



Mary Taylor, CPA  
Auditor of State



**BUTLER COUNTY**  
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**BUTLER COUNTY**

**FEDERAL AWARDS EXPENDITURES SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2008**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<b><u>U.S DEPARTMENT OF AGRICULTURE</u></b>			
<i>Passed Through Ohio Department of Education:</i>			
Child Nutrition Cluster:			
School Breakfast Program	065888-O5NP-2006/2007	10.553	57,969
National School Lunch Program	065888-LLN1-2006/2007	10.555	101,291
Total Child Nutrition Cluster			<u>159,260</u>
<b>Total U.S. Department of Agriculture</b>			<b><u>159,260</u></b>
<b><u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u></b>			
Community Development Entitlement Grant		14.218	1,153,840
HOME Investment Partnerships Program		14.239	<u>971,150</u>
<b>Total U.S. Department of Housing and Urban Development</b>			<b><u>2,124,990</u></b>
<b><u>U.S. DEPARTMENT OF JUSTICE</u></b>			
State Criminal Alien Assistance Program (SCAAP)		16.606	44,679
Byrne Memorial Grants (Domestic Violence Support)		16.738	21,005
<i>Passed Through Ohio Department of Public Safety:</i>			
Byrne Memorial Grants (Domestic Violence Support)	2007-JG-D01-6280	16.738	39,868
<i>Passed Through City of Middletown</i>			
Byrne Memorial Grants (Domestic Violence Support)	2007-F3342-OH-DJ	16.738	<u>27,857</u>
Total Byrne Memorial Grants (Domestic Violence Support)			88,730
<i>Passed Through Ohio Department of Public Safety:</i>			
Juvenile Justice Substance Abuse	2007-JG-C01-6578	16.593	27,639
Violence Against Women Act	2007-WF-VA5-8807	16.588	<u>40,178</u>
<i>Total Passed Through Ohio Department of Public Safety</i>			<u>67,817</u>
<i>Passed Through Ohio Department of Youth Services:</i>			
Juvenile Accountability Incentive Block Grant	2007-JB-015-A025	16.523	13,356
	2006-JB-015-A025		<u>1,517</u>
<i>Total Passed Through Ohio Department of Youth Services</i>			14,873
<i>Passed Through Ohio Attorney General's Office:</i>			
Crime Victim Assistance	2009VAGENE103	16.575	20,950
	2008VAGENE103		92,854
	2009VADOME464		3,374
	2008VADOME464		<u>34,932</u>
Total Crime Victim Assistance			152,110
<i>Total Passed Through Ohio Attorney General's Office</i>			<u>152,110</u>
<b>Total U.S. Department of Justice</b>			<b><u>368,209</u></b>

(Continued)

**BUTLER COUNTY**

**FEDERAL AWARDS EXPENDITURES SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2008  
(Continued)**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<b><u>U.S. DEPARTMENT OF TRANSPORTATION/FEDERAL HIGHWAY ADMINISTRATION</u></b>			
<i>Passed Through Ohio Department of Transportation:</i>			
Highway Planning and Construction	PID 24708	20.205	6,637
	PID 78073		50,340
	PID83408		17,546
	PID 14114		<u>5,249,555</u>
Total Highway Planning and Construction			5,324,078
<i>Total Passed Through Ohio Department of Transportation</i>			<u>5,324,078</u>
<i>Passed Through Ohio Governor's Highway Safety Office:</i>			
STEP Grant	HVEO-2008-9-00-00-00213-00	20.601	<u>51,559</u>
<i>Total Passed Through Ohio Governor's Highway Safety Office:</i>			51,559
<b>Total U.S. Department of Transportation</b>			<b><u>5,375,637</u></b>
<b><u>U.S. DEPARTMENT OF LABOR</u></b>			
<i>Passed Through Ohio Department of Jobs &amp; Family Services:</i>			
Employment Services		17.207	7,000
Workforce Investment Act Cluster			
Workforce Investment Act - Youth		17.259	748,853
Workforce Investment Act - Adult		17.258	510,368
Workforce Investment Act - Dislocated Workers		17.260	<u>706,056</u>
Total Workforce Investment Act			1,965,277
<i>Total passed through Ohio Department of Job and Family Services</i>			<u>1,972,277</u>
<b>Total U.S. Department of Labor</b>			<b>1,972,277</b>
<b><u>U.S. DEPT. OF TRANSPORTATION/ FEDERAL AVIATION ADMINISTRATION</u></b>			
Airport Improvement Grant		20.106	33,972
			<u>452,547</u>
<b>Total Federal Aviation Administration</b>			<b>486,519</b>
<b><u>U.S. DEPT. OF EDUCATION</u></b>			
<i>Passed Through Ohio Department of Alcohol and Drug Addiction Services:</i>			
Safe and Drug Free Schools		84.186	<u>46,325</u>
<b>Total U.S. Department of Education</b>			<b>46,325</b>
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>			
Enhance the Safety of Children Affected by Parental Methamphetamine or Other Substance Abuse		93.087	366,526
<i>Passed Through Ohio Department of Alcohol and Drug Addiction Services:</i>			
Comprehensive Conflict Management Grant	N/A	93.243	10,356

(Continued)

**BUTLER COUNTY**

**FEDERAL AWARDS EXPENDITURES SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2008  
(Continued)**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<i>Passed Through Ohio Department of Mental Health:</i>			
PATH Federal Grant	N/A	93.150	197,324
Promoting Safe and Stable Families (FAST\$ Federal Grant)		93.556	34,510
<i>Passed Through Ohio Department of Mental Health:</i>			
Title XX Social Service Block Grant	N/A	93.667	254,365
<i>Passed Through Ohio Department of Developmental Disabilities:</i>			
Title XX Social Service Block Grant	N/A	93.667	211,575
Total Title XX Social Service Block Grant			<u>465,940</u>
<i>Passed Through Ohio Department of Mental Health:</i>			
Title XIX Medical Assistance Program	N/A	93.778	6,996,779
<i>Passed Through Ohio Department of Alcohol and Drug Addiction Services:</i>			
Title XIX Medical Assistance Program	N/A	93.778	1,035,127
<i>Passed Through Ohio Department of Developmental Disabilities (DODD):</i>			
Title XIX Medical Assistance Program	N/A	93.778	
Day Hab I/O Waiver			1,267,781
Day Hab Level I			707,251
Medicaid Administration Claims			285,718
TCM - FFP			698,474
Title XIX-Trans Non Med I/O			543,594
Title XIX-Trans Non Med Lev 1			459,140
Home Choice Transition			6,000
Supported Employment			68,136
Administrative Fees			<u>57,013</u>
<i>Total Passed Through Ohio DODD</i>			4,093,107
Total Title XIX Medical Assistance Program			12,125,013
<i>Passed Through Ohio Department of Mental Health:</i>			
Block Grant for Community Mental Health Services	N/A	93.958	108,293
<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	2,479,728
<i>Passed Through Ohio Department of Mental Health:</i>			
State Children's Insurance Program (SCHIP)	N/A	93.767	536,445
<i>Passed Through Ohio Department of Developmental Disabilities:</i>			
State Children's Insurance Program (SCHIP)	N/A	93.767	<u>8,891</u>
Total State Children's Insurance Program (SCHIP)			545,336
<i>Passed Through Ohio Secretary of State Office:</i>			
Voting Access for Individuals with Disabilities	N/A	93.617	49,064
<b>Total U.S. Department of Health and Human Services</b>			<u><b>16,382,090</b></u>

(Continued)

BUTLER COUNTY

FEDERAL AWARDS EXPENDITURES SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2008  
(Continued)

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<b><u>U.S. DEPARTMENT OF HOMELAND SECURITY</u></b>			
<i>Passed through Ohio Emergency Management Agency:</i>			
FEMA	DR-1805-OH FEMA	97.036	378,500
<b>Total U.S. Department of Homeland Security</b>			<b><u>378,500</u></b>
<b>Total</b>			<b><u><u>\$27,293,807</u></u></b>

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

**BUTLER COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE  
FISCAL YEAR ENDED DECEMBER 31, 2008**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B – SUBRECIPIENTS**

The County passes-through certain Federal assistance received from the Ohio Department of Development and the Ohio Department of Alcohol, Drug and Addiction Services to other governments or not-for-profit agencies (subrecipients). As described in Note A, the County records expenditures of Federal awards to subrecipients when paid in cash.

The subrecipient agencies have certain compliance responsibilities related to administering these Federal Programs. Under Federal Circular A-133, the County is responsible for monitoring subrecipients to help assure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements, and that performance goals are achieved. The total amounts of federal assistance provided to the subrecipients by the County for each federal program is summarized below:

<b>Program Title</b>	<b>Federal CFDA Number</b>	<b>Amounts Provided to Subrecipients</b>
Community Development Block Grant	14.218	\$73,800
Home Investment Partnership Program	14.239	589,765
Juvenile Justice Substance Abuse	16.593	27,639

**NOTE C - 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.

**NOTE D - COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) REVOLVING LOAN PROGRAMS**

The County has established a revolving loan program to provide low-interest loans to businesses to create jobs. The Federal Department of Housing and Urban Development (HUD) grants money for these loans to the County. The initial loan of this money was recorded as a disbursement on the Schedule of Federal Awards Expenditures (the Schedule). Loans repaid, including interest, are used to make additional loans. Such subsequent loans are subject to certain compliance requirements imposed by HUD, but are not included as disbursements on the Schedule.

These loans are collateralized by mortgages on the property. At December 31, 2008, the gross amount of loans outstanding under this program was \$449,860.

**NOTE E - MATCHING REQUIREMENTS**

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

**NOTE F – WORKFORCE INVESTMENT 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 \$1,345,485 and \$947,937 to Clermont and Warren Counties, respectively during fiscal year 2008.

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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 Board of County Commissioners:

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Butler County, Ohio (the County), as of and for the year ended December 31, 2008, which collectively comprise the County's basic financial statements and have issued our report thereon dated June 17, 2009. 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 opinion 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider significant deficiencies.

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.

We consider finding 2008-001 described in the accompanying schedule of findings to be a significant deficiency in internal control over financial reporting.

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 the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. We believe finding number 2008-001 is also a material weakness.

We noted certain matters that we reported to the County's management in a separate letter dated June 17, 2009.

### **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 instances of noncompliance or other matters that we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2008-001 through 2008-003.

We did note certain noncompliance or other matters that we reported to the County's management in a separate letter dated June 17, 2009.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the County's responses and, accordingly, we express no opinion on them.

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



**Mary Taylor, CPA**  
Auditor of State

June 17, 2009



# 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 Board of 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, 2009. 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, 2008. In a separate letter to the County's management dated June 17, 2009, we reported other matters related to federal noncompliance not requiring inclusion in this report.

#### 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.

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 County's ability to administer a federal program such that there is more than a remote likelihood that the County'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. However, we noted matters involving the internal control over federal compliance not requiring inclusion in this report, that we reported to the County's management in a separate letter dated June 17, 2009.

#### **Federal Awards Expenditures Schedule**

We have also audited the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of Butler County as of and for the year ended December 31, 2008, and have issued our report thereon dated June 17, 2009. Our audit was performed to form an opinion 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.

The County's responses to the findings we identified are described in the accompanying schedule of findings. We did not audit the County's responses and, accordingly, we express no opinion on them.

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

June 17, 2009

**BUTLER COUNTY**  
**SCHEDULE OF FINDINGS**  
**OMB CIRCULAR A -133 § .505**  
**DECEMBER 31, 2008**

**1. SUMMARY OF AUDITOR'S RESULTS**

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unqualified
<b>(d)(1)(ii)</b>	<b>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</b>	Yes
<b>(d)(1)(ii)</b>	<b>Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	Yes
<b>(d)(1)(iv)</b>	<b>Were there any material internal control weaknesses reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any other significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unqualified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under § .510?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	CFDA 14.239 Home Investment Partnerships Program CFDA 20.205 Highway Planning and Construction CFDA 93.767 State Children's Health Insurance Program CFDA 93.959 Block Grants for Prevention and Treatment of Substance Abuse
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$818,814 Type B: all others > \$100,000
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee?</b>	Yes

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

**FINDING NUMBER 2008-001**

**Noncompliance/Material Weakness**

Section 148 of the Internal Revenue Code requires that entities earning interest on the invested gross proceeds of tax exempt debt that is materially higher than the yield on the bond issue (i.e. arbitrage) must pay (rebate) the earnings to the Federal government. Two general sets of requirements under the Code must be applied in order to determine whether the governmental bonds are arbitrage bonds: yield restriction requirements of section 148(a); and rebate requirements of section 148(f). Each set of rules has their distinct requirements and may result in a required rebate.

Governmental Accounting Standards Board Interpretation (GASBI) No. 6 generally requires that all liabilities that are both available and measurable are fund liabilities unless expressly excluded by GASB. GASBI No. 6 expressly excludes unmatured long term indebtedness which is defined as the "unmatured principal of bonds, warrants, notes, or other forms of noncurrent or long-term general obligation indebtedness that is not a specific liability of any proprietary fund..." under ¶ 43 of National Council on Governmental Accounting Statement (NCGAS) No. 1. Arbitrage liabilities are not expressly exempt under these statements; therefore, they must be recognized currently in the fund receiving the bond proceeds because current resources are available (i.e., the excess earnings). *AICPA AAG State and Local Governments Guide* ¶ 5.06 states that governments generally should calculate the liability annually to determine if the amount is material (and therefore reportable). When measuring the rebate liability, the County should consider the *cumulative* effect of the rebate requirement. For example, the County could calculate the specific rebate requirement for the first year. However, in the next year, a reduced arbitrage rebate requirement could replace the larger requirement calculated in the first year.

The County has several debt issuances that are subject to the arbitrage rules. However, the County only completed an arbitrage calculation for the 1997 Sales Tax Bond that was submitted to the IRS in a letter dated April 25, 2008. The 1997 Sales Tax Bond was refinanced in 2005. An arbitrage calculation has not been completed for the County's other tax-exempt bond issuances.

Failure to perform arbitrage rebate calculations could lead to a liability that would materially misstate the County's financial statements and/or lead to noncompliance with the IRS Arbitrage Rules.

We recommend that the County consult with their bond counsel to perform an annual calculation of potential arbitrage rebates for all applicable outstanding debt issuances and report the arbitrage liabilities on the County's financial statements. Performing a calculation annually will also aide in monitoring compliance with arbitrage regulations.

**Officials' Response:**

The County has requested bond council perform annual calculations to identify potential arbitrage rebates related to all Butler County outstanding debt issuances.

**FINDING NUMBER 2008-002**

**Noncompliance**

**Ohio Rev. Code, Section 5705.39**, states, in part, that the total appropriation from each fund shall not exceed the total estimated revenue. On an interim basis at October 31, 2008, the County had appropriations exceeding estimated revenue in the following fund:

<b>Fund</b>	<b>Estimated Resource Amount</b>	<b>Appropriation Amount</b>	<b>Variance</b>
1630 Community Mental Health	\$30,619,701	\$33,556,708	\$(2,937,007)

Failure to limit appropriations to the amount of estimated resources could result in overspending of funds and negative fund balances. We recommend that the County implement procedures to monitor appropriations and estimated resources. The Commissioners should approve amendments when necessary.

**Officials' Response:**

The Auditor's office provides Office of Management and Budget (OMB) with a spreadsheet containing estimated resource thresholds in order to monitor and limit appropriation amounts. The Oracle accounting system has a set of rules in place that prevents expenditures from exceeding certified resources.

**FINDING NUMBER 2008-003**

**Finding for Recovery**

The County's Auditor's office operated a License Bureau (the Bureau) under Ohio Revised Code Section 4503.03 (A)(1)(a) through July 13, 2009. The fees that are collected and due the State are deposited into a State of Ohio bank account, the fees that are collected and due the County are deposited into an outside bank account held by the County Auditor. Amounts which were due the State were determined via entries in the Bureau of Motor Vehicles (BMV) Business Application Services System (BASS) and/or Point of Sale (POS). Amounts due the County were calculated using an in-house created excel spreadsheet called "Balance Sheet". Any money collected daily in excess of the 'Balance Sheet' was kept in an envelope in their safe.

The County Auditor's office conducted a review of the Bureau in February of 2009 and found there was \$675 in excess of cash on hand in the safe. Due to the large amounts kept on hand they reviewed the "Balance Sheet" to determine why such an overage existed. The County Auditor's office reviewed the BASS/POS reports and then compared what they determined should be fees collected to amounts listed on the "Balance Sheet." They found that there was an error in calculations related to fees collected for biennial license plates fees. They were properly collecting an additional \$1.75 per license plate but this amount was not calculated in the amount that should be deposited daily into the County Auditor's BMV outside bank account. Thus amounts related to this error appeared to be overages which they kept in the safe. This in addition to occasional input errors on excel resulted in money collected in excess of the daily 'Balance Sheet' which was not deposited.

**FINDING NUMBER 2008-003**  
**(Continued)**

We reviewed the Bureau's excel spreadsheet "balance sheets", the County Auditor's outside bank account used for the Bureau's deputy and agency fees, and the BASS/POS reports from the State for the periods from January 2004 till February 2009. We determined for this time period there was a variance of \$4,800 of deputy and agency fee receipts collected per the BASS/POS reports that were not deposited to the County Auditor's outside bank account used for the Bureau's deputy and agency fees per review of the County Auditor's outside bank account bank statements for this time frame. The \$675 in excess cash on hand was paid into the County's BMV fund. The County Auditor's Office reported that funds collected but not deposited were spent on supplies, doughnuts, pizza and other miscellaneous items. No documentation has been provided to support the expenditure of the \$4,125 of fees collected but unaccounted for.

Office Manager of the County License Bureau, Penny Gibson, was responsible for the license bureau operations, including collecting, and receipting fees, and depositing the funds collected.

In accordance with the forgoing facts and pursuant to **Ohio Revised Code Section 117.28**, a finding for recovery for public money collected but unaccounted for is hereby issued against Penny Gibson, former Office Manager of the Bureau, and County Risk Sharing Authority, her bonding company, jointly and severally, in the amount of \$4,125 in favor of the Butler County BMV Fund (Fund 0015 Cost Center 040007).

Additionally, under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is made is liable for the amount of the expenditure. Seward v. National Surety Corp. (1929), 120 Ohio St. 47; 1980 Op. Att'y Gen. No. 80-074; Ohio Rev. Code Section 9.39; State ex. Rel. Village of Linndale v. Masten (1985), 18 Ohio St. 3d 228. Public officials controlling public funds or property are liable for the loss incurred should such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property, 1980 Op. Att'y Gen. No. 80-074.

Therefore, because Kay Rogers as former County Auditor serving as Registrar of the Bureau during the time period of January 1, 2004 through March 4, 2008, supervised the account of a public office from which public money collected but unaccounted for occurred, she and her bonding company, The Ohio Casualty Insurance Company, are jointly and severally liable in the amount of \$4,125 in favor of the Butler County BMV Fund (Fund 0015 Cost Center 040007).

Additionally, because Mike Tilton, serving in the same capacity from March 5, 2008 to April 15, 2008 supervised the account of a public office from which public money collected but unaccounted for occurred, he and his bond, held by Freeholders Tonya Blackwood and Lori Sullivan, are jointly and severally liable in the amount of \$114 in favor of the Butler County BMV Fund (Fund 0015 Cost Center 040007).

Finally, because Roger Reynolds, currently serving in the same capacity from April 16, 2008 to February 20, 2009 supervised the account of a public office from which public money collected but unaccounted for occurred, he and his bonding company, The Ohio Casualty Insurance Company, are jointly and severally liable in the amount of \$441 in favor of the Butler County BMV Fund (Fund 0015 Cost Center 040007).

The Auditors serving as Registrar of the Bureau; Kay Rogers, Mike Tilton, and Roger Reynolds shall be secondarily liable for such illegal expenditures to the extent that recovery or restitution is not obtained from Penny Gibson.

**FINDING NUMBER 2008-003  
(Continued)**

**Officials' Response:**

In January 2009, the County Auditor's Office evaluated the operations and procedures of the Hamilton West BMV. During this evaluation, it was noted that personnel at the BMV failed to accurately account for the additional \$1.75 fee charged by the State for biennial license plate fees. BMV personnel failed to accurately reconcile the state produced reports (BASS/POS) to an internally created Excel spreadsheet (Balance Sheet). At this time, a thorough investigation was performed by the County Auditor's Office on all daily reports (BASS/POS), the "Balance Sheets", deposit slips and bank statements which encompassed a time frame from January 2004 until February 2009. It was discovered that the \$1.75 biennial fee was collected, however, not deposited into the outside bank account. This fee was collected in an envelope in the BMV safe. It was determined by the County Auditor's office that approximately \$4,800 could not be substantiated by corresponding deposits into the bank account. The BMV had approximately \$675 on hand in the safe which was taken into custody by the County Auditor and deposited into County funds also during February 2009. The County Auditor reported his findings to the State Auditor's office, Sheriff's office and field agent with the FBI. The County Auditor immediately implemented new policies and procedures for collections of funds and reconciliation practices at the Hamilton West BMV which enhanced internal controls and reduced the risks of future misappropriation of funds.

<b>3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS</b>
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None

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**BUTLER COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS  
OMB CIRCULAR A -133 § .315 (b)  
DECEMBER 31, 2008**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2007-001	Finding for Recovery- Alteration of Juvenile Court reimbursement forms submitted by attorneys.	No	Not Corrected. The matter has been referred to the County Prosecutor's office.
2007-002	Finding for Recovery- Repaid Under Audit for use of unearned vacation leave.	Yes	Corrected.
2007-003	Material Noncompliance / Significant Deficiency – ORC 5705.41(D)(1) Failure to Properly Encumber Funds	No	Partially Corrected. The Commissioners approved then and now's issued from January to September 2008 by resolution in December 2008; repeated in management letter.
2007-004	Material Noncompliance – ORC 5705.39 Appropriations in Excess of Estimated Resources on an interim basis	No	Not Corrected. Comment is repeated in the Schedule of Findings as #2008-002.



# *Butler County, Ohio*

## Comprehensive Annual Financial Report



For the Year Ended  
December 31, 2008

In the Spotlight: Butler County  
Engineer's Office



# **Butler County, Ohio**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2008**

**ISSUED BY:  
ROGER REYNOLDS, CPA  
BUTLER COUNTY AUDITOR**

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# INTRODUCTORY SECTION

## FOCUS

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

**G**regory J. Wilkens began serving as Butler County Engineer on January 1, 2001 and won his third term of office in November 2008.

Employed at the Engineer's Office since 1973, Wilkens worked in several departments providing him with a wide background and solid foundation upon which to build his career – eventually becoming the BCEO's Manager of Development. After a two and a half year stint as Executive Director of Butler County's Transportation Improvement District, Wilkens was elected to the office of County Engineer.

Wilkens has proven to be an effective leader both during the county's commercial and residential growth periods and the more recent downturn in construction. He has pledged to make sound decisions that place the public welfare and safety above all other concerns.



**Engineer Gregory J. Wilkens,  
P.E., P.S.**



BCEO employees work to replace a culvert at Elk Creek Road in Madison Township.

**A**ll potential projects are identified and developed by BCEO engineers, who also determine a funding source for each project and place it on a timeline. Ongoing three- and five-year plans are maintained and routinely updated. Most large scale projects have already been identified in the Butler County Thoroughfare Plan developed by the Engineer's Office, which serves as an ongoing comprehensive 20-year countywide transportation planning guide. The Plan is modified every four to five years based on development and growth trends and subsequent changing traffic demands.



**Engineering Department**



**Operations Fleet & Facility**



**Construction Department**



**Administration**

<b>Butler County Certified Road Mileage</b>	
County Roads	275.22
Township Roads	760.01
U.S./State Roads	230.83

<b>Certified Road Mileage By Township</b>		
Township	County Roads	Twp. Roads
Fairfield	14.06	77.27
Hanover	25.72	36.14
Lemon	0.00	11.26
Liberty	29.19	131.20
Madison	23.37	52.08
Milford	20.40	30.99
Morgan	26.79	30.88
Oxford	18.46	27.99
Reily	29.28	34.12
Ross	12.94	46.19
St. Clair	21.88	33.16
Wayne	14.18	30.04
West Chester	38.95	218.69
<b>Total</b>	<b>275.22</b>	<b>760.01</b>



**Storm Water District**



**Operations Department**



**Traffic Department**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Year Ended December 31, 2008

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For The Year Ended December 31, 2008

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Office Phone: 513-887-3154  
Office Fax: 513-887-3149

130 High Street  
Hamilton, Ohio 45011



June 17, 2009

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, 2008.

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 2008. 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, 2008. The independent accountants' report is presented as the first component 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 2008 estimated population of 360,765, ranks eighth largest of Ohio's 88 counties and third among the 14 counties comprising the Greater Miami Valley. The County encompasses 471 square miles with thirteen municipalities and thirteen townships. The City of Hamilton is the county seat and the largest of the incorporated areas with an estimated population of 63,000. West Chester Township is the largest unincorporated area in the County and, with a population of 62,127, 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, 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 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 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: Emergency Management Agency, Regional Transit Authority, Butler County General Health District, Butler County Soil and Water Conservation District, the Twelfth District Court of Appeals, and the Workforce Investment Area Twelve; therefore, they are reflected as agency funds within the County's financial section.

The Butler County Alliance 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 Convention and Visitor Bureau, Butler County Port Authority, Metroparks of Butler County, and Regional Transit Authority are disclosed as related organizations. The Butler County Emergency Management Agency, Transportation Improvement District of Butler County, Butler/Clermont/Warren Workforce Policy Board and Ohio Kentucky Indiana Regional Council of Governments are disclosed as jointly governed organizations. The County Risk Sharing Authority (CORSA) is disclosed as a risk sharing pool and County Employee Benefits Consortium of Ohio, Inc. (CEBCO) as an insurance purchasing pool.

A complete discussion of the County's reporting entity is provided in Notes 1 and 21 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. Butler County is the fastest growing of the 10 largest counties in Ohio since 2000, according to census estimates. Eighth largest among the state's 88 counties, Butler County's population increased at a rate of 8.4 percent through 2008. Ranking 179th out of 3,142 counties in the nation, Butler is among the top six percent of counties in terms of total population. Hamilton County to the south ranks 58th and Montgomery to the north along the I-75 corridor ranks 113th. Served by rail lines, interstate highways, two nearby international airports, and a high-speed fiber-optic data communications, Butler County is an ideal location for businesses to locate and prosper.

It's estimated that fifty-eight percent (58%) of Butler County's population of 25 and older has some college education, an associate's degree, a bachelor's degree, or graduate or professional degrees. More than 2,000 area firms are currently engaged in high technology. Because of its location in the center of a

region with a workforce of 1.5 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.

Despite Ohio's sluggish economy, Butler County contains growing new industries and is a magnet for consumer and pharmaceutical Research and Development, manufacturing technology, supply chain management, and healthcare and medical technology. Southwest Ohio 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. and the Genome Research Institute.

In 2008, Amylin Pharmaceuticals substantially completed construction on a new facility in Butler County's West Chester Township. The company reports it is now manufacturing exenatide once weekly at commercial scale in this facility and began supplying clinical trials with this material in the third quarter of 2008. Since 2005, Amylin has brought approximately 500 jobs to the county.

Also in 2008, GE Aviation announced the move of its engineering division to West Chester Township as part of a plan to bring 1,000 new jobs and a \$55 million facility to Butler County. The company selected the site of the former Queen City Sports Complex, 9267 Cincinnati-Dayton Road, for the two-building, 400,000-square-foot facility, which will house 1,400 total employees with average annual salaries of \$100,000.

Conshohocken, Pennsylvania-based Quaker Chemical Corp. announced plans in 2008 to triple production capacity in its Middletown facility and centralize Quaker's North American production of steel, cleaner, and hydraulic fluids at that facility. Upon completion in late 2009, the Middletown facility would become Quaker's second largest facility globally. Quaker will transfer all production except for its metalworking fluids from its plant in Detroit to Middletown. The project will require an investment of approximately \$19.8 million, of which approximately \$10 million will be financed through the issuance of Industrial Development Revenue Bonds by the Butler County Port Authority.

Tennessee-based SunCoke signed an agreement in March 2008 with West Chester Township-based AK Steel Corp. to build a \$340 million facility along Yankee Road that will use a cleaner, more efficient heat recovery method to produce coke. AK has agreed to purchase all of the coke and electricity the plant produces for at least 20 years. The plant will bring 500 temporary construction jobs and 75 permanent facility jobs once completed. The project promises to ensure the future viability of AK's steelmaking operations in Middletown.

BAE Systems, which manufactures commercial and military armored vehicles, armor kits and ballistics glass, expanded its Butler County facility in March 2008, adding 700 employees. It has almost 1 million square feet of office and manufacturing space in West Chester Township, where the company employs about 1,900 workers.

In addition to continued growth in manufacturing, medical facility additions and expansions continued across the County in 2008 and it's expected that the medical presence in the County will continue to expand into the future as the Baby Boomer population ages. The Middletown Regional Hospital moved to the Atrium Medical Center near the intersection of I-75 and Ohio 122. The \$195 million hospital sits on a 200-acre health campus that is home to nine health care facilities, and additional facilities are on the way in 2009. Children's Hospital completed a new \$83 million, 230,000-square-foot Liberty Township pediatric outpatient center in 2008. Construction began in 2006 on a five-story, \$224 million West Chester Medical Center and is on pace to open in 2009. When fully staffed, hospital officials say the 380,000 square-foot facility will bring about 1,000 jobs to the community. Mercy Hospital Fairfield opened a medical facility in the Liberty Falls Retail and Office Center in Liberty Township in 2008. Mercy Hospital will occupy about half of the 40,000-square-foot building.

Retailers continue to find a welcoming home in Butler County. IKEA, the popular Swedish home furnishings retailer, opened its 344,000-square-foot store in West Chester in March 2008. The store (and restaurant) is the company's first destination in Ohio. Renovation work to convert the Hamiltonian Hotel on Riverfront Plaza to a Courtyard by Marriott began in November 2007. The 120-room hotel was scheduled to open in early 2009. It will feature 60 double-bed rooms and 60 king-size rooms, four of which will be large suites, according to Marriott officials. Bridgewater Falls in Fairfield Township continues to bring in more retail stores and township officials announced plans for the region's first Menards, a home improvement store, to anchor The Fountains of Fairfield Township, a 52-acre shopping center. The proposed 144,107-square-foot store is scheduled for a 2010 opening.

## **MAJOR INITIATIVES**

### **Water System**

The water system serves the residents and businesses in the southeast portion of Butler County, including West Chester, Liberty and Fairfield Townships. Additionally, the system serves wholesale water to the City of Monroe. The water system consists of five pump stations, eleven storage tanks and reservoirs and 617 miles of water mains.

Several major water main construction projects took place in 2008. The County replaced the existing cast iron water mains along McCauley Road between Dimmick Road and Fields Ertel Road, along Castle Hill from Princeton to Devon, and along LeSourdsville Westchester Road north of Tylersville to Senour. The cast iron pipe was replaced with ductile iron pipe and will extend the life of these water lines for up to 100 years.

Additionally, several cast iron replacement projects were designed in anticipation of proceeding with construction next year. These projects included water main along Cincinnati Dayton Road from just south of Westchester Road to Dimmick Road, along Hamilton Mason Road from I-75 to Cincinnati Dayton Road, along Reigart Road from Route 4 to the north, along Rockdale Road from Route 4 to the north, and along Yankee Road from Princeton Road to Millikin Road.

### **Sewer System**

The sewer system consists of two (2) regional water reclamation facilities, four (4) satellite treatment plants, 34 lift stations and 731 miles of sewer mains that return clean water to our rivers and streams.

Several sewer projects were designed in 2008 with construction scheduled for early in 2009. These projects include a Shaker Creek Relief Sewer, Big Monroe Parallel Force Main and the upgrading of the LeSourdsville Water Reclamation Facility.

The Shaker Creek Relief Sewer includes 5640 feet of 36 inch to 15 inch gravity sewer draining from the area in Warren County just north of Route 63 into the City of Monroe. The Big Monroe Parallel Force Main includes paralleling the existing force main carrying the sewage discharging from the Big Monroe Pump Station to the gravity trunk sewer which eventually flows to the LeSourdsville Water Reclamation Facility. The upgrading to the LeSourdsville Water Reclamation Facility includes increasing the capacity from 12 million gallons per day to 15 million gallons per day and increasing the ability to handle wet weather flows.

### **Recycling Programs**

The Solid Waste District offers award winning, innovative recycling programs to all County residents such as on-demand freon appliance collection, bi-monthly electronic waste recycling program, weekly household hazardous waste programs and approximately 22 recycling drop boxes.

### **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.

The final stages of construction were completed on the emergency communications system during 2008. This system will be fully operational during 2009 to the benefit of the entire County. Design work was completed in 2007 for the renovation with the construction work being completed during 2008 of an existing County building to accommodate an operations center for this emergency communications system.

The new Princeton Road Administration building was completed in 2008. This building houses the County's Board of Elections offices and voting machine storage and also the Soil and Water Conservation District, Butler County Port Authority and the Ohio State University Extension Office. The County also completed the remodeling of the court facilities located in the Government Services Center.

Construction for the new animal shelter began in 2008 and occupancy is expected in the spring of 2009.

## **FOCUS ON THE BUTLER COUNTY ENGINEER'S OFFICE**

Below is a brief overview of the of the Butler County Engineer's Office:

### **Gregory J. Wilkens, P.E., P.S., Butler County Engineer**

Gregory J. Wilkens began serving as Butler County Engineer on January 1, 2001 and won his third term of office in November 2008. Employed at the Engineer's Office since 1973, Wilkens worked in several departments providing him with a wide background and solid foundation upon which to build his career – eventually becoming the BCEO's Manager of Development. After a two and a half year stint as Executive Director of Butler County's Transportation Improvement District, Wilkens was elected to the office of County Engineer. Wilkens has proven to be an effective leader both during the County's commercial and residential growth periods and the more recent downturn in construction. He has pledged to make sound decisions that place the public welfare and safety above all other concerns.

### **Office Information**

The Butler County Engineer's Office (BCEO) is made up of seven separate departments working together for the benefit of county residents. The departments are: Construction, Operations, Engineering, Development Services/Storm Water District, Tax Map, Traffic and Administration/Information Services.

The BCEO is responsible for the "construction, reconstruction, maintenance and repair of all bridges and highways within the county that are under the jurisdiction of the Board of County Commissioners," according to the Ohio Revised Code. As of December 31, 2008 the county system in Butler County included 275 miles of roads, 395 bridges, 1,062 culverts, and 71 traffic signals. The ORC also states that the County Engineer's Office is responsible for the "construction, reconstruction, resurfacing, or improvement of roads by boards of township trustees..." What this means is that the Butler County Engineer serves as the engineer for the townships and their network of roadways as well.

Funding for the BCEO's annual slate of projects comes primarily from gasoline taxes and license plate fees. Annual income generated from these two sources is approximately \$12 million. This revenue is important as local match money for leveraging additional outside funding from State and Federal sources.

Many projects are the combined efforts of the Engineer's Office, the Transportation Improvement District and other local governments. During 2008, the Butler County Engineer's Office was involved with over \$21 million in roadway construction and upgrades, including the completion of several bridge replacements and rehabilitations, multiple culvert replacements and repairs, intersection improvements, roadway improvements, many miles of resurfacing, and two (2) Community Development Block Grant projects. Expenditures were also made on general roadway maintenance, including snow and ice control.

Complete details of the County Engineer's activities are always available on the BCEO's web site at [www.bceo.org](http://www.bceo.org). The site also contains general information about the Engineer's Office, plus helpful topics such as services provided, current and future projects, contracts, public meetings, and road closings.

### **2008 Project Review**

#### ***Bridges***

The Engineer's Office performs an annual inspection of all bridges on county and township roads. Some bridges receive inspection two or more times per year due to their worsened condition. The BCEO had inspection and maintenance responsibility for 395 bridges (structures with a clear span of ten feet or greater) at the end of 2008. Four bridges were posted with load limit restrictions by the end of 2008. The County Engineer's aggressive bridge program is designed to reduce and eventually eliminate all load rated bridges.

#### ***Culverts***

The BCEO is responsible for biennial inspection of all culverts located on county and township roads that totaled 1,062 at the end of 2008. A culvert is a conduit running underneath a road for the purpose of transferring storm water runoff from one side of the road to another. Culvert replacements are, like bridges, determined by the age and condition of the structure.

### ***Paving***

The Butler County Engineer's Office is responsible for 275 miles (centerline miles) of roadway and has a 12 year paving program in place. This system enables roads to be resurfaced on a regular basis and maintained routinely in a more cost effective manner. Many township roads that are substandard in lane width and those county roads that meet minimum standards only, where feasible, are also being widened to bring them up to modern safety standards.

### ***Roadway Improvement/Intersection Improvement***

The Engineer's Office completed five (5) Roadway Improvement projects in 2008 and seven (7) Intersection Improvement projects.

### ***Other***

This category can include varying types of projects such as guardrail installation, centerline and edgeline re-striping contracts, drainage improvements, roadside slip repairs, and Community Development Block Grant projects.

## **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 proprietary 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. The legal level of control has been established by the County Commissioners at the fund, program, department, and object level. 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, 2008. 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, 2007. 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 Gregory Wilkins, County Engineer, and Chris Petrocy with the Butler County Engineer's Office, Katie Smiddy, with the Department of Environmental Services, David Brown, with the Auditor's Office and Tim Williams and Bob Lowery 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.

