt Subject to Limit	<u>33,432,784</u>	<u>32,898,000</u>	<u>44,300,000</u>	<u>35,380,000</u>	<u>38,122,346</u>
Unvoted Legal Debt Margin	<u>\$ 28,055,863</u>	<u>\$ 37,367,396</u>	<u>\$ 27,315,176</u>	<u>\$ 38,213,894</u>	<u>\$ 41,252,604</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	45.63%	53.18%	38.14%	51.93%	51.97%

(1) Ohio Bond Law sets a limit calculated as follows:
Three percent of the first \$100,000,000 of the tax valuation
One and one-half percent of the next \$200,000,000 of the tax valuation
Two and one-half percent of the amount of the tax valuation in excess of \$300,000,000

(2) Ohio Bond Law sets a limit of one percent of the tax valuation

(3) Information not available prior to 2002

Source: Butler County Auditor

Butler County, Ohio
Pledged Revenue Coverage

Last Ten Years

Sewer Revenue Bonds

Year	Operating Revenues	Less: Operating Expenses (1)	Net Operating Revenue	Capacity Fees	Non-Operating Revenue (Expenses) Other	Net Non-Operating Rev (Exp) (2)	Net Available Revenue (3)	Debt Service (4)		Total	Coverage
								Principal	Interest		
1997	\$10,642,424	\$ 7,539,261	\$ 3,103,163	\$ 3,290,768	\$ 411,812	\$ 3,702,580	\$ 6,805,743	\$ 1,175,000	\$ 2,055,204	\$ 3,230,204	2.11
1998	11,600,404	7,802,955	3,797,449	3,196,443	(178,016)	3,018,427	6,815,876	1,395,000	1,791,187	3,186,187	2.14
1999	12,192,298	8,193,435	3,998,863	4,534,624	1,923,475	6,458,099	10,456,962	1,650,000	3,191,305	4,841,305	2.16
2000	15,181,737	8,864,899	6,316,838	3,360,152	1,547,881	4,908,033	11,224,871	2,660,000	3,448,300	6,108,300	1.84
2001	15,970,470	10,185,500	5,784,970	4,587,703	457,824	5,045,527	10,830,497	2,775,000	3,335,335	6,110,335	1.77
2002	16,854,168	11,070,073	5,784,095	6,762,444	716,403	7,478,847	13,262,942	2,900,000	2,946,367	5,846,367	2.27
2003	16,947,133	11,944,257	5,002,876	7,958,313	612,134	8,570,447	13,573,323	3,040,000	3,077,642	6,117,642	2.22
2004	17,778,094	13,209,048	4,569,046	9,014,420	2,798,802	11,813,222	16,382,268	2,785,000	2,725,944	5,510,944	2.97
2005	18,451,160	14,517,963	3,933,197	9,196,888	10,040,054	19,236,942	23,170,139	3,645,000	2,772,472	6,417,472	3.61
2006	19,238,592	14,220,210	5,018,382	5,654,267	560,847	6,215,114	11,233,496	3,800,000	1,752,062	5,552,062	2.02