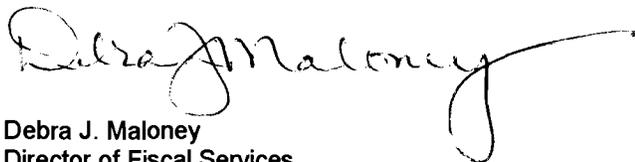
This report would not have been possible if not for the significant efforts and dedication of the Fiscal Services staff. We offer our sincere thanks to the following members of the Fiscal Services staff, each of whom were invaluable contributors committed to this project. To Janie Adkins, Vicki Birri, Lavonne Brandenburg, Jacquie Ferguson, Anne Gaw, Beverly Hoskins, Ashley Kuemmerling, Dona Morningstar-Blizzard, Jodi Rhoads, Angie Shelton, and Mimi Sullivan, we offer thanks for a job well done. We would like to especially recognize Jill Cole, Hailey Long, and Dawn Mills 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, 2008. We ask for your continuing support of this project and in our efforts to best serve the citizens of Butler County.

Sincerely,



Roger Reynolds, CPA  
Butler County Auditor



Debra J. Maloney  
Director of Fiscal Services

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Butler County  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2007

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

Elected Officials:

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Board of County Commissioners	Charles R. Furmon Donald L. Dixon Gregory V. Jolivet	President Vice-President Member
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Other Elected Officials	Gregory J. Wilkens, PE, PS Roger Reynolds, CPA Nancy Nix, CPA Danny N. Crank Richard K. Jones Dr. Richard Burkhardt Cindy Carpenter Robert N. Piper III	Engineer Auditor Treasurer Recorder Sheriff Coroner Clerk of Courts Prosecutor
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Common Pleas Court	Honorable Patricia S. Oney	Administrative Judge
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General Division:

Honorable Noah E. Powers II	Judge
Honorable Andrew Nastoff	Judge
Honorable Charles L. Pater	Judge
Honorable Michael J. Sage	Judge
Honorable Keith M. Spaeth	Judge
Honorable Craig Hedric	Judge

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Domestic Relations Division:

Honorable Sharon Kennedy	Judge
Honorable Eva D. Kessler	Judge

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Juvenile Division:

Honorable Ronald R. Craft	Presiding Judge
Honorable Kathleen Dobrozsi Romans	Judge

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Probate Division:

Honorable Randy T. Rogers	Judge
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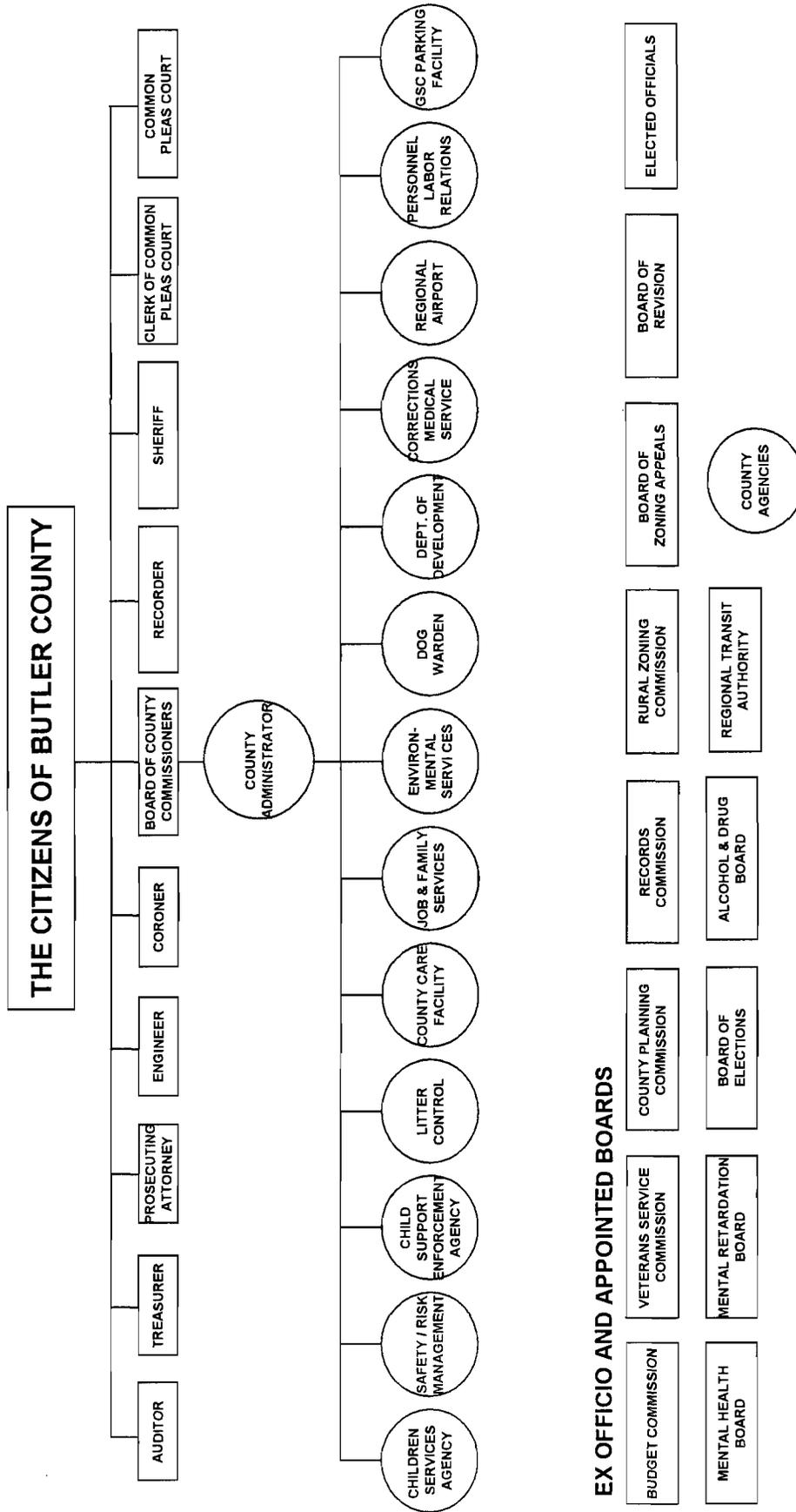
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Area Court I	Honorable Robert Lyons	Presiding Judge
Area Court II	Honorable Kevin McDonough	Presiding Judge
Area Court III	Honorable Dan Haughey	Presiding Judge

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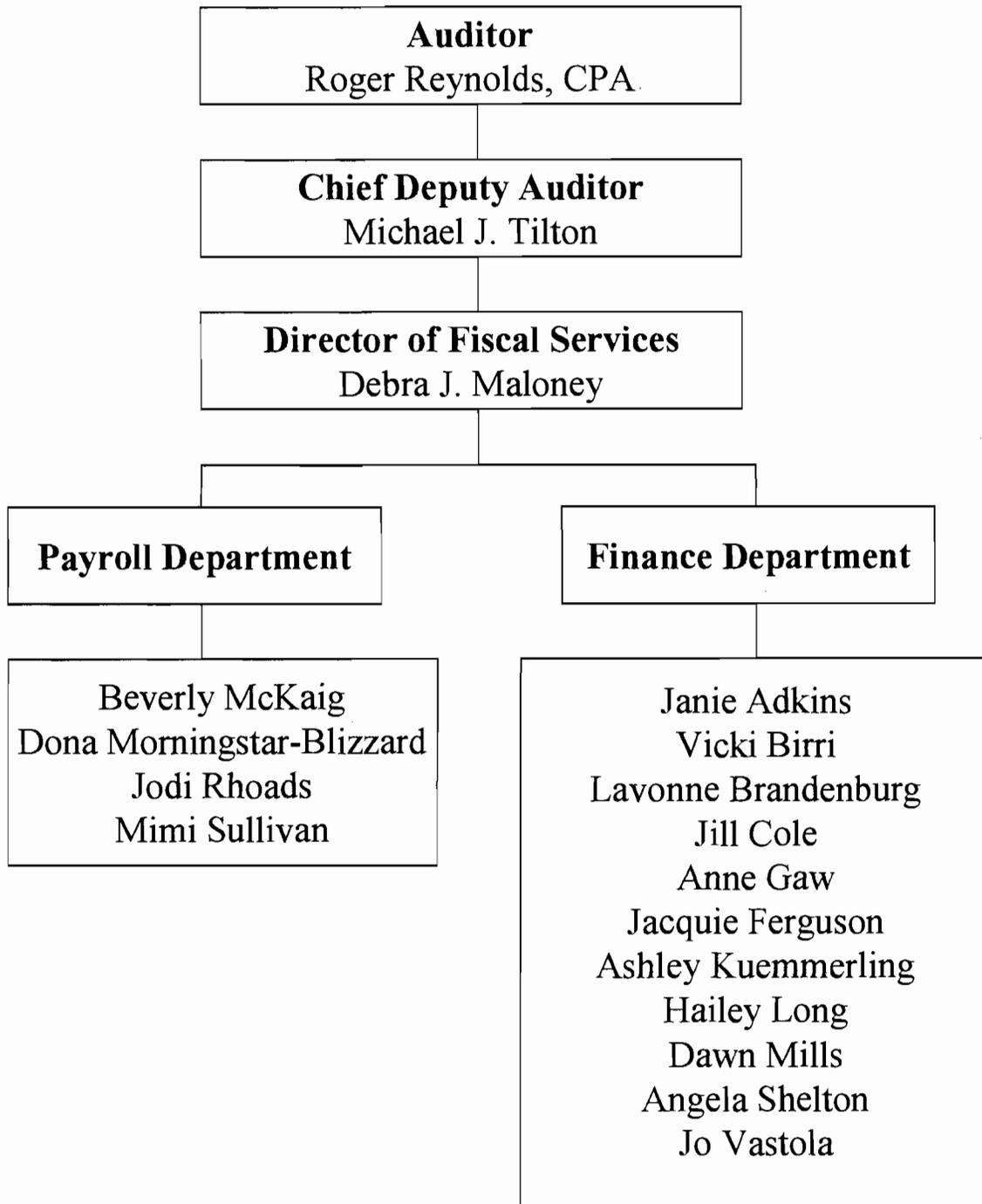
# Butler County, Ohio

## Organizational Chart



# Butler County, Ohio

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



# FINANCIAL SECTION

The Butler County Engineer's Office (BCEO) is responsible for the "construction, reconstruction, maintenance and repair of all bridges and highways within the county that are under the jurisdiction of the Board of County Commissioners," according to the Ohio Revised Code. As of December 31, 2008 the county system in Butler County included 275 miles of roads, 395 bridges, 1,062 culverts, and 71 traffic signals.

The ORC also states that the County Engineer's Office is responsible for the "construction, reconstruction, resurfacing, or improvement of roads by Boards of Township trustees..." What this means is that the Butler County Engineer serves as the engineer for the townships and their network of roadways as well.

Funding for the BCEO's annual slate of projects comes primarily from gasoline taxes and license plate fees. Annual income generated from these two sources is approximately \$12 million. This revenue is important as local match money for



This intersection at Union Centre Boulevard and Muhlhauser Road was widened to add turn lanes and improve traffic flow.



Butler County Engineer Greg Wilkens follows progress on a new bridge project on State Road in Milford Township near Hamilton-Eaton Road.

leveraging additional outside funding from State and Federal sources.

During 2008, the Butler County Engineer's Office was involved with over \$21 million in roadway construction and upgrades, including the completion of several bridge replacements and rehabilitations, multiple culvert replacements and repairs, intersection improvements, roadway improvements, many miles of resurfacing, and two Community Development Block Grant projects. Expenditures were also made on general roadway maintenance, including snow and ice control.

Complete details of the County Engineer's activities are always available on the BCEO's web site at [www.bceo.org](http://www.bceo.org). The site also contains general information about the Engineer's Office, plus helpful topics such as services provided, current and future projects, contracts, public meetings, and road closings.

## 2008 PROJECT REVIEW

### *Bridges*

The Engineer's Office performs an annual inspection of all bridges on county and township roads. Some bridges receive inspection two or more times per year due to their worsened condition. The BCEO had inspection and maintenance responsibility for 395 bridges (structures with a clear span of ten feet or greater) at the end of 2008. Four bridges were posted with load limit restrictions by the end of 2008. The County Engineer's aggressive bridge program is designed to reduce and eventually eliminate all load rated bridges.

### *Culverts*

The BCEO is responsible for the annual inspection of all culverts located on county and township roads and that number totaled 1,062 at the end of 2008. A culvert is a conduit running underneath a road for the purpose of transferring storm water runoff from one side of the road to another. Culvert replacements are, like bridges, determined by the age and condition of the structure.

### *Paving*

The Butler County Engineer's Office is responsible for 275.22 miles (centerline miles) of roadway and has a multi-year paving program in place. This system enables roads to be resurfaced on a regular basis and maintained routinely in a more cost effective manner. Many township roads that are substandard in lane width and those county roads that meet minimum standards only, where feasible, are also being widened to bring them up to modern safety standards.

### *Roadway Improvement/Intersection Improvement*

The Engineer's Office completed five roadway



**Sign Department**



**Tax Map Department**

improvement projects in 2008. Seven intersection improvement projects were also completed.

### *Other*

This category can include varying types of projects such as guardrail installation, centerline and edgeline re-striping contracts, drainage improvements, roadside slip repairs, and Community Development Block Grant projects.





# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Butler County  
130 High Street  
Hamilton, Ohio 45011

To the Board of 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, 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to 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 that our audit and the report of the other auditors provide 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, 2008, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparison for the General Fund, Mental Health Fund, Mental Retardation Fund, and Job and Family Services/Children Services Agency 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 June 17, 2009, on our consideration of the Government'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.

The Management Discussion and Analysis is not a required part of the basic financial statements but is 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.

We conducted our audit to opine on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining financial statements and schedules and statistical section tables provide additional information and are not a required part of the basic financial statements. We subjected the combining financial 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 sections to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



**Mary Taylor, CPA**  
Auditor of State

June 17, 2009

**Butler County, Ohio**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2008**  
**Unaudited**

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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, 2008, 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 decreased \$6.9 million, or .9%, \$5.8 million of which came from governmental activities.
- General revenues accounted for 45% of total revenues for governmental activities, totaling \$131.5 million. Property and Sales tax revenues were 78%, or \$102.9 million, of these general revenues, a 12% decrease over 2007 due to the temporary one-fourth of one percent (.25%) sales tax which dropped off effective January 1, 2008.
- The unreserved, undesignated portion of the fund balance in the General Fund at year-end decreased from \$13.3 million in 2007, to \$11.7 million in 2008, and is 37% of the fund balance at December 31, 2008.

### **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, department of development, information services, 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.

*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,

**Butler County, Ohio**  
**Management's Discussion and Analysis**  
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Veterans Services Board, Children Services Agency, 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 equal 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 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 nonmajor funds is aggregated and presented in a separate column of the fund financial statements. Detailed data for each of the nonmajor 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.

*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

**Butler County, Ohio**  
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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 Agency, Mental Health, and Residential Incentive Districts and Tax Incremental Financings (RID/TIF) funds. 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 health insurance, workers' compensation, 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 a .9%, \$6.9 million decrease in total net assets in 2008 from the combined 2007 governmental and business-type activities. The invested in capital assets (net of related debt issued to acquire the assets) of \$536.8 million represents 74% 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.

Sixty-three percent (63%) of the County's net assets are used providing governmental activities. Net assets used in governmental activities decreased one percent (1%) from 2007 to 2008 while net assets used in business-type activities decreased by less than one percent (.4%).

**Butler County, Ohio**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2008**  
**Unaudited**

**Table 1**  
**Net Assets**

	Governmental Activities		Business-type Activities		Total	
	2008	2007 Restated	2008	2007	2008	2007
<b>Assets</b>						
Current and other assets	\$ 314,508,201	\$ 339,231,092	\$ 96,161,482	\$ 95,747,301	\$ 410,669,683	\$ 434,978,393
Capital assets, net	404,571,103	389,155,690	304,317,351	312,873,582	708,888,454	702,029,272
<b>Total Assets</b>	<b>719,079,304</b>	<b>728,386,782</b>	<b>400,478,833</b>	<b>408,620,883</b>	<b>1,119,558,137</b>	<b>1,137,007,665</b>
<b>Liabilities</b>						
Current and other liabilities	117,883,636	118,977,881	3,040,370	2,818,352	120,924,006	121,796,233
Long-term liabilities:						
Due within one year	11,814,733	12,040,035	8,343,947	7,952,005	20,158,680	19,992,040
Due in more than one year	129,724,721	131,878,987	120,230,422	127,929,787	249,955,143	259,808,774
<b>Total Liabilities</b>	<b>259,423,090</b>	<b>262,896,903</b>	<b>131,614,739</b>	<b>138,700,144</b>	<b>391,037,829</b>	<b>401,597,047</b>
<b>Net Assets</b>						
Invested in capital assets, net of related debt	316,270,240	303,847,268	220,568,017	220,104,614	536,838,257	523,951,882
Restricted for:						
Capital projects	27,788,905	26,036,883	-	-	27,788,905	26,036,883
Debt service	3,985,192	4,132,617	5,551,342	5,791,705	9,536,534	9,924,322
Replacement and Improvement	-	-	6,000,000	6,000,000	6,000,000	6,000,000
Other purposes	103,789,997	112,928,892	-	-	103,789,997	112,928,892
Unrestricted	7,821,880	18,544,219	36,744,735	38,024,420	44,566,615	56,568,639
<b>Total Net Assets</b>	<b>\$ 459,656,214</b>	<b>\$ 465,489,879</b>	<b>\$ 268,864,094</b>	<b>\$ 269,920,739</b>	<b>\$ 728,520,308</b>	<b>\$ 735,410,618</b>

Current assets and current liabilities decreased in 2008 by \$24.3 million and \$.9 million, respectively, due in large part to the reduction of equity in pooled cash and cash equivalents of \$15.1 million (8%) as the temporary one-fourth of one percent (.25%) sales tax dropped off effective January 1, 2008, which also reduced Sales Tax Receivable by \$1.6 million (25%). This significant loss of cash flow resulted in a decline of \$10.7 million (58%) in governmental activities unrestricted net assets at year-end. 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 activities expenses exceeded program revenues in 2008 by \$137.3 million and, with an infusion of \$131.5 million of general revenues, resulted in a \$5.8 million decrease to governmental activities net assets. Total net assets used in governmental activities now total \$459.7 million.

Program revenues supporting governmental activities decreased 7% during 2008 to \$159.0 million from the loss of federal and state funding for several County departments. Program revenues consisting of charges for services, operating and capital grants, contributions and interest constitute 55% of total revenues associated with governmental activities, while 45% are general revenues. Of the general revenues, 78% come from property and sales taxes, a decrease of 12% over 2007 property and sales taxes, due to the fact that the Animal Shelter tax levy and the temporary one-fourth of one percent (.25%) sales tax expired at December 31, 2007.

**Butler County, Ohio**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2008**  
**Unaudited**

	Governmental Activities		Business-type Activities		Total	
	2008	2007 <i>Restated</i>	2008	2007	2008	2007
<b>Revenues</b>						
<b>Program Revenues:</b>						
Charges for Services	\$ 45,710,686	\$ 48,509,442	\$ 44,911,905	\$ 47,205,726	\$ 90,622,591	\$ 95,715,168
Operating Grants, Contributions and Interest	99,370,504	115,479,918	-	-	99,370,504	115,479,918
Capital Grants, Contributions and Interest	13,936,431	6,785,122	6,595,478	14,010,237	20,531,909	20,795,359
<b>Program Revenues Subtotal</b>	<b>159,017,621</b>	<b>170,774,482</b>	<b>51,507,383</b>	<b>61,215,963</b>	<b>210,525,004</b>	<b>231,990,445</b>
<b>General Revenues:</b>						
Property Taxes	69,454,212	75,231,786	-	-	69,454,212	75,231,786
Sales Taxes	33,408,493	41,317,071	-	-	33,408,493	41,317,071
Local Taxes	2,454,986	2,450,378	-	-	2,454,986	2,450,378
Payments in Lieu of Taxes	4,438,718	3,620,542	-	-	4,438,718	3,620,542
Grants and Entitlements Not Restricted to Specific Programs	7,664,080	7,659,749	-	-	7,664,080	7,659,749
Interest	10,362,722	14,879,642	125,300	462,058	10,488,022	15,341,700
Other	3,707,444	5,238,068	769,897	1,123,014	4,477,341	6,361,082
Gain on Sale of Capital Assets	-	281,924	-	-	-	281,924
<b>General Revenues Subtotal</b>	<b>131,490,655</b>	<b>150,679,160</b>	<b>895,197</b>	<b>1,585,072</b>	<b>132,385,852</b>	<b>152,264,232</b>
<b>Total Revenues</b>	<b>290,508,276</b>	<b>321,453,642</b>	<b>52,402,580</b>	<b>62,801,035</b>	<b>342,910,856</b>	<b>384,254,677</b>
<b>Program Expenses</b>						
<b>General Government:</b>						
Legislative and Executive	37,260,435	35,086,479	-	-	37,260,435	35,086,479
Judicial	16,978,319	16,766,093	-	-	16,978,319	16,766,093
Public Safety	48,709,320	51,218,782	-	-	48,709,320	51,218,782
Public Works	25,416,281	24,981,832	-	-	25,416,281	24,981,832
Health	62,270,201	54,781,525	-	-	62,270,201	54,781,525
Human Services	93,725,373	89,695,591	-	-	93,725,373	89,695,591
Conservation and Recreation	587,061	686,496	-	-	587,061	686,496
Intergovernmental	5,572,290	-	-	-	5,572,290	-
Interest and Fiscal Charges	5,822,661	5,459,844	-	-	5,822,661	5,459,844
Sewer	-	-	26,429,926	27,027,272	26,429,926	27,027,272
Water	-	-	26,946,953	29,630,418	26,946,953	29,630,418
GSC Parking Garage Facility	-	-	82,346	162,063	82,346	162,063
<b>Total Expenses</b>	<b>296,341,941</b>	<b>278,676,642</b>	<b>53,459,225</b>	<b>56,819,753</b>	<b>349,801,166</b>	<b>335,496,395</b>
<b>Change in Net Assets</b>	<b>(5,833,665)</b>	<b>42,777,000</b>	<b>(1,056,645)</b>	<b>5,981,282</b>	<b>(6,890,310)</b>	<b>48,758,282</b>
<b>Net Assets January 1, 2008 (Restated)</b>	<b>465,489,879</b>	<b>422,712,879</b>	<b>269,920,739</b>	<b>263,939,457</b>	<b>735,410,618</b>	<b>686,652,336</b>
<b>Net Assets December 31, 2008</b>	<b>\$ 459,656,214</b>	<b>\$ 465,489,879</b>	<b>\$ 268,864,094</b>	<b>\$ 269,920,739</b>	<b>\$ 728,520,308</b>	<b>\$ 735,410,618</b>

Capital grants, contributions and interest increased \$7.2 million largely due to the Engineer's Office receiving more Local Public Agency (LPA) funding for several large road/intersection projects within Butler County. Charges for services realized a \$2.8 million decrease since the property transfer fees in the County became stagnant as the housing market continued to decline. Operating grants, contributions and interest also declined by \$16.1 as several human services departments received less federal and state funding that provide human service programs to the residents of Butler County. Interest revenue at \$10.4 million significantly decreased as fund balances were reduced and investment rates declined throughout the calendar year. Other significant changes in property tax revenue, and Health, Human Services and Intergovernmental expenses of the County are the result of activity analyzed at the fund level in the Fund Analysis section beginning on page 9.

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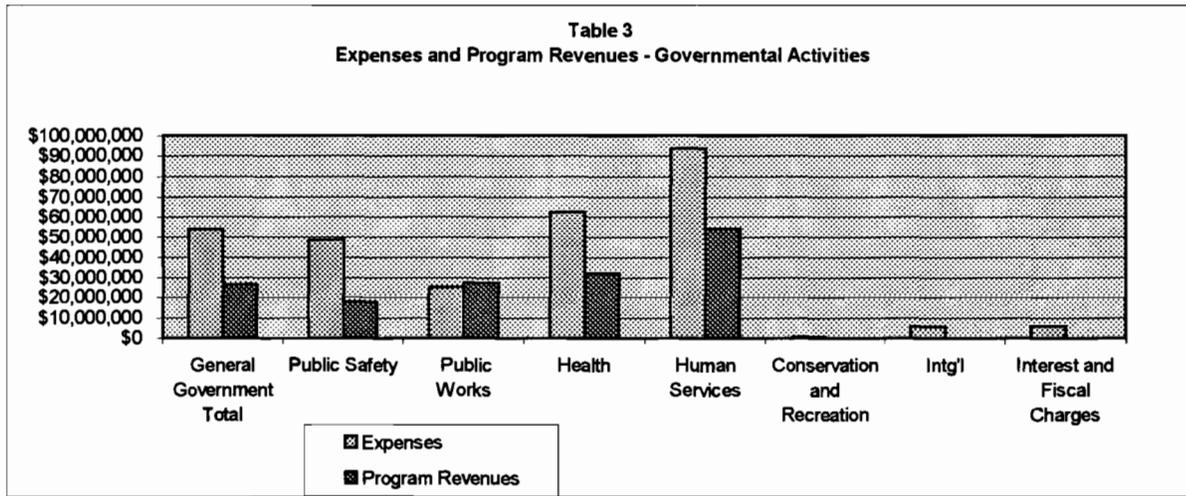
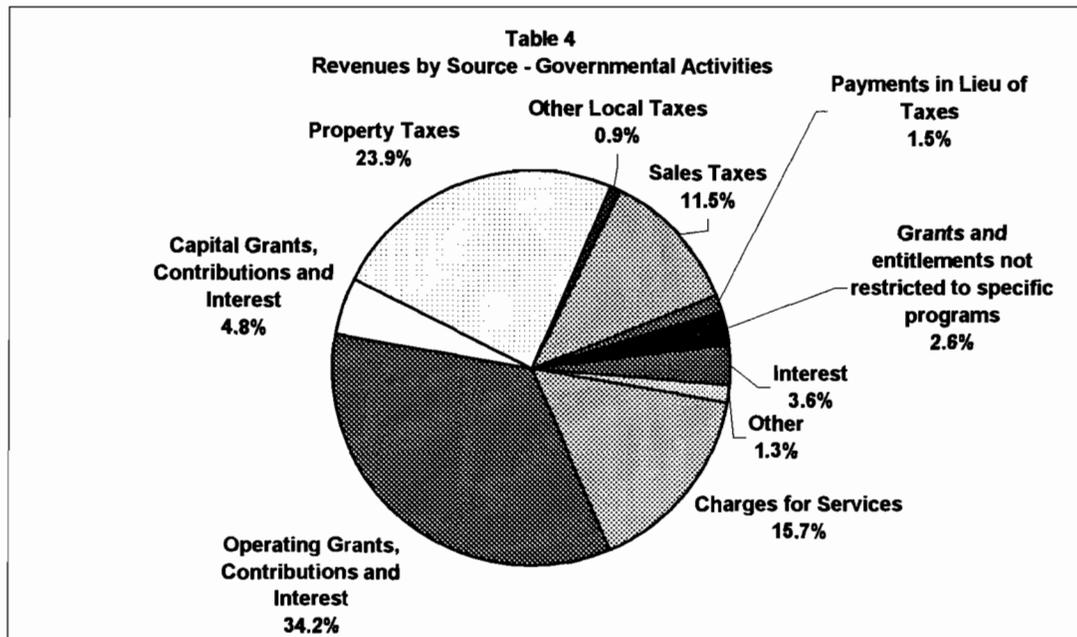


Table 3 provides a comparison of governmental activities expenses with program revenues. Table 4 provides a breakdown of the sources of governmental activities revenues.



**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. However, the Water and Sewer Department experienced a slight decline in growth during 2008 resulting in net assets of the business-type activities decreasing \$1.1 million, a less than one percent (.4%) decrease over 2007. Further details 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 \$89.4 million was \$21.3 million lower than the same balance just one year ago, a 19% decrease overall. Much of this decrease can be attributed to the General Fund, and the Job and Family Services/Children Services Agency Fund whose fund balances decreased \$6.8 million (18%) and \$6.2 million (68%), respectively. Equity in pooled cash and cash equivalents showed a significant decrease in 2008 from \$145.0 million in 2007 to \$125.5 million, a \$19.6 million decrease largely attributable to the sunset of a temporary sales tax levy and the replacement of a permanent sales tax of 1% to a lower rate of .75%, property transfer fees and falling investment rates as 2008 progressed.

The County began to feel the effects of the economic decline and budget cuts from the federal and state governments during 2008. The overall financial position for Butler County's principal operating fund, the General Fund, decreased due to the loss of sales tax, property transfer fees, and investment earnings. Property and sales taxes decreased \$7.3 million (13%), property transfer fees (Charges for Services) decreased \$6.0 million (21%) and interest earned declined \$4.6 million (36%) over the prior year. Also, expenditures and other financing uses substantially exceeded revenues and other financing sources resulting in a fund balance decrease from \$38.3 million in 2007 to \$31.5 million in 2008. The General Fund's unreserved/undesignated fund balance, at \$11.7 million was 12% lower than the previous year and only represents 12% of 2008 General Fund expenditures and 13% of the General Fund actual revenues and dropped below management's strategic target.

The County began to address the decline in revenues during 2008 by reducing General Fund expenditures. The Public Safety expenditures of the General Fund saw a reduction of \$3.0 million (6%) from 2007 due in large part to the completion of the county-wide 800 megahertz public safety radio communications system. Legislative and Executive expenditures also decreased \$.5 million (2%) as the County began trimming personnel costs.

The Mental Retardation Fund's intergovernmental revenue decreased \$3.2 million (25%) during 2008 due to decreased funding received from ICFMR for adult day services as they opened their own Adult Day Program. The Mental Retardation Fund also received less federal funding for adult day services, adult transportation and case management. The Mental Retardation Fund's expenditures increased \$3.3 million (12%) for one-time capital improvements to the Janet Clemmons Center, Liberty Center and Administration Office. This fund's Health expenditures also increased due to an increased number of people choosing to attend private Day Services providers instead of County provided Day Service. This change resulted in the Board closing its largest Day service facility at the end of 2008. The increased expenditures and reduction of revenues resulted in a negative \$1.9 million (7%) net change in fund balance.

The Job and Family Services/Children Services Agency Fund received additional entitlement grant funding and several one-time only grants (i.e., student intervention TANF grant and rapid response grant) during 2007 which they did not receive in 2008. Also, income maintenance control funding has continued to decrease thereby reducing Intergovernmental revenue by \$5.1 million (10%). However Human Services expenditures increased by \$1.2 million (2%) for increased costs for child care and transportation for the clients of Job and Family Services and Children Services Agency. Expenditures far exceeded revenues in this fund resulting in a negative net change of fund balance of \$6.2 million leaving only \$3.0 million to begin the new year.

The Mental Health Fund revenue remained fairly consistent from 2007 to 2008 with only a slight increase of \$1.2 million (8%) in Intergovernmental Revenue due to increased property tax rollback revenue received from the State based on the passage of the levy in 2007 and additional state subsidy funding. Health expenditures increased \$4.4 million (23%) due to additional mental health services provided to Butler County residents during 2008. However, the Mental Health Fund revenues exceeded the increased expenditures resulting in a positive \$2.0 million net change to the ending fund balance.

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The Residential Incentive Districts and Tax Incremental Financings (RID/TIF) Fund received payments in lieu of taxes collected during 2008, reflecting an increase of \$1.1 million (39%) over 2007. The RID/TIF fund reduced its current liability of notes payable by \$1.3 million and paid \$2.6 million to the townships and school districts that are located within the RID/TIF areas. The RID/TIF fund's negative fund balance was increased \$2.0 million (28%) as the debt service and township/school district payments exceeded the payments in lieu of taxes collected required during 2008.

Only a portion of the \$89.4 million fund balance in the governmental funds is available for spending in next year's budget, however. This is referred to as the *unreserved/undesignated fund balance*, and at December 31, 2008, the unreserved fund balance for the governmental funds had decreased to \$56.3 million, or 63% 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 \$24.7 million represents 28% of the total fund balance and has either been committed for the payment of current contracts and purchase orders (\$18.8 million), long-term receivable (\$4.4 million), debt service, or has been reserved until loans or advances have been repaid to the General Fund and All Other Public Works Fund (\$1.5 million).

*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 Fund's \$35.6 million in current assets at the end of 2008, principally (\$27.7 million) composed of equity in pooled cash and cash equivalents, as compared with current liabilities of \$6.1 million at year-end, resulted in a current ratio of 5.8 to 1 at year-end, meaning that less than one-fifth of current assets would have been required to liquidate current liabilities at year-end, leaving a \$29.5 million safety margin of working capital (current assets less current liabilities) for ongoing operations, additional debt service, and contingencies.

2008 marked the third consecutive year of a relatively modest sewer rate increase, *following three consecutive years of no rate increase at all*. There was a 2% rate increase for 2008, and currently, as a result of numerous cost reductions identified by the department in the latter half of 2008, a significant rate decrease in sewer rates for 2009 has been approved.

Operating revenues during 2008 of \$21.4 million were \$.4 million (2%) higher than the \$21.0 million in 2007, while operating expenses were \$.6 million (3%) lower than in 2007, resulting in an operating loss of \$1.9 million for 2008. In comparing 2008 to 2007, Depreciation and Amortization Expense continues to be the largest category and, for 2008, at \$10.5 million, exceeded the prior year by 11%, reflecting the growth-driven additions in recent years to sewer system infrastructure capital assets. The next-largest category, Personal Services, comprising employees' salaries and fringe benefits, for the third consecutive year, declined nearly \$0.3 million or 5%, which was approximately the same decline in both dollars and percentage as was the case from 2005 to 2007. Contractual Services for 2008 of \$4.3 million, was reduced by \$1.6 million (27%) over 2007, and materials and supplies, at \$1.5 million for 2008, was also reduced by 6% over 2007.

The Sewer Fund had a \$1.9 million operating loss for 2008, which was reduced to a negative \$.5 million net asset change due to a \$1.4 million net positive effect from a host of non-operating items including: a positive \$4.4 million from capital contributions; a positive \$0.1 million from interest income on sewer debt proceeds; a positive \$0.1 million from various non-operating revenues; and a negative \$3.2 million from interest and fiscal charges.

*Water Fund:* The Water Fund's current assets of \$24.5 million consisted largely of equity in pooled cash and cash equivalents at \$20.0 million or 81%. The ratio of the current assets to current liabilities of \$5.7 million at year-end was 4.3 to 1, meaning that less than one-fourth of current assets would have been required to liquidate current liabilities as of year-end, leaving a substantial safety margin of working capital of \$18.8 million for ongoing operations, additional debt service, and contingencies.

Operating revenues of \$23.8 million during 2008 were \$2.6 million (10%) less than 2007 operating revenues of \$26.4 million, while operating expenses of \$23.3 million for 2008 were \$3.0 million (11%) less than 2007 operating expenses of \$26.3 million. The largest category of operating expenses, Contractual Services, at \$11.3 million for 2008, was \$2.6 million (19%) lower than \$13.9 million from 2007. Depreciation and Amortization Expense increased only one percent (1%), from \$6.1 million in 2007 to \$6.2 million in 2008. Personal Services, comprising employees' salaries and fringe benefits, decreased by \$0.4 million (9%) from 2007 to 2008.

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Annual water rate increases since 2002, have averaged only about 3%. There was no water rate increase for 2008 and, as a result of numerous cost reductions identified by the department in the fourth quarter of 2008 a significant rate decrease in water rates for the upcoming year has been approved.

**General Fund Budget Analysis**

Several events influenced the budgetary process and actual results for the year of 2008. The General Fund's final 2008 appropriation budget, at \$112.9 million, was 3% higher than the original appropriation budget, and the final revenue budget at \$92.9 million, was 3% lower than the original revenue budget filed at the beginning of the year. The County experienced a \$1.7 million decrease in investment income and a \$2.7 million decrease in charges for services than originally planned. The County saw a significant decline in interest rates in the last two quarters of the year. The County experienced a decrease in property transfer fees and building fees which impacted charges for services due to the decline in the housing market during 2008. The County had to adjust the revenue budget to reflect the downturn in the economic market as the year progressed.

The final budget included an additional \$2.6 million budgeted in Legislative and Executive expenditures to account for unexpected water damage to the Government Services Building and Engineer's Office, wind damage to several County buildings and grounds in September 2008, and the increased salary and benefit cost for the Board of Elections for the November 2008 general election. The Public Safety final budget increased \$.8 million (1%) over the original budget due to the contractually negotiated pay increases for union employees of the Sheriff's Office.

The General Fund cash reserves significantly decreased during 2008 since actual expenditures far exceeded actual revenues. However, while the final budget projected a \$20.6 million (76%) decrease to the General Fund balance, actual expenditures were \$5.2 million less than budgeted and other financing sources/uses were \$1.3 million more than anticipated, the actual negative net change in fund balance of \$13.9 million was \$6.7 million (33%) less than anticipated.

**Capital Asset and Debt Administration**

**Capital Assets**

Capital assets include County owned land, land improvements, buildings and improvements, furniture, fixtures and equipment, vehicles, infrastructure, water and sewer mains, and construction in progress. Butler County's total investment in capital assets for governmental and business-type activities (net of accumulated depreciation) amounts to \$709.0 million as of December 31, 2008, an increase of 1% over the previous year. Table 5 contains a summary of capital assets as of December 31, 2008, compared to assets owned by the County at year-end 2007.

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Land	\$ 10,435,786	\$ 10,435,786	\$ 1,656,490	\$ 1,656,490	\$ 12,092,276	\$ 12,092,276
Land Improvements	7,074,886	7,303,304	1,650,209	1,757,145	8,725,095	9,060,449
Buildings and Improvements	90,284,392	86,086,106	55,863,182	48,827,201	146,147,574	134,913,307
Furniture, Fixtures and Equipment	15,275,825	17,583,159	35,384,041	28,958,595	50,659,866	46,541,754
Vehicles	2,417,027	1,949,543	483,986	587,713	2,901,013	2,537,256
Infrastructure	247,861,198	244,210,205	-	-	247,861,198	244,210,205
Water and Sewer Mains	-	-	200,389,022	200,019,488	200,389,022	200,019,488
Construction in Progress	31,221,989	21,587,587	8,890,421	31,066,950	40,112,410	52,654,537
<b>Total</b>	<b>\$ 404,571,103</b>	<b>\$ 389,155,690</b>	<b>\$ 304,317,351</b>	<b>\$ 312,873,582</b>	<b>\$ 708,888,454</b>	<b>\$ 702,029,272</b>

Significant capital asset activity occurring during 2008 included the following:

- Governmental Activities Construction in Progress increased by \$9.6 million primarily due to the final stages of construction of the county-wide 800 megahertz public safety radio communications system, the court remodeling project and the beginning stages of construction of the Animal Shelter.

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- The completion of the Princeton Road Administration Building provided an increase of \$4.2 million (5%) to Buildings and Improvements.
- The completion of the Upper Mill Creek Water Reclamation Facility and the Greencrest, N. Pisgah and Sharon Creek Lift Stations significantly increased Buildings and Improvements by \$7.0 million (14%) and Furniture, Fixtures and Equipment \$6.4 million (22%) in the business-type activities, subsequently reducing Construction in Progress.

*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 2008, the County budgeted \$2.7 million for roads, \$8.2 million for bridges, and \$0.2 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 twelve-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 2008 was \$2.4 million, and the most recent roadway system assessment indicates that 96% 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 \$7.3 million in 2008 to maintain the bridges and the most recent bridge system assessment indicates that 90% 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 2008 to maintain culverts and the most recent culvert system assessment indicates that 79% of the culverts are currently assessed at a rating of two or better.

Additional information regarding capital assets can be found in Note 9 to the financial statements and the Required Supplementary Information on page 95 for additional infrastructure information.

### **Long-term Debt**

At December 31, 2008, Butler County had a total of \$225.0 million in outstanding long-term debt, 4% lower than the prior year-end. Of this total, \$97.2 million (43%) has helped fund governmental activities while \$127.8 million (57%) has helped fund business-type activities. Governmental activities long-term debt dropped \$2.2 million (2%) and the business-type activities long-term debt decreased by \$7.2 million (5%) during 2008 due to scheduled maturities.

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**Table 6**  
**Butler County Outstanding Long-Term Debt**

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
General Obligation Bonds	\$ 58,498,514	\$ 61,605,330	\$ 4,630,087	\$ 4,656,680	\$ 63,128,601	\$ 66,262,010
Sales Tax Bonds	24,751,340	26,532,756	-	-	24,751,340	26,532,756
Special Assessment debt with governmental commitment	12,305,218	9,466,643	-	-	12,305,218	9,466,643
Ohio Public Works Commission Loans	-	-	1,562,916	1,584,781	1,562,916	1,584,781
Long-term Loans	1,643,071	1,824,765	4,133,187	4,298,855	5,776,258	6,123,620
Revenue Bonds	-	-	85,567,039	91,499,366	85,567,039	91,499,366
Water Judgment Bonds	-	-	31,904,658	32,976,751	31,904,658	32,976,751
<b>Total</b>	<b>\$ 97,198,143</b>	<b>\$ 99,429,494</b>	<b>\$ 127,797,887</b>	<b>\$ 135,016,433</b>	<b>\$ 224,996,030</b>	<b>\$ 234,445,927</b>

The County's long-term debt consisted of \$114.7 million in obligations backed by the full faith and credit of Butler County, including \$63.1 million in general obligation bonds, \$32.0 million water judgment bonds, and \$12.3 million in special assessment bonds, for which Butler County is liable in case of default of the property owners subject to the assessment. Additionally, \$7.3 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 \$110.3 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 2008 when \$3.3 million in Special Assessment Bonds were issued in August to retire the bond anticipation notes for the Cox Road and University Point landscaping projects. The bonding of these notes allows the County to assess the properties associated with these projects, begin to collect the assessments, then subsequently reduce the long-term debt. The Water and Sewer funds also received an additional \$2 million of USDA Vehicle and Equipment Acquisition Bonds. The County did not issue any other long-term debt during 2008.

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, 2008 was \$197.3 million and the legal debt margin (debt limit minus net debt) was \$152.4 million. The County's unvoted direct debt limit was \$79.5 million and the unvoted direct debt margin was \$34.6 million. The debt margins for total debt and unvoted debt reflect a slight increase over the previous year by .5% and 3%, respectively.

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 effect 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 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, claims payable, intergovernmental payable and compensated absences payable. Governmental activities capital leases totaled \$2.5 million at year-end, including a fire alarm system for the County Care Facility; a helicopter and police cruisers for the Sheriff's Office; vehicles for the Juvenile Detention Center and other various equipment throughout the County. Claims Payable at year-end was \$2.8 million representing outstanding workers' compensation claims against the County. The County also records an Intergovernmental Payable of \$31.0 million for

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compensation owed to the townships and school districts due to loss of tax revenues associated with tax increment financing agreements and residential incentive districts. Compensated absences payable at year-end was \$8.0 million for governmental activities and \$.8 million for business-type activities. The total liability for capital leases, claims, intergovernmental and compensated absences payable for governmental and business-type activities was \$45.1 million at December 31, 2008. Additional information about the County's long-term obligations can be found in Note 16 to the financial statements.

**Economic and Other Potentially Significant Matters**

The growth of residential and commercial real estate assets has a positive impact on Butler County's economic activity. Although the slowdown in residential real estate has affected valuations of assets in the County, the first half collections of real estate taxes in 2009 surpasses the amount of collections at the same time in 2008. The declining economic situation has affected econometric revenues such as building regulation fees, property transfer fees and sales tax. As with many other states and counties throughout the United States, the decline in the automotive market has created declines in sales tax. As a result, the County is responding with significant reductions to its 2009 budget.

Despite the decline in the economy, inquiries from potential businesses looking at developing or relocating to our County remain steady. The continuation of a major Interstate 75 interchange construction in Liberty Township will position the County to capture substantial economic development once the economy begins its rebound. In addition to the interchange and in close proximity, a new 160-bed medical hospital facility was recently opened by the Health Alliance of Cincinnati, and continues the high-end development of this region in 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, 2008**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Butler County Alliance
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 126,848,397	\$ 53,910,809	\$ 180,759,206	\$ -
Cash and Cash Equivalents:				
In Segregated Accounts	550,431	600	551,031	58,332
With Fiscal Agents	16,138	5,942,458	5,958,596	-
Accounts Receivable	239,248	5,350,000	5,589,248	-
Due from Other Governments	41,057,214	-	41,057,214	-
Accrued Interest Receivable	946,243	-	946,243	-
Prepaid Items	1,919,094	122,244	2,041,338	-
Internal Balances	634,095	(634,095)	-	-
Materials and Supplies Inventory	669,253	117,877	787,130	-
Property Taxes Receivable	63,356,978	-	63,356,978	-
Sales Tax Receivable	4,965,019	-	4,965,019	-
Local Taxes Receivable	264,145	-	264,145	-
Loans Receivable	1,082,497	-	1,082,497	-
Payments in Lieu of Taxes Receivable	58,817,478	-	58,817,478	-
Special Assessments Receivable	11,891,028	929,333	12,820,361	-
Deferred Charges	1,250,943	6,054,771	7,305,714	-
Deferred Charges for Water Rate Stabilization	-	24,367,485	24,367,485	-
Capital Assets:				
Nondepreciable Capital Assets	289,518,973	10,546,911	300,065,884	-
Depreciable Capital Assets, net	115,052,130	293,770,440	408,822,570	-
<b>Total Assets</b>	<b>719,079,304</b>	<b>400,478,833</b>	<b>1,119,558,137</b>	<b>58,332</b>
<b>Liabilities</b>				
Accounts Payable	12,026,570	417,994	12,444,564	-
Contracts Payable	5,678,098	418,417	6,096,515	-
Accrued Wages and Benefits	4,529,151	426,154	4,955,305	-
Due to Other Governments	4,257,236	634,690	4,891,926	-
Matured Compensated Absences Payable	83,724	-	83,724	-
Deferred Revenue	59,874,021	-	59,874,021	-
Matured Bonds Payable	13,250	-	13,250	-
Matured Interest Payable	5,543	-	5,543	-
Accrued Interest Payable	868,493	601,001	1,469,494	-
Notes Payable	30,463,000	-	30,463,000	-
Retainage Payable	84,550	406,629	491,179	-
Refundable Deposits	-	135,485	135,485	-
Long-Term Liabilities:				
Due Within One Year	11,814,733	8,343,947	20,158,680	-
Due In More Than One Year	129,724,721	120,230,422	249,955,143	-
<b>Total Liabilities</b>	<b>259,423,090</b>	<b>131,614,739</b>	<b>391,037,829</b>	<b>-</b>
<b>Net Assets</b>				
Invested in Capital Assets, Net of Related Debt	316,270,240	220,568,017	536,838,257	-
Restricted for:				
Capital Projects	27,788,905	-	27,788,905	-
Debt Service	3,985,192	5,551,342	9,536,534	-
Replacement and Improvement	-	6,000,000	6,000,000	-
Mental Retardation	25,156,315	-	25,156,315	-
Job and Family/Children Services Agency	10,569,239	-	10,569,239	-
Elderly Services Levy	17,879,874	-	17,879,874	-
Mental Health	14,918,128	-	14,918,128	-
Motor Vehicle	10,994,032	-	10,994,032	-
Other Purposes	24,272,409	-	24,272,409	-
Unrestricted (Deficit)	7,821,880	36,744,735	44,566,615	58,332
<b>Total Net Assets</b>	<b>\$ 459,656,214</b>	<b>\$ 268,864,094</b>	<b>\$ 728,520,308</b>	<b>\$ 58,332</b>

See accompanying notes to the basic financial statements

Butler County, Ohio  
Statement of Activities  
For the Year Ended December 31, 2008

	Expenses	Program Revenues	
		Charges for Services	Operating Grants, Contributions, and Interest
Governmental Activities			
General Government:			
Legislative and Executive	\$ 37,260,435	\$ 18,925,412	\$ 440,633
Judicial	16,978,319	6,016,149	1,230,555
Public Safety	48,709,320	13,631,099	4,309,488
Public Works	25,416,281	3,025,891	10,837,709
Health	62,270,201	910,720	31,433,888
Human Services	93,725,373	3,160,525	51,118,231
Conservation and Recreation	587,061	40,890	-
Intergovernmental	5,572,290	-	-
Interest and Fiscal Charges	5,822,661	-	-
Total Governmental Activities	296,341,941	45,710,686	99,370,504
Business-Type Activities			
Sewer	26,429,926	21,299,055	-
Water	26,946,953	23,456,446	-
GSC Parking Facility	82,346	156,404	-
Total Business-Type Activities	53,459,225	44,911,905	-
Total Primary Government	\$ 349,801,166	\$ 90,622,591	\$ 99,370,504
Component Unit			
Butler County Alliance	\$ 51,735	\$ -	\$ -

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

Total General Revenues

Change in Net Assets

Net Assets at Beginning of Year - Restated (see Note 3)

Net Assets at End of Year

Net (Expense) Revenue and Changes in Net Assets				
Capital Grants, Contributions, and Interest	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Butler County Alliance
\$ -	\$ (17,894,390)	\$ -	\$ (17,894,390)	\$ -
-	(9,731,615)	-	(9,731,615)	-
15,785	(30,752,948)	-	(30,752,948)	-
13,920,646	2,367,965	-	2,367,965	-
-	(29,925,593)	-	(29,925,593)	-
-	(39,446,617)	-	(39,446,617)	-
-	(546,171)	-	(546,171)	-
-	(5,572,290)	-	(5,572,290)	-
-	(5,822,661)	-	(5,822,661)	-
13,936,431	(137,324,320)	-	(137,324,320)	-
4,390,994	-	(739,877)	(739,877)	-
2,204,494	-	(1,286,013)	(1,286,013)	-
-	-	74,058	74,058	-
6,595,488	-	(1,951,832)	(1,951,832)	-
\$ 20,531,919	(137,324,320)	(1,951,832)	(139,276,152)	-
\$ -	-	-	-	(51,735)
	14,191,594	-	14,191,594	-
	19,073,043	-	19,073,043	-
	13,884,835	-	13,884,835	-
	9,023,904	-	9,023,904	-
	13,280,836	-	13,280,836	-
	33,408,493	-	33,408,493	-
	2,454,986	-	2,454,986	-
	4,438,718	-	4,438,718	-
	7,664,080	-	7,664,080	-
	9,085,686	125,300	9,210,986	-
	1,277,036	-	1,277,036	-
	3,707,444	769,887	4,477,331	-
	131,490,655	895,187	132,385,842	-
	(5,833,665)	(1,056,645)	(6,890,310)	(51,735)
	465,489,879	269,920,739	735,410,618	110,067
\$	459,656,214	\$ 268,864,094	\$ 728,520,308	\$ 58,332

**Butler County, Ohio**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2008**

	General	Mental Retardation	Job and Family Services/Children Services Agency	Mental Health
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 27,832,330	\$ 25,802,662	\$ 7,593,684	\$ 11,094,553
Cash and Cash Equivalents:				
In Segregated Accounts	237,713	-	-	-
With Fiscal Agents	16,138	-	-	-
Receivables:				
Property Taxes	13,918,349	18,004,349	13,757,378	8,685,125
Sales Taxes	4,965,019	-	-	-
Other Local Taxes	-	-	-	-
Payments in Lieu of Taxes	-	-	-	-
Accounts	63,406	3,601	-	-
Due from Other Governments	9,499,673	1,624,027	10,146,204	3,895,030
Accrued Interest	946,243	-	-	-
Special Assessments	-	-	-	-
Loans	632,635	-	-	-
Due from Other Funds	823,302	-	-	40,160
Prepaid Items	454,547	239,082	12,719	1,088,843
Materials and Supplies Inventory	64,571	22,589	14,166	3,109
Advances to Other Funds	454,802	-	-	-
<b>Total Assets</b>	<b>\$ 59,908,728</b>	<b>\$ 45,696,310</b>	<b>\$ 31,524,151</b>	<b>\$ 24,806,820</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$ 1,339,916	\$ 1,063,586	\$ 4,786,006	\$ 1,575,284
Contracts Payable	2,691,019	-	-	-
Accrued Wages and Benefits Payable	1,903,432	556,475	844,586	31,369
Matured Compensated Absences Payable	47,371	3,204	23,135	-
Retainage Payable	-	-	-	-
Due to Other Funds	1,046,911	221,178	505,077	13,702
Due to Other Governments	407,769	853,450	368,481	-
Deferred Revenue	21,009,597	18,493,999	22,025,389	10,668,848
Advances from Other Funds	-	-	-	-
Matured Bonds Payable	-	-	-	-
Matured Interest Payable	-	-	-	-
Accrued Interest Payable	-	-	-	-
Notes Payable	-	-	-	-
<b>Total Liabilities</b>	<b>28,446,015</b>	<b>21,191,892</b>	<b>28,552,674</b>	<b>12,289,203</b>
<b>Fund Balances</b>				
Reserved for Encumbrances	5,898,067	3,081,133	588,362	3,887,502
Reserved for Loans	632,635	-	-	-
Reserved for Long-Term Receivable	4,395,000	-	-	-
Reserved for Debt Service	16,138	-	-	-
Reserved for Advances	454,802	-	-	-
Unreserved:				
Designated for:				
County-Wide Communications System	8,409,077	-	-	-
Undesignated, Reported in:				
General Fund	11,656,994	-	-	-
Special Revenue Funds	-	21,423,285	2,383,115	8,630,115
Debt Service Fund	-	-	-	-
Capital Projects Funds (Deficit)	-	-	-	-
<b>Total Fund Balances (Deficit)</b>	<b>31,462,713</b>	<b>24,504,418</b>	<b>2,971,477</b>	<b>12,517,617</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 59,908,728</b>	<b>\$ 45,696,310</b>	<b>\$ 31,524,151</b>	<b>\$ 24,806,820</b>

See accompanying notes to the basic financial statements

Residential Incentive Districts and Tax Incremental Financings	Other Governmental Funds	Total Governmental Funds
\$ 5,232,656	\$ 47,901,869	\$ 125,457,754
-	312,718	550,431
-	-	16,138
-	8,991,777	63,356,978
-	-	4,965,019
-	264,145	264,145
58,817,478	-	58,817,478
-	159,198	226,205
-	15,892,280	41,057,214
-	-	946,243
-	11,891,028	11,891,028
-	449,862	1,082,497
181,757	298,908	1,344,127
-	123,087	1,918,278
-	534,417	638,852
-	-	454,802
<u>\$ 64,231,891</u>	<u>\$ 86,819,289</u>	<u>\$ 312,987,189</u>
\$ -	\$ 3,237,738	\$ 12,002,530
-	2,987,079	5,678,098
-	1,174,467	4,510,329
-	10,014	83,724
-	84,550	84,550
-	1,200,579	2,987,447
1,605,030	132,227	3,366,957
58,817,478	32,729,766	163,745,077
-	204,802	204,802
-	13,250	13,250
-	5,543	5,543
118,505	307,680	426,185
<u>13,023,000</u>	<u>17,440,000</u>	<u>30,463,000</u>
<u>73,564,013</u>	<u>59,527,695</u>	<u>223,571,492</u>
-	5,334,021	18,789,085
-	449,862	1,082,497
-	-	4,395,000
-	-	16,138
-	-	454,802
-	-	8,409,077
-	-	11,656,994
-	33,602,991	66,039,506
-	1,965,932	1,965,932
<u>(9,332,122)</u>	<u>(14,061,212)</u>	<u>(23,393,334)</u>
<u>(9,332,122)</u>	<u>27,291,594</u>	<u>89,415,697</u>
<u>\$ 64,231,891</u>	<u>\$ 86,819,289</u>	<u>\$ 312,987,189</u>

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**Butler County, Ohio**  
**Reconciliation of Total Governmental Fund Balances to**  
**Net Assets of Governmental Activities**  
**For the Year Ended December 31, 2008**

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Total Governmental Fund Balances \$89,415,697

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	10,435,786	
Infrastructure	247,861,198	
Construction in progress	31,221,989	
Other capital assets	187,763,068	
Accumulated depreciation	(72,710,938)	
Total capital assets	404,571,103	404,571,103

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. (286,518)

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	5,973,984	
Revenue in Lieu of Taxes	58,817,478	
Special Assessments	11,891,028	
Due From Other Governments	25,148,949	
Charges for Services	774,645	
Interest Revenue	720,920	
Other	38,357	
Loans	505,695	
Total	103,871,056	103,871,056

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 1,250,943

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	(442,308)	
Capital leases	(2,512,592)	
Bonds	(95,555,072)	
Loans	(1,643,071)	
Intergovernmental	(31,014,392)	
Compensated absences	(7,998,632)	
Total liabilities	(139,166,067)	(139,166,067)

Net Assets of Governmental Activities \$459,656,214

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, 2008

	General	Mental Retardation	Job and Family Services/Children Services Agency	Mental Health
<b>Revenues</b>				
Property Taxes	\$ 13,956,326	\$ 19,145,690	\$ 13,875,225	\$ 8,958,967
Sales Taxes	34,238,835	-	-	-
Other Local Taxes	-	-	-	-
Charges for Services	22,767,961	77,771	-	56,265
Licenses and Permits	14,774	-	-	-
Fines and Forfeitures	1,871,791	-	-	-
Intergovernmental	8,286,889	9,741,695	43,951,259	16,859,336
Special Assessments	-	-	-	-
Payments in Lieu of Taxes	22,856	28,231	14,197	3,365
Interest	8,110,130	-	-	-
Net Increase in Fair Value of Investments	1,277,036	-	-	-
Other	1,316,337	25,639	1,415,895	112,139
<b>Total Revenues</b>	<b>91,862,935</b>	<b>29,019,026</b>	<b>59,256,576</b>	<b>25,990,072</b>
<b>Expenditures</b>				
<b>Current:</b>				
<b>General Government:</b>				
Legislative and Executive	24,964,071	-	-	-
Judicial	14,405,098	-	-	-
Public Safety	46,015,348	-	-	-
Public Works	352,193	-	-	-
Health	603,572	30,950,080	-	23,991,401
Human Services	1,572,057	-	66,628,175	-
Conservation and Recreation	586,781	-	-	-
Capital Outlay	-	-	-	-
Intergovernmental	-	-	-	-
<b>Debt Service:</b>				
Principal Retirement	5,565,856	-	18,413	-
Interest and Fiscal Charges	3,433,557	-	2,234	-
Issuance Costs	-	-	-	-
<b>Total Expenditures</b>	<b>97,498,533</b>	<b>30,950,080</b>	<b>66,648,822</b>	<b>23,991,401</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(5,635,598)</b>	<b>(1,931,054)</b>	<b>(7,392,246)</b>	<b>1,998,671</b>
<b>Other Financing Sources (Uses):</b>				
Premium on Debt Issued	-	-	-	-
Special Assessment Bonds Issued	-	-	-	-
Inception of Capital Lease	1,218,866	-	-	-
Transfers - In	20,000	-	1,198,831	-
Transfers - Out	(2,428,900)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(1,190,034)</b>	<b>-</b>	<b>1,198,831</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>(6,825,632)</b>	<b>(1,931,054)</b>	<b>(6,193,415)</b>	<b>1,998,671</b>
<b>Fund Balances (Deficit) at Beginning of Year - Restated (See Note 3)</b>	<b>38,288,345</b>	<b>26,435,472</b>	<b>9,164,892</b>	<b>10,518,946</b>
<b>Fund Balances (Deficit) at End of Year</b>	<b>\$ 31,462,713</b>	<b>\$ 24,504,418</b>	<b>\$ 2,971,477</b>	<b>\$ 12,517,617</b>

See accompanying notes to the basic financial statements

Residential Incentive Districts and Tax Incremental Financings	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 13,738,764	\$ 69,674,972
-	-	34,238,835
-	2,454,986	2,454,986
-	19,634,161	42,536,158
-	726,522	741,296
-	359,290	2,231,081
-	41,090,613	119,929,792
-	2,578,575	2,578,575
3,979,297	15,716	4,063,662
128,619	855,401	9,094,150
-	-	1,277,036
-	1,442,847	4,312,857
<u>4,107,916</u>	<u>82,896,875</u>	<u>293,133,400</u>
2,437,006	7,405,737	34,806,814
-	2,295,979	16,701,077
-	10,336,157	56,351,505
-	26,533,041	26,885,234
-	6,215,968	61,761,021
-	25,532,338	93,732,570
-	280	587,061
-	10,115,027	10,115,027
2,572,290	3,000,000	5,572,290
-	1,186,631	6,770,900
485,831	1,808,861	5,730,483
-	60,948	60,948
<u>5,495,127</u>	<u>94,490,967</u>	<u>319,074,930</u>
<u>(1,387,211)</u>	<u>(11,594,092)</u>	<u>(25,941,530)</u>
-	83,744	83,744
-	3,315,000	3,315,000
-	-	1,218,866
-	1,870,513	3,089,344
(629,040)	(31,404)	(3,089,344)
<u>(629,040)</u>	<u>5,237,853</u>	<u>4,617,610</u>
(2,016,251)	(6,356,239)	(21,323,920)
<u>(7,315,871)</u>	<u>33,647,833</u>	<u>110,739,617</u>
<u>\$ (9,332,122)</u>	<u>\$ 27,291,594</u>	<u>\$ 89,415,697</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, 2008**

Net Change in Fund Balances - Total Governmental Funds		(\$21,323,920)
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	22,698,190	
Current Year Depreciation	<u>(7,288,383)</u>	15,409,807
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		(10,179)
Assets donated by other governments		
Capital Assets		15,785
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	(220,760)	
Sales Taxes	(830,342)	
Payment in Lieu of Taxes	375,056	
Due From Other Governments	(4,371,657)	
Loans	(62,663)	
Special Assessments	2,818,520	
Charges for Services	202,151	
Other	(542,750)	
Interest Revenue	<u>(8,464)</u>	(2,640,909)
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.		
		(1,218,866)
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.		
General obligation principal retirement	3,015,000	
Sales tax principal retirement	1,765,000	
Special assessment principal retirement	570,670	
Loan principal retirement	181,694	
Capital lease payments	<u>1,238,536</u>	6,770,900
Total long-term debt repayment		
Interest on long-term debt in the statement of activities differs from the amounts reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The additional amount of interest on the statement of activities is the result of the following:		
Increase in Accrued Interest		(65,438)
Governmental funds report premiums, and bond issuance costs as expenditures, whereas these amounts are deferred and amortized in the statement of activities		
Premium on Bonds	(83,744)	
Bond Issuance Costs	60,948	
Amortization of Gain/Loss on Refunding	(318,427)	
Amortization of Bond Premiums on Issue	416,158	
Amortization of Bond Issuance Costs	<u>(124,471)</u>	(49,536)
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		(3,315,000)
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	(392,374)	
Intergovernmental	<u>(269,661)</u>	(662,035)
The internal service funds used by management to charge the costs of insurance to individual funds. The net revenue (expense) of the internal service funds are reported with governmental activities		
		1,255,726
Change in Net Assets of Governmental Activities		<u><u>(\$5,833,665)</u></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, 2008

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>				
Property Taxes	\$ 14,304,090	\$ 14,460,190	\$ 14,152,353	\$ (307,837)
Sales Taxes	34,231,178	34,075,078	35,045,034	969,956
Charges for Services	25,278,988	22,892,794	22,531,027	(361,767)
Licenses and Permits	17,560	14,674	14,774	100
Fines and Forfeitures	1,841,760	1,922,314	1,927,312	4,998
Intergovernmental	7,884,600	8,279,629	8,156,487	(123,142)
Payment in Lieu of Taxes	16,400	22,856	22,856	-
Interest	11,036,200	9,287,888	9,286,691	(1,197)
Other	1,220,066	1,952,921	1,953,903	982
<b>Total Revenues</b>	<b>95,830,842</b>	<b>92,908,344</b>	<b>93,090,437</b>	<b>182,093</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General Government:</b>				
Legislative and Executive	26,249,528	28,898,361	27,990,638	907,723
Judicial	15,946,569	16,174,085	15,634,921	539,164
Public Safety	54,370,242	55,178,716	51,655,083	3,523,633
Public Works	393,216	219,463	214,948	4,515
Health	607,650	607,650	570,295	37,355
Human Services	1,670,901	1,744,901	1,616,308	128,593
Conservation and Recreation	608,024	608,024	586,781	21,243
<b>Debt Service:</b>				
Principal Retirement	6,012,249	5,975,151	5,960,399	14,752
Interest and Fiscal Charges	3,799,751	3,506,803	3,480,253	26,550
<b>Total Expenditures</b>	<b>109,658,130</b>	<b>112,913,154</b>	<b>107,709,626</b>	<b>5,203,528</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(13,827,288)</b>	<b>(20,004,810)</b>	<b>(14,619,189)</b>	<b>5,385,621</b>
<b>Other Financing Sources (Uses):</b>				
Other Financing Sources	3,296,257	2,904,754	2,920,825	16,071
Advances - In	30,000	456,000	456,000	-
Advances - Out	-	(230,560)	(210,000)	20,560
Transfers - In	-	20,000	20,000	-
Transfers - Out	(3,860,296)	(3,736,869)	(2,428,900)	1,307,969
<b>Total Other Financing Sources (Uses)</b>	<b>(534,039)</b>	<b>(586,675)</b>	<b>757,925</b>	<b>1,344,600</b>
<b>Net Change in Fund Balance</b>	<b>(14,361,327)</b>	<b>(20,591,485)</b>	<b>(13,861,264)</b>	<b>6,730,221</b>
Fund Balance at Beginning of Year	26,944,887	26,944,887	26,944,887	-
Prior Year Encumbrances Appropriated	2,399,977	2,399,977	2,399,977	-
<b>Fund Balance at End of Year</b>	<b>\$ 14,983,537</b>	<b>\$ 8,753,379</b>	<b>\$ 15,483,600</b>	<b>\$ 6,730,221</b>

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, 2008

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Property Taxes	\$ 21,973,000	\$ 19,656,536	\$ 19,658,856	\$ 2,320
Charges for Services	1,640,000	45,121	83,214	38,093
Intergovernmental	9,240,000	9,686,630	10,032,509	345,879
Payment in Lieu of Taxes	-	28,231	28,231	-
Other	223,000	10,850	25,639	14,789
Total Revenues	33,076,000	29,427,368	29,828,449	401,081
Expenditures:				
Current:				
Health	37,710,659	36,260,753	33,267,672	2,993,081
Excess of Revenues Over (Under) Expenditures	(4,634,659)	(6,833,385)	(3,439,223)	3,394,162
Other Financing Sources:				
Other Financing Sources	-	20,000	44,178	24,178
Net Change in Fund Balance	(4,634,659)	(6,813,385)	(3,395,045)	3,418,340
Fund Balance at Beginning of Year	23,733,532	23,733,532	23,733,532	-
Prior Year Encumbrances Appropriated	1,715,659	1,715,659	1,715,659	-
Fund Balance at End of Year	\$ 20,814,532	\$ 18,635,806	\$ 22,054,146	\$ 3,418,340

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/Children Services Agency Fund  
For the Year Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Property Taxes	\$ 13,566,000	\$ 14,028,956	\$ 14,077,585	\$48,629
Intergovernmental	47,671,965	45,174,962	46,320,291	1,145,329
Payment in Lieu of Taxes	-	14,197	14,197	-
Other	1,006,000	1,380,042	1,415,895	35,853
Total Revenues	<u>62,243,965</u>	<u>60,598,157</u>	<u>61,827,968</u>	<u>1,229,811</u>
Expenditures:				
Current:				
Human Services	69,239,195	68,783,925	67,019,715	1,764,210
Debt Service:				
Principal	-	18,413	12,215	6,198
Interest and Fiscal Charges	-	6,363	4,303	2,060
Total Expenditures	<u>69,239,195</u>	<u>68,808,701</u>	<u>67,036,233</u>	<u>1,772,468</u>
Excess of Revenues Over (Under) Expenditures	<u>(6,995,230)</u>	<u>(8,210,544)</u>	<u>(5,208,265)</u>	<u>3,002,279</u>
Other Financing Sources:				
Other Financing Sources	129,620	719,910	287,680	(432,230)
Transfers - In	1,279,708	1,198,831	1,198,831	-
Total Other Financing Sources	<u>1,409,328</u>	<u>1,918,741</u>	<u>1,486,511</u>	<u>(432,230)</u>
Net Change in Fund Balance	(5,585,902)	(6,291,803)	(3,721,754)	2,570,049
Fund Balance at Beginning of Year	7,880,594	7,880,594	7,880,594	-
Prior Year Encumbrances Appropriated	1,157,790	1,157,790	1,157,790	-
Fund Balance at End of Year	<u>\$ 3,452,482</u>	<u>\$ 2,746,581</u>	<u>\$ 5,316,630</u>	<u>\$ 2,570,049</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)  
Mental Health Fund  
For the Year Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Property Taxes	\$ 8,084,636	\$ 8,848,414	\$ 8,880,892	\$ 32,478
Charges for Services	98,459	89,919	89,919	-
Intergovernmental	16,738,364	16,657,108	17,024,073	366,965
Payment in Lieu of Taxes	3,548	3,365	3,365	-
Other	207,000	71,979	71,979	-
Total Revenues	25,132,007	25,670,785	26,070,228	399,443
Expenditures:				
Current:				
General Government:				
Health	33,556,708	33,556,708	29,040,918	4,515,790
Net Change in Fund Balance	(8,424,701)	(7,885,923)	(2,970,690)	4,915,233
Fund Balance at Beginning of Year	5,487,695	5,487,695	5,487,695	-
Prior Year Encumbrances Appropriated	3,424,701	3,424,701	3,424,701	-
Fund Balance at End of Year	\$ 487,695	\$ 1,026,473	\$ 5,941,706	\$ 4,915,233

See accompanying notes to the basic financial statements

**Butler County, Ohio**  
**Statement of Fund Net Assets**  
**Proprietary Funds**  
**December 31, 2008**

	Enterprise Funds				Governmental Activities - Internal Service Funds
	Sewer	Water	GSC Parking Facility	Total	
<b>Assets</b>					
<b>Current Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$ 27,711,123	\$ 19,975,601	\$ 88,600	\$ 47,775,324	\$ 1,390,643
Cash and Cash Equivalents in Segregated Accounts	250	250	100	600	-
<b>Restricted Assets:</b>					
Cash and Cash Equivalents with Fiscal Agent	4,476,692	1,465,766	-	5,942,458	-
<b>Receivables:</b>					
Accounts	2,863,446	2,486,003	551	5,350,000	13,043
Special Assessments	434,960	494,373	-	929,333	-
Due from Other Funds	-	-	-	-	2,279,418
Prepaid Items	71,600	50,644	-	122,244	816
Materials and Supplies Inventory	52,382	65,495	-	117,877	30,401
<b>Total Current Assets</b>	<b>35,610,453</b>	<b>24,538,132</b>	<b>89,251</b>	<b>60,237,836</b>	<b>3,714,321</b>
<b>Noncurrent Assets</b>					
Deferred Charges	1,208,365	4,846,406	-	6,054,771	-
Deferred Charges for Water Rate Stabilization	-	24,367,485	-	24,367,485	-
Non-Depreciable Capital Assets	6,865,112	3,681,799	-	10,546,911	-
Depreciable Capital Assets	185,683,797	108,086,643	-	293,770,440	-
<b>Restricted Assets:</b>					
Equity in Pooled Cash and Cash Equivalents	4,000,000	2,135,485	-	6,135,485	-
<b>Total Noncurrent Assets</b>	<b>197,757,274</b>	<b>143,117,818</b>	<b>-</b>	<b>340,875,092</b>	<b>-</b>
<b>Total Assets</b>	<b>233,367,727</b>	<b>167,655,950</b>	<b>89,251</b>	<b>401,112,928</b>	<b>3,714,321</b>
<b>Liabilities</b>					
<b>Current Liabilities:</b>					
Accounts Payable	311,710	106,284	-	417,994	24,040
Contracts Payable	230,659	187,758	-	418,417	-
Accrued Wages and Benefits Payable	246,351	176,884	2,919	426,154	18,822
Retainage Payable	65,832	340,797	-	406,629	-
Due to Other Funds	335,166	297,803	1,126	634,095	2,003
Due to Other Governments	24,428	610,262	-	634,690	890,279
Accrued Interest Payable	341,830	259,171	-	601,001	-
General Obligation Bonds Payable	138,762	115,735	-	254,497	-
Revenue Bonds Payable	4,289,220	2,105,000	-	6,394,220	-
Judgement Bonds Payable	-	1,180,000	-	1,180,000	-
Loans Payable	-	251,984	-	251,984	-
Claims Payable	-	-	-	-	747,726
Compensated Absences Payable	147,277	113,880	2,089	263,246	15,599
<b>Total Current Liabilities</b>	<b>6,131,235</b>	<b>5,745,558</b>	<b>6,134</b>	<b>11,882,927</b>	<b>1,698,469</b>
<b>Noncurrent Liabilities:</b>					
Advances from Other Funds	-	-	-	-	250,000
Refundable Deposits	-	135,485	-	135,485	-
Claims Payable	-	-	-	-	2,021,486
Compensated Absences Payable	263,660	244,459	5,117	513,236	30,884
General Obligation Bonds Payable	4,002,985	372,605	-	4,375,590	-
Revenue Bonds Payable	47,022,445	32,150,374	-	79,172,819	-
Judgement Bonds Payable	-	30,724,658	-	30,724,658	-
Loans Payable	-	5,444,119	-	5,444,119	-
<b>Total Noncurrent Liabilities</b>	<b>51,289,090</b>	<b>69,071,700</b>	<b>5,117</b>	<b>120,365,907</b>	<b>2,302,370</b>
<b>Total Liabilities</b>	<b>57,420,325</b>	<b>74,817,258</b>	<b>11,251</b>	<b>132,248,834</b>	<b>4,000,839</b>
<b>Net Assets</b>					
Invested in Capital Assets, Net of Related Debt	139,892,303	80,675,714	-	220,568,017	-
<b>Restricted for:</b>					
Debt Service	4,217,806	1,333,536	-	5,551,342	-
Replacement and Improvement	4,000,000	2,000,000	-	6,000,000	-
Unrestricted (Deficit)	27,837,293	8,829,442	78,000	36,744,735	(286,518)
<b>Total Net Assets (Deficit)</b>	<b>\$ 175,947,402</b>	<b>\$ 92,838,692</b>	<b>\$ 78,000</b>	<b>\$ 268,864,094</b>	<b>\$ (286,518)</b>