Water Revenue Bonds

Year	Operating Revenues	Less: Operating Expenses (1)	Net Operating Revenue	Capacity Fees	Non-Operating Revenue (Expenses) Other	Net Non-Operating Rev (Exp) (2)	Net Available Revenue (3)	Debt Service (4)		Total	Coverage
								Principal	Interest		
1997	\$12,990,411	\$10,094,113	\$ 2,896,298	\$ 2,612,401	\$ 314,114	\$ 2,926,515	\$ 5,822,813	\$ 525,000	\$ 1,081,854	\$ 1,606,854	3.62
1998	14,961,586	12,454,508	2,507,078	2,752,163	(1,177,096)	1,575,067	4,082,145	545,000	1,061,064	1,606,064	2.54
1999	16,118,567	16,488,844	(370,277)	3,752,395	(193,335)	3,559,060	3,188,783	565,000	1,417,921	1,982,921	1.61
2000	16,936,905	15,550,143	1,386,762	2,604,217	384,501	2,988,718	4,375,480	1,085,000	1,586,699	2,671,699	1.64
2001	17,900,347	17,594,434	305,913	2,830,333	318,154	3,148,487	3,454,400	1,125,000	1,562,237	2,687,237	1.29
2002	20,300,608	17,442,027	2,858,581	3,232,357	1,239,956	4,472,313	7,330,894	1,170,000	1,367,629	2,537,629	2.89
2003	16,675,326	14,266,723	2,408,603	3,368,055	1,318,859	4,686,914	7,095,517	1,215,000	1,459,589	2,674,589	2.65
2004	19,539,968	14,438,596	5,101,372	4,153,770	2,283,690	6,437,460	11,538,832	1,260,000	1,421,566	2,681,566	4.30
2005	22,029,345	18,879,165	3,150,180	4,629,241	9,158,934	13,788,175	16,938,355	1,485,000	1,370,366	2,855,366	5.93
2006	22,186,770	16,636,338	5,550,432	2,923,530	729,728	3,653,258	9,203,690	1,900,000	1,814,159	3,714,159	2.48

(1) Operating expenses are shown exclusive of depreciation, per bond covenant.

(2) Net non-operating Rev(exp) are shown exclusive of interest and fiscal charges, per bond covenant.

(3) Net Available Revenue includes Net Operating Revenue combined with Net Non-Operating Rev(exp).

(4) Debt Service per bond redemption schedules.

Source: Butler County Auditor

(continued)

Butler County, Ohio
Pledged Revenue Coverage
 continued
Last Ten Years

Year	Sales Tax Revenue Bonds					Special Assessment Bonds						
	Sales Tax Revenues	Debt Service			Total Debt	Special Assessment Collections	Debt Service			Total Debt	Coverage	
		Principal	Interest	Interest			Principal	Interest	Principal			Interest
1998	\$ 12,889,270	\$ -	\$ 1,419,987	\$ 1,419,987	1,419,987	\$ -	9.08	\$ -	\$ -	-	-	-
1999	14,252,234	-	1,366,833	1,366,833	1,366,833	-	10.43	-	-	-	-	-
2000	15,709,348	915,000	1,366,833	2,281,833	2,281,833	-	6.88	-	-	-	-	-
2001	16,102,332	950,000	1,330,233	2,280,233	2,280,233	-	7.06	-	-	-	-	-
2002	16,642,460	990,000	1,291,045	2,281,045	2,281,045	-	7.30	-	-	-	-	-
2003	17,182,889	1,035,000	1,249,465	2,284,465	2,284,465	1,884,272	7.52	536,103	763,000	536,103	1,299,103	1.45
2004	18,047,011	1,080,000	1,204,443	2,284,443	2,284,443	1,563,809	7.90	537,466	587,000	537,466	1,124,466	1.39
2005	19,503,113	1,100,000	700,434	1,800,434	1,800,434	1,380,252	10.83	509,519	615,000	509,519	1,124,519	1.23
2006	40,662,394	680,000	1,266,775	1,946,775	1,946,775	1,374,653	20.89	531,040	506,690	531,040	1,037,730	1.32

Source: Butler County Auditor

Butler County, Ohio
Demographic and Economic Statistics

Last Ten Years

Year	Population (1)	Total Personal Income (4)	Per Capita Personal Income (2)	Unemployment Rate (3)
1997	328,263	\$8,052,619,653	\$24,531	3.5%
1998	331,065	8,633,844,135	26,079	3.3
1999	334,011	9,176,952,225	27,475	3.2
2000	332,807	9,523,272,305	28,615	3.0
2001	333,486	9,633,743,568	28,888	3.3
2002	340,543	9,973,142,298	29,286	4.4
2003	343,207	10,301,014,898	30,014	4.4
2004	346,560	10,643,897,280	30,713	3.8
2005	349,526	11,066,692,212	31,662	4.9
2006	352,310	-	-	5.9

- Sources:** (1) Bureau of Economic Analysis. The 1997 through 1999 and 2001 through 2006 population is estimated.
(2) Current year per capita personal income not available. Update will occur next year.
(3) Ohio Labor Market Information.
(4) Total personal income not available. Update will occur next year.

Butler County, Ohio
Principal Employers
Current Year and Ten years Ago

Employer	Nature of Business	2006		
		Number of Employees	Rank	Percentage of Total Employment
Miami University	Education	4,200	1	2.10%
AK Steel	Steel Manufacturing	4,100	2	2.05
Cincinnati Insurance	Insurance	2,600	3	1.30
Middletown Regional Hospital	Health Care	1,470	4	0.74
Ohio Casualty Corp.	Insurance	1,300	5	0.65
Fort Hamilton Hospital	Health Care	1,250	6	0.63
Cornerstone/Frontgate	Distribution	1,000	7	0.50
FKI Logistex	Manufacturing	871	8	0.44
Pierre Foods	Distribution	659	9	0.33
Smart Papers	Manufacturing	650	10	0.33
Total		<u>18,100</u>		<u>9.05</u>
Total Employment within the County		<u>200,000</u>		

Employer	Nature of Business	1996		
		Number of Employees	Rank	Percentage of Total Employment
AK Steel	Steel Manufacturing	4,250	1	3.07%
Miami University	Education	3,500	2	2.53
Butler County	Government	1,962	3	9.84
Cincinnati Financial Corp.	Insurance	1,800	4	1.30
Champion International	Paper Manufacturing	1,758	5	1.27
Ohio Casualty Corp.	Insurance	1,500	6	1.08
Mercy Hospital	Medical Care	1,400	7	1.01
Middletown Regional Hospital	Medical Care	1,400	8	1.01
Lakota Board of Education	Education	1,250	9	6.27
Fort Hamilton Hughes Hospital	Medical Care	1,129	10	0.81
Total		<u>19,949</u>		<u>28.19</u>
Total Employment within the County		<u>138,611</u>		

Sources: Census Bureau

Butler County, Ohio
County Government Employees by Function/Activity
Last Five Years

	2002	2003	2004	2005	2006
General Government					
Legislative and Executive					
Commissioners	47	45	47	48	49
Auditor	90	87	75	71	78
Treasurer	30	28	29	33	28
Prosecuting Attorney	65	65	63	63	67
Board of Elections	33	34	48	34	39
Recorder	19	20	20	17	18
Buildings and Grounds	7	7	7	6	6
Data Processing	32	36	38	34	31
Judicial					
Area Courts	33	39	42	47	47
Common Pleas Court	44	44	43	44	52
Probate Court	19	20	21	22	21
Juvenile Court	189	182	180	184	190
Municipal Court	32	32	32	34	38
Clerk of Courts	70	70	75	85	82
Domestic Relations	35	31	33	29	32
Law Library	2	2	2	2	2
Public Safety					
Sheriff	290	300	306	297	330
Probation	49	49	51	49	47
Paramedics	23	25	26	27	35
Emergency Management	4	4	4	4	4
Coroner	11	11	11	10	12
Public Works					
Engineer	85	85	88	85	93
Environmental Services	164	166	154	156	158
Health					
MRDD	361	350	359	317	300
Alcohol & Drug	5	5	5	5	5
Mental Health	11	9	10	9	8
Human Services					
Jobs and Family Services	194	195	199	190	191
Care Facility	196	179	168	180	180
Children's Services	164	145	173	183	196
Child Support Enforcement Agency	95	88	90	93	84
Veteran Services	14	16	13	14	15
Conservation and Recreation					
Parks	13	13	15	15	27
Community and Economic Development	26	24	25	27	26
Agency Funds					
Court of Appeals - 12th Dist Court	19	20	19	23	22
Health Dept	31	34	37	38	37
Regional Transit Authority	49	11	10	12	13
Soil and Water Conservation	10	8	7	5	6
Total	2,561	2,479	2,525	2,492	2,569