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, 2008

	Enterprise Funds				Governmental Activities - Internal Service Funds
	Sewer	Water	GSC Parking Facility	Total	
Operating Revenues:					
Charges for Services	\$ 21,299,055	\$ 23,456,446	\$ 156,404	\$ 44,911,905	\$ 17,704,878
Other Operating Revenues	86,115	383,419	-	469,534	-
Total Operating Revenues	<u>21,385,170</u>	<u>23,839,865</u>	<u>156,404</u>	<u>45,381,439</u>	<u>17,704,878</u>
Operating Expenses:					
Personal Services	6,326,987	4,481,806	72,595	10,881,388	465,036
Contractual Services	4,291,227	11,294,203	4,239	15,589,669	15,219,361
Claims and Judgments	-	-	-	-	656
Materials and Supplies	1,479,174	672,284	5,512	2,156,970	763,707
Depreciation and Amortization Expense	10,494,301	6,226,109	-	16,720,410	-
Other	669,462	645,797	-	1,315,259	392
Total Operating Expenses	<u>23,261,151</u>	<u>23,320,199</u>	<u>82,346</u>	<u>46,663,696</u>	<u>16,449,152</u>
Operating Income (Loss)	<u>(1,875,981)</u>	<u>519,666</u>	<u>74,058</u>	<u>(1,282,257)</u>	<u>1,255,726</u>
Non-Operating Revenues (Expenses)					
Other Non-Operating Revenues	63,866	236,487	-	300,353	-
Interest	77,159	48,141	-	125,300	-
Interest and Fiscal Charges	(3,168,775)	(3,626,754)	-	(6,795,529)	-
Total Non-Operating Revenues (Expenses)	<u>(3,027,750)</u>	<u>(3,342,126)</u>	<u>-</u>	<u>(6,369,876)</u>	<u>-</u>
Income (Loss) Before Contributions	<u>(4,903,731)</u>	<u>(2,822,460)</u>	<u>74,058</u>	<u>(7,652,133)</u>	<u>1,255,726</u>
Capital Contributions	<u>4,390,994</u>	<u>2,204,494</u>	<u>-</u>	<u>6,595,488</u>	<u>-</u>
Change in Net Assets	<u>(512,737)</u>	<u>(617,966)</u>	<u>74,058</u>	<u>(1,056,645)</u>	<u>1,255,726</u>
Net Assets (Deficit) at Beginning of Year - Restated (see Note 3)	<u>176,460,139</u>	<u>93,456,658</u>	<u>3,942</u>	<u>269,920,739</u>	<u>(1,542,244)</u>
Net Assets (Deficit) at End of Year	<u>\$ 175,947,402</u>	<u>\$ 92,838,692</u>	<u>\$ 78,000</u>	<u>\$ 268,864,094</u>	<u>\$ (286,518)</u>

See accompanying notes to the basic financial statements

Butler County  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2008

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Sewer	Water	GSC Parking Facility	Totals	
<u>Increase (Decrease) in Cash and Cash Equivalents:</u>					
<u>Cash Flows from Operating Activities:</u>					
Cash Received from Customers	\$ 21,127,131	\$ 24,037,800	\$ 158,421	\$ 45,323,352	\$ -
Cash Paid to Suppliers	(5,421,958)	(11,999,008)	(9,751)	(17,430,717)	(15,867,740)
Cash Paid to Employees	(5,539,481)	(4,016,258)	(65,033)	(9,620,772)	(468,689)
Cash Received from Interfund Services Provided	-	-	-	-	17,600,298
Cash Payments for Interfund Services Used	(914,578)	(546,532)	(8,252)	(1,469,362)	-
Deposits	-	7,240	-	7,240	-
Other Operating Revenues	229,039	462,403	-	691,442	-
Other Operating Expenses	(459,793)	(443,556)	-	(903,349)	-
Other Non-Operating Revenues	63,866	325,698	-	389,564	-
Cash Paid for Claims	-	-	-	-	(785,680)
Net Cash Provided by Operating Activities	9,084,226	7,827,787	75,385	16,987,398	478,189
<u>Cash Flows from Noncapital Financing Activities:</u>					
Interest Paid on Judgement Bonds	-	(1,489,846)	-	(1,489,846)	-
Principal Paid on Judgement Bonds	-	(1,025,000)	-	(1,025,000)	-
Repayment of Short-Term Advances from Other Funds	-	-	-	-	(150,000)
Short-Term Advances to Other Funds	-	-	-	-	(150,000)
Short-Term Advances From Other Funds	-	-	-	-	210,000
Net Cash Provided by (Used for) Noncapital Financing Activities	-	(2,514,846)	-	(2,514,846)	(90,000)
<u>Cash Flows from Capital and Related Financing Activities:</u>					
Proceeds from Sale of General Obligation Bonds	102,355	115,145	-	217,500	-
Principal Paid on Loans	-	(187,533)	-	(187,533)	-
Interest Paid on Loans	-	(176,965)	-	(176,965)	-
Interest Paid on General Obligation Bonds	(185,656)	(25,741)	-	(211,397)	-
Principal Paid on General Obligation Bonds	(135,288)	(108,805)	-	(244,093)	-
Interest and Fiscal Charges on Revenue Bonds	(2,486,488)	(1,646,247)	-	(4,132,735)	-
Principal Paid on Revenue Bonds	(4,132,360)	(2,030,000)	-	(6,162,360)	-
Acquisition and Construction of Capital Assets	(1,437,452)	(3,523,262)	-	(4,960,714)	-
Cash Received from Special Assessments	26,319	60,657	-	86,976	-
Capital Contributions by Other Governments - Capital Grants	15,432	402,367	-	417,799	-
Capital Contributions by Customers	3,278,362	1,427,407	-	4,705,769	-
Net Cash Provided by (Used for) Capital and Related Financing Activities	(4,954,776)	(5,692,977)	-	(10,647,753)	-
<u>Cash Flows from Investing Activities:</u>					
Interest and Dividends on Investments	77,159	48,141	-	125,300	-
Net Increase (Decrease) in Cash and Cash Equivalents	4,206,609	(331,895)	75,385	3,950,099	388,189
Cash and Cash Equivalents at Beginning of Year	31,981,456	23,908,997	13,315	55,903,768	1,002,454
Cash and Cash Equivalents at End of Year	\$ 36,188,065	\$ 23,577,102	\$ 88,700	\$ 59,853,867	\$ 1,390,643

(continued)

Butler County  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2008 (Continued)

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Sewer	Water	GSC Parking Facility	Totals	
Reconciliation of Operating Income (Loss) to Net Income					
<u>Cash Provided by Operating Activities:</u>					
Operating Income (Loss)	\$ (1,875,981)	\$ 519,666	\$ 74,058	\$ (1,282,257)	\$ 1,255,726
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Depreciation and Amortization	10,494,301	6,226,109	-	16,720,410	-
Other Non-Operating Revenues	63,866	325,698	-	389,564	-
<u>Changes in Assets and Liabilities:</u>					
(Increase) Decrease in Accounts Receivable	(29,000)	663,848	94	634,942	33,907
Decrease in Due from Other Funds	-	-	1,923	1,923	(138,487)
(Increase) Decrease in Materials and Supplies Inventory	43,383	(1,371)	-	42,012	(30,401)
Increase in Prepaid Items	(15,429)	(13,601)	-	(29,030)	(303)
Increase in Accrued Wages and Benefits Payable	32,714	20,669	372	53,755	2,437
Increase (Decrease) in Accounts Payable	98,211	(170,060)	(1,729)	(73,578)	15,522
Increase (Decrease) in Contracts Payable	158,887	(51,935)	-	106,952	-
Increase in Retainage Payable	5	184,027	-	184,032	-
Increase (Decrease) in Compensated Absences Payable	(40,947)	(48,583)	653	(88,877)	(5,558)
Increase in Due to Other Funds	226,615	217,126	14	443,755	(532)
Decrease in Due to Other Governments	(72,399)	(51,046)	-	(123,445)	130,902
Decrease in Claims Payable	-	-	-	-	(785,024)
Increase in Refundable Deposits	-	7,240	-	7,240	-
Total Adjustments	10,960,207	7,308,121	1,327	18,269,655	(777,537)
Net Cash Provided by Operating Activities	\$ 9,084,226	\$ 7,827,787	\$ 75,385	\$ 16,987,398	\$ 478,189

Non-Cash capital and related financing activities:  
Capital Contributions from Customers of \$4,495 for the Sewer Fund  
Capital Contributions from Customers of \$4,495 for the Water Fund  
Developers during the year donated \$1,092,705 of sewer lines to the sewer fund.  
Developers during the year donated \$370,225 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, 2008**

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	<u>Total</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 27,544,573
Cash and Cash Equivalents in Segregated Accounts	3,712,944
Property Taxes Receivable	374,224,624
Special Assessments Receivable	40,788,909
Due from Other Governments	<u>16,329,138</u>
 Total Assets	 <u>\$ 462,600,188</u>
 Liabilities	
Undistributed Monies	\$ 4,603,628
Deposits Held and Due to Others	9,539,037
Due to Other Governments	448,330,583
Loans Payable	<u>126,940</u>
 Total Liabilities	 <u>\$ 462,600,188</u>

See accompanying notes to the basic financial statements

**BUTLER COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

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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, twelve 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 Board of Mental Retardation and Developmental Disabilities, the Board of Mental Health, the Alcohol and Drug Addiction Services Board, the Veterans Service Board, 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.

Component Unit

The component unit column in the combined financial statements identifies the financial data of the County's component unit, Butler County Alliance. It is reported separately to emphasize that is legally separate from the County.

**BUTLER COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

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

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 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 and business leaders on activities or programs that can make Butler County more attractive to business investment. In 2008 Butler County was the sole investor making the Butler County Alliance fiscally dependent on the County. The component unit column of the financial statements identifies the financial data of the discretely present component unit. It is reported separately to emphasize that it is legally separate from the County. Separately issued financial statements can be obtained from the Butler County Commissioners, 315 High Street, 6<sup>th</sup> floor, Hamilton, Ohio 45011. Disclosures can be found in Note 24.

The County participates in the following jointly governed organizations, risk sharing pool, insurance purchasing pool and related organizations. These organizations are presented in Note 21 to the basic financial statements and are excluded from the accompanying financial statements except as noted.

Butler County Emergency Management Agency  
Transportation Improvement District of Butler County  
Ohio Kentucky Indiana Regional Council of Governments  
Butler/Clermont/Warren Workforce Policy Board  
Community-Based Correctional Facility  
County Risk Sharing Authority (CORSA)  
County Employee Benefits Consortium of Ohio, Inc. (CEBCO)  
Regional Transit Authority (RTA)  
Butler County Convention and Visitor Bureau  
Butler County Port Authority  
Metroparks of Butler County

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, 2008**

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

Butler County Emergency Management Agency

The Butler County Emergency Management Agency consists of twenty-six members of the advisory council that 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.

Regional Transit Authority (RTA)

The County Commissioners are responsible for appointing the board of directors 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.

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.

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 \$500,321 of funding from the County Property Transfer Tax during 2008.

**BUTLER COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

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

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.

Workforce Investment Area Twelve

The Workforce Investment Area (WIA) Twelve is made up of Butler, Clermont and Warren counties. Butler County is currently the fiscal agent for the WIA area which is reported in an agency fund. The duties of the fiscal agent include budgeting, reporting and disbursing grant funding to Clermont and Warren counties as well as Butler County Job and Family Services from the Ohio Department of Job and Family Services.

The State of Ohio required Area Twelve to form a board to set goals, agendas, and come up with a plan to best meet the needs of the program. The board is made up of 27 members, 3 represent a commissioner for each County and the remaining 24 members are representatives from the local communities. All expenses involved with the operation of the board are paid by Butler, Clermont, or Warren County as part of the administration cost allotted in the WIA program.

Community-Based Correctional Facility

The Community-Based Correctional Facility serves Butler, Clermont, and Warren County. The Judicial Advisory Board includes at least one common pleas court judge from each county. The Community-Based Correctional Facility provides a wide range of programs addressing offender needs such as chemical dependency, education, employment, and family relationships.

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.

**BUTLER COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

**BUTLER COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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/Children Services Agency - This fund accounts for the countywide tax levy along with various federal and state grants to support children's services, provide services to the local community for child adoption and foster care needs, provide public assistance to general relief recipients, pay their providers of medical assistance, and pay for certain public social services.

Mental Health - This fund accounts for various federal, state and local funds used to provide mental health services to all citizens of Butler County.

Residential Incentive Districts and Tax Incremental Financings - This fund accounts for residential incentive district and tax incremental financings revenues in addition to short-term notes. The payments in lieu of taxes are collected through the real estate tax process and are used to construct public infrastructure within Butler County. In addition to capital improvement expenditures, debt service on short-term notes as well as school district and township compensation payments are issued from this fund.

**BUTLER COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 Butler County Water and Sewer for the processing and disposal of sewage.

Water - This fund accounts for fees collected by Butler County Water and Sewer 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 from customers parking in the GSC parking facility and expenses relative to its operation.

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 health insurance programs for medical, dental and vision coverage, 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 Emergency Management Agency, Regional Transit Authority, General Health District, Soil and Water Conservation District, Metroparks, Twelfth District Court of Appeals, Workforce Investment Area Twelve, and the Community-Based Correctional Facility.

**BUTLER COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 (e.g. revenues) and decreases (e.g. 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 reconciliations with brief explanations to better identify the relationships between the government-wide statements and the fund financial statements.

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 (e.g. revenues) and decreases (e.g. 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.

**BUTLER COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 6). 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.

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), licenses and permits, fines and forfeitures, grants, interest, and charges for services.

Payments in Lieu of Taxes

The County has entered into several Tax Increment Financing Agreements with developers. In order to encourage improvements, companies and home owners were granted a 100 percent, 30 year exemption from paying any property taxes on the new construction; however, payments in lieu of taxes are made to the County in an amount equal to the real property taxes that otherwise would have been due in that current year. Payments in lieu of taxes are collected through the real estate tax collection cycle. These payments are being used to finance public infrastructure improvements. Additional payments are made to Fairfield City School District and Lakota Local School District since they are impacted by the exemption. A liability has been recorded for the payments due to the School District. A receivable for the amount of the payments estimated to be received has been recorded in the respective TIF funds with a corresponding credit to deferred

**BUTLER COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

revenue on the modified accrual basis. On a full accrual basis, the entire amount of the receivable is recorded as revenue.

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, 2008, but which were levied to finance year 2009 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 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 2008, 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, 2008, share price. Note 5 provides a detailed disclosure regarding cash, cash equivalents and investments held by the County.

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, 2008.

**BUTLER COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 2008 amounted to \$8,110,130, which includes \$7,084,741 assigned from other County funds.

Cash and Cash Equivalents 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".

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 Assets: Cash and cash equivalents with fiscal agents" on the Statement of Fund Net Assets- Proprietary Funds and "Cash and cash equivalents with fiscal agents" on the Statement of Net Assets- Government wide.

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.

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.

**BUTLER COUNTY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 the advances to is 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: Equity in pooled cash and cash equivalents consist of Replacement and Improvement (R&I) Funds held by the Department of Water and Sewer that are restricted by bond covenants. The covenants state that transfers must be made into the R&I Funds monthly from the Water and Sewer operating funds until the time that the minimum cash balance of \$2,000,000 in the Water Fund and \$4,000,000 in the Sewer Fund is achieved. These dollars may be used to pay for replacements and improvements to assets in the Water and Sewer systems. In addition, water customer deposits are presented as Restricted Equity in pooled cash and cash equivalents.

Restricted Assets: Cash and cash equivalents with fiscal agent consist of certain trust accounts held by the Department of Water and Sewer, which includes bond accounts, bond reserve accounts, and construction accounts. Cash in the accounts is 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 final annual bond principal and interest requirement.

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. The County defines capital assets as assets with an initial individual cost of more than \$15,000 (amount not rounded) and an estimated useful life of one year or any asset with 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, 2008**

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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>
Land Improvements	10 - 60 years
Buildings and Improvements	30 - 60 years
Water and Sewer Mains	40 years
Furniture, Fixtures and Equipment	3 - 30 years
Vehicles	5 - 7 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 for additions and improvements to infrastructure assets are capitalized.

**BUTLER COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capitalization of Interest

It is the County's policy to capitalize net interest on proprietary fund construction projects until substantial completion of the project. The amount of capitalized interest equals the difference between the interest cost associated with the tax-exempt borrowing used to finance the project and the interest earned from temporary investment of the debt proceeds. Capitalized interest is amortized on the straight-line basis over the estimated useful life of the asset.

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, intergovernmental payable, 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, loans, capital leases, and long-term intergovernmental payables that will be paid from governmental funds are recognized as a liability in the fund financial statements when payment is due.

**BUTLER COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Balance Reserves/Designations

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.

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 countywide 800-megahertz public safety radio communications system. Revenues received from this tax have been designated for the aforementioned purpose.

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; elderly service programs; 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 \$147,115,436 of restricted net assets, none of which is restricted by enabling legislation.

**BUTLER COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 wastewater treatment, water distribution, parking facility operations, self-insurance programs and the County fuel depot operations. Operating expenses are necessary costs incurred to provide the good or service that are 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 Water and Sewer 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.

Internal Activity

Transfers within governmental activities are eliminated on the government-wide financial statements.

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the statement of activities. Payments for interfund services provided and used are not eliminated.

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. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Bond Premiums/Issuance Costs

On the government-wide financial statements (and in the enterprise funds), bond premiums 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 are presented as additions 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.

**BUTLER COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

On the governmental fund financial statements, issuance costs and bond premiums 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.

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 tax budget demonstrates a need for existing or increased tax rates. 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 the County Auditor identifies projected increases or decreases in revenue. 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.

**BUTLER COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances.

The Statement 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).

**BUTLER COUNTY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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 Agency	Mental Health
GAAP Basis	\$ (6,825,632)	\$ (1,931,054)	\$ (6,193,415)	\$ 1,998,671
Revenue Accruals	4,206,497	853,601	2,859,072	80,156
Expenditure Accruals	(1,262,295)	1,159,506	1,542,772	(342,936)
Encumbrances	(8,948,798)	(3,477,098)	(1,930,183)	(4,706,581)
2007 Increase in Fair Value of Investments	1,146,143	-	-	-
2008 Increase in Fair Value of Investments	(2,423,179)	-	-	-
Advances	246,000	-	-	-
Budget Basis	<u>\$ (13,861,264)</u>	<u>\$ (3,395,045)</u>	<u>\$ (3,721,754)</u>	<u>\$ (2,970,690)</u>

**NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLES/CORRECTIONS OF AN ERROR AND RESTATEMENT OF FUND BALANCE/NET ASSETS**

**Change in Accounting Principles**

For 2008, the County has implemented Governmental Accounting Standards Board (GASB) Statement No. 49, "Accounting and Financial Reporting for Pollution Remediation Obligations". GASB Statement No. 49 provides guidance on how to calculate and report the costs and obligations associated with pollution cleanup efforts. The implementation of this statement did not result in any change to the financial statements.

**Correction of an Error and Restatement of Fund Balance/Net Asset**

In 2008, it was discovered that Due from Other Government, Accounts Receivable, and Claims Payable were overstated in 2007. In addition, it was found that Equity in Pooled Cash and Cash Equivalents, Accounts Receivable, Accrued Interest Payable, and Notes Payable were reported in incorrect funds.

In addition, it was determined that the County should have recognized a Payment in Lieu of Taxes Receivable. Accordingly, the County changed the accounting treatment applied to payments in lieu of taxes transactions related to residential incentive districts and tax increment financings agreements, wherein the County has agreed to construct infrastructure in exchange for payments in lieu of taxes from developers. The County views these transactions as exchange transactions and has recognized revenue and related receivable in the year the exchange takes place. In previous years, the County viewed these transactions as non-exchange transactions. The

**BUTLER COUNTY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLES/CORRECTIONS OF AN ERROR AND  
RESTATEMENT OF FUND BALANCE/NET ASSETS (continued)**

County has also recognized the long-term intergovernmental payable (amounts due to surrounding governments to reimburse them for the loss of tax revenue) associated with these agreements.

The restatements had the following effect on fund balances and net assets at December 31, 2007 as previously reported.

Governmental Fund - Restatement

	Residential Incentive Districts and Tax <u>Incremental Financings</u>	Other Governmental <u>Governmental</u>
Fund Balance at December 31, 2007	\$304,891	\$36,732,781
Equity in Pooled Cash and Cash Equivalents	5,203,288	(5,203,288)
Due from Other Funds	1,728,595	0
Due to Other Funds	0	(1,728,595)
Accrued Interest Payable	(214,645)	214,645
Notes Payable	(14,338,000)	14,338,000
Accounts Receivable	0	(16,260,846)
Due from Other Governments	0	(712,366)
Major fund reclassification		6,267,502
Fund Balance, December 31, 2007 as Restated	<u>(\$7,315,871)</u>	<u>\$33,647,833</u>

	<u>Governmental Activities</u>
Net Assets, December 31, 2007	\$ 454,860,757
Intergovernmental Payable	(30,744,731)
Accounts Receivable	(15,679,739)
Due from Other Governments	(1,424,732)
Revenue in Lieu of Taxes	58,193,128
Claims Payable	285,196
Net Assets, December 31, 2007, as Restated	<u>\$ 465,489,879</u>

Enterprise Funds - Restatement

	Sewer	Water
Net Asset balance at December 31, 2007	\$ 175,050,780	\$ 94,866,017
Accounts Receivable	1,409,359	(1,409,359)
Adjusted Net Asset Balance at December 31, 2007	<u>\$ 176,460,139</u>	<u>\$ 93,456,658</u>

**BUTLER COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

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NOTE 4 - ACCOUNTABILITY/OTHER MATERIAL NON-COMPLIANCE

ACCOUNTABILITY

At year-end, the Residential Incentive Districts and Tax Incremental Financings, Real Estate Assessment, Technology, Road Improvement and Building Construction and Renovation Funds had deficit fund balances of \$9,332,122, \$426,651, \$2,997,723, \$625,797, and \$10,069,924. The Workers' Compensation Fund had negative net assets of \$920,262. The deficits in the Capital Improvement Funds except Road Improvements 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 deficit in the Road Improvements Fund is due to the timing of grant dollars from the Ohio Public Works Commission. Once these dollars are received, the deficit will be alleviated.

The Real Estate Assessment Fund has a deficit fund balance due to accrued liabilities for the purpose of the general reappraisal that is mandated by Ohio law. The Real Estate Assessment Fund is able to receive advances from future tax dollars to alleviate cash flow issues. Management has addressed the Workers Compensation deficit by increasing the percentage charged to participating funds from 1% to 2%.

OTHER MATERIAL NON-COMPLIANCE

During 2008, the County had appropriations in excess of estimated resources in the Mental Health Fund at interim periods during the year.

The County will monitor budgetary controls more closely in the future to alleviate such compliance issues.

The County has not complied with required Internal Revenue Service Code arbitrage calculations on all applicable debt issuances.

NOTE 5 - 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. 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:

**BUTLER COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

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**NOTE 5 - DEPOSITS AND INVESTMENTS (continued)**

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;
3. Written repurchase agreements in the securities listed above;
4. Bonds and other obligations of the State of Ohio or its political subdivisions;
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);
7. The State Treasurer's investment pool (STAROhio);
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. A portion of the County's average portfolio is in 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. A portion of the County's average portfolio is 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;

**BUTLER COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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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
12. A portion 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.

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.

**INVESTMENTS**

As of December 31, 2008, 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	\$ 345,001	\$ 345,001	\$ -	\$ -
Federal Farm Credit Banks Bonds	25,057,950	-	14,311,240	10,746,710
Federal Home Loan Banks Bonds	22,044,375	4,082,810	14,909,065	3,052,500
Federal Home Loan Mortgage Corporation Bonds	40,548,128	5,610,530	22,921,453	12,016,145
Federal National Mortgage Association Bonds	48,913,474	2,005,000	37,425,499	9,482,975
<b>Total Investments</b>	<b>\$ 136,908,928</b>	<b>\$ 12,043,341</b>	<b>\$ 89,567,257</b>	<b>\$ 35,298,330</b>

Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase, thereby affording potential purchasers more favorable rates on essentially equivalent securities. The investment policy restricts the Treasurer from investing in any securities other than those identified in the Ohio Revised Code and that all investments must mature within five years from the date of investment unless they are matched to a specific obligation or debt of the County.

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. The County's investment policy limits investments to those authorized by the State statute.

**BUTLER COUNTY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

**NOTE 5 - DEPOSITS AND INVESTMENTS (continued)**

The following table indicates the percentage of each investment compared to the County's total portfolio.

	<u>Fair Value</u>	<u>Percentage of Portfolio</u>
Federal Farm Credit Banks Bonds	\$ 25,057,950	18.30%
Federal Home Loan Banks Bonds	22,044,375	16.10%
Federal Home Loan Mortgage Corporation Bonds	40,548,128	29.62%
Federal National Mortgage Association Bonds	48,913,474	35.73%

**NOTE 6 - PROPERTY TAXES**

Property taxes include amounts levied against real, public utility, and tangible personal property. The assessed value by property classification upon which the 2008 collection year tax revenue was based is as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Property	\$ 7,270,538,110
Tangible Personal Property	463,957,189
Public Utility Personal Property	221,175,070
Total	<u>\$ 7,955,670,369</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 1.95 mills of this 10-mill limit. In addition to the 1.95 mills, voted levies in the amount of 8.50 mills have been approved for the Mental Retardation Board, Mental Health Board, Children Services Agency, 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 Current Year</u>		<u>Final Levy Year</u>
			<u>R/A</u>	<u>C/I</u>	
Mental Retardation Board	2004	1.00	0.92	0.99	Continuing
Mental Retardation Board	2000	2.00	1.56	1.89	Continuing
Mental Health Board	1985	0.50	0.22	0.30	2014
Mental Health Board	2006	1.00	0.99	0.99	2010
Children Services Agency	2003	2.00	1.83	1.99	2012
Senior Citizens	2005	2.00	1.85	1.98	2009
Total		<u>8.50</u>	<u>7.37</u>	<u>8.14</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.

**BUTLER COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

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NOTE 6 - PROPERTY TAXES (continued)

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.

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 2008. Taxes assessed from the 2008 update are payable in 2009. 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 2008 is 6.25 percent. This will be reduced 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. 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 Receivable represents real and tangible personal property taxes, public utility taxes, and outstanding delinquencies, which are measurable as of December 31, 2008 and for which there is an enforceable legal claim. In the General, Mental Health, Mental Retardation, Elderly Services Levy, All Other Legislative and Executive, and Job and Family Services/Children Services Agency Funds the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2008 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, 2008**

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**NOTE 7 - PERMISSIVE SALES TAX**

In 2008, \$34,238,835 of permissive sales tax revenue was recognized in the General Fund. The Commissioners imposed an additional permanent sales tax increase of one-fourth of one percent (.25%) commencing July 1, 2007. In 2008, the County's total sales tax rate was three-quarters of one percent (.75%).

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 Office of Budget Management 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 Tax Commissioner shall then, on or before the twentieth day of the month in which certification is made, provide for payment to the County.

**NOTE 8 - RECEIVABLES**

Receivables at December 31, 2008, consisted of taxes, unpaid utilities, intergovernmental receivables arising from grants, entitlements, and shared revenues, accrued interest, special assessments, loans, payments in lieu of taxes, and interfund receivables. 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. The Due from Other Governments represent a long-term receivable due from the Metroparks for their portion of the 2006 various purpose general obligation bond issue. The payments in lieu of taxes amount relates to dollars collected through real estate taxes that are marked for capital improvements in Butler County and tax exemption agreements. All receivables are considered collectable in full, including accounts 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 \$10,090,054, Due from Other Governments \$4,395,000, Loans Receivable \$1,082,497 and Payments in Lieu of Taxes Receivable \$54,838,181.

**BUTLER COUNTY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

NOTE 8 – RECEIVABLES (continued)

A summary of intergovernmental receivables follows:

<u>Governmental Activities:</u>	<u>Amount</u>
Workforce Development	\$ 1,090,145
Womens Program	211,068
FAA Grant	173,322
Title XX	108,532
Title XIX	727,481
Medicaid Admin Claims	208,646
MRDD Operating Subsidy	482,039
State Per Capita- Treatment	477,948
State Child Allocation	482,737
State Subsidy	2,507,528
Public Assistance	8,293,411
Prison Diversion Grant	426,547
Motor Vehicle License Tax	3,768,522
Medicaid/Medicare	1,767,997
Local Public Agencies (LPA) Grant	594,063
Local Government	2,808,871
Indigent Defense Reimbursements	401,106
Gasoline Tax	1,111,756
Felony Delinquent Care and Custody Grant	430,157
Federal Per Capita- Treatment	503,892
Federal Per Capita- Prevention	196,308
Federal Financial Participation (FFP)	1,891,196
Community Corrections Grant	706,499
CDBG Grant	898,949
HOME Grant	1,103,672
Boarding of Prisoners	1,148,092
Adolescent Treatment	150,000
Metroparks	4,485,000
Twelfth District Court Reimbursements	466,975
All Other	3,434,755
Total Governmental Activities	<u>\$ 41,057,214</u>
<u>Agency Fund Activities</u>	
Local Government	\$ 13,006,296
Motor Vehicle License Tax	946,182
Permissive Tax	163,794
Gasoline Tax	783,029
Community Based Correctional Facility (CBCF) Subsidy	1,414,898
All Other	14,939
Total Agency Fund Activities	<u>\$ 16,329,138</u>

**BUTLER COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

**NOTE 9 - CAPITAL ASSETS**

Primary government capital asset activity for the year ended December 31, 2008, was as follows:

	Balance At 12/31/07	Additions	Deletions	Balance At 12/31/08
<b>Governmental Activities</b>				
<b>Capital Assets Not Being Depreciated:</b>				
Land	\$ 10,435,786	\$ -	\$ -	\$ 10,435,786
<b>Infrastructure:</b>				
Roads	163,037,724	3,567,046	-	166,604,770
Bridges	67,173,189	83,947	-	67,257,136
Culverts	13,999,292	-	-	13,999,292
Construction in Progress	21,587,587	20,475,775	(10,841,373)	31,221,989
<b>Total Capital Assets, Not Being Depreciated</b>	<b>276,233,578</b>	<b>24,126,768</b>	<b>(10,841,373)</b>	<b>289,518,973</b>
<b>Depreciable Capital Assets:</b>				
Land Improvements	9,249,352	12,500	-	9,261,852
Buildings and Improvements	127,230,112	7,574,411	-	134,804,523
Furniture, Fixtures and Equipment	32,924,796	210,031	(36,100)	33,098,727
Vehicles	9,487,903	1,631,638	(521,575)	10,597,966
<b>Total Depreciable Capital Assets</b>	<b>178,892,163</b>	<b>9,428,580</b>	<b>(557,675)</b>	<b>187,763,068</b>
<b>Total Capital Assets At Historical Cost</b>	<b>455,125,741</b>	<b>33,555,348</b>	<b>(11,399,048)</b>	<b>477,282,041</b>
<b>Less Accumulated Depreciation:</b>				
Land Improvements	(1,946,048)	(240,918)	-	(2,186,966)
Buildings and Improvements	(41,144,006)	(3,923,621)	-	(45,067,627)
Furniture, Fixtures and Equipment	(15,341,637)	(2,481,265)	36,100	(17,822,902)
Vehicles	(7,538,360)	(642,579)	511,396	(8,180,939)
<b>Total Accumulated Depreciation</b>	<b>(65,970,051)</b>	<b>(7,288,383)</b>	<b>547,496</b>	<b>(72,710,938)</b>
<b>Depreciable Capital Assets, Net</b>	<b>112,922,112</b>	<b>2,140,197</b>	<b>(10,179)</b>	<b>115,052,130</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$389,155,690</b>	<b>\$ 26,266,965</b>	<b>\$ (10,851,552)</b>	<b>\$ 404,571,103</b>

Additions to capital assets include \$15,785 in assets donated by outside entities, such as property developers.

**BUTLER COUNTY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**NOTE 9 - CAPITAL ASSETS (continued)**

	Balance At 12/31/07	Additions	Deletions	Balance At 12/31/08
<b>Business-Type Activities</b>				
<b>Capital Assets Not Being Depreciated:</b>				
Land	\$ 1,656,490	\$ -	\$ -	\$ 1,656,490
Construction in Progress	31,066,950	4,814,827	(26,991,356)	8,890,421
<b>Total Capital Assets, Not Being Depreciated</b>	<b>32,723,440</b>	<b>4,814,827</b>	<b>(26,991,356)</b>	<b>10,546,911</b>
<b>Depreciable Capital Assets:</b>				
Land Improvements	3,099,150	29,618	-	3,128,768
Buildings and Improvements	70,486,754	9,891,044	-	80,377,798
Furniture, Fixtures and Equipment	61,788,377	10,773,948	-	72,562,325
Vehicles	2,829,803	36,887	(303,299)	2,563,391
Water and Sewer Mains	289,122,397	7,868,676	-	296,991,073
<b>Total Depreciable Capital Assets</b>	<b>427,326,481</b>	<b>28,600,173</b>	<b>(303,299)</b>	<b>455,623,355</b>
<b>Total Capital Assets At Historical Cost</b>	<b>460,049,921</b>	<b>33,415,000</b>	<b>(27,294,655)</b>	<b>466,170,266</b>
<b>Less Accumulated Depreciation:</b>				
Land Improvements	(1,342,005)	(136,554)	-	(1,478,559)
Buildings and Improvements	(21,659,553)	(2,855,063)	-	(24,514,616)
Furniture, Fixtures and Equipment	(32,829,782)	(4,348,502)	-	(37,178,284)
Vehicles	(2,242,090)	(140,614)	303,299	(2,079,405)
Water and Sewer Mains	(89,102,909)	(7,499,142)	-	(96,602,051)
<b>Total Accumulated Depreciation</b>	<b>(147,176,339)</b>	<b>(14,979,875)</b>	<b>303,299</b>	<b>(161,852,915)</b>
<b>Depreciable Capital Assets, Net</b>	<b>280,150,142</b>	<b>13,620,298</b>	<b>-</b>	<b>293,770,440</b>
<b>Business-Type Activities Capital Assets, Net</b>	<b>\$ 312,873,582</b>	<b>\$ 18,435,125</b>	<b>\$ (26,991,356)</b>	<b>\$ 304,317,351</b>

Depreciation expense was charged to governmental functions as follows:

<b>General Government:</b>	
Legislative and Executive	\$ 2,763,978
Judicial	342,401
Public Safety	2,285,012
Public Works	916,400
Health	681,110
Human Services	299,482
<b>Total Depreciation Expense</b>	<b>\$ 7,288,383</b>

Additions to business-type capital assets being depreciated include \$1,462,930 in assets donated by property developers, as well as \$8,990 in assets donated by customers.

**BUTLER COUNTY, OHIO  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2008**

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**NOTE 10 - 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 2008 the County contracted with County Risk Sharing Authority Inc. (CORSA) (a risk-sharing pool - see Note 21) 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 2008.

**BUTLER COUNTY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

NOTE 10 - RISK MANAGEMENT (continued)

The County has workers' compensation coverage for all employees, which are accounted for in a self-insurance internal service fund. 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 County maintains a retrospective rating plan for workers' compensation insurance.

The historical changes in claims payable (based on 12/31/08 maximum premium) during years December 31, 2007 and 2008 are as follows:

	Restated Liability - Beginning of Year	Current Year Claims and Changes in Estimates	Claims Payments	Liability - End of Year
2007	\$3,667,584	\$ 891,928	\$1,005,276	\$3,554,236
2008	3,554,236	656	785,680	2,769,212

NOTE 11 - CAPITAL LEASES

During 2008 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 vehicles, software and equipment have been capitalized in the amount of \$5,661,255. This amount represents the present value of the minimum lease payments at the time of acquisition. Principal payments in 2008 totaled \$1,238,536 in the governmental funds.

	<u>Governmental Activities</u>	
Asset:		
Furniture, Fixtures, and Equipment	\$	3,415,702
Vehicles		2,245,553
Less: Accumulated depreciation		(967,279)
Total Net Book Value	<u>\$</u>	<u>4,693,976</u>

**BUTLER COUNTY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

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NOTE 11 - CAPITAL LEASES (continued)

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, 2008:

<u>Year</u>	<u>Amount</u>
2009	\$ 952,484
2010	867,493
2011	626,916
2012	224,844
Total	<u>2,671,737</u>
Less Amount Representing Interest	<u>(159,145)</u>
Present Value of Net Minimum Lease Payments	<u>\$ 2,512,592</u>

NOTE 12 - DEFINED BENEFIT PENSION PLANS

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Plan Description – The County participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension 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 percent 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. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan. Under the combined plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature of the traditional pension plan benefit. Member contributions, the investment of which is self-directed by the members, 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 pension 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. Interested parties may obtain a copy by writing to OPERS, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2008, members in state and local classifications contributed 10.0 percent of covered payroll and public safety members and law enforcement members contributed 10.1 percent.