Note: Full time employees only
Information prior to 2002 not available
Source: Butler County Auditor

Butler County, Ohio
Operating Indicators by Funtion/Program
Last Ten Years
(continued)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General Government										
Legislative and Executive										
Auditor										
Number of exempt conveyances	5,872	5,630	5,320	5,483	7,589	6,228	6,636	6,304	6,318	5,618
Number of real estate transfers	9,395	10,075	10,953	10,856	14,026	10,524	11,202	11,358	11,799	10,284
Number of parcels billed	124,733	126,833	129,088	131,638	133,698	135,506	138,839			
Number of personal property returns										
Number of appropriation checks issued	67,996	71,618	68,717	74,164	71,789	68,940	71,630	71,266	72,445	73,636
Number of payroll checks issued	33,960	32,009	28,942	29,695	47,578	25,316	21,522	20,738	17,909	15,953
BMV										
Number of tags issued	-	-	55,329	62,093	67,080	66,623	65,562	68,294	68,842	64,279
Treasurer										
Number of parcels collected	92,092	91,507	91,224	107,656	90,625	90,445	138,734	140,504	152,470	151,239
Prosecuting Attorney										
Number of cases - criminal	-	-	-	-	-	-	1,951	2,258	2,380	2,411
Board of Elections										
Number of registered voters	192,984	198,649	197,719	216,275	206,056	215,796	207,675	238,022	230,873	232,187
Number of voters last general election	78,507	92,728	57,455	138,992	70,878	89,568	66,169	168,976	83,090	119,521
Percentage of register voters that voted	40.68	46.68	29.06	64.27	34.40	41.51	31.86	70.99	35.98	51.48
Recorder										
Number of deeds recorded	16,014	17,210	18,532	16,794	17,326	19,010	20,035	19,923	20,252	17,981
Number of mortgages recorded	23,672	33,367	29,994	24,083	34,448	40,637	49,791	34,447	32,709	27,392
Number of military discharges recorded	116	99	84	67	55	38	20	29	32	43
Number of purchase orders issued	17,163	17,848	35,219	19,085	25,095	26,938	29,940	26,893	28,967	30,129
Judicial										
Common Pleas Court										
Number of civil cases filed	2,358	2,226	2,482	2,796	3,223	3,432	3,529	4,031	4,176	2,343
Number of criminal cases filed	1,357	1,564	1,595	1,279	2,335	2,833	2,538	3,008	3,391	4,787
Probate Court										
Number of civil cases filed	60	51	80	51	53	46	41	36	52	50
Juvenile Court										
Number of civil cases filed	1,931	1,329	1,121	894	1,287	1,495	1,767	2,396	3,536	3,819
Number of criminal cases filed	6,034	6,483	6,301	6,186	7,221	7,438	6,274	4,502	4,540	4,778
Number of adjudged delinquent cases filed	4,559	4,594	4,444	4,558	5,420	5,633	4,540	2,959	2,739	2,757
Area Courts										
Number of civil cases filed	1,005	1,184	1,569	1,697	1,721	2,023	2,215	2,183	2,613	2,985
Number of criminal cases filed	19,730	20,943	19,358	25,914	25,713	27,181	27,117	22,683	24,021	25,552
Number of small claims cases filed	403	476	326	383	434	412	453	471	424	488
Clerk of Courts										
Number of civil cases filed	2,357	2,226	2,482	2,796	3,222	3,432	3,529	4,031	4,176	4,782
Number of oriminal cases filed	1,360	1,571	1,604	1,771	1,846	2,030	1,951	2,256	2,374	2,343
Domestic Relations										
Number of divorce cases files	2,060	1,776	1,759	1,733	1,669	1,529	1,496	1,571	1,493	1,567
Number of motions files	1,605	1,895	1,007	1,153	1,312	1,596	1,737	3,902	4,139	4,153
Number of protective orders	970	1,141	1,134	1,277	1,449	1,326	1,186	1,282	1,365	1,584
Public Safety										
Sheriff										
Jail Operation										
Average daily jail census	158	422	431	451	451	515	692	748	734	974
Prisoners booked	2,428	7,202	7,150	2,802	7,447	7,365	10,265	10,537	10,592	14,948
Prisoners released	-	-	-	-	-	7,277	10,159	10,507	10,509	14,645
Out of county bed days used	-	-	-	-	2,316	390	1,681	1,477	-	-
Enforcement										
Number of incidents reported	5,892	6,798	9,385	5,548	6,345	8,152	5,972	6,052	5,568	7,593
Number of citations issued	-	8,495	9,736	6,636	7,318	6,636	6,351	7,318	5,724	5,452
Number of transport hours	-	-	-	-	-	-	9,800	13,720	9,800	11,760
Number of court security hours	-	-	-	-	-	-	38,200	35,280	33,320	3,326
Concealed Weapons Permit										
Number of permits issued	-	-	-	-	-	-	-	-	969	992
Adult Probation										
Offenders supervised	2,101	2,334	2,003	2,142	2,127	2,381	2,419	2,107	1,985	2,227