The County's contribution rate for 2008 was 14 percent, except for those plan members in law enforcement or public safety, for whom the County's contribution was 17.4 percent of covered payroll.

**BUTLER COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

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NOTE 12 - DEFINED BENEFIT PENSION PLANS (continued)

The County's required contributions for pension obligations to the traditional pension and combined plans for the years ended December 31, 2008, 2007 and 2006 were \$8,823,208, \$8,774,716 and \$9,129,175 respectively; 87 percent has been contributed for 2008; 100 percent for 2007 and 2006. Contributions to the member-directed plan for 2008 were \$250,958 made by the County and \$179,256 made by the plan members.

STATE TEACHERS RETIREMENT SYSTEM (STRS)

Plan Description – Certified teachers, employed by the school for mental retardation and developmental disabilities participate in the State Teachers Retirement System of Ohio (STRS Ohio), 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 East Broad Street, Columbus, Ohio 43215-3771, by calling (614) 227-4090, or by visiting the STRS Ohio Web site at [www.strsoh.org](http://www.strsoh.org).

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 times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent 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. 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.

Funding Policy – For the fiscal year ended June 30, 2008, plan members were required to contribute 10.0 percent of their annual covered salaries. The County was required to contribute 14.0 percent for 2008; 13.0 percent was the portion used to fund pension obligations.

**BUTLER COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

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NOTE 12 – DEFINED BENEFIT PENSION PLANS (continued)

Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10.0 percent for members and 14.0 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 fiscal years ended December 31, 2008, 2007, and 2006 were \$134,175, \$166,667, and \$161,074, respectively; 86 percent has been contributed for year 2008 and 100 percent for years 2007 and 2006. Contributions to the DC and Combined plans for 2008 were \$22,516 made by the County and \$21,444 made by the plan members.

NOTE 13 - POSTEMPLOYMENT BENEFITS

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Plan Description – OPERS maintains a cost sharing multiple employer defined benefit post-employment health care plan for qualifying members of both the traditional pension and combined plans. Members of the member directed plan do not qualify for ancillary benefits, including post-employment health care. The plan includes a medical plan, a prescription drug program, and Medicare Part b premium reimbursement.

To qualify for post-employment health care coverage, age and service retirees under the traditional pension and combined plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not require, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS' financial report, which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 800-222-7377.

Funding Policy – The post-employment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401 (h). State Statute requires that public employers fund post-employment health care through their contributions to OPERS. A portion of each employer's contribution to the traditional pension or combined plans is set aside for the funding of post-employment health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2008, local government employers contributed 14 percent of covered payroll (17.4 percent for public safety and law enforcement). Each year, the OPERS retirement board determines the portion of the employer contribution rate that will be set aside for funding post-

**BUTLER COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

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**NOTE 13 - POSTEMPLOYMENT BENEFITS (continued)**

employment health care benefits. For 2008, the amount of the employer contributions which was allocated to fund post-employment health care was 7.0 percent of covered payroll.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The County's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2008, 2007, and 2006 were \$6,240,309, \$5,556,996, and \$3,649,338, respectively; 87 percent has been contributed for 2008 and 100 percent for 2007 and 2006.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004 was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

**STATE TEACHERS RETIREMENT SYSTEM (STRS)**

Plan Description – Ohio law authorizes STRS Ohio to offer a cost sharing, multiple employer health care plans to eligible retirees who participated in the defined benefit or the combined pension plans and their eligible family members. Coverage includes hospitalization, physicians' fees, prescription drugs, and reimbursement of monthly Medicare Part B premiums. Benefit provisions and the obligation to contribute are established by the STRS Ohio based on authority granted by State statute. The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS Ohio.

STRS Ohio issues a financial report that includes financial information for the health care plan. Interested parties can view the most recent report at [www.strsoh.org](http://www.strsoh.org) or obtain a copy by calling (888) 227-7877.

Funding Policy – Under Ohio law, funding for post-employment health care may be deducted from employer contributions. Of the 14.0 percent employer contribution rate, one percent of covered payroll was allocated to post-employment health care for the years ended June 30, 2008, 2007 and 2006. The 14.0 percent contribution is the maximum rate allowed under Ohio law.

All benefit recipients pay a portion of the health care cost in the form of a monthly premium. The County's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2008, 2007, and 2006 were \$11,139, \$10,861, and \$13,075, respectively; 93 percent has been contributed for 2008 and 100 percent for 2007 and 2006.

**BUTLER COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

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NOTE 14 - 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

During 2008, the County participated with the County Employee Benefits Consortium of Ohio, Inc. (CEBCO) (a risk-sharing pool – see Note 21). 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.

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 Dental Care Plus.

NOTE 15 – PRIOR YEAR 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 for the 1968 Fairfield Liberty Sewer District Number 2.

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.

**BUTLER COUNTY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

**NOTE 15 – PRIOR YEAR DEFEASANCE OF REVENUE BONDS (continued)**

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.

<u>Refunded Revenue Bond Issues</u>	<u>Original Issue</u>	<u>Unmatured and Unpaid at 12/31/08</u>
Fairfield Liberty Sewer District Number 2		
Dated April 1, 1968	\$ 525,000	\$ 16,725
Water Revenue		
Dated April 1, 1996	14,075,000	11,760,000
Sewer		
Dated October 1, 1997	1,485,000	1,370,000
Sewer		
Dated June 1, 1998	5,490,000	3,690,000
Sewer		
Dated March 1, 1999	12,790,000	11,230,000
Sales Tax Revenue Bonds		
Dated 1997	23,810,000	18,995,000
Government Services Center		
Dated 1997	7,375,000	5,880,000

**BUTLER COUNTY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

**NOTE 16 - LONG-TERM OBLIGATIONS**

A schedule of changes in bonds and other long-term obligations of the governmental activities of the County during 2008 were as follows:

Types/Issues	Restated Balance 12/31/07	Increases	Decreases	Balance 12/31/08	Due Within One Year
<b>General Obligation Bonds</b>					
2002 1.43-5.25% - \$29,875,000					
Adult Detention Facility	\$ 13,855,000	\$ -	\$ 1,180,000	\$ 12,675,000	\$ 1,240,000
Premium on Debt Issue	919,729	-	70,748	848,981	-
2002 1.43-5.25% - \$2,745,000					
Fiber Optic Ring	1,275,000	-	110,000	1,165,000	115,000
Premium on Debt Issue	84,745	-	6,519	78,226	-
2004 2.00-4.75% - \$19,255,000					
Various Purpose	16,280,000	-	980,000	15,300,000	1,185,000
Premium on Debt Issue	287,917	-	25,345	262,572	-
Less: Calculated difference between old and new debt for 2004 advance refunding					
	(443,511)	-	(52,327)	(391,184)	-
2006 3.75-5.00% - \$17,500,000					
Various Purpose	16,540,000	-	725,000	15,815,000	785,000
Premium on Debt Issue	543,238	-	28,591	514,647	-
2007 4.00-5.25% - \$12,305,000					
Various Purpose	12,095,000	-	20,000	12,075,000	25,000
Premium on Debt Issue	632,640	-	48,665	583,975	-
Less: Calculated difference between old and new debt for 2007 advance refunding					
	(464,428)	-	(35,725)	(428,703)	-
<b>Total General Obligation Bonds</b>	<b>61,605,330</b>	<b>-</b>	<b>3,106,816</b>	<b>58,498,514</b>	<b>3,350,000</b>
<b>Sales Tax Bonds</b>					
2005 3.00-5.00% - \$29,365,000					
Government Services Center	26,385,000	-	1,765,000	24,620,000	1,825,000
Premium on Debt Issue	1,498,807	-	166,533	1,332,274	-
Less: Calculated difference between old and new debt for 2005 advance refunding					
	(1,351,051)	-	(150,117)	(1,200,934)	-
<b>Total Sales Tax Bonds</b>	<b>26,532,756</b>	<b>-</b>	<b>1,781,416</b>	<b>24,751,340</b>	<b>1,825,000</b>

**BUTLER COUNTY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

**NOTE 16 - LONG-TERM OBLIGATIONS (continued)**

Types/Issues	Restated Balance 12/31/07	Increases	Decreases	Balance 12/31/08	Due Within One Year
<b>Special Assessment Bonds</b>					
<b>with Governmental Commitment</b>					
1988 7.75% - \$55,040 Water System	3,000	-	3,000	-	-
1989 7.375% - \$90,369 Water System	15,000	-	5,000	10,000	5,000
2000 4.35-5.65%- \$355,000 Lakota Drive	45,000	-	15,000	30,000	15,000
2000 4.35-5.65% - \$6,860,000 Mulhauser Road	1,090,000	-	345,000	745,000	365,000
2000 4.35-5.65% - \$1,045,000 Union Centre Phase 2	140,000	-	45,000	95,000	45,000
2001 2.40-5.10% - \$3,045,000 Union Centre Phase I & III	2,380,000	-	130,000	2,250,000	130,000
2005 4.125% - \$1,144,000 Venice Gardens Sewer	1,120,140	-	12,670	1,107,470	13,200
2007 4.00-5.00% - \$4,790,000 Various Purpose	4,705,000	-	15,000	4,690,000	15,000
Premium on Debt Issued	209,270	-	69,757	139,513	-
Less: Calculated Difference between old and new debt for 2007 advance refunding	(240,767)	-	(80,258)	(160,509)	-
2008 3.00-5.50% - \$3,315,000 Various Purpose	-	3,315,000	-	3,315,000	65,000
Premium on Debt Issued	-	83,744	-	83,744	-
<b>Total Special Assessment Bonds</b>	<b>9,466,643</b>	<b>3,398,744</b>	<b>560,169</b>	<b>12,305,218</b>	<b>653,200</b>
<b>Loans</b>					
1998 2.00% - \$1,811,520 OPWC Mulhauser Road	694,713	-	86,748	607,965	-
2001 0.00% - \$789,748 OPWC Cincinnati Dayton Road	671,284	-	39,488	631,796	-
2004 3.90% - \$263,660 Oracle Software Loan	84,007	-	55,458	28,549	-
2007 0.00% - \$374,761 Mulhauser and Allen Road Loan	374,761	-	-	374,761	-
<b>Total Loans</b>	<b>1,824,765</b>	<b>-</b>	<b>181,694</b>	<b>1,643,071</b>	<b>-</b>

**BUTLER COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

**NOTE 16 - LONG-TERM OBLIGATIONS (continued)**

Types/Issues	Restated	Increases	Decreases	Balance	Due Within
	Balance			12/31/07	12/31/08
<b>Other Long-Term Obligations</b>					
Capital Leases Payable	2,532,262	1,218,866	1,238,536	2,512,592	692,254
Claims Payable	3,554,236	656	785,680	2,769,212	747,726
Intergovernmental Payable	30,744,731	1,561,618	1,291,957	31,014,392	1,344,011
Compensated Absences Payable	7,658,299	5,809,536	5,422,720	8,045,115	2,971,063
<b>Total Other Long-Term Obligations</b>	<b>44,489,528</b>	<b>8,590,676</b>	<b>8,738,893</b>	<b>44,341,311</b>	<b>5,755,054</b>
<b>Total Governmental Activities</b>	<b>\$ 143,919,022</b>	<b>\$ 11,989,420</b>	<b>\$ 14,368,988</b>	<b>\$ 141,539,454</b>	<b>\$ 11,814,733</b>

**GENERAL OBLIGATION BONDS**

All general obligation bonded debt is a general obligation supported by the full faith and credit of the County. All unvoted general obligation bonds will be retired from the General Fund using unvoted general property tax revenues except New Miami Sewer, Venice Gardens Sewer and USDA Vehicle Equipment Acquisition bonds which are being paid by an Enterprise fund.

In October 2002, the County issued \$32,620,000 in general obligation bonds to bond notes issued for the construction of the Adult Detention Facility and the Fiber Optic Ring. The bonds were issued for a twenty-year period, with final maturity in December 2022. In April 2007, the County issued \$12,305,000 in bonds to partially refund the 2002 bonds.

In September 2004, the County issued a \$19,255,000 general obligation bond for the purpose of advance refunding \$8,225,000 of existing bonds and to bond \$10,415,000 of short-term bond anticipation notes. The bonds were issued for a twenty-year period, with final maturity in December 2024. The \$10,350,000 in new bond proceeds along with existing Butler County funds were used to pay bond anticipation notes that included the Voice of America TIF, Road Improvement TID series A and the Voice of America Sewer TIF. The \$8,905,000 portion of the bond proceeds were used to advance refund the 1996 General obligations issue, 1996 Union Center Special Assessment, 1994 Wetherington Infrastructure Special Assessment, 1992 Cox Road Special Assessment, 1992 Beacon Pt. Sewer Special Assessment and the 1992 Greencrest Sewer Special Assessment.

**BUTLER COUNTY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

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NOTE 16 - LONG-TERM OBLIGATIONS (continued)

In 2007 the County pledged the Voice of America net TIF revenues (collections less debt service and school district payments) as a primary source to the Transportation Improvement District (TID) to assist in paying for the 2007 Butler County Transportation Improvement District Highway Improvement Bonds. The County has pledged one-quarter of its Non-Tax Revenues of the General Fund as a secondary or back-up pledge. The TID Bonds have three pledged receipts for payment, which include Butler County along with pledges from Liberty Township and West Chester Township. Neither the Faith and Credit nor the Taxing Power of the District, the County of Butler of the State of Ohio or any of its political subdivisions is pledged for the payment of the TID bonds.

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.

In April 2007, the County issued \$12,305,000 in various purpose general obligation bonds for the purpose of advance refunding \$10,820,000 of the 2002 Adult Detention Facility bonds and \$995,000 of the 2002 Fiber Optic Bonds. The bonds were issued for a fourteen-year period, with final maturity in December 2020.

SALES TAX BONDS

The sales tax bonds are payable solely through sales tax revenues generated by the County's three-quarters of one percent (.75%) 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.

In June 2005, the County issued a \$29,365,000 Sales Tax bonds for the purpose of advance refunding \$31,185,000 of existing bonds issued to construct the Government Services Center Building. The bonds were issued for a twelve-year period, with final maturity in December 2016. The total interest and principal remaining on the bonds is \$29,156,875 payable through 2016. For the current year, principal and interest paid and sales tax revenues were \$2,965,975 and \$33,408,493, respectively.

**BUTLER COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

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NOTE 16 - 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.

The 1988 Water System Special Assessment Bonds were issued in the amount of \$55,040 to expand the County water system. The bonds were issued for twenty-year period with final maturity in December 2008.

The 1989 Water System Special Assessment Bonds were issued in the amount of \$90,369 to expand the County water system. The bonds were issued for twenty-year period with final maturity in December 2010.

In October 2000, the County issued various purpose special assessment bonds in the amount of \$8,260,000 which included improvements to Lakota Drive, Muhlhauser Road, and Union Centre Boulevard Phase II. The bonds were issued for ten years with a final maturity in December 2010.

In October 2001, the County issued \$3,045,000 of special assessment bonds to assist with the first and third phase of construction at Union Centre. The bonds were issued for a twenty-year period with final maturity in December 2021.

In August 2005, the County issued a \$1,144,000 special assessment bond for the purpose of bonding short-term bond anticipation notes for the Venice Gardens Sewer project. The bonds were issued for a forty-year period with final maturity in August 2045.

In April 2007, the County issued \$4,790,000 in special assessment bonds for the purpose of advance refunding \$220,000 of the 2000 Lakota Drive Bonds and \$650,000 of the 2000 Union Center Phase II Bonds and \$3,815,000 of the 2000 Muhlhauser Road Bonds. The bonds were issued for a fourteen-year period, with final maturity in December 2020.

In August 2008, the County issued \$3,315,000 in special assessment bonds for the purpose of bonding short-term bond anticipation notes for the University Pointe Landscaping and the Liberty Interchange (Cox Road Extension). The bonds were issued for a twenty-year period, with a final maturity in December 2028. Bonds maturing on or after December 1, 2019 are subject to optional redemption on or after December 1, 2018 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, 2008**

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NOTE 16 - LONG-TERM OBLIGATIONS (continued)

The bonds maturing on December 1, 2028 are subject to mandatory sinking fund redemption prior to maturity at par plus accrued interest to the date of redemption in the following principal amount on December 1<sup>st</sup> of each of the following years:

<u>Year</u>	<u>Principal Amount Subject To Mandatory Redemption</u>
2023	\$195,000
2024	\$205,000
2025	\$215,000
2026	\$230,000
2027	\$240,000

LONG TERM LOANS

Ohio Public Works Commission (OPWC) loans are low interest loans from the State of Ohio for infrastructure projects. In 1998 and 2001 the County Engineer made improvements to Muhlhauser Road and Cincinnati Dayton Road using proceeds from OPWC loans. The Muhlhauser loan was issued for twenty-years with final payment in July of 2015. The Cincinnati Dayton Road loan was issued for twenty-years with the final payment due in July 2024. Both OPWC loans will be repaid from Motor Vehicle Fund revenues.

In 2004, the County entered into a loan with Lasalle National Leasing for \$263,660 to finance software and support costs for the Oracle financial system. The loan agreement is for a six year period with final payment due in April 2009. The loan will be repaid using General Fund dollars.

In October 2006, Butler County entered into an agreement with West Chester Township and IKEA to expand the intersection at Muhlhauser and Allen Road to accommodate traffic flow needs due to the proposed IKEA store. In 2007, West Chester Township contributed \$749,522 for this intersection expansion. Butler County's portion of the obligation to West Chester Township is \$374,761 constituting 50% of the project costs at December 31, 2007. The intersection expansion was completed in 2008. Butler County will begin making payments to West Chester Township over a 5 year period beginning 60 days after the one year anniversary of the IKEA grand opening. The General Fund will make the loan payments beginning in 2009.

OTHER PAYABLES

In 2008, the County entered into a lease with SunTrust Equipment Finance for \$713,377 and Fifth Third Leasing Company for \$505,489 to finance vehicles for the Sheriff's office. The lease agreements will be repaid using General Fund dollars.

**BUTLER COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

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**NOTE 16 - LONG-TERM OBLIGATIONS (continued)**

Capital leases are for a fire alarm system for the Butler County Care Facility, helicopter and police cruisers for the Sheriff's Office, and vehicles for the Juvenile Detention Center, a County wide permitting system and computer server, a Court reporting system for Common Pleas, electronic voting machines for the Board of Elections and copiers for Job and Family Services/Children Services Agency.

Claims payable represent the County's liability for workers' compensation coverage for all employees. Claims liabilities and expenses are estimated through a case by case review of all claims. The claims liability will be paid from the workers' compensation internal service fund.

Intergovernmental payables consist of various long-term contractual obligations to Fairfield, Ross and Lakota school districts along with Fairfield and Ross townships in connection with Residential Incentive Districts (RIDs) and Tax Incremental Financing Districts (TIFs) created by Butler County. In addition, the county has pledged the net TIF revenues generated from the University Point district to the Butler County Transportation Improvement District (BCTID) to help pay for the TID bonds issued to construct the Liberty Interchange . The long-term liabilities will be paid from the Residential Incentive Districts and Tax Incremental Financings.

Compensated absences liability will be paid from the General Fund, Mental Retardation, Job and Family Services/Children Services Agency, 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 and the Workers Compensation internal service fund

**BUTLER COUNTY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

**NOTE 16 - LONG-TERM OBLIGATIONS (continued)**

Changes in long-term obligations reported in the business-type activities of the County during 2008 were as follows:

<u>Types/Issues</u>	<u>Balance 12/31/07</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 12/31/08</u>	<u>Due Within One year</u>
<b>General Obligation Bonds</b>					
2005 4.125% - \$600,000					
Venice Gardens Sewer	\$ 587,490	\$ -	\$ 6,650	\$ 580,840	\$ 6,920
2006 4.375% - \$3,200,000					
New Miami Sewer USDA	3,169,190	-	32,150	3,137,040	33,560
2007 4.25% - \$1,117,500					
USDA Vehicle and Equipment	900,000	217,500	205,293	912,207	214,017
<b>Total General Obligation Bonds</b>	<u>4,656,680</u>	<u>217,500</u>	<u>244,093</u>	<u>4,630,087</u>	<u>254,497</u>
<b>Water Judgement Bonds</b>					
2002 1.55-5.25% - \$35,030,000					
Water Judgement Bonds	8,860,000	-	1,010,000	7,850,000	1,165,000
Premium on Debt Issue	154,788	-	19,348	135,440	-
2007 4.00-5.25% - \$24,135,000					
Water Judgement Bonds	23,740,000	-	15,000	23,725,000	15,000
Premium on Debt Issue	1,768,332	-	221,041	1,547,291	-
Less: Calculated Difference between old and new debt for 2007 advance refunding	(1,546,369)	-	(193,296)	(1,353,073)	-
<b>Total Water Judgement Bonds</b>	<u>32,976,751</u>	<u>-</u>	<u>1,072,093</u>	<u>31,904,658</u>	<u>1,180,000</u>

**BUTLER COUNTY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

**NOTE 16 - LONG-TERM OBLIGATIONS (continued)**

Types/Issues	Balance 12/31/07	Increases	Decreases	Balance 12/31/08	Due Within One year
<b>Revenue Bonds</b>					
Water					
1999 3.00-5.00% - \$17,140,000	11,115,000	-	870,000	10,245,000	910,000
2005 3.50-5.00% - \$14,850,000	13,820,000	-	540,000	13,280,000	560,000
Premium on Debt Issue	464,692	-	25,816	438,876	-
2005 3.00-5.125% - \$13,235,000	11,330,000	-	620,000	10,710,000	635,000
Premium on Debt Issue	560,451	-	39,330	521,121	-
Less: Calculated difference between old and new debt for 2005 advance refunding	(1,010,538)	-	(70,915)	(939,623)	-
<b>Total Water</b>	<b>36,279,605</b>	<b>-</b>	<b>2,024,231</b>	<b>34,255,374</b>	<b>2,105,000</b>
Sewer					
1998 4.00-5.25% - \$23,050,000	8,770,000	-	1,800,000	6,970,000	1,625,000
1999 3.20-5.10% - \$28,160,000	6,865,000	-	1,260,000	5,605,000	1,310,000
2004 3.20-5.10% - \$19,620,000	16,940,000	-	895,000	16,045,000	915,000
Premium on Debt Issue	19,006	-	1,118	17,888	-
Less: Calculated difference between old and new debt for 2004 advance refunding	(1,389,879)	-	(99,277)	(1,290,602)	-
2005 3.00-5.00% - \$19,575,000	19,535,000	-	135,000	19,400,000	395,000
Premium on Debt Issue	1,675,257	-	104,704	1,570,553	-
Less: Calculated difference between old and new debt for 2005 advance refunding	(1,154,043)	-	(230,809)	(923,234)	-
2006 4.375-4.375% - \$4,000,000 USDA Sewer	3,959,420	-	42,360	3,917,060	44,220
<b>Total Sewer</b>	<b>55,219,761</b>	<b>-</b>	<b>3,908,096</b>	<b>51,311,665</b>	<b>4,289,220</b>
<b>Total Revenue Bonds</b>	<b>91,499,366</b>	<b>-</b>	<b>5,932,327</b>	<b>85,567,039</b>	<b>6,394,220</b>
<b>Loans</b>					
2005 4.19% - \$4,634,892 Cincinnati Waterworks Loan	4,298,855	-	165,668	4,133,187	172,745
2006 0% - \$710,200 OPWC Cast Iron Watermain	710,200	-	-	710,200	35,510
2006 0% - \$41,537 OPWC Watermain Improvements	874,581	-	21,865	852,716	43,729
<b>Total Loans</b>	<b>5,883,636</b>	<b>-</b>	<b>187,533</b>	<b>5,696,103</b>	<b>251,984</b>
<b>Other Long-Term Obligations</b>					
Compensated Absences	865,359	517,846	606,723	776,482	263,246
<b>Total Business-Type Activities</b>	<b>\$ 135,881,792</b>	<b>\$ 735,346</b>	<b>\$ 8,042,769</b>	<b>\$ 128,574,369</b>	<b>\$ 8,343,947</b>

**BUTLER COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

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**NOTE 16 - LONG-TERM OBLIGATIONS (continued)**

**GENERAL OBLIGATION BONDS**

All general obligation bonded debt is an obligation supported by the full faith and credit of the County. Enterprise supported general obligation bonds for Venice Gardens Sewer, New Miami Sewer, and USDA Vehicle Equipment Acquisition bonds are being paid by Enterprise funds.

In August 2005, the County issued a \$600,000 general obligation bond for the purpose of bonding short-term bond anticipation notes for the Venice Gardens Sewer project. The bonds were issued for a forty-year period, with final maturity in August 2045.

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 with the United States Department of Agriculture Rural Development (USDA). The bonds were issued for a forty-year period, with maximum maturity in August 2046.

In March 2008, the County received the remaining \$217,500 in general obligation bond proceeds in addition to the \$900,000 received in 2007. These dollars were used for Vehicle and Equipment purchases in the Water and Sewer Funds. These bonds are registered to the United States Department of Agriculture, Rural Development. The bonds were issued for a five year period, with the final maturity in December 2012. 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. The bonds will be paid with user charges. 47% will be paid from the Sewer Fund and 53% will be paid from the Water Fund.

**WATER JUDGMENT BONDS**

The 2002 and 2007 Water Judgment Bonds are general obligation bonds that were court ordered to settle the water contract dispute between Butler County and the City of Hamilton. The principal and interest are paid from the Water fund.

In July 2002, the County issued \$35,030,000 in water judgment bonds. The bonds were issued for a twenty-five year period with final maturity in 2026. In 2007 these bonds were partially advance refunded with the \$24,135,000 in bonds, changing the final maturity date to December 2015.

In April 2007, the County issued \$24,135,000 in water judgment bonds for the purpose of advance refunding \$24,000,000 of the 2002 Water Judgment Bonds. The bonds were issued for a twenty year period, with final maturity in December 2026. The bond proceeds were used to partially advance refund the 2002 Water Judgment Bonds

**BUTLER COUNTY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

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NOTE 16 - LONG-TERM OBLIGATIONS (continued)

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.

In March of 1999, the County issued \$17,140,000 in Water Revenue bonds for the purpose of bonding notes for various water system replacement and improvements within the County. The bonds were issued for a twenty-year period, with maximum maturity in December 2019.

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 for various water system replacement and improvements within the County. The bonds were issued for a twenty-year period, with final maturity in December 2025.

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.

In June 1998, the County issued \$23,050,000 in Sewer Revenue bonds for the purpose of making replacement and improvements to the sewer system within Butler County. The bonds were issued for a fifteen-year period, with final maturity in December 2012.

In March 1999, the County issued \$28,160,000 in Sewer Revenue bonds for the purpose of making replacement and improvements to the sewer system within Butler County. The bonds were issued for a fifteen-year period, with final maturity in December 2012.

In September 2004, the County issued a \$19,620,000 Sewer Revenue bond for the purpose of advance refunding \$13,815,000 of existing 1996 Sewer bonds and to issue a new Sewer bond for \$6,245,000 for the purpose of making replacement and improvements to the sewer system. The bonds were issued for a twenty-year period, with final maturity in December 2024.

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.

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.

**BUTLER COUNTY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

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NOTE 16 - LONG-TERM OBLIGATIONS (continued)

The County has pledged future revenues, net of operating expenses, to repay Revenue Bonds, Cincinnati Waterworks Loans and OPWC loans in the Water fund. The debt is payable solely from net revenues and are payable through 2028. Annual Principal and Interest payments on debt are expected to require 45% of net revenues. The total principal and interest remaining to be paid on the bonds and loans is \$54,722,408. Of this total \$47,391,840 for the revenue bonds, \$5,767,652 for the Cincinnati Waterworks and \$1,562,916 for the OPWC loans.

Principal and interest paid for the current year and total net revenues were \$4,040,745 and \$8,984,155 respectively. Principal and interest paid for the current year for Revenue Bonds was \$3,676,247 and for Cincinnati Waterworks loan was \$364,498.

The County has pledged future revenues, net of operating expenses, to repay Revenue Bonds in the Sewer fund. The debt is payable solely from net revenues and are payable through 2045. Annual Principal and Interest payments on debt are expected to require 54% of net revenues. The total principal and interest remaining to be paid on the Revenue Bonds is \$72,687,772. Principal and interest paid for the current year and total net revenues were \$6,618,848 and \$12,147,389 respectively.

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 balance owed to the City of Cincinnati at December 31, 2008 as a result of this project is \$4,133,187. This amount has been recorded on the County's books as a long-term liability in the Water enterprise fund. A corresponding amount of \$3,870,596 has been recorded as deferred charges in the Water enterprise fund. This amount will be amortized over the life of the debt.

Ohio Public Works Commission (OPWC) loans are low interest loans from the State of Ohio for infrastructure projects. In 2006 the Water and Sewer Department made improvements to watermains in Butler County using proceeds from OPWC loans. The 2006 cast iron watermain loan was issued for twenty-years with the first payment starting in July 2008 and a final payment due in January 2028. The 2006 watermain improvements loan was issued for twenty-years with the first payment starting in July 2009 and a final payment due in January 2029. Both OPWC loans will be repaid from Water fund user charges.

**BUTLER COUNTY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

**NOTE 16 - LONG-TERM OBLIGATIONS (continued)**

**OTHER PAYABLES**

Compensated absences liability will be paid from Water, Sewer, and GSC Parking Facility enterprise funds.

Principal and interest requirements to retire the County's long-term obligations outstanding at December 31, 2008 were:

**Governmental Funds**

Year	General Obligation Bonds		Sales Tax Bonds	
	Principal	Interest	Principal	Interest
2009	\$ 3,350,000	\$ 2,501,307	\$ 1,825,000	\$ 1,139,200
2010	3,525,000	2,375,344	9,600,000	1,075,325
2011	3,595,000	2,241,669	1,965,000	614,225
2012	3,730,000	2,108,969	2,070,000	535,625
2013	3,865,000	1,958,119	2,125,000	458,000
2014-2018	18,935,000	7,311,685	7,035,000	714,500
2019-2023	17,055,000	3,042,488	-	-
2024-2028	2,975,000	241,975	-	-
2029-2033	-	-	-	-
2034-2045	-	-	-	-
Totals	<u>\$ 57,030,000</u>	<u>\$ 21,781,556</u>	<u>\$ 24,620,000</u>	<u>\$ 4,536,875</u>

Year	Special Assessment Bonds		Loans	
	Principal	Interest	Principal	Interest
2009	\$ 653,200	\$ 607,958	\$ 231,480	\$ 12,138
2010	733,740	530,357	204,710	9,940
2011	759,300	497,674	206,524	8,126
2012	789,900	468,039	208,375	6,275
2013	820,510	436,675	210,263	4,387
2014-2018	4,677,700	1,598,080	344,796	2,957
2019-2023	1,822,340	714,032	197,438	-
2024-2028	1,276,380	358,810	39,485	-
2029-2033	160,810	133,583	-	-
2034-2045	548,590	157,951	-	-
Totals	<u>\$ 12,242,470</u>	<u>\$ 5,503,159</u>	<u>\$ 1,643,071</u>	<u>\$ 43,823</u>

**BUTLER COUNTY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

NOTE 16 - LONG-TERM OBLIGATIONS (continued)

Business Type

Year	General Obligation Bonds		Judgement Bonds	
	Principal	Interest	Principal	Interest
2009	\$ 254,497	\$ 190,411	\$ 1,180,000	\$ 1,453,896
2010	265,353	179,562	1,225,000	1,395,046
2011	276,656	168,250	1,275,000	1,350,281
2012	288,461	156,484	1,345,000	1,304,006
2013	47,970	153,721	1,395,000	1,253,531
2014-2018	272,860	735,568	7,985,000	5,267,663
2019-2023	337,330	671,102	9,980,000	3,287,075
2024-2028	417,050	591,397	7,190,000	767,813
2029-2033	515,590	492,846	-	-
2034-2045	1,954,320	636,722	-	-
Totals	<u>\$4,630,087</u>	<u>\$3,976,062</u>	<u>\$ 31,575,000</u>	<u>\$ 16,079,311</u>

Year	Revenue Bonds		Loans	
	Principal	Interest	Principal	Interest
2009	\$ 6,394,220	\$ 3,885,976	\$ 251,981	\$ 169,888
2010	6,646,140	4,291,919	259,359	162,510
2011	6,908,170	4,024,065	267,053	154,816
2012	7,205,270	3,734,333	275,075	146,793
2013	5,217,470	2,764,193	283,441	138,428
2014-2018	30,123,880	10,012,085	1,555,733	553,611
2019-2023	18,160,230	3,299,560	1,825,458	283,885
2024-2028	2,968,620	778,560	978,003	24,533
2029-2033	568,110	509,806	-	-
2034-2045	1,979,950	607,055	-	-
Totals	<u>\$ 86,172,060</u>	<u>\$ 33,907,552</u>	<u>\$ 5,696,103</u>	<u>\$ 1,634,464</u>

MULTIFAMILY HOUSING

The County has served as the issuer of Multifamily Housing bonds. The proceeds were used to acquire, construct, improve, and equip multifamily housing. The Multifamily Housing 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, 2008 was \$109,305,000.

**BUTLER COUNTY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

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NOTE 16 - LONG-TERM OBLIGATIONS (continued)

INDUSTRIAL DEVELOPMENT REVENUE BONDS

The County has issued industrial development revenue bonds (in the aggregate outstanding principal amount of \$8,500,000 at December 31, 2008) 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.

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, 2008 was \$133,800,000.

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, 2008 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, 2008 are an overall debt margin of \$152,418,373 and unvoted debt margin of \$34,613,904.

ARBITRAGE COMPLIANCE

All County long-term and short-term bonds and notes are subject to federal arbitrage regulations. See Note 4 for additional disclosure.

**BUTLER COUNTY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

**NOTE 17 - SHORT-TERM OBLIGATIONS**

A summary of the note transactions for the year ended December 31, 2008 follows:

Fund Type	Balance 12/31/07	Increase	Decrease	Balance 12/31/08
<b>Governmental</b>				
Short Term Notes				
Special Revenue				
4.50% - Road Improvement	\$ 335,000	\$ 250,000	\$ 335,000	\$ 250,000
4.50% - Airport Construction	2,070,000	1,965,000	2,070,000	1,965,000
4.50% - Highway Construction	255,000	170,000	255,000	170,000
Capital Projects				
4.50% - Cincinnati Dayton/State Route 129	400,000	400,000	400,000	400,000
4.50% - Cincinnati Dayton/State Route 129	1,460,000	900,000	1,460,000	900,000
4.50% - Cincinnati Dayton/State Route 129	1,040,000	-	1,040,000	-
4.50% - Cincinnati Dayton/Interstate 75 TIF	2,550,000	2,550,000	2,550,000	2,550,000
4.50% - Cincinnati Dayton/Interstate 75 TIF	1,030,000	1,030,000	1,030,000	1,030,000
4.50% - Courts Remodeling and Expansion	2,080,000	2,080,000	2,080,000	2,080,000
5.47% - Courts Remodeling Project	600,000	600,000	600,000	600,000
5.47% - Courts Remodeling Project	-	900,000	-	900,000
4.10% - Cox Road SA	3,000,000	-	3,000,000	-
5.47% - Fiber Optic Ring (2)	2,595,000	2,465,000	2,595,000	2,465,000
5.47% - Fiber Optic Ring (3)	510,000	485,000	510,000	485,000
5.47% - Hutsepiller Hamilton Mason TIF	3,000,000	3,115,000	3,000,000	3,115,000
4.40% - Old Jail Rehabilitation	1,025,000	1,025,000	1,025,000	1,025,000
5.47% - Princeton Road Admin Building	7,500,000	7,500,000	7,500,000	7,500,000
4.50% - State Route 129 Liberty Interchange	843,000	843,000	843,000	843,000
4.50% - University Pointe Landscaping	335,000	-	335,000	-
4.50% - Yankee Road TIF Improvements	1,925,000	2,005,000	1,925,000	2,005,000
4.50% - Yankee Road TIF Improvements	2,090,000	2,180,000	2,090,000	2,180,000
Total Governmental Funds	\$ 34,643,000	\$ 30,463,000	\$ 34,643,000	\$ 30,463,000

The notes are issued in anticipation of long-term bond financing and will be refinanced until such bonds are issued. They are backed by the full faith and credit of the County and will mature within one year. The liability for the notes is presented in the fund that received the note proceeds.

**BUTLER COUNTY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

NOTE 18 - INTERFUND BALANCES AND ACTIVITY

Due From/Due To balances at December 31, 2008 consist of the following individual fund receivables and payables:

	Receivable					Total
	General	Mental Health	Residential Incentive Districts and Tax Incremental Financings	Other Governmental	Internal Service	
Payable						
General	\$ -	\$ -	\$ -	\$ 48,703	\$ 998,208	\$1,046,911
Mental Retardation Job and Family Services/Children Services Agency	604	-	-	-	220,574	221,178
Mental Health	72,305	40,160	-	45,869	346,743	505,077
Other Governmental	-	-	-	-	13,702	13,702
Sewer	337,573	-	181,757	204,336	476,913	1,200,579
Water	211,853	-	-	-	123,313	335,166
GSC Parking Facility	200,967	-	-	-	96,836	297,803
Internal Service	-	-	-	-	1,126	1,126
Total	-	-	-	-	2,003	2,003
	<u>\$823,302</u>	<u>\$40,160</u>	<u>\$ 181,757</u>	<u>\$ 298,908</u>	<u>\$2,279,418</u>	<u>\$3,623,545</u>

Advances From/Advances To balances at December 31, 2008 consist of the following individual fund receivables and payables:

Advances To	Advances From	
		General
Other Governmental Funds		\$204,802
Internal Service Funds		250,000
Total		<u>\$454,802</u>

**BUTLER COUNTY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

NOTE 18 - INTERFUND BALANCES AND ACTIVITY (continued)

Transfers In/Transfers Out activity for 2008, consisted of the following:

	General	Transfers From		Total
		Residential Incentive Districts and Tax Incremental Financings	Other Governmental Funds	
Transfers to				
General	\$ -	\$ -	\$ 20,000	\$ 20,000
Job and Family Services/Children Services Agency	1,198,831	-	-	1,198,831
Other Governmental Funds	1,230,069	629,040	11,404	1,870,513
Total	\$ 2,428,900	\$ 629,040	\$ 31,404	\$ 3,089,344

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 \$454,802 due to the General Fund for advances to other Governmental Funds and the Internal Service Fund 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 19 - 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 (1) paid the City \$35 million and financed the payment by issuing 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.

**BUTLER COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

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NOTE 19 - WATER RATE AGREEMENT (continued)

Effective July 1, 2008 the City increased the Tier A water rate charged to the County to \$2.49 per thousand gallons and the tier B rate was increased to \$1.59 per KGal. These rates are effective until June 30, 2009.

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.

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 2008, the County amortized \$1,740,535 using the straight-line amortization method, leaving \$24,367,485 in the statement of net assets.

NOTE 20 - 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 expenses 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 21- JOINTLY GOVERNED ORGANIZATIONS/RISK SHARING POOL/INSURANCE PURCHASING POOL/RELATED ORGANIZATIONS

A. 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.

**BUTLER COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

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**NOTE 21- JOINTLY GOVERNED ORGANIZATIONS/RISK SHARING POOL/INSURANCE  
PURCHASING POOL/RELATED ORGANIZATIONS (continued)**

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 2008, the County contributed \$98,000. Complete financial statements can be obtained from the Emergency Management Agency, 315 High St. Hamilton, OH 45011.

**B. 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. 6<sup>th</sup> Floor Hamilton, OH 45011.

**C. OHIO KENTUCKY INDIANA REGIONAL COUNCIL OF GOVERNMENTS**

The Ohio Kentucky Indiana Regional Council of Governments (OKI), a jointly governed organization, was formed in 1964. OKI is a council of local governments, business organizations and community groups that work together to improve the economic development of the Tri-State.

**D. BUTLER/CLERMONT/WARREN WORKFORCE POLICY BOARD**

The Butler/Clermont/Warren Workforce Policy Board is a jointly governed organization with 27 board members consisting of representatives from business, education, labor and government. The Butler County Commissioners appoint 2 of the members of the board. The Policy Board is a regional organization developed as a result of the Workforce Investment Act. The role of the Policy Board is to assess the workforce needs of area employers, assess the employment and training needs of job seekers and to identify fiscal and other available resources to meet current and future workforce needs in the region.

**E. COMMUNITY-BASED CORRECTIONAL FACILITY**

The Community-Based Correctional Facility is a jointly governed organization that provides an alternative to prison incarceration for felony offenders. The Facility is the last step in the continuum of increasing punishment before prison incarceration. The Facility is a minimum-security operation. The Facility's governing board oversees the operations of the organization. Common Pleas Judges from the participating counties comprise a Judicial Advisory Board. The Judicial Advisory Board appoints two-thirds of the members of the Facility Governing Board

**BUTLER COUNTY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

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NOTE 21- JOINTLY GOVERNED ORGANIZATIONS/RISK SHARING POOL/INSURANCE PURCHASING POOL/RELATED ORGANIZATIONS (continued)

and advises the Facility's Governing Board regarding Facility matters. The Board includes at least one Common Pleas Court Judge from each participating county. The Facility serves Butler, Clermont, and Warren County.

The Facility's Governing Board has contracted with Talbert House for daily operational functions, a non-profit organization. Talbert House is responsible for essentially all management decisions related to the Facility, subject to the Facility Governing Board's oversight. Complete financial statements can be obtained from the Community-Based Correctional Facility, 5234 State Route 63, Lebanon, OH 45036

F. COUNTY RISK SHARING AUTHORITY (CORSA)

The County Risk Sharing Authority (CORSA) is a risk sharing pool made up of 61 counties in Ohio. CORSAs was formed as an Ohio non-profit corporation for the purpose of establishing the CORSAs 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 CORSAs.

This coverage includes comprehensive general liability, automobile liability, certain property insurance and public officials' errors and omissions liability insurance.

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 CORSAs is limited to its voting authority and any representation it may have on the board of trustees. CORSAs 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 CORSAs. The participating counties have no responsibility for the payment of certificates. The County's payment for insurance to CORSAs in 2008 was \$877,071.

G. 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.

**BUTLER COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

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**NOTE 21- JOINTLY GOVERNED ORGANIZATIONS/RISK SHARING POOL/INSURANCE  
PURCHASING POOL/RELATED ORGANIZATIONS (continued)**

The business and affairs of the consortium are governed by a board comprised of representatives of counties that participate in the program. 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.

Upon withdrawal from the Consortium, the County will be responsible for paying the funding rates and assessments, if any, that were applicable during the term of the agreement and shall remain responsible for any assessments made by the board for any one or more years of the County's participation in CEBCO.

**H. REGIONAL TRANSIT AUTHORITY (RTA)**

The Regional Transit Authority (RTA) is a related organization to the County. The County Commissioners are responsible for appointing the board of directors 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.

**I. 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.

**BUTLER COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

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**NOTE 21- JOINTLY GOVERNED ORGANIZATIONS/RISK SHARING POOL/INSURANCE  
PURCHASING POOL/RELATED ORGANIZATIONS (continued)**

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, 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.

**J. 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 businesses 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. Financial Information for the Butler County Port Authority may be obtained at 315 High Street, Hamilton, OH 45011.

**K. 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. Metroparks provides educational programs along with recreational opportunities throughout the year. 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. Financial information for the Metroparks of Butler County may be obtained at 2051 Timberman Road, Hamilton, OH 45013.

**BUTLER COUNTY, OHIO  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2008**

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**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, 2008.

<u>Project/Vendor</u>	<u>Outstanding Balance</u>
Repair Services - Blue Max	\$ 631,138
Lesourdsville WRF Expansion	381,303
Cincinnati Dayton Water Main Replacement	70,666
West Monroe Water Supply Improvement	26,138
VOA Lesourdsville Odor and Corrosion Control	19,694
Trenton Lift Station and FM Replacement	13,135

**NOTE 23 - SUBSEQUENT EVENTS**

In January 2009, the County issued \$4,610,000 in general obligation bonds at 1.99% to refund the 1998 Sewer Revenue bonds. The new proceeds were sent to a trust account at US bank. The funds from the borrowing, together with the debt service reserve balances on the 1998 issue and interest earned thereon, shall be sufficient to pay annual bond principal and semiannual interest on the 1998 Sewer Revenue bonds.

**NOTE 24 – 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 501C(6). 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.

Butler County is the sole contributor of funding for the Butler County Alliance. The organization maintains dollars in a segregated checking account that does not earn interest. The organization does not own capital assets nor does it have debt issued in its name. In 2008, the Alliance had \$51,735 of expenses leaving a cash balance of \$58,332.

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, 2008

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 2008, 2007, and 2006.

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 re-paved 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 2008, 2007, and 2006:*

Road Condition	2008		2007		2006	
	Road Miles	% of Total	Road Miles	% of Total	Road Miles	% of Total
<i>Fair or Better</i>	263	96%	256	96%	263	98%
<i>Less than Fair</i>	12	4%	12	4%	4	2%
<i>Total</i>	275	100%	268	100%	267	100%

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, 2008

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

Year	Budgeted Expenditures	Actual Expenditures	Difference
2008	\$ 2,747,701	\$ 2,402,175	\$ 345,526
2007	12,148,485	3,873,674	8,274,811
2006	8,865,982	6,370,154	2,495,828
2005	2,949,348	2,769,401	179,947
2004	2,321,751	2,219,402	102,349

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.

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, 2008

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 2008, 2007, and 2006:

Bridge Condition	2008		2007		2006	
	Number of Bridges	% of Total	Number of Bridges	% of Total	Number of Bridges	% of Total
Fair or Better	357	90%	345	92%	341	92%
Less than Fair	38	10%	31	8%	30	8%
Total	395	100%	376	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
2008	\$8,232,687	\$7,300,786	\$931,901
2007	3,253,089	2,891,296	361,793
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

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 2008, 2007, and 2006:*

Culvert Condition	2008		2007		2006	
	Number of Culverts	% of Total	Number of Culverts	% of Total	Number of Culverts	% of Total
Fair or Better	836	79%	855	80%	817	80%
Less than Fair	226	21%	217	20%	202	20%
Total	1062	100%	1072	100%	1019	100%

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, 2008

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

Year	Budgeted Expenditures	Actual Expenditures	Difference
2008	\$152,429	\$83,107	\$69,322
2007	249,236	188,099	61,137
2006	187,361	145,231	42,130
2005	1,297,972	1,297,636	336
2004	896,500	887,587	8,913

**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 fees collected by the Bureau of Child Support that are restricted by State statute to finance the operation of the Child Support Enforcement Agency.**

**All Other Conservation and Recreation – To account for fees collected on permits by the County to finance erosion and sediment control activities.**

**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 costs of contracts with local agencies that provide services to the public.**

**Motor Vehicle – To account for the revenues 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 Health – To account for all other Health activities not 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.**

**(Continued)**

### **Nonmajor Special Revenue Funds**

**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 Services activities not presented on an individual basis.**

### **Nonmajor Capital Projects Funds**

**Capital Projects 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 of County technology activities.**

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

**Road Improvements – To account for projects related to the construction of roads.**

**Buildings Construction and Renovations – To account for improvements and new construction of buildings.**

### **Nonmajor Bond Retirement Fund**

**The Bond Retirement fund is used to account for proceeds and payments on Butler County bonds. The County's Bond Retirement Fund accounts for financing and related costs of issuing and paying County bonds.**

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**Butler County, Ohio**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**December 31, 2008**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Bond Retirement Fund	Total Nonmajor Governmental Funds
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 42,356,691	\$ 3,378,696	\$ 2,166,482	\$ 47,901,869
Cash and Cash Equivalents:				
In Segregated Accounts	312,718	-	-	312,718
Receivables:				
Property Taxes	8,991,777	-	-	8,991,777
Other Local Taxes	264,145	-	-	264,145
Accounts	159,198	-	-	159,198
Due from Other Governments	15,384,988	507,292	-	15,892,280
Special Assessments	1,752,863	-	10,138,165	11,891,028
Loans	449,862	-	-	449,862
Due from Other Funds	150,658	148,250	-	298,908
Prepaid Items	123,087	-	-	123,087
Materials and Supplies Inventory	534,417	-	-	534,417
<b>Total Assets</b>	<b>\$ 70,480,404</b>	<b>\$ 4,034,238</b>	<b>\$ 12,304,647</b>	<b>\$ 86,819,289</b>
<b>Liabilities and Fund Balances</b>				
Liabilities:				
Accounts Payable	\$ 3,159,349	\$ 78,389	\$ -	\$ 3,237,738
Contracts Payable	1,620,659	1,366,420	-	2,987,079
Accrued Wages and Benefits Payable	1,174,467	-	-	1,174,467
Matured Compensated Absences Payable	10,014	-	-	10,014
Retainage Payable	-	84,550	-	84,550
Due to Other Funds	1,018,822	-	181,757	1,200,579
Due to Other Governments	132,227	-	-	132,227
Deferred Revenue	22,084,309	507,292	10,138,165	32,729,766
Advances from Other Funds	150,802	54,000	-	204,802
Matured Bonds Payable	-	-	13,250	13,250
Matured Interest Payable	-	-	5,543	5,543
Accrued Interest Payable	33,623	274,057	-	307,680
Notes Payable	2,385,000	15,055,000	-	17,440,000
<b>Total Liabilities</b>	<b>31,769,272</b>	<b>17,419,708</b>	<b>10,338,715</b>	<b>59,527,695</b>
Fund Balances				
Reserved for Encumbrances	4,658,279	675,742	-	5,334,021
Reserved for Loans	449,862	-	-	449,862
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	33,602,991	-	-	33,602,991
Debt Service Fund	-	-	1,965,932	1,965,932
Capital Projects Funds (Deficit)	-	(14,061,212)	-	(14,061,212)
<b>Total Fund Balances (Deficit)</b>	<b>38,711,132</b>	<b>(13,385,470)</b>	<b>1,965,932</b>	<b>27,291,594</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 70,480,404</b>	<b>\$ 4,034,238</b>	<b>\$ 12,304,647</b>	<b>\$ 86,819,289</b>

**Butler County, Ohio**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**December 31, 2008**

	Real Estate Assessment	All Other Legislative and Executive	All Other Judicial	All Other Public Safety	Child Support Enforcement
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$ 358,769	\$ 2,633,516	\$ 2,441,444	\$ 2,733,435	\$ 440,671
Cash and Cash Equivalents:					
In Segregated Accounts	-	100,055	167,023	35,687	222
Receivables:					
Property Taxes	-	217,518	-	-	-
Other Local Taxes	-	-	-	-	-
Accounts	-	-	13,161	18,728	-
Due from Other Governments	-	-	285	1,998,881	2,057,556
Special Assessments	-	212,922	-	-	-
Loans	-	-	-	-	-
Due from Other Funds	-	15,531	-	74,333	15
Prepaid Items	2,320	30,162	36,793	1,481	3,728
Materials and Supplies Inventory	2,007	1,237	1,469	51,469	1,125
<b>Total Assets</b>	<b>363,096</b>	<b>3,210,941</b>	<b>2,660,175</b>	<b>4,914,014</b>	<b>2,503,317</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities:</b>					
Accounts Payable	659,172	8,426	36,787	925,544	2,680
Contracts Payable	-	-	-	-	-
Accrued Wages and Benefits Payable	94,739	85,529	58,424	258,094	170,299
Matured Compensated Absences Payable	-	-	-	-	-
Due to Other Funds	35,836	34,216	25,450	153,604	179,264
Due to Other Governments	-	-	2,241	8,850	-
Deferred Revenue	-	430,440	-	1,226,598	1,606,329
Advances from Other Funds	-	-	25,002	-	-
Accrued Interest Payable	-	-	-	-	-
Notes Payable	-	-	-	-	-
<b>Total Liabilities</b>	<b>789,747</b>	<b>558,611</b>	<b>147,904</b>	<b>2,572,690</b>	<b>1,958,572</b>
<b>Fund Balances</b>					
Reserved for Encumbrances	-	29,252	219,968	278,717	135,275
Reserved for Loans	-	-	-	-	-
Unreserved, Undesignated, Reported in:					
Special Revenue Funds (Deficit)	(426,651)	2,623,078	2,292,303	2,062,607	409,470
<b>Total Fund Balances (Deficit)</b>	<b>(426,651)</b>	<b>2,652,330</b>	<b>2,512,271</b>	<b>2,341,324</b>	<b>544,745</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 363,096</b>	<b>\$ 3,210,941</b>	<b>\$ 2,660,175</b>	<b>\$ 4,914,014</b>	<b>\$ 2,503,317</b>

<u>All Other Conservation and Recreation</u>	<u>All Other Public Works</u>	<u>Alcohol and Drug Addiction</u>	<u>Motor Vehicle</u>	<u>All Other Health</u>
\$ 67,394	\$ 7,047,736	\$ 990,045	\$ 6,582,303	\$ 201,361
-	2,064	-	7,106	370
-	-	-	-	-
-	-	-	264,145	-
-	78,763	-	48,546	-
-	2,176,071	2,040,463	6,544,670	1,397
-	1,527,778	-	12,163	-
-	449,862	-	-	-
-	-	12,076	41,444	-
-	8,062	13,024	17,632	227
-	192	501	465,323	679
<u>67,394</u>	<u>11,290,528</u>	<u>3,056,109</u>	<u>13,983,332</u>	<u>204,034</u>
-	29,543	26,475	372,822	873
-	162,484	-	1,458,175	-
-	38,268	17,163	191,524	11,415
-	-	1,298	8,716	-
-	169,374	7,472	89,072	10,061
-	104,330	-	2,370	-
-	3,418,676	1,531,880	4,998,605	-
-	-	109,800	-	-
-	29,801	-	3,822	-
-	1,965,000	-	420,000	-
<u>-</u>	<u>5,917,476</u>	<u>1,694,088</u>	<u>7,545,106</u>	<u>22,349</u>
-	407,831	98,761	3,466,146	-
-	449,862	-	-	-
<u>67,394</u>	<u>4,515,359</u>	<u>1,263,260</u>	<u>2,972,080</u>	<u>181,685</u>
<u>67,394</u>	<u>5,373,052</u>	<u>1,362,021</u>	<u>6,438,226</u>	<u>181,685</u>
<u>\$ 67,394</u>	<u>\$ 11,290,528</u>	<u>\$ 3,056,109</u>	<u>\$ 13,983,332</u>	<u>\$ 204,034</u>

(Continued)

**Butler County, Ohio**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds (Continued)**  
**December 31, 2008**

	County Care Facility	Elderly Services Levy	All Other Human Services	Total Nonmajor Special Revenue Funds
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 420,050	\$ 18,407,530	\$ 32,437	\$ 42,356,691
Cash and Cash Equivalents:				
In Segregated Accounts	191	-	-	312,718
Receivables:				
Property Taxes	-	8,774,259	-	8,991,777
Other Local Taxes	-	-	-	264,145
Accounts	-	-	-	159,198
Due from Other Governments	460,207	-	105,458	15,384,988
Special Assessments	-	-	-	1,752,863
Loans	-	-	-	449,862
Due from Other Funds	7,259	-	-	150,658
Prepaid Items	9,658	-	-	123,087
Materials and Supplies Inventory	10,361	-	54	534,417
<b>Total Assets</b>	<b>907,726</b>	<b>27,181,789</b>	<b>137,949</b>	<b>70,480,404</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities:</b>				
Accounts Payable	122,172	974,621	234	3,159,349
Contracts Payable	-	-	-	1,620,659
Accrued Wages and Benefits Payable	240,406	-	8,606	1,174,467
Matured Compensated Absences Payable	-	-	-	10,014
Due to Other Funds	310,956	-	3,517	1,018,822
Due to Other Governments	14,436	-	-	132,227
Deferred Revenue	-	8,774,259	97,522	22,084,309
Advances from Other Funds	-	-	16,000	150,802
Accrued Interest Payable	-	-	-	33,623
Notes Payable	-	-	-	2,385,000
<b>Total Liabilities</b>	<b>687,970</b>	<b>9,748,880</b>	<b>125,879</b>	<b>31,769,272</b>
<b>Fund Balances</b>				
Reserved for Encumbrances	19,921	-	2,408	4,658,279
Reserved for Loans	-	-	-	449,862
Unreserved, Undesignated, Reported in:				
Special Revenue Funds (Deficit)	199,835	17,432,909	9,662	33,602,991
<b>Total Fund Balances (Deficit)</b>	<b>219,756</b>	<b>17,432,909</b>	<b>12,070</b>	<b>38,711,132</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 907,726</b>	<b>\$ 27,181,789</b>	<b>\$ 137,949</b>	<b>\$ 70,480,404</b>

Butler County, Ohio  
Combining Balance Sheet  
Nonmajor Capital Projects Funds  
December 31, 2008

	Technology	Other Capital Improvements	Road Improvements	Buildings Construction and Renovations	Total Nonmajor Capital Projects Funds
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$ -	\$ 213,724	\$ -	\$ 3,164,972	\$ 3,378,696
<b>Receivables:</b>					
Due from Other Governments	-	-	507,292	-	507,292
Due from Other Funds	-	148,250	-	-	148,250
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 361,974</b>	<b>\$ 507,292</b>	<b>\$ 3,164,972</b>	<b>\$ 4,034,238</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ -	\$ -	\$ -	\$ 78,389	\$ 78,389
Contracts Payable	-	-	507,292	859,128	1,366,420
Retainage Payable	-	-	-	84,550	84,550
Deferred Revenue	-	-	507,292	-	507,292
Advances from Other Funds	-	54,000	-	-	54,000
Accrued Interest Payable	47,723	-	118,505	107,829	274,057
Notes Payable	2,950,000	-	-	12,105,000	15,055,000
<b>Total Liabilities</b>	<b>2,997,723</b>	<b>54,000</b>	<b>1,133,089</b>	<b>13,234,896</b>	<b>17,419,708</b>
<b>Fund Balances</b>					
Reserved for Encumbrances	-	92,558	-	583,184	675,742
Unreserved, Undesignated, Reported in: Capital Projects Funds (Deficit)	(2,997,723)	215,416	(625,797)	(10,653,108)	(14,061,212)
<b>Total Fund Balances (Deficit)</b>	<b>(2,997,723)</b>	<b>307,974</b>	<b>(625,797)</b>	<b>(10,069,924)</b>	<b>(13,385,470)</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ -</b>	<b>\$ 361,974</b>	<b>\$ 507,292</b>	<b>\$ 3,164,972</b>	<b>\$ 4,034,238</b>

**Butler County, Ohio**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2008**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
Revenues				
Property Taxes	\$ 13,734,405	\$ 4,359	\$ -	\$ 13,738,764
Other Local Taxes	2,454,986	-	-	2,454,986
Charges for Services	19,625,736	8,425	-	19,634,161
Licenses and Permits	726,522	-	-	726,522
Fines and Forfeitures	359,290	-	-	359,290
Intergovernmental	40,455,689	634,924	-	41,090,613
Special Assessments	1,783,695	-	794,880	2,578,575
Payments in Lieu of Taxes	15,716	-	-	15,716
Interest	69,441	224,215	561,745	855,401
Other	1,154,094	288,753	-	1,442,847
<b>Total Revenues</b>	<b>80,379,574</b>	<b>1,160,676</b>	<b>1,356,625</b>	<b>82,896,875</b>
Expenditures				
Current:				
General Government				
Legislative and Executive	7,156,462	249,275	-	7,405,737
Judicial	2,269,440	26,539	-	2,295,979
Public Safety	10,335,655	502	-	10,336,157
Public Works	26,252,331	280,710	-	26,533,041
Health	6,215,968	-	-	6,215,968
Human Services	25,532,338	-	-	25,532,338
Conservation and Recreation	280	-	-	280
Capital Outlay	-	10,115,027	-	10,115,027
Intergovernmental	-	3,000,000	-	3,000,000
Debt Service:				
Principal Retirement	135,961	-	1,050,670	1,186,631
Interest and Fiscal Charges	114,409	802,771	891,681	1,808,861
Issuance Costs	-	60,948	-	60,948
<b>Total Expenditures</b>	<b>78,012,844</b>	<b>14,535,772</b>	<b>1,942,351</b>	<b>94,490,967</b>
Excess of Revenues Over (Under) Expenditures	2,366,730	(13,375,096)	(585,726)	(11,594,092)
Other Financing Sources (Uses):				
Premium on Debt Issued	-	83,744	-	83,744
Special Assessment Bonds Issued	-	3,315,000	-	3,315,000
Transfers - In	556,421	673,646	640,446	1,870,513
Transfers - Out	(20,000)	(11,404)	-	(31,404)
<b>Total Other Financing Sources (Uses)</b>	<b>536,421</b>	<b>4,060,986</b>	<b>640,446</b>	<b>5,237,853</b>
Net Change in Fund Balance	2,903,151	(9,314,110)	54,720	(6,356,239)
Fund Balances (Deficit) at Beginning of Year	35,807,981	(4,071,360)	1,911,212	33,647,833
Fund Balances (Deficit) at End of Year	<u>\$ 38,711,132</u>	<u>\$ (13,385,470)</u>	<u>\$ 1,965,932</u>	<u>\$ 27,291,594</u>

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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, 2008

	Real Estate Assessment	All Other Legislative and Executive	All Other Judicial	All Other Public Safety	Child Support Enforcement
<b>Revenues</b>					
Property Taxes	\$ -	\$ 217,685	\$ -	\$ -	\$ -
Other Local Taxes	-	-	-	-	-
Charges for Services	3,378,586	3,130,425	2,329,326	4,789,658	1,071,699
Licenses and Permits	-	-	-	172,790	-
Fines and Forfeitures	-	-	41,364	4,669	-
Intergovernmental	-	25,066	-	4,656,817	4,925,256
Special Assessments	-	212,073	-	-	-
Payments in Lieu of Taxes	-	357	-	-	-
Interest	-	37,953	-	-	-
Other	-	350	-	16,518	15
<b>Total Revenues</b>	<b>3,378,586</b>	<b>3,623,909</b>	<b>2,370,690</b>	<b>9,640,452</b>	<b>5,996,970</b>
<b>Expenditures</b>					
<b>Current:</b>					
General Government					
Legislative and Executive	3,885,316	3,271,146	-	-	-
Judicial	-	-	2,269,440	-	-
Public Safety	-	-	-	10,335,655	-
Public Works	-	-	-	-	-
Health	-	-	-	-	-
Human Services	-	-	-	-	6,277,383
Conservation and Recreation	-	-	-	-	-
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
<b>Total Expenditures</b>	<b>3,885,316</b>	<b>3,271,146</b>	<b>2,269,440</b>	<b>10,335,655</b>	<b>6,277,383</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(506,730)</b>	<b>352,763</b>	<b>101,250</b>	<b>(695,203)</b>	<b>(280,413)</b>
<b>Other Financing Sources (Uses)</b>					
Transfers - In	-	-	-	128,105	-
Transfers - Out	-	(20,000)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(20,000)</b>	<b>-</b>	<b>128,105</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>(506,730)</b>	<b>332,763</b>	<b>101,250</b>	<b>(567,098)</b>	<b>(280,413)</b>
<b>Fund Balances (Deficit) at Beginning of Year</b>	<b>80,079</b>	<b>2,319,567</b>	<b>2,411,021</b>	<b>2,908,422</b>	<b>825,158</b>
<b>Fund Balances (Deficit) at End of Year</b>	<b>\$ (426,651)</b>	<b>\$ 2,652,330</b>	<b>\$ 2,512,271</b>	<b>\$ 2,341,324</b>	<b>\$ 544,745</b>

All Other Conservation and Recreation	All Other Public Works	Alcohol and Drug Addiction	Motor Vehicle	All Other Health
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	2,454,986	-
40,890	1,277,500	96,263	1,374,971	47,592
-	-	-	-	553,732
-	-	-	286,337	26,920
-	2,605,505	5,283,527	15,625,180	-
-	1,567,192	-	4,430	-
-	-	-	-	-
-	31,488	-	-	-
-	102,994	60,891	935,471	2,491
<u>40,890</u>	<u>5,584,679</u>	<u>5,440,681</u>	<u>20,681,375</u>	<u>630,735</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	4,086,812	-	22,165,519	-
-	-	5,628,481	-	587,487
-	-	-	-	-
280	-	-	-	-
-	-	-	126,236	-
-	81,569	-	32,185	-
<u>280</u>	<u>4,168,381</u>	<u>5,628,481</u>	<u>22,323,940</u>	<u>587,487</u>
<u>40,610</u>	<u>1,416,298</u>	<u>(187,800)</u>	<u>(1,642,565)</u>	<u>43,248</u>
-	277,380	110,000	-	-
-	-	-	-	-
-	<u>277,380</u>	<u>110,000</u>	<u>-</u>	<u>-</u>
40,610	1,693,678	(77,800)	(1,642,565)	43,248
<u>26,784</u>	<u>3,679,374</u>	<u>1,439,821</u>	<u>8,080,791</u>	<u>138,437</u>
<u>\$ 67,394</u>	<u>\$ 5,373,052</u>	<u>\$ 1,362,021</u>	<u>\$ 6,438,226</u>	<u>\$ 181,685</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, 2008 (Continued)

	County Care Facility	Elderly Services Levy	All Other Human Services	Total Nonmajor Special Revenue Funds
<b>Revenues</b>				
Property Taxes	\$ -	\$ 13,516,720	\$ -	\$ 13,734,405
Other Local Taxes	-	-	-	2,454,986
Charges for Services	2,088,826	-	-	19,625,736
Licenses and Permits	-	-	-	726,522
Fines and Forfeitures	-	-	-	359,290
Intergovernmental	5,580,545	1,549,215	204,578	40,455,689
Special Assessments	-	-	-	1,783,695
Payments in Lieu of Taxes	-	15,359	-	15,716
Interest	-	-	-	69,441
Other	33,764	-	1,600	1,154,094
<b>Total Revenues</b>	<b>7,703,135</b>	<b>15,081,294</b>	<b>206,178</b>	<b>80,379,574</b>
<b>Expenditures</b>				
<b>Current:</b>				
General Government				
Legislative and Executive	-	-	-	7,156,462
Judicial	-	-	-	2,269,440
Public Safety	-	-	-	10,335,655
Public Works	-	-	-	26,252,331
Health	-	-	-	6,215,968
Human Services	7,462,107	11,546,762	246,086	25,532,338
Conservation and Recreation	-	-	-	280
Debt Service:				
Principal Retirement	9,725	-	-	135,961
Interest and Fiscal Charges	655	-	-	114,409
<b>Total Expenditures</b>	<b>7,472,487</b>	<b>11,546,762</b>	<b>246,086</b>	<b>78,012,844</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>230,648</b>	<b>3,534,532</b>	<b>(39,908)</b>	<b>2,366,730</b>
<b>Other Financing Sources (Uses)</b>				
Transfers - In	5,356	-	35,580	556,421
Transfers - Out	-	-	-	(20,000)
<b>Total Other Financing Sources (Uses)</b>	<b>5,356</b>	<b>-</b>	<b>35,580</b>	<b>536,421</b>
<b>Net Change in Fund Balance</b>	<b>236,004</b>	<b>3,534,532</b>	<b>(4,328)</b>	<b>2,903,151</b>
<b>Fund Balances (Deficit) at Beginning of Year</b>	<b>(16,248)</b>	<b>13,898,377</b>	<b>16,398</b>	<b>35,807,981</b>
<b>Fund Balances (Deficit) at End of Year</b>	<b>\$ 219,756</b>	<b>\$ 17,432,909</b>	<b>\$ 12,070</b>	<b>\$ 38,711,132</b>

Butler County, Ohio  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2008

	Technology	Other Capital Improvements	Road Improvements	Buildings Construction and Renovations	Total Nonmajor Capital Projects Funds
<b>Revenues</b>					
Property Taxes	\$ -	\$ -	\$ -	\$ 4,359	\$ 4,359
Charges for Services	-	-	-	8,425	8,425
Intergovernmental	-	-	634,371	553	634,924
Interest	-	1,315	58,054	164,846	224,215
Other	-	288,753	-	-	288,753
<b>Total Revenues</b>	<b>-</b>	<b>290,068</b>	<b>692,425</b>	<b>178,183</b>	<b>1,160,676</b>
<b>Expenditures</b>					
<b>Current:</b>					
<b>General Government</b>					
Legislative and Executive	-	108,026	-	141,249	249,275
Judicial	-	26,539	-	-	26,539
Public Safety	-	502	-	-	502
Public Works	-	-	280,710	-	280,710
Capital Outlay	-	11,180	860,953	9,242,894	10,115,027
Intergovernmental	-	-	3,000,000	-	3,000,000
<b>Debt Service:</b>					
Interest and Fiscal Charges	151,119	31,117	196,799	423,736	802,771
Issuance Costs	-	6,159	54,789	-	60,948
<b>Total Expenditures</b>	<b>151,119</b>	<b>183,523</b>	<b>4,393,251</b>	<b>9,807,879</b>	<b>14,535,772</b>
Excess of Revenues Over (Under) Expenditures	(151,119)	106,545	(3,700,826)	(9,629,696)	(13,375,096)
<b>Other Financing Sources (Uses):</b>					
Premium on Debt Issued	-	8,466	75,278	-	83,744
Special Assessment Bonds Issued	-	335,000	2,980,000	-	3,315,000
Transfers-In	323,428	132,131	24,649	193,438	673,646
Transfers-Out	-	(10,787)	(617)	-	(11,404)
<b>Total Other Financing Sources (Uses)</b>	<b>323,428</b>	<b>464,810</b>	<b>3,079,310</b>	<b>193,438</b>	<b>4,060,986</b>
Net Change in Fund Balance	172,309	571,355	(621,516)	(9,436,258)	(9,314,110)
Fund Balances (Deficit) at Beginning of Year	(3,170,032)	(263,381)	(4,281)	(633,666)	(4,071,360)
<b>Fund Balances (Deficit) at End of Year</b>	<b>\$ (2,997,723)</b>	<b>\$ 307,974</b>	<b>\$ (625,797)</b>	<b>\$ (10,069,924)</b>	<b>\$ (13,385,470)</b>

## **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 proprietary funds and regional governmental agencies to pay for the actual expense of medical, dental and life insurance costs for employees.**

**Workers' 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.**

**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, 2008

	Health Insurance	Workers' Compensation	County Fuel Depot	Total
<b>Assets</b>				
<b>Current Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 523,731	\$ 715,281	\$ 151,631	\$ 1,390,643
<b>Receivables:</b>				
Accounts	-	-	13,043	13,043
Due from Other Funds	-	2,073,107	206,311	2,279,418
Prepaid Items	-	816	-	816
Materials and Supplies Inventory	-	-	30,401	30,401
<b>Total Assets</b>	<b>523,731</b>	<b>2,789,204</b>	<b>401,386</b>	<b>3,714,321</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accounts Payable	\$ 9,860	\$ 1,673	\$ 12,507	\$ 24,040
Accrued Wages and Benefits Payable	5,966	12,856	-	18,822
Due to Other Funds	2,003	-	-	2,003
Due to Other Governments	-	890,279	-	890,279
Claims Payable	-	747,726	-	747,726
Compensated Absences Payable	3,767	11,832	-	15,599
<b>Total Current Liabilities</b>	<b>21,596</b>	<b>1,664,366</b>	<b>12,507</b>	<b>1,698,469</b>
<b>Non-Current Liabilities</b>				
Advances from Other Funds	-	-	250,000	250,000
Claims Payable	-	2,021,486	-	2,021,486
Compensated Absences Payable	7,270	23,614	-	30,884
<b>Total Non-Current Liabilities</b>	<b>7,270</b>	<b>2,045,100</b>	<b>250,000</b>	<b>2,302,370</b>
<b>Total Liabilities</b>	<b>28,866</b>	<b>3,709,466</b>	<b>262,507</b>	<b>4,000,839</b>
<b>Total Net Assets (Deficit)</b>	<b>\$ 494,865</b>	<b>\$ (920,262)</b>	<b>\$ 138,879</b>	<b>\$ (286,518)</b>

**Butler County, Ohio**  
**Combining Statement of Revenues,**  
**Expenses and Changes in Fund Net Assets**  
**Internal Service Funds**  
**For the Year Ended December 31, 2008**

	Health Insurance	Workers' Compensation	County Fuel Depot	Total
Operating Revenues				
Charges for Services	\$ 14,659,796	\$ 2,126,206	\$ 918,876	\$ 17,704,878
Operating Expenses				
Personal Services	120,776	344,260	-	465,036
Contractual Services	14,227,918	983,242	8,201	15,219,361
Claims and Judgments	-	656	-	656
Materials and Supplies	-	-	763,707	763,707
Other	392	-	-	392
Total Operating Expenses	14,349,086	1,328,158	771,908	16,449,152
Change in Net Assets	310,710	798,048	146,968	1,255,726
Net Assets (Deficit) at Beginning of Year	184,155	(1,718,310)	(8,089)	(1,542,244)
Net Assets (Deficit) at End of Year	\$ 494,865	\$ (920,262)	\$ 138,879	\$ (286,518)