(continued)

Butler County, Ohio
Operating Indicators by Funtion/Program
Last Ten Years
(continued)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Coroner										
Number of cases investigated	290	348	321	318	327	298	314	332	362	322
Number of autopsies performed	174	197	205	214	218	212	211	205	221	196
Public Works										
Engineer										
Miles of roads resurfaced	16	15.0	29	11	9	6	14	38	46	33
Number of bridges replaced/improved	12	10.0	15	3	9	11	12	9	6	4
Number of culverts built/replaced/improved	14	6.0	11	14	7	8	10	14	25	16
Building Department										
Number of permits issued	2,881	2,924	3,441	3,251	3,269	3,622	3,834	4,197	3,854	3,627
Number of inspections performed	-	-	-	26,741	26,219	27,918	29,914	29,674	31,427	25,127
Sewer District										
Average daily sewage treated	13.66	13.74	12.69	13.87	14.11	16.39	17.13	15.88	16.50	18.05
Number of tap-ins	1,172	982	1,343	1,279	1,090	1,131	1,570	1,653	1,863	1,443
Number of customers	-	-	-	29,441	31,814	33,363	35,287	36,854	38,293	41,448
Water District										
Average daily water distributed	7.42	7.75	9.22	8.90	9.40	11.02	10.88	10.52	12.55	11.51
Average daily water billed	33,425	36,825	43,483	44,219	45,834	53,439	43,206	50,676	57,883	58,529
Number of tap-ins	1,040	962	1,208	956	1,119	975	1,127	1,058	1,273	970
Number of customers	-	-	-	28,843	30,403	31,765	33,088	34,365	35,089	36,259
Health										
ADAS										
Average Client Count	1,417	1,844	924	1,700	660	777	1,449	1,671	2,033	1,352
Tx Episodes	1,574	1,668	1,848	2,842	2,110	2,718	2,755	2,304	2,033	2,238
MRDD										
Number of Children Served										
Early intervention program	-	-	-	-	-	281	437	530	669	750
Preschool	-	-	-	-	-	249	536	496	291	47
School age	-	-	-	-	-	322	426	532	582	617
Number of Adults Served										
Habilitation/Sheltered Workshop	-	-	-	-	-	475	504	509	525	479
Community Employment	-	-	-	-	-	174	172	170	172	170
Senior Program	-	-	-	-	-	38	31	32	28	23
Self Directed	-	-	-	-	-	0	0	0	18	27
Number Served in Residential Community Homes										
Community Homes	-	-	-	-	-	232	243	278	336	436
Percentage Served by Disability Level										
Mild	-	-	-	-	-	40	40	41	42	42
Moderate	-	-	-	-	-	27	28	28	28	28
Severe	-	-	-	-	-	16	16	15	15	16
Profound	-	-	-	-	-	17	16	16	15	14
Mental Health										
Average client count - intensive	1,351	1,953	1,185	2,048	1,926	1,014	2,251	2,062	2,070	2,214
Average client count - non-intensive	3,235	4,062	4,662	3,263	1,673	637	844	692	736	896
Average client count - early intervention	1,286	1,798	2,054	2,275	1,606	3,568	1,789	1,717	1,794	2,161
Human Services										
Jobs and Family Services										
Average client count - food stamps	-	10,487	9,726	10,402	12,729	15,445	18,974	21,866	23,781	25,767
Average client count - Medicaid	-	-	-	-	51,449	67,067	74,803	79,896	85,461	89,851
Average client count - day care	-	689	760	1,026	1,189	1,352	1,322	1,321	1,534	1,607
Average client count - WIA	-	-	-	-	307	477	532	583	582	413
Average client count - job placement	-	-	-	-	122	204	253	248	218	n/a
Children's Services										
Average client count - foster care	557	561	450	446	457	469	463	380	370	388
Average client count - adoption	47	63	67	43	44	34	67	55	55	40
Child Support Enforcement Agency										
Average number of active support orders	-	12,249	12,379	16,800	17,574	17,853	17,779	17,906	18,875	20,950
Percentage collected	-	77.29%	84.47%	71.45%	71.75%	71.43%	72.45%	72.70%	72.75%	71.26%
Veteran Services										
Number of veterans and/or dependents served	5,175	3,918	2,851	3,105	3,345	3,570	4,451	8,847	12,850	12,195.00
Amount of benefits paid to county veterans	296,039	201,587	185,945	207,861	293,704	407,535	647,830	640,634	606,175	-
Community and Economic Development										
Number of projects	6	6	35	34	40	32	57	64	79	37
Number of jobs created	-	-	-	-	-	-	-	-	7	10