**Butler County**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended December 31, 2008**

	Health Insurance	Workers' Compensation	County Fuel Depot	Totals
<u>Increase (Decrease) in Cash and Cash Equivalents:</u>				
<u>Cash Flows from Operating Activities:</u>				
Cash Paid to Suppliers	\$ (14,220,250)	\$ (855,681)	\$ (791,809)	\$ (15,867,740)
Cash Paid to Employees	(132,025)	(336,664)	-	(468,689)
Cash Received from Interfund Services Provided	14,659,796	2,077,753	862,749	17,600,298
Cash Paid for Claims	-	(785,680)	-	(785,680)
Net Cash Provided by Operating Activities	<u>307,521</u>	<u>99,728</u>	<u>70,940</u>	<u>478,189</u>
<u>Cash Flows from Noncapital Financing Activities:</u>				
Repayment of Short-Term Advances from Other Funds	-	-	(150,000)	(150,000)
Short-Term Advances to Other Funds	(150,000)	-	-	(150,000)
Short-Term Advances from Other Funds	-	-	210,000	210,000
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>(150,000)</u>	<u>-</u>	<u>60,000</u>	<u>(90,000)</u>
Net Increase in Cash and Cash Equivalents	157,521	99,728	130,940	388,189
Cash and Cash Equivalents at Beginning of Year	<u>366,210</u>	<u>615,553</u>	<u>20,691</u>	<u>1,002,454</u>
Cash and Cash Equivalents at End of Year	<u>\$ 523,731</u>	<u>\$ 715,281</u>	<u>\$ 151,631</u>	<u>\$ 1,390,643</u>
<u>Reconciliation of Operating Income to Net</u>				
<u>Cash Provided by Operating Activities:</u>				
Operating Income	<u>\$ 310,710</u>	<u>\$ 798,048</u>	<u>\$ 146,968</u>	<u>\$ 1,255,726</u>
<u>Adjustments to Reconcile Operating Income to Net Cash</u>				
<u>Changes in Assets and Liabilities:</u>				
(Increase) Decrease in Accounts Receivable	-	46,950	(13,043)	33,907
Increase in Due from Other Funds	-	(95,403)	(43,084)	(138,487)
Increase in Materials and Supplies Inventory	-	-	(30,401)	(30,401)
Increase in Prepaid Items	-	(303)	-	(303)
Increase in Accrued Wages and Benefits Payable	505	1,932	-	2,437
Increase (Decrease) in Accounts Payable	8,060	(3,038)	10,500	15,522
Increase (Decrease) in Compensated Absences Payable	(11,222)	5,664	-	(5,558)
Decrease in Due to Other Funds	(532)	-	-	(532)
Increase in Due to Other Governments	-	130,902	-	130,902
Decrease in Claims Payable	-	(785,024)	-	(785,024)
Total Adjustments	<u>(3,189)</u>	<u>(698,320)</u>	<u>(76,028)</u>	<u>(777,537)</u>
Net Cash Provided by Operating Activities	<u>\$ 307,521</u>	<u>\$ 99,728</u>	<u>\$ 70,940</u>	<u>\$ 478,189</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 the collection and distribution of taxes by the County.**

**All Other Agency – Accounts for various individual agency funds combined for reporting purposes.**

**Butler County, Ohio**  
**Combining Statement of Fiduciary Assets and Liabilities**  
**Agency Funds**  
**December 31, 2008**

	Undivided Tax	All Other Agency	Total
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 18,576,947	\$ 8,967,626	\$ 27,544,573
Cash and Cash Equivalents in Segregated Accounts	9,468	3,703,476	3,712,944
Property Taxes Receivable	374,224,624	-	374,224,624
Special Assessments Receivable	40,788,909	-	40,788,909
Due from Other Governments	14,618,414	1,710,724	16,329,138
<b>Total Assets</b>	<b>\$ 448,218,362</b>	<b>\$ 14,381,826</b>	<b>\$ 462,600,188</b>
<b>Liabilities</b>			
Undistributed Monies	\$ -	\$ 4,603,628	\$ 4,603,628
Deposits Held and Due to Others	-	9,539,037	9,539,037
Due to Other Governments	448,218,362	112,221	448,330,583
Loans Payable	-	126,940	126,940
<b>Total Liabilities</b>	<b>\$ 448,218,362</b>	<b>\$ 14,381,826</b>	<b>\$ 462,600,188</b>

Butler County, Ohio  
Combining Statement of Changes in Assets and Liabilities  
All Agency Funds  
For the Year Ended December 31, 2008

	Beginning Balance 12/31/07	Additions	Deductions	Ending Balance 12/31/08
Undivided Tax Fund				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 18,663,536	\$ 819,877,343	\$ 819,963,932	\$ 18,576,947
Cash and Cash Equivalents				
In Segregated Accounts	11,929	9,468	11,929	9,468
Due from Other Funds	-	21,397	21,397	-
Property Taxes Receivable	360,987,980	374,224,624	360,987,980	374,224,624
Special Assessments Receivable	36,822,002	40,236,495	36,269,588	40,788,909
Due from Other Governments	12,766,003	14,618,414	12,766,003	14,618,414
<b>Total Assets</b>	<b>\$ 429,251,450</b>	<b>\$ 1,248,987,741</b>	<b>\$ 1,230,020,829</b>	<b>\$ 448,218,362</b>
Liabilities				
Due to Other Governments	\$ 429,251,450	\$ 427,317,429	\$ 408,350,517	\$ 448,218,362
All Other Agency Fund				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 8,653,808	\$ 140,129,835	\$ 139,816,017	\$ 8,967,626
Cash and Cash Equivalents in Segregated Accounts	4,533,180	68,375,696	69,205,400	3,703,476
Due from Other Funds	-	204,692	204,692	-
Due from Other Governments	1,720,437	1,710,724	1,720,437	1,710,724
<b>Total Assets</b>	<b>\$ 14,907,425</b>	<b>\$ 210,420,947</b>	<b>\$ 210,946,546</b>	<b>\$ 14,381,826</b>
Liabilities				
Undistributed Monies	5,317,266	1,444,099	2,157,737	4,603,628
Deposits Held and Due to Others	9,341,154	2,022,720	1,824,837	9,539,037
Due to Other Funds	-	645,845	645,845	-
Due to Other Governments	114,005	-	1,784	112,221
Loans Payable	135,000	11,940	20,000	126,940
<b>Total Liabilities</b>	<b>\$ 14,907,425</b>	<b>\$ 4,124,604</b>	<b>\$ 4,650,203</b>	<b>\$ 14,381,826</b>

(Continued)

Butler County, Ohio  
Combining Statement of Changes in Assets and Liabilities  
All Agency Funds  
For the Year Ended December 31, 2008 (Continued)

	Beginning Balance 12/31/07	Additions	Deductions	Ending Balance 12/31/08
Total - All Funds				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 27,317,344	\$ 960,007,178	\$ 959,779,949	\$27,544,573
Cash and Cash Equivalents				
In Segregated Accounts	4,545,109	68,385,164	69,217,329	3,712,944
Due from Other Funds	-	226,089	226,089	-
Property Taxes Receivable	360,987,980	374,224,624	360,987,980	374,224,624
Special Assessments Receivable	36,822,002	40,236,495	36,269,588	40,788,909
Due from Other Governments	14,486,440	16,329,138	14,486,440	16,329,138
Total Assets	<u>\$ 444,158,875</u>	<u>\$ 1,459,408,688</u>	<u>\$ 1,440,967,375</u>	<u>\$462,600,188</u>
Liabilities				
Undistributed Monies	5,317,266	1,444,099	2,157,737	4,603,628
Deposits Held and Due to Others	9,341,154	2,022,720	1,824,837	9,539,037
Due to Other Funds	-	645,845	645,845	-
Due to Other Governments	429,365,455	427,317,429	408,352,301	448,330,583
Loans Payable	135,000	11,940	20,000	126,940
Total Liabilities	<u>\$ 444,158,875</u>	<u>\$ 431,442,033</u>	<u>\$ 413,000,720</u>	<u>\$ 462,600,188</u>

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, 2008

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>				
Property Taxes	\$ 14,304,090	\$ 14,460,190	\$ 14,152,353	\$ (307,837)
Sales Taxes	34,231,178	34,075,078	35,045,034	969,956
Charges for Services	25,278,988	22,892,794	22,531,027	(361,767)
Licenses and Permits	17,560	14,674	14,774	100
Fines and Forfeitures	1,841,760	1,922,314	1,927,312	4,998
Intergovernmental	7,884,600	8,279,629	8,156,487	(123,142)
Payment in Lieu of Taxes	16,400	22,856	22,856	-
Interest	11,036,200	9,287,888	9,286,691	(1,197)
Other	1,220,066	1,952,921	1,953,903	982
<b>Total Revenues</b>	<b>95,830,842</b>	<b>92,908,344</b>	<b>93,090,437</b>	<b>182,093</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General Government:</b>				
<b>Legislative and Executive</b>				
<b>Information Services</b>				
Personal Services	1,669,915	1,846,915	1,834,809	12,106
Materials and Supplies	30,561	30,561	30,466	95
Contractual Services	213,092	222,092	199,905	22,187
<b>Total Information Services</b>	<b>1,913,568</b>	<b>2,099,568</b>	<b>2,065,180</b>	<b>34,388</b>
<b>Audit Services</b>				
Contractual Services	164,200	164,200	160,572	3,628
<b>Auditor</b>				
Personal Services	1,470,296	1,470,447	1,430,289	40,158
Materials and Supplies	35,101	51,101	37,196	13,905
Contractual Services	142,561	131,561	127,971	3,590
Other	8,722	221,457	221,457	-
<b>Total Auditor</b>	<b>1,656,680</b>	<b>1,874,566</b>	<b>1,816,913</b>	<b>57,653</b>
<b>Commissioners</b>				
Personal Services	901,441	1,022,049	1,009,123	12,926
Materials and Supplies	44,150	34,650	30,956	3,694
Contractual Services	138,050	48,950	38,074	10,876
Other	7,300	7,300	2,496	4,804
<b>Total Commissioners</b>	<b>1,090,941</b>	<b>1,112,949</b>	<b>1,080,649</b>	<b>32,300</b>
<b>Department of Development</b>				
Personal Services	1,360,552	1,342,552	1,321,553	20,999
Materials and Supplies	20,000	14,000	12,095	1,905
Contractual Services	203,478	275,228	267,780	7,448
Other	-	250	250	-
<b>Total Department of Development</b>	<b>1,584,030</b>	<b>1,632,030</b>	<b>1,601,678</b>	<b>30,352</b>
<b>Mailroom</b>				
Personal Services	107,968	122,243	118,614	3,629
Materials and Supplies	843,000	989,033	979,416	9,617
Contractual Services	-	50	48	2
Other	500	450	82	368
<b>Total Mailroom</b>	<b>951,468</b>	<b>1,111,776</b>	<b>1,098,160</b>	<b>13,616</b>

(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, 2008**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Maintenance				
Personal Services	\$ 263,901	\$ 286,652	\$ 286,141	\$ 511
Materials and Supplies	210,260	195,260	179,671	15,589
Contractual Services	3,771,942	4,217,531	4,137,808	79,723
Other	2,000	-	-	-
Total Maintenance	4,248,103	4,699,443	4,603,620	95,823
Records Center				
Personal Services	596,617	564,767	557,179	7,588
Materials and Supplies	24,368	24,554	23,332	1,222
Contractual Services	122,590	204,404	180,425	23,979
Other	2,835	2,835	-	2,835
Total Records Center	746,410	796,560	760,936	35,624
Insurance, Pension and Taxes				
Personal Services	40,000	40,000	29,494	10,506
Material and Supplies	-	31,485	31,379	106
Contractual Services	812,300	1,308,550	1,305,338	3,212
Capital Outlay	-	40,475	40,475	-
Other	231,101	320,841	318,497	2,344
Total Insurance, Pension and Taxes	1,083,401	1,741,351	1,725,183	16,168
Commissioners-Other				
Contractual Services	430,800	547,800	503,574	44,226
Other	1,268,297	1,415,137	1,322,968	92,169
Total Commissioners-Other	1,699,097	1,962,937	1,826,542	136,395
Economic Development				
Personal Services	505,302	328,372	328,336	36
Materials and Supplies	1,000	3,179	3,161	18
Contractual Services	3,800	15,340	15,290	50
Other	5,000	1,311	1,209	102
Total Economic Development	515,102	348,202	347,996	206
Board of Elections				
Personal Services	1,979,055	2,369,055	2,271,617	97,438
Materials and Supplies	625,773	822,152	807,319	14,833
Contractual Services	1,304,204	1,400,536	1,366,200	34,336
Total Board of Elections	3,909,032	4,591,743	4,445,136	146,607
Prosecuting Attorney				
Personal Services	3,930,500	3,959,883	3,897,653	62,230
Materials and Supplies	38,788	66,649	60,681	5,968
Contractual Services	178,209	175,106	151,885	23,221
Other	62,464	60,193	60,081	112
Total Prosecuting Attorney	4,209,961	4,261,831	4,170,300	91,531
CSEA Prosecutor				
Personal Services	321,795	316,895	302,646	14,249
Materials and Supplies	7,554	12,454	12,260	194
Contractual Services	51,206	54,206	49,136	5,070
Other	3,000	-	-	-
Total CSEA Prosecutor	383,555	383,555	364,042	19,513

(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, 2008

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Recorder				
Personal Services	\$ 825,531	\$ 830,031	\$ 808,913	\$ 21,118
Materials and Supplies	25,057	23,057	18,900	4,157
Contractual Services	14,500	13,042	5,884	7,158
Other	7,000	7,000	4,495	2,505
Total Recorder	872,088	873,130	838,192	34,938
Treasurer				
Personal Services	981,403	982,231	900,949	81,282
Materials and Supplies	21,394	21,394	20,668	726
Contractual Services	215,045	236,845	161,107	75,738
Other	4,050	4,050	2,815	1,235
Total Treasurer	1,221,892	1,244,520	1,085,539	158,981
Total General Government: Legislative and Executive	26,249,528	28,898,361	27,990,638	907,723
General Government: Judicial				
Area Courts				
Personal Services	1,263,144	1,267,179	1,247,898	19,281
Materials and Supplies	35,790	35,790	35,726	64
Contractual Services	105,865	105,865	95,033	10,832
Total Area Courts	1,404,799	1,408,834	1,378,657	30,177
Clerk of Courts				
Personal Services	1,747,835	1,741,835	1,695,296	46,539
Materials and Supplies	50,083	56,083	55,656	427
Contractual Services	48,531	48,531	46,614	1,917
Other	600	600	579	21
Total Clerk of Courts	1,847,049	1,847,049	1,798,145	48,904
Common Pleas Court				
Personal Services	1,831,349	1,831,349	1,768,340	63,009
Materials and Supplies	27,922	31,922	27,109	4,813
Contractual Services	1,403,211	1,399,211	1,312,847	86,364
Other	6,000	6,000	1,324	4,676
Total Common Pleas Court	3,268,482	3,268,482	3,109,620	158,862
Court Services				
Personal Services	398,302	399,798	397,502	2,296
Materials and Supplies	200	200	58	142
Contractual Services	17,750	16,654	16,585	69
Other	500	500	145	355
Total Court Services	416,752	417,152	414,290	2,862

(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, 2008**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Domestic Relations Court				
Personal Services	\$ 1,628,081	\$ 1,628,081	\$ 1,585,602	\$ 42,479
Materials and Supplies	24,537	29,537	29,260	277
Contractual Services	175,320	170,937	150,499	20,438
Other	5,000	5,000	3,299	1,701
Total Domestic Relations Court	1,832,938	1,833,555	1,768,660	64,895
Parenting Education				
Contractual Services	47,000	47,000	44,240	2,760
Juvenile Court				
Personal Services	2,727,382	2,675,882	2,659,728	16,154
Materials and Supplies	52,050	55,250	54,377	873
Contractual Services	1,648,395	1,849,695	1,815,568	34,127
Other	2,955	4,955	3,340	1,615
Total Juvenile Court	4,430,782	4,585,782	4,533,013	52,769
Juvenile Court FDC				
Personal Services	87,062	86,862	77,196	9,666
Materials and Supplies	14,294	14,294	5,807	8,487
Contractual Services	10,000	10,200	6,297	3,903
Total Juvenile Court FDC	111,356	111,356	89,300	22,056
Probate Court				
Personal Services	819,714	813,714	750,749	62,965
Materials and Supplies	28,904	34,504	30,522	3,982
Contractual Services	39,960	41,560	32,260	9,300
Other	2,270	1,070	780	290
Total Probate Court	890,848	890,848	814,311	76,537
Court of Appeals				
Personal Services	266,681	270,145	221,671	48,474
Materials and Supplies	40,345	42,345	38,744	3,601
Contractual Services	512,147	512,147	495,625	16,522
Other	10,148	8,148	4,422	3,726
Total Court of Appeals	829,321	832,785	760,462	72,323
Municipal Courts				
Personal Services	394,342	421,917	421,917	-
Contractual Services	472,500	509,084	502,306	6,778
Other	400	241	-	241
Total Municipal Courts	867,242	931,242	924,223	7,019
Total General Government: Judicial	15,946,569	16,174,085	15,634,921	539,164
Public Safety				
Adult Probation				
Personal Services	1,675,603	1,676,274	1,659,967	16,307
Materials and Supplies	101,787	101,787	91,313	10,474
Contractual Services	75,262	186,262	184,587	1,675
Other	2,500	2,500	283	2,217
Total Adult Probation	1,855,152	1,966,823	1,936,150	30,673

(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, 2008**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Criminal Justice Board</b>				
Personal Services	\$ 60,994	\$ 27,306	\$ 27,306	\$ -
Materials and Supplies	100	-	-	-
Contractual Services	140	-	-	-
Other	70	-	-	-
<b>Total Criminal Justice Board</b>	<b>61,304</b>	<b>27,306</b>	<b>27,306</b>	<b>-</b>
<b>General Communications Sales Tax</b>				
Personal Services	70,210	130,028	126,749	3,279
Materials and Supplies	1,000,000	1,000,000	2,503	997,497
Contractual Services	14,001,545	13,751,377	12,413,403	1,337,974
Capital Outlay	2,753,538	2,753,538	1,936,537	817,001
<b>Total General Communications Sales Tax</b>	<b>17,825,293</b>	<b>17,634,943</b>	<b>14,479,192</b>	<b>3,155,751</b>
<b>Coroner</b>				
Personal Services	675,312	675,312	647,135	28,177
Materials and Supplies	13,977	13,977	10,330	3,647
Contractual Services	11,052	11,052	4,757	6,295
<b>Total Coroner</b>	<b>700,341</b>	<b>700,341</b>	<b>662,222</b>	<b>38,119</b>
<b>Coroner's Morgue</b>				
Materials and Supplies	13,832	17,832	17,003	829
Contractual Services	342,719	338,719	334,850	3,869
<b>Total Coroner's Morgue</b>	<b>356,551</b>	<b>356,551</b>	<b>351,853</b>	<b>4,698</b>
<b>Juvenile Facilities</b>				
Personal Services	2,249,393	2,284,393	2,256,882	27,511
Materials and Supplies	240,130	238,130	217,249	20,881
Contractual Services	108,865	100,865	90,197	10,668
Other	1,300	2,285	1,085	1,200
<b>Total Juvenile Facilities</b>	<b>2,599,688</b>	<b>2,625,673</b>	<b>2,565,413</b>	<b>60,260</b>
<b>Sheriff's Academy</b>				
Materials and Supplies	17,472	20,210	20,198	12
Contractual Services	36,396	34,152	34,108	44
Other	495	-	-	-
<b>Total Sheriff's Academy</b>	<b>54,363</b>	<b>54,362</b>	<b>54,306</b>	<b>56</b>
<b>Sheriff's Resolutions</b>				
Contractual Services	6,900,000	6,900,000	6,749,512	150,488
<b>Sheriff</b>				
Personal Services	20,668,927	21,434,041	21,378,705	55,336
Materials and Supplies	671,570	878,459	878,064	395
Contractual Services	700,710	693,445	692,805	640
Other	271,348	316,747	316,729	18
<b>Total Sheriff</b>	<b>22,312,555</b>	<b>23,322,692</b>	<b>23,266,303</b>	<b>56,389</b>

(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, 2008**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Paramedics				
Personal Services	\$ 820,260	\$ 835,563	\$ 834,854	\$ 709
Materials and Supplies	9,728	9,728	9,529	199
Contractual Services	875,007	744,734	718,443	26,291
Total Paramedics	1,704,995	1,590,025	1,562,826	27,199
Total Public Safety	54,370,242	55,178,716	51,655,083	3,523,633
Public Works				
Commissioners - Other				
Other	175,000	-	-	-
Solid Waste Landfill				
Contractual Services	20,000	20,000	15,600	4,400
Engineers-Plat Room				
Personal Services	198,216	199,463	199,348	115
Total Public Works	393,216	219,463	214,948	4,515
Health				
Other-Health				
Contractual Service	600,000	600,000	566,477	33,523
Registration Vital Statistics				
Other	7,650	7,650	3,818	3,832
Total Health	607,650	607,650	570,295	37,355
Human Services				
Veterans Memorial				
Contractual Services	14,850	12,050	7,773	4,277
Other	7,000	9,800	9,770	30
Total Veterans Memorial	21,850	21,850	17,543	4,307
Veterans Services				
Personal Services	717,074	713,474	636,817	76,657
Materials and Supplies	30,663	43,263	38,361	4,902
Contractual Services	464,404	529,404	510,000	19,404
Other	436,910	436,910	413,587	23,323
Total Veterans Services	1,649,051	1,723,051	1,598,765	124,286
Total Human Services	1,670,901	1,744,901	1,616,308	128,593

(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, 2008

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Conservation and Recreation				
Agricultural				
Contractual Services	\$ 3,000	\$ 3,000	\$ 2,203	\$ 797
Other	522,924	522,924	522,922	2
Total Agricultural	525,924	525,924	525,125	799
Historical Society				
Other	29,100	29,100	29,100	-
Emergency Management				
Other	53,000	53,000	32,556	20,444
Total Conservation and Recreation	608,024	608,024	586,781	21,243
Debt Service:				
Principal Retirement	6,012,249	5,975,151	5,960,399	14,752
Interest and Fiscal Charges	3,799,751	3,506,803	3,480,253	26,550
Total Debt Service	9,812,000	9,481,954	9,440,652	41,302
Total Expenditures	109,658,130	112,913,154	107,709,626	5,203,528
Excess of Revenues Over (Under) Expenditures	(13,827,288)	(20,004,810)	(14,619,189)	5,385,621
Other Financing Sources (Uses):				
Other Financing Sources	3,296,257	2,904,754	2,920,825	16,071
Advances - In	30,000	456,000	456,000	-
Advances - Out	-	(230,560)	(210,000)	20,560
Transfers - In	-	20,000	20,000	-
Transfers - Out	(3,860,296)	(3,736,869)	(2,428,900)	1,307,969
Total Other Financing Sources (Uses)	(534,039)	(586,675)	757,925	1,344,600
Net Change in Fund Balance	(14,361,327)	(20,591,485)	(13,861,264)	6,730,221
Fund Balance at Beginning of Year	26,944,887	26,944,887	26,944,887	-
Prior Year Encumbrances Appropriated	2,399,977	2,399,977	2,399,977	-
Fund Balance at End of Year	\$ 14,983,537	\$ 8,753,379	\$ 15,483,600	\$ 6,730,221

**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, 2008**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>				
Property Taxes	\$ 21,973,000	\$ 19,656,536	\$ 19,658,856	\$ 2,320
Charges for Services	1,640,000	45,121	83,214	38,093
Intergovernmental	9,240,000	9,686,630	10,032,509	345,879
Payment in Lieu of Taxes	-	28,231	28,231	-
Other	223,000	10,850	25,639	14,789
<b>Total Revenues</b>	<b>33,076,000</b>	<b>29,427,368</b>	<b>29,828,449</b>	<b>401,081</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Health</b>				
<b>Mental Retardation</b>				
Personal Services	15,635,000	15,685,000	14,507,647	1,177,353
Materials and Supplies	1,811,853	1,811,853	1,217,705	594,148
Contractual Services	18,624,686	17,374,780	16,676,723	698,057
Capital Outlay	1,000,000	1,300,000	812,809	487,191
Other	639,120	89,120	52,788	36,332
<b>Total Expenditures</b>	<b>37,710,659</b>	<b>36,260,753</b>	<b>33,267,672</b>	<b>2,993,081</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(4,634,659)</b>	<b>(6,833,385)</b>	<b>(3,439,223)</b>	<b>3,394,162</b>
<b>Other Financing Sources :</b>				
Other Financing Sources	-	20,000	44,178	24,178
<b>Net Change in Fund Balance</b>	<b>(4,634,659)</b>	<b>(6,813,385)</b>	<b>(3,395,045)</b>	<b>3,418,340</b>
Fund Balance at Beginning of Year	23,733,532	23,733,532	23,733,532	-
Prior Year Encumbrances Appropriated	1,715,659	1,715,659	1,715,659	-
<b>Fund Balance at End of Year</b>	<b>\$ 20,814,532</b>	<b>\$ 18,635,806</b>	<b>\$ 22,054,146</b>	<b>\$ 3,418,340</b>

Butler County, Ohio  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance-Budget and Actual  
Job and Family Services/Children Services Agency-Special Revenue Fund  
Budget Basis  
For the Year Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>				
Property Taxes	\$ 13,566,000	\$ 14,028,956	\$ 14,077,585	\$ 48,629
Intergovernmental	47,671,965	45,174,962	46,320,291	1,145,329
Payments in Lieu of Taxes	-	14,197	14,197	-
Other	1,006,000	1,380,042	1,415,895	35,853
<b>Total Revenues</b>	<b>62,243,965</b>	<b>60,598,157</b>	<b>61,827,968</b>	<b>1,229,811</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Human Services</b>				
Job and Family/Children Services				
Personal Services	23,732,334	22,181,525	22,047,009	134,516
Materials and Supplies	526,927	426,000	390,325	35,675
Contractual Services	41,969,774	43,296,909	41,866,782	1,430,127
Other	3,010,160	2,879,491	2,715,599	163,892
<b>Total Expenditures</b>	<b>69,239,195</b>	<b>68,783,925</b>	<b>67,019,715</b>	<b>1,764,210</b>
<b>Debt Service:</b>				
Principal	-	18,413	12,215	6,198
Interest and Fiscal Charges	-	6,363	4,303	2,060
<b>Total Debt Service</b>	<b>-</b>	<b>24,776</b>	<b>16,518</b>	<b>8,258</b>
<b>Total Expenditures</b>	<b>69,239,195</b>	<b>68,808,701</b>	<b>67,036,233</b>	<b>1,772,468</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(6,995,230)</b>	<b>(8,210,544)</b>	<b>(5,208,265)</b>	<b>3,002,279</b>
<b>Other Financing Sources:</b>				
Other Financing Sources	129,620	719,910	287,680	(432,230)
Transfers - In	1,279,708	1,198,831	1,198,831	-
<b>Total Other Financing Sources</b>	<b>1,409,328</b>	<b>1,918,741</b>	<b>1,486,511</b>	<b>(432,230)</b>
<b>Net Change in Fund Balance</b>	<b>(5,585,902)</b>	<b>(6,291,803)</b>	<b>(3,721,754)</b>	<b>2,570,049</b>
Fund Balance at Beginning of Year	7,880,594	7,880,594	7,880,594	-
Prior Year Encumbrances Appropriated	1,157,790	1,157,790	1,157,790	-
<b>Fund Balance at End of Year</b>	<b>\$ 3,452,482</b>	<b>\$ 2,746,581</b>	<b>\$ 5,316,630</b>	<b>\$ 2,570,049</b>

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, 2008

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Property Taxes	\$ 8,084,636	\$ 8,848,414	\$ 8,880,892	\$ 32,478
Charges for Services	98,459	89,919	89,919	-
Intergovernmental	16,738,364	16,657,108	17,024,073	366,965
Payment in Lieu of Taxes	3,548	3,365	3,365	-
Other	207,000	71,979	71,979	-
Total Revenues	<u>25,132,007</u>	<u>25,670,785</u>	<u>26,070,228</u>	<u>399,443</u>
Expenditures:				
Current:				
Health				
Mental Health				
Personal Services	740,774	896,254	842,067	54,187
Materials and Supplies	45,541	46,379	31,743	14,636
Contractual Services	32,770,393	32,614,075	28,167,108	4,446,967
Total Expenditures	<u>33,556,708</u>	<u>33,556,708</u>	<u>29,040,918</u>	<u>4,515,790</u>
Excess of Revenues Over (Under) Expenditures	(8,424,701)	(7,885,923)	(2,970,690)	4,915,233
Fund Balance at Beginning of Year	5,487,695	5,487,695	5,487,695	-
Prior Year Encumbrances Appropriated	3,424,701	3,424,701	3,424,701	-
Fund Balance at End of Year	<u>\$ 487,695</u>	<u>\$ 1,026,473</u>	<u>\$ 5,941,706</u>	<u>\$ 4,915,233</u>

**Butler County, Ohio**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance-Budget and Actual**  
**Residential Incentive Districts and Tax Incremental Financings-Capital Projects Fund**  
**Budget Basis**  
**For the Year Ended December 31, 2008**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Payments in Lieu of Taxes	\$ 1,479,516	\$ 3,972,028	\$ 3,979,297	\$ 7,269
Interest	-	125,755	128,619	2,864
Total Revenues	<u>1,479,516</u>	<u>4,097,783</u>	<u>4,107,916</u>	<u>10,133</u>
Expenditures:				
Current:				
General Government				
Contractual Services	485,000	4,162,447	3,041,993	1,120,454
Intergovernmental	-	3,000,000	2,670,624	329,376
Total Expenditures	<u>485,000</u>	<u>7,162,447</u>	<u>5,712,617</u>	<u>1,449,830</u>
Debt Service:				
Principal Retirement	-	14,338,000	14,338,000	-
Interest and Fiscal Charges	-	645,784	645,784	-
Total Debt Service	<u>-</u>	<u>14,983,784</u>	<u>14,983,784</u>	<u>-</u>
Total Expenditures	<u>485,000</u>	<u>22,146,231</u>	<u>20,696,401</u>	<u>1,449,830</u>
Excess of Revenues Over (Under) Expenditures	<u>994,516</u>	<u>(18,048,448)</u>	<u>(16,588,485)</u>	<u>1,459,963</u>
Other Financing Sources (Uses):				
Notes Issued	-	13,023,000	13,023,000	-
Premium on Debt Issued	-	63,813	63,813	-
Transfers - In	-	2,897,783	2,897,783	-
Transfers - Out	-	(629,040)	(629,040)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>15,355,556</u>	<u>15,355,556</u>	<u>-</u>
Net Change in Fund Balance	994,516	(2,692,892)	(1,232,929)	1,459,963
Fund Balance at Beginning of Year	<u>6,367,252</u>	<u>6,367,252</u>	<u>6,367,252</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 7,361,768</u>	<u>\$ 3,674,360</u>	<u>\$ 5,134,323</u>	<u>\$ 1,459,963</u>

**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, 2008**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>				
Charges for Services	\$ 21,230,681	\$ 20,788,318	\$ 21,127,131	\$ 338,813
Contributed Capital	4,175,000	3,166,992	3,278,362	111,370
Special Assessments	26,319	26,319	26,319	-
Grants	-	-	15,432	15,432
Other Non-Operating Revenues	205,000	63,367	63,866	499
Other Operating Revenues	260,000	226,003	229,039	3,036
Bonds Issued	-	102,355	102,355	-
<b>Total Revenues</b>	<b>25,897,000</b>	<b>24,373,354</b>	<b>24,842,504</b>	<b>469,150</b>
<b>Expenditures:</b>				
Personal Services	7,046,333	6,464,242	6,339,846	124,396
Contractual Services	11,984,130	11,820,634	6,691,072	5,129,562
Materials and Supplies	1,667,476	1,902,472	1,668,436	234,036
Other Operating Expenses	979,258	979,258	513,744	465,514
Capital Outlay	55,906	131,963	76,470	55,493
<b>Debt Service:</b>				
Principal Retirement	4,323,230	4,365,590	4,267,648	97,942
Interest and Fiscal Charges	3,655,710	3,744,884	2,481,010	1,263,874
<b>Total Expenses</b>	<b>29,712,043</b>	<b>29,409,043</b>	<b>22,038,226</b>	<b>7,370,817</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(3,815,043)</b>	<b>(5,035,689)</b>	<b>2,804,278</b>	<b>7,839,967</b>
<b>Fund Equity at Beginning of Year</b>	<b>26,335,520</b>	<b>26,335,520</b>	<b>26,335,520</b>	<b>-</b>
<b>Prior Year Encumbrances Appropriated</b>	<b>1,055,017</b>	<b>1,055,017</b>	<b>1,055,017</b>	<b>-</b>
<b>Fund Equity at End of Year</b>	<b>\$ 23,575,494</b>	<b>\$ 22,354,848</b>	<b>\$ 30,194,815</b>	<b>\$ 7,839,967</b>

**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, 2008**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>				
Charges for Services	\$ 23,811,243	\$ 23,770,196	\$ 24,037,800	\$ 267,604
Contributed Capital	2,852,000	1,395,295	1,427,407	32,112
Special Assessments	60,657	60,657	60,657	-
Interest Income	-	1,724	1,724	-
Grants	-	389,222	402,367	13,145
Other Non-Operating Revenues	280,000	259,317	325,698	66,381
Other Operating Revenues	165,000	482,435	473,153	(9,282)
Bonds Issued	-	115,145	115,145	-
<b>Total Revenues</b>	<b>27,168,900</b>	<b>26,473,991</b>	<b>26,843,951</b>	<b>369,960</b>
<b>Expenditures:</b>				
Personal Services	4,932,048	4,592,845	4,513,830	79,015
Contractual Services	22,294,750	18,579,612	16,506,584	2,073,028
Materials and Supplies	778,636	914,351	755,701	158,650
Other Operating Expenses	532,370	556,390	473,598	82,792
Capital Outlay	215,983	315,773	102,150	213,623
Debt Service:				
Principal Retirement	3,396,800	3,396,800	3,268,170	128,630
Interest and Fiscal Charges	3,327,595	3,330,548	3,311,182	19,366
<b>Total Expenses</b>	<b>35,478,182</b>	<b>31,686,319</b>	<b>28,931,215</b>	<b>2,755,104</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(8,309,282)</b>	<b>(5,212,328)</b>	<b>(2,087,264)</b>	<b>3,125,064</b>
<b>Transfers - In</b>	<b>2,700,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Equity</b>	<b>(5,609,282)</b>	<b>(5,212,328)</b>	<b>(2,087,264)</b>	<b>3,125,064</b>
Fund Equity at Beginning of Year	20,592,900	20,592,900	20,592,900	-
Prior Year Encumbrances Appropriated	1,785,713	1,785,713	1,785,713	-
<b>Fund Equity at End of Year</b>	<b>\$ 16,769,331</b>	<b>\$ 17,166,285</b>	<b>\$ 20,291,349</b>	<b>\$ 3,125,064</b>

**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, 2008**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Charges for Services	\$ 162,000	\$ 157,200	\$ 158,325	\$ 1,125
Expenditures:				
Personal Services	73,188	73,503	73,285	218
Contractual Services	6,000	16,000	4,239	11,761
Materials and Supplies	9,278	15,964	5,512	10,452
Other Operating Expenses	82,000	64,500	-	64,500
Total Expenses	<u>170,466</u>	<u>169,967</u>	<u>83,036</u>	<u>86,931</u>
Excess of Revenues Over (Under) Expenditures	(8,466)	(12,767)	75,289	88,056
Fund Equity at Beginning of Year	11,531	11,531	11,531	-
Prior Year Encumbrances Appropriated	1,278	1,278	1,278	-
Fund Equity at End of Year	<u>\$ 4,343</u>	<u>\$ 42</u>	<u>\$ 88,098</u>	<u>\$ 88,056</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, 2008**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Charges for Services	\$ 3,500,000	\$ 3,362,535	\$ 3,378,586	\$ 16,051
Expenditures:				
Current:				
General Government:				
Legislative and Executive				
Real Estate Assessment				
Personal Services	2,631,647	2,599,259	2,374,052	225,207
Materials and Supplies	176,585	158,085	143,518	14,567
Contractual Services	1,198,280	937,980	879,731	58,249
Capital Outlay	52,000	-	-	-
Other	6,000	1,000	284	716
Total Expenditures	4,064,512	3,696,324	3,397,585	298,739
Excess of Revenues Over (Under) Expenditures	(564,512)	(333,789)	(18,999)	314,790
Other Financing Sources:				
Other Financing Sources	-	465	468	3
Net Change in Fund Balance	(564,512)	(333,324)	(18,531)	314,793
Fund Balance at Beginning of Year	275,829	275,829	275,829	-
Prior Year Encumbrances Appropriated	57,890	57,890	57,890	-
Fund Balance (Deficit) at End of Year	\$ (230,793)	\$ 395	\$ 315,188	\$ 314,793

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, 2008

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>				
Property Taxes	\$ 200,000	\$ 220,008	\$ 220,785	\$ 777
Charges for Services	3,546,245	3,105,977	3,117,954	11,977
Intergovernmental	10,300	10,000	25,066	15,066
Special Assessments	210,000	212,073	212,073	-
Payment in Lieu of Taxes	-	300	357	57
Interest	85,000	32,000	37,953	5,953
Other	-	233	391	158
<b>Total Revenues</b>	<b>4,051,545</b>	<b>3,580,591</b>	<b>3,614,579</b>	<b>33,988</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General Government:</b>				
Personal Services	2,365,043	2,339,985	2,262,423	77,562
Materials and Supplies	366,565	367,265	148,536	218,729
Contractual Services	534,156	566,720	468,193	98,527
Capital Outlay	31,000	24,000	-	24,000
Other	431,200	427,750	417,294	10,456
<b>Total Expenditures</b>	<b>3,727,964</b>	<b>3,725,720</b>	<b>3,296,446</b>	<b>429,274</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>323,581</b>	<b>(145,129)</b>	<b>318,133</b>	<b>463,262</b>
<b>Other Financing Sources (Uses):</b>				
Other Financing Sources	-	3,135	3,236	101
Transfers - Out	-	(20,000)	(20,000)	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(16,865)</b>	<b>(16,764)</b>	<b>101</b>
<b>Net Change in Fund Balance</b>	<b>323,581</b>	<b>(161,994)</b>	<b>301,369</b>	<b>463,363</b>
Fund Balance at Beginning of Year	2,263,723	2,263,723	2,263,723	-
Prior Year Encumbrances Appropriated	25,221	25,221	25,221	-
<b>Fund Balance at End of Year</b>	<b>\$ 2,612,525</b>	<b>\$ 2,126,950</b>	<b>\$ 2,590,313</b>	<b>\$ 463,363</b>