Note: (-) Information not available.

Source: Butler County Auditor

Butler County, Ohio
Capital Asset Statistics by Function/Activity

	<u>2006</u>
General Government	
Administrative office space (sq. ft.)	9,480
Auditor/Information Services	
Administrative office space	16,072
Treasurer	
Administrative office space	5,096
Prosecuting Attorney	
Administrative office space	16,320
Board of Elections	
Administrative office space	9,304
Voting machines	1,668
Recorder	
Administrative office space	8,728
Buildings and Grounds	
Administrative office space	600
Judicial	
Common Pleas Court	
Number of court rooms	7
Probate Court	
Number of court rooms	2
Juvenile Court	
Number of court rooms	7
Clerk of Courts	
Administrative office space	11,016
Domestic Relations	
Administrative office space	24,128
Public Works	
Engineer	
Centerline miles of roads	267
Number of bridges	371
Number of culverts	1,019
Number of traffic signs	7,252
Building Department	
Administrative office space	2,344
Sewer District	
Number of treatment facilities	6
Number of pumping stations	34
Miles of sewer lines	811
Water District	
Number of treatment facilities	0
Miles of water lines	674
Health	
Human Services	
Jobs and Family Services	
Administrative office space	32,640
Child Support Enforcement Agency	
Administrative office space	16,320
Veteran Services	
Administrative office space	3,136
Conservation and Recreation	
Parks	
Number of parks	22
Acreage developed	530
Acreage undeveloped	2,661
Miles of trails	28

Note: Information prior to 2006 not available.



Mary Taylor, CPA
Auditor of State

FINANCIAL CONDITION

BUTLER COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
OCTOBER 2, 2007**