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, 2008

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Charges for Services	\$ 2,403,240	\$ 2,258,405	\$ 2,323,421	\$ 65,016
Fines and Forfeitures	27,000	39,000	40,790	1,790
Total Revenues	<u>2,430,240</u>	<u>2,297,405</u>	<u>2,364,211</u>	<u>66,806</u>
Expenditures:				
Current:				
General Government:				
Judicial				
Other Judicial				
Personal Services	1,570,060	1,631,656	1,574,118	57,538
Materials and Supplies	229,959	454,639	381,996	72,643
Contractual Services	539,247	651,536	528,418	123,118
Other	16,700	16,700	15,000	1,700
Total Expenditures	<u>2,355,966</u>	<u>2,754,531</u>	<u>2,499,532</u>	<u>254,999</u>
Excess of Revenues Over (Under) Expenditures	74,274	(457,126)	(135,321)	321,805
Other Financing Sources:				
Other Financing Sources	-	181	181	-
Net Change in Fund Balance	74,274	(456,945)	(135,140)	321,805
Fund Balance at Beginning of Year	2,291,073	2,291,073	2,291,073	-
Prior Year Encumbrances Appropriated	32,806	32,806	32,806	-
Fund Balance at End of Year	<u>\$ 2,398,153</u>	<u>\$ 1,866,934</u>	<u>\$ 2,188,739</u>	<u>\$ 321,805</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, 2008**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>				
Charges for Services	\$ 4,799,236	\$ 4,602,044	\$ 4,764,542	\$ 162,498
Licenses and Permits	57,850	162,850	172,790	9,940
Fines and Forfeitures	4,400	4,350	4,511	161
Intergovernmental	4,442,677	4,450,584	4,452,407	1,823
Other	5,000	12,004	13,526	1,522
<b>Total Revenues</b>	<b>9,309,163</b>	<b>9,231,832</b>	<b>9,407,776</b>	<b>175,944</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Public Safety</b>				
<b>Other Public Safety</b>				
Personal Services	7,185,301	7,080,231	6,917,501	162,730
Materials and Supplies	1,037,245	1,185,866	1,034,898	150,968
Contractual Services	1,363,213	1,878,607	1,734,249	144,358
Capital Outlay	270,541	134,071	134,031	40
Other	138,849	305,961	291,935	14,026
<b>Total Expenditures</b>	<b>9,995,149</b>	<b>10,584,736</b>	<b>10,112,614</b>	<b>472,122</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(685,986)</b>	<b>(1,352,904)</b>	<b>(704,838)</b>	<b>648,066</b>
<b>Other Financing Sources:</b>				
Other Financing Sources	30,000	58,764	59,994	1,230
Transfers - In	6,000	128,082	128,105	23
<b>Total Other Financing Sources</b>	<b>36,000</b>	<b>186,846</b>	<b>188,099</b>	<b>1,253</b>
<b>Net Change in Fund Balance</b>	<b>(649,986)</b>	<b>(1,166,058)</b>	<b>(516,739)</b>	<b>649,319</b>
Fund Balance at Beginning of Year	2,593,013	2,593,013	2,593,013	-
Prior Year Encumbrances Appropriated	269,434	269,434	269,434	-
<b>Fund Balance at End of Year</b>	<b>\$ 2,212,461</b>	<b>\$ 1,696,389</b>	<b>\$ 2,345,708</b>	<b>\$ 649,319</b>

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, 2008

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Charges for Services	\$ 1,040,000	\$ 1,162,332	\$ 1,162,332	\$ -
Intergovernmental	5,193,425	4,765,419	4,765,492	73
Other	200	-	-	-
Total Revenues	<u>6,233,625</u>	<u>5,927,751</u>	<u>5,927,824</u>	<u>73</u>
Expenditures:				
Current:				
Human Services				
Child Support Enforcement				
Personal Services	4,901,968	4,652,966	4,646,161	6,805
Materials and Supplies	144,996	145,996	135,517	10,479
Contractual Services	1,454,588	1,669,588	1,644,758	24,830
Other	222,000	198,553	197,589	964
Total Expenditures	<u>6,723,552</u>	<u>6,667,103</u>	<u>6,624,025</u>	<u>43,078</u>
Excess of Revenues Over (Under) Expenditures	(489,927)	(739,352)	(696,201)	43,151
Other Financing Sources:				
Other Financing Sources	<u>3,000</u>	<u>149,739</u>	<u>149,739</u>	<u>-</u>
Net Change in Fund Balance	(486,927)	(589,613)	(546,462)	43,151
Fund Balance at Beginning of Year	810,071	810,071	810,071	-
Prior Year Encumbrances Appropriated	10,709	10,709	10,709	-
Fund Balance at End of Year	<u>\$ 333,853</u>	<u>\$ 231,167</u>	<u>\$ 274,318</u>	<u>\$ 43,151</u>

**Butler County, Ohio**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance-Budget and Actual**  
**All Other Conservation and Recreation-Special Revenue Fund**  
**Budget Basis**  
**For the Year Ended December 31, 2008**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Charges for Services	\$ 20,000	\$ 40,000	\$ 40,830	\$ 830
Expenditures:				
Current:				
Other	280	280	280	-
Net Change in Fund Balance	19,720	39,720	40,550	830
Fund Balance at Beginning of Year	26,784	26,784	26,784	-
Fund Balance at End of Year	<u>\$ 46,504</u>	<u>\$ 66,504</u>	<u>\$ 67,334</u>	<u>\$ 830</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, 2008**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>				
Charges for Services	\$ 3,284,921	\$ 1,201,961	\$ 1,271,606	\$ 69,645
Intergovernmental	-	2,434,419	2,438,909	4,490
Special Assessments	1,885,000	1,566,000	1,567,192	1,192
Interest	48,450	31,327	31,488	161
Other	83,148	185,517	190,679	5,162
<b>Total Revenues</b>	<b>5,301,519</b>	<b>5,419,224</b>	<b>5,499,874</b>	<b>80,650</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Public Works</b>				
<b>Other Public Works</b>				
Personal Services	1,043,420	1,092,445	1,008,069	84,376
Materials and Supplies	340,556	266,231	66,236	199,995
Contractual Services	3,537,930	4,175,700	3,317,442	858,258
Capital Outlay	40,000	41,625	41,625	-
Other	573,748	571,259	241,942	329,317
<b>Total Expenditures</b>	<b>5,535,654</b>	<b>6,147,260</b>	<b>4,675,314</b>	<b>1,471,946</b>
<b>Debt Service:</b>				
Principal Retirement	-	2,070,000	2,070,000	-
Interest and Fiscal Charges	-	100,710	100,710	-
<b>Total Debt Service</b>	<b>-</b>	<b>2,170,710</b>	<b>2,170,710</b>	<b>-</b>
<b>Total Expenditures</b>	<b>5,535,654</b>	<b>8,317,970</b>	<b>6,846,024</b>	<b>1,471,946</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(234,135)</b>	<b>(2,898,746)</b>	<b>(1,346,150)</b>	<b>1,552,596</b>
<b>Other Financing Sources:</b>				
Notes Issued	-	1,965,000	1,965,000	-
Premium on Debt Issued	-	14,266	14,266	-
Transfers - In	120,000	277,380	277,380	-
<b>Total Other Financing Sources</b>	<b>120,000</b>	<b>2,256,646</b>	<b>2,256,646</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>(114,135)</b>	<b>(642,100)</b>	<b>910,496</b>	<b>1,552,596</b>
Fund Balance at Beginning of Year	5,464,604	5,464,604	5,464,604	-
Prior Year Encumbrances Appropriated	257,914	257,914	257,914	-
<b>Fund Balance at End of Year</b>	<b>\$ 5,608,383</b>	<b>\$ 5,080,418</b>	<b>\$ 6,633,014</b>	<b>\$ 1,552,596</b>

**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, 2008**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>				
Charges for Services	\$ 94,800	\$ 94,800	\$ 94,800	\$ -
Intergovernmental	5,344,416	5,036,194	5,292,135	255,941
Other	5,000	51,741	51,741	-
<b>Total Revenues</b>	<b>5,444,216</b>	<b>5,182,735</b>	<b>5,438,676</b>	<b>255,941</b>
<b>Expenditures:</b>				
Current:				
Health				
Alcohol and Drug Addiction				
Personal Services	464,489	464,089	451,850	12,239
Materials and Supplies	34,413	34,413	5,546	28,867
Contractual Services	5,810,036	5,810,435	5,428,505	381,930
Other	22,000	22,000	9,306	12,694
<b>Total Expenditures</b>	<b>6,330,938</b>	<b>6,330,937</b>	<b>5,895,207</b>	<b>435,730</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(886,722)</b>	<b>(1,148,202)</b>	<b>(456,531)</b>	<b>691,671</b>
<b>Other Financing Sources:</b>				
Other Financing Sources	-	53,883	53,883	-
Transfers - In	110,000	110,000	110,000	-
<b>Total Other Financing Sources</b>	<b>110,000</b>	<b>163,883</b>	<b>163,883</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>(776,722)</b>	<b>(984,319)</b>	<b>(292,648)</b>	<b>691,671</b>
<b>Fund Balance at Beginning of Year</b>	<b>1,050,073</b>	<b>1,050,073</b>	<b>1,050,073</b>	<b>-</b>
<b>Prior Year Encumbrances Appropriated</b>	<b>107,384</b>	<b>107,384</b>	<b>107,384</b>	<b>-</b>
<b>Fund Balance at End of Year</b>	<b>\$ 380,735</b>	<b>\$ 173,138</b>	<b>\$ 864,809</b>	<b>\$ 691,671</b>

**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, 2008**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>				
Other Local Taxes	\$ 2,438,000	\$ 2,405,355	\$ 2,437,782	\$ 32,427
Charges for Services	1,639,902	1,303,639	1,369,025	65,386
Fines and Forfeitures	266,000	289,632	296,934	7,302
Intergovernmental	17,881,000	15,772,438	15,807,575	35,137
Special Assessments	4,500	4,430	4,430	-
Other	210,298	818,886	820,071	1,185
<b>Total Revenues</b>	<b>22,439,700</b>	<b>20,594,380</b>	<b>20,735,817</b>	<b>141,437</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Public Works</b>				
<b>Motor Vehicle</b>				
Personal Services	5,627,085	5,627,085	5,340,380	286,705
Materials and Supplies	1,607,271	1,727,071	1,601,826	125,245
Contractual Services	23,537,850	19,590,590	18,068,706	1,521,884
Capital Outlay	1,123,304	993,504	904,090	89,414
Other	357,000	154,700	145,962	8,738
<b>Total Expenditures</b>	<b>32,252,510</b>	<b>28,092,950</b>	<b>26,060,964</b>	<b>2,031,986</b>
<b>Debt Service:</b>				
Principal Retirement	590,000	590,000	590,000	-
Interest and Fiscal Charges	145,000	26,559	26,559	-
<b>Total Debt Service</b>	<b>735,000</b>	<b>616,559</b>	<b>616,559</b>	<b>-</b>
<b>Total Expenditures</b>	<b>32,987,510</b>	<b>28,709,509</b>	<b>26,677,523</b>	<b>2,031,986</b>
<b>Excess of Revenue Over (Under) Expenditures</b>	<b>(10,547,810)</b>	<b>(8,115,129)</b>	<b>(5,941,706)</b>	<b>2,173,423</b>
<b>Other Financing Sources:</b>				
Notes Issued	420,000	419,867	420,000	133
Premium on Debt Issued	600	300	2,058	1,758
Other Financing Sources	60,000	320	1,684	1,364
Transfers - In	105,000	-	-	-
<b>Total Other Financing Sources</b>	<b>585,600</b>	<b>420,487</b>	<b>423,742</b>	<b>3,255</b>
<b>Net Change in Fund Balance</b>	<b>(9,962,210)</b>	<b>(7,694,642)</b>	<b>(5,517,964)</b>	<b>2,176,678</b>
Fund Balance at Beginning of Year	4,052,331	4,052,331	4,052,331	-
Prior Year Encumbrances Appropriated	3,651,312	3,651,312	3,651,312	-
<b>Fund Balance (Deficit) at End of Year</b>	<b>\$ (2,258,567)</b>	<b>\$ 9,001</b>	<b>\$ 2,185,679</b>	<b>\$ 2,176,678</b>

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, 2008

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>				
Charges for Services	\$ 50,000	\$ 53,189	\$ 54,620	\$ 1,431
Licenses and Permits	500,000	484,346	553,732	69,386
Fines and Forfeitures	15,000	25,085	27,703	2,618
Other	-	2,380	2,491	111
<b>Total Revenues</b>	<b>565,000</b>	<b>565,000</b>	<b>638,546</b>	<b>73,546</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Health</b>				
<b>Other Health</b>				
Personal Services	331,921	340,102	326,488	13,614
Materials and Supplies	29,000	49,025	44,447	4,578
Contractual Services	41,852	42,674	26,973	15,701
Capital Outlay	16,000	16,000	15,304	696
Other	184,614	182,688	181,719	969
<b>Total Expenditures</b>	<b>603,387</b>	<b>630,489</b>	<b>594,931</b>	<b>35,558</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(38,387)</b>	<b>(65,489)</b>	<b>43,615</b>	<b>109,104</b>
<b>Fund Balance at Beginning of Year</b>	<b>130,650</b>	<b>130,650</b>	<b>130,650</b>	<b>-</b>
<b>Prior Year Encumbrances Appropriated</b>	<b>17,566</b>	<b>17,566</b>	<b>17,566</b>	<b>-</b>
<b>Fund Balance at End of Year</b>	<b>\$ 109,829</b>	<b>\$ 82,727</b>	<b>\$ 191,831</b>	<b>\$ 109,104</b>

**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, 2008**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>				
Charges for Services	\$ 2,017,964	\$ 2,025,861	\$ 2,088,826	\$ 62,965
Intergovernmental	5,782,036	5,488,623	5,501,215	12,592
Other	5,000	26,591	26,641	50
<b>Total Revenues</b>	<b>7,805,000</b>	<b>7,541,075</b>	<b>7,616,682</b>	<b>75,607</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Human Services</b>				
<b>County Care Facility</b>				
Personal Services	5,964,910	5,824,395	5,786,947	37,448
Materials and Supplies	790,961	1,039,956	869,510	170,446
Contractual Services	600,883	807,471	728,776	78,695
Capital Outlay	143,495	-	-	-
Other	275,000	147,500	145,064	2,436
<b>Total Expenditures</b>	<b>7,775,249</b>	<b>7,819,322</b>	<b>7,530,297</b>	<b>289,025</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>29,751</b>	<b>(278,247)</b>	<b>86,385</b>	<b>364,632</b>
<b>Other Financing Sources:</b>				
Other Financing Sources	-	33,569	34,080	511
Transfers In	-	5,356	5,356	-
<b>Total Other Financing Sources</b>	<b>-</b>	<b>38,925</b>	<b>39,436</b>	<b>511</b>
<b>Net Change in Fund Balance</b>	<b>29,751</b>	<b>(239,322)</b>	<b>125,821</b>	<b>365,143</b>
Fund Balance at Beginning of Year	219,020	219,020	219,020	-
Prior Year Encumbrances Appropriated	22,839	22,839	22,839	-
<b>Fund Balance at End of Year</b>	<b>\$ 271,610</b>	<b>\$ 2,537</b>	<b>\$ 367,680</b>	<b>\$ 365,143</b>

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, 2008

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Property Taxes	\$ 13,000,000	\$ 13,720,200	\$ 13,709,105	\$ (11,095)
Intergovernmental	-	1,537,143	1,549,215	12,072
Payment in Lieu of Taxes	-	10,000	15,359	5,359
Total Revenues	13,000,000	15,267,343	15,273,679	6,336
Expenditures:				
Current:				
Human Services				
Contractual Services	13,549,402	13,549,402	11,348,631	2,200,771
Excess of Revenues Over (Under) Expenditures	(549,402)	1,717,941	3,925,048	2,207,107
Fund Balance at Beginning of Year	13,583,868	13,583,868	13,583,868	-
Prior Year Encumbrances Appropriated	549,402	549,402	549,402	-
Fund Balance at End of Year	\$ 13,583,868	\$ 15,851,211	\$ 18,058,318	\$ 2,207,107

**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, 2008**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>				
Intergovernmental	\$ 198,794	\$ 198,338	\$ 198,398	\$ 60
Other	5,000	1,600	1,600	-
<b>Total Revenues</b>	<b>203,794</b>	<b>199,938</b>	<b>199,998</b>	<b>60</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Human Services</b>				
<b>Other Human Services</b>				
Personal Services	252,665	244,202	227,582	16,620
Materials and Supplies	6,267	9,219	6,597	2,622
Contractual Services	5,538	15,980	7,909	8,071
Capital Outlay	-	2,000	2,000	-
Other	-	437	434	3
<b>Total Expenditures</b>	<b>264,470</b>	<b>271,838</b>	<b>244,522</b>	<b>27,316</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(60,676)</b>	<b>(71,900)</b>	<b>(44,524)</b>	<b>27,376</b>
<b>Other Financing Sources:</b>				
Transfers - In	62,851	35,575	35,580	5
<b>Net Change in Fund Balance</b>	<b>2,175</b>	<b>(36,325)</b>	<b>(8,944)</b>	<b>27,381</b>
Fund Balance at Beginning of Year	38,227	38,227	38,227	-
Prior Year Encumbrances Appropriated	589	589	589	-
<b>Fund Balance at End of Year</b>	<b>\$ 40,991</b>	<b>\$ 2,491</b>	<b>\$ 29,872</b>	<b>\$ 27,381</b>

**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, 2008**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Expenditures:				
Debt Service:				
Principal Retirement	\$ 3,105,000	\$ 3,105,000	\$ 3,105,000	\$ -
Interest and Fiscal Charges	168,428	168,428	168,428	-
Total Expenditures	<u>3,273,428</u>	<u>3,273,428</u>	<u>3,273,428</u>	<u>-</u>
Excess of Revenues Under Expenditures	<u>(3,273,428)</u>	<u>(3,273,428)</u>	<u>(3,273,428)</u>	<u>-</u>
Other Financing Sources:				
Notes Issued	3,273,428	2,950,000	2,950,000	-
Transfers - In	-	323,428	323,428	-
Total Other Financing Sources	<u>3,273,428</u>	<u>3,273,428</u>	<u>3,273,428</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2008

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Interest	\$ -	\$ 1,315	\$ 1,315	\$ -
Other	-	288,753	288,753	-
Total Revenues	-	290,068	290,068	-
Expenditures:				
Other Capital Improvement				
Contractual Services	37,285	236,788	211,748	25,040
Materials and Supplies	-	33,998	33,998	-
Capital Outlay	196,163	229,218	229,218	-
Total Other Capital Improvement Expenditures	233,448	500,004	474,964	25,040
Debt Service:				
Principal Retirement	-	335,000	335,000	-
Interest and Fiscal Charges	-	36,568	36,568	-
Bond Issuance Costs	-	6,159	6,159	-
Total Debt Service Expenditures	-	377,727	377,727	-
Total Expenditures	233,448	877,731	852,691	25,040
Excess of Revenues Over (Under) Expenditures	(233,448)	(587,663)	(562,623)	25,040
Other Financing Sources (Uses):				
Bonds Issued	-	335,000	335,000	-
Premium on Debt Issued	-	8,466	8,466	-
Advances - In	14,800	-	-	-
Advances - Out	-	(156,000)	(156,000)	-
Transfers - In	-	132,131	132,131	-
Transfers - Out	-	(10,787)	(10,787)	-
Total Other Financing Sources (Uses)	14,800	308,810	308,810	-
Net Change in Fund Balance	(218,648)	(278,853)	(253,813)	25,040
Fund Balance at Beginning of Year	71,672	71,672	71,672	-
Prior Year Encumbrances Appropriated	214,342	214,342	214,342	-
Fund Balance at End of Year	\$ 67,366	\$ 7,161	\$ 32,201	\$ 25,040

Butler County, Ohio  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance-Budget and Actual  
Road Improvements-Capital Projects Fund  
Budget Basis  
For the Year Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ 634,371	\$ 634,371	\$ -
Interest	12,808	58,054	58,054	-
Total Revenues	12,808	692,425	692,425	-
<b>Expenditures:</b>				
Road Improvement				
Capital Outlay				
Contractual Services	-	634,371	634,371	-
Total Capital Outlay Expenditures	-	634,371	634,371	-
Intergovernmental				
Contractual Services	3,000,000	3,000,000	3,000,000	-
Total Intergovernmental Expenditures	3,000,000	3,000,000	3,000,000	-
<b>Debt Service:</b>				
Principal Retirement	-	3,000,000	3,000,000	-
Interest and Fiscal Charges	-	87,807	87,807	-
Bond Issuance Costs	-	54,789	54,789	-
Total Debt Service Expenditures	-	3,142,596	3,142,596	-
Total Expenditures	3,000,000	6,776,967	6,776,967	-
Excess of Revenues Under Expenditures	(2,987,192)	(6,084,542)	(6,084,542)	-
<b>Other Financing Sources (Uses):</b>				
Bonds Issued	3,000,000	2,980,000	2,980,000	-
Premium on Debt Issued	75,000	75,278	75,278	-
Transfers - In	-	24,649	24,649	-
Transfers - Out	-	(617)	(617)	-
Total Other Financing Sources (Uses)	3,075,000	3,079,310	3,079,310	-
Net Change in Fund Balance	87,808	(3,005,232)	(3,005,232)	-
Fund Balance at Beginning of Year	3,005,232	3,005,232	3,005,232	-
Fund Balance at End of Year	\$ 3,093,040	\$ -	\$ -	\$ -

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, 2008

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>				
Property and Other Taxes	\$ -	\$ 4,300	\$ 4,359	\$ 59
Intergovernmental	-	-	553	553
Interest	16,671	158,946	164,846	5,900
<b>Total Revenues</b>	<b>16,671</b>	<b>163,246</b>	<b>169,758</b>	<b>6,512</b>
<b>Expenditures:</b>				
Buildings Construction and Renovations				
Contractual Services	9,481,881	10,524,678	10,150,231	374,447
<b>Debt Service:</b>				
Principal Retirement	-	11,205,000	11,205,000	-
Interest and Fiscal Charges	-	507,886	507,886	-
<b>Total Debt Service Expenditures</b>	<b>-</b>	<b>11,712,886</b>	<b>11,712,886</b>	<b>-</b>
<b>Total Expenditures</b>	<b>9,481,881</b>	<b>22,237,564</b>	<b>21,863,117</b>	<b>374,447</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(9,465,210)</b>	<b>(22,074,318)</b>	<b>(21,693,359)</b>	<b>380,959</b>
<b>Other Financing Sources:</b>				
Other Financing Sources	-	59,174	59,449	275
Notes Issued	-	12,105,000	12,105,000	-
Premium on Debt Issued	-	60,080	60,080	-
Transfers - In	-	193,438	193,438	-
<b>Total Other Financing Sources</b>	<b>-</b>	<b>12,417,692</b>	<b>12,417,967</b>	<b>275</b>
<b>Net Change in Fund Balance</b>	<b>(9,465,210)</b>	<b>(9,656,626)</b>	<b>(9,275,392)</b>	<b>381,234</b>
Fund Balance at Beginning of Year	11,300,309	11,300,309	11,300,309	-
Prior Year Encumbrances Appropriated	441,881	441,881	441,881	-
<b>Fund Balance at End of Year</b>	<b>\$ 2,276,980</b>	<b>\$ 2,085,564</b>	<b>\$ 2,466,798</b>	<b>\$ 381,234</b>

**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, 2008**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Special Assessments	\$ 1,357,169	\$ 1,303,087	\$ 1,356,625	\$ 53,538
Expenditures:				
Debt Service:				
Principal Retirement	877,671	1,052,671	1,050,670	2,001
Interest and Fiscal Charges	553,704	896,060	891,681	4,379
Total Expenditures	1,431,375	1,948,731	1,942,351	6,380
Excess of Revenues Over (Under) Expenditures	(74,206)	(645,644)	(585,726)	59,918
Other Financing Sources (Uses):				
Transfers - In	-	518,766	640,446	121,680
Transfers - Out	(14,210)	(2,911,992)	(2,897,783)	14,209
Total Other Financing Sources (Uses)	(14,210)	(2,393,226)	(2,257,337)	135,889
Net Change in Fund Balance	(88,416)	(3,038,870)	(2,843,063)	195,807
Fund Balance at Beginning of Year	5,009,546	5,009,546	5,009,546	-
Fund Balance at End of Year	\$ 4,921,130	\$ 1,970,676	\$ 2,166,483	\$ 195,807

**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, 2008**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Charges for Services	\$ 15,210,000	\$ 14,567,900	\$ 14,659,796	\$ 91,896
Expenditures:				
Personal Services	169,804	136,304	132,025	4,279
Contractual Services	13,640,000	14,255,185	14,238,327	16,858
Materials and Supplies	1,000	-	-	-
Other	1,000	500	392	108
Total Expenditures	<u>13,811,804</u>	<u>14,391,989</u>	<u>14,370,744</u>	<u>21,245</u>
Excess of Revenues Over Expenditures	1,398,196	175,911	289,052	113,141
Other Financing Uses:				
Advances-Out	-	(150,000)	(150,000)	-
Net Change in Fund Equity	1,398,196	25,911	139,052	113,141
Fund Equity at Beginning of Year	366,210	366,210	366,210	-
Fund Equity at End of Year	<u>\$ 1,764,406</u>	<u>\$ 392,121</u>	<u>\$ 505,262</u>	<u>\$ 113,141</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, 2008**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>				
Charges for Services	\$ 1,950,000	\$ 2,030,070	\$ 2,031,144	\$ 1,074
Other	-	6	6	-
Other Non Operating Revenues	-	14,924	14,924	-
<b>Total Revenues</b>	<u>1,950,000</u>	<u>2,045,000</u>	<u>2,046,074</u>	<u>1,074</u>
<b>Expenditures:</b>				
Personal Services	282,528	338,788	336,664	2,124
Contractual Services	705,000	906,000	880,961	25,039
Claims and Judgments	800,000	785,000	780,680	4,320
Other	1,000	1,000	-	1,000
<b>Total Expenditures</b>	<u>1,788,528</u>	<u>2,030,788</u>	<u>1,998,305</u>	<u>32,483</u>
<b>Excess of Revenues Over Expenditures</b>	161,472	14,212	47,769	33,557
<b>Fund Equity at Beginning of Year</b>	615,553	615,553	615,553	-
<b>Fund Equity at End of Year</b>	<u>\$ 777,025</u>	<u>\$ 629,765</u>	<u>\$ 663,322</u>	<u>\$ 33,557</u>

**Butler County, Ohio**  
**Schedule of Revenues, Expenses, and**  
**Changes in Fund Equity-Budget and Actual**  
**County Fuel Depot-Internal Service Fund**  
**Budget Basis**  
**For the Year Ended December 31, 2008**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Charges for Services	\$ 400,000	\$ 851,000	\$ 857,424	\$ 6,424
Expenditures:				
Contractual Services	20,000	8,005	8,003	2
Materials and Supplies	380,000	801,995	797,706	4,289
Total Expenditures	400,000	810,000	805,709	4,291
Excess of Revenues Over Expenditures	-	41,000	51,715	10,715
Other Financing Sources (Uses):				
Advances - In	-	210,000	210,000	-
Advances - Out	-	(150,000)	(150,000)	-
Total Other Financing Sources (Uses)	-	60,000	60,000	-
Net Change in Fund Equity	-	101,000	111,715	10,715
Fund Equity at Beginning of Year	20,691	20,691	20,691	-
Fund Equity at End of Year	\$ 20,691	\$ 121,691	\$ 132,406	\$ 10,715

# STATISTICAL SECTION



Adequate funding is the key to a successful capital improvements plan. The BCEO obtains revenue from three different levels: federal, state and local. There are two primary sources of local money: gasoline taxes and license plate fees. This money is designated specifically for the County Engineer's Office for road and bridge projects and is completely separate from the County's general fund. Annual income generated by these local funding sources averages approximately \$12 million. This revenue is important as local match money for state and federally funded projects. On average, one local dollar can leverage three to four dollars from sources outside Butler County.

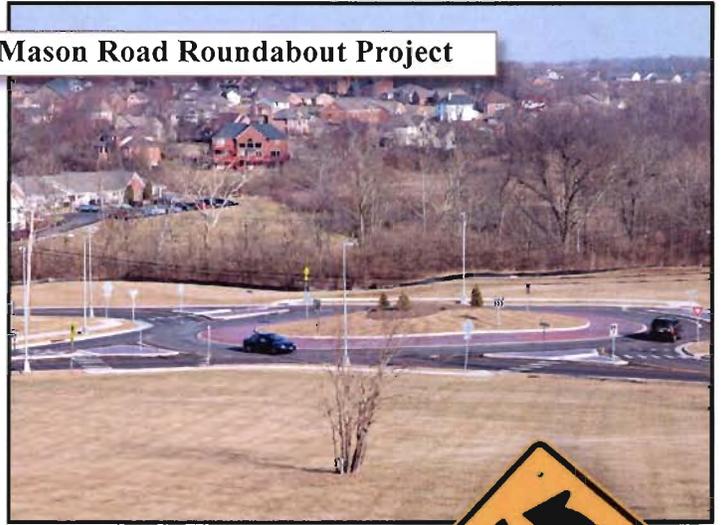
Fuel taxes earmarked for highway purposes are levied at the state and federal levels of government. State revenues are distributed for use on the state, county, township and municipal roadway systems by means of statutory formulas. The amount of the tax varies depending upon legislative action. Some monies distributed to the states from federal funds are passed on to local governments on a project-by-project basis.

The income from state motor vehicle registration fees (after state administrative costs are deducted) is returned to the local government units on the basis of a statutory formula. Currently the distribution percentages average 71% for counties, 24% for municipalities, and 5% for townships.



**BCEO Highway Service Workers**

**Award-Winning Hamilton-Mason Road Roundabout Project**



The Engineer's Office was awarded by the American Society of Highway Engineers for its Hamilton Mason Road roundabout project (at Liberty Fairfield and Vinnedge Roads) in the category of construction projects costing under \$2 million.

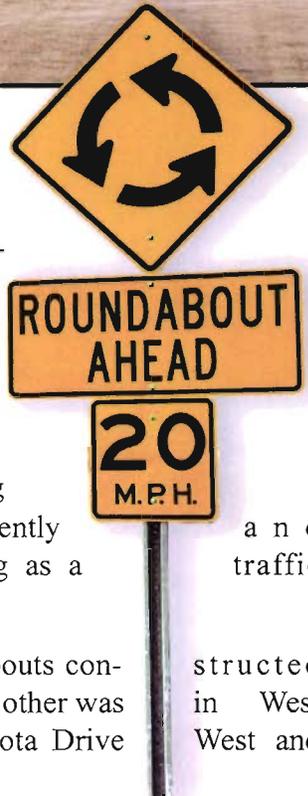
"What made this project unique was the way it came about and the significant cost savings to our taxpayers," said Butler County Engineer Greg Wilkens.

To correctly engineer a conventional intersection would have meant extending the project limits farther west. That would have required replacing a bridge, purchasing additional right-of-way from private property owners and increasing the amount of materials and asphalt used. Additionally, it would have increased the amount of time and labor hours paid to complete the project.

BCEO design engineers began to study the modern roundabout option and concluded it would be a safer alternative and reduce the overall scope of the project, thereby cutting the total project cost nearly in half, to \$958,351.

The roundabout is allowing traffic to move more efficiently with greater safety, acting as a calming device.

It was one of two roundabouts constructed last year in the county. The other was Chester Township, at Lakota Drive and Eagleridge Drive.



and traffic

constructed in West and West



At left, bridge replacement work goes on at Lesourdsville-West Chester Road. Below, the new Indian Creek Road bridge is pictured.



# Statistical Section

This part of 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.

<b><u>Contents</u></b>	<b><u>Page(s)</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the County's financial position has changed over time.	<b>158-162</b>
<b>Revenue Capacity</b> 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 source, the property tax.	<b>163-174</b>
<b>Debt Capacity</b> 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.	<b>175-179</b>
<b>Economic and Demographic Information</b> 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.	<b>180-181</b>
<b>Operating Information</b> 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.	<b>182-185</b>

## **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 2002; schedules presenting government-wide information include information beginning in that year.

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

	2002	2003	2004	2005	2006	2007	2008
<b>Governmental Activities:</b>							
Invested in Capital Assets, Net of Related Debt	\$ 261,504,606	\$ 273,113,179	\$ 274,568,990	\$ 284,893,107	\$ 290,996,712	\$ 303,847,268	\$ 316,270,240
Restricted for:							
Capital Projects	302,669	1,453,290	5,014,909	519,749	7,075,705	26,036,883	27,788,905
Debt Service	5,826,160	10,014,410	6,956,835	7,008,908	6,267,820	4,132,617	3,985,192
Other Purposes	61,021,859	68,545,971	79,585,288	86,481,269	100,151,013	112,928,892	103,789,997
Unrestricted (Deficit)	19,884,831	(2,953,484)	(9,110,830)	(2,854,954)	8,438,851	18,544,219	7,821,880
<b>Total Governmental Activities Net Assets</b>	<b>348,540,125</b>	<b>350,173,366</b>	<b>357,015,192</b>	<b>376,048,079</b>	<b>412,930,101</b>	<b>465,489,879</b>	<b>459,656,214</b>
<b>Business-type Activities:</b>							
Invested in Capital Assets, Net of Related Debt	142,565,025	147,192,603	175,845,751	203,448,271	218,544,211	220,104,614	220,568,017
Restricted							
Debt Service	8,951,296	9,123,280	7,894,357	6,406,549	6,615,860	5,791,705	5,551,342
Replacement and Improvement	8,064,434	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
Unrestricted	28,037,520	39,070,468	30,939,460	35,131,712	32,779,386	38,024,420	36,744,735
<b>Total Business-type Activities Net Assets</b>	<b>187,618,275</b>	<b>201,386,351</b>	<b>220,679,568</b>	<b>250,986,532</b>	<b>263,939,457</b>	<b>269,920,739</b>	<b>268,864,094</b>
<b>Primary Government:</b>							
Invested in Capital Assets, Net of Related Debt	404,069,631	420,305,782	450,414,741	488,341,378	509,540,923	523,951,882	536,838,257
Restricted	84,166,418	95,136,951	105,451,389	106,416,475	126,110,398	154,890,097	147,115,436
Unrestricted	47,922,351	36,116,984	21,828,630	32,276,758	41,218,237	56,568,639	44,566,615
<b>Total Primary Government Net Assets</b>	<b>\$ 536,158,400</b>	<b>\$ 551,559,717</b>	<b>\$ 577,694,760</b>	<b>\$ 627,034,611</b>	<b>\$ 676,869,558</b>	<b>\$ 735,410,618</b>	<b>\$ 728,520,308</b>

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

	2002	2003	2004	2005	2006	2007	2008 (1)
<b>Expenses</b>							
<b>Governmental Activities</b>							
General Government:							
Legislative and Executive	\$ 24,241,162	\$ 31,288,759	\$ 41,811,607	\$ 29,973,286	\$ 31,211,969	\$ 35,086,479	\$ 37,260,435
Judicial	12,735,544	12,834,297	13,961,424	15,310,560	15,952,902	16,766,093	16,978,319
Public Safety	34,599,025	36,659,180	39,076,252	39,391,890	44,865,490	51,218,782	48,709,320
Public Works	15,657,130	17,582,429	20,443,207	22,396,375	20,803,499	24,981,832	25,416,281
Health	47,395,622	46,285,012	47,785,590	47,524,463	56,672,547	54,781,525	62,270,201
Human Services	69442215	69,048,201	70,220,434	78,630,914	82,199,251	89,695,591	93,725,373
Conservation and Recreation	520,722	531,971	477,828	517,825	589,151	686,496	587,061
Intergovernmental	-	-	-	-	-	-	5,572,290
Interest and Fiscal Charges	4,905,164	4,795,392	4,445,020	4,546,165	5,351,240	5,459,844	5,822,661
Total Governmental Activities Expenses	209,496,584	219,025,241	238,221,362	238,291,478	257,646,049	278,676,642	296,341,941
<b>Business-type Activities</b>							
Sewer	\$20,016,850	20,988,143	24,059,068	26,013,574	26,108,534	27,027,272	26,429,926
Water	\$22,896,846	21,173,268	22,957,096	28,528,100	25,975,558	29,630,418	26,946,953
GSC Parking Garage	\$83,212	80,760	162,505	167,163	170,220	162,063	82,346
Total Business-type Activities Expenses	42,996,908	42,242,171	47,178,669	54,708,837	52,254,312	56,819,753	53,459,225
<b>Total Primary Government Expenses</b>	<b>252,493,492</b>	<b>261,267,412</b>	<b>285,400,031</b>	<b>293,000,315</b>	<b>309,900,361</b>	<b>335,496,395</b>	<b>349,801,166</b>
<b>Program Revenues</b>							
<b>Governmental Activities</b>							
Charges for Services							
General Government:							
Legislative and Executive	16,942,229	26,064,981	39,481,913	26,096,369	25,539,301	25,761,198	18,925,412
Judicial	5,220,484	3,703,685	3,711,346	4,171,246	5,405,269	5,818,814	6,016,149
Public Safety	1,436,746	5,996,412	6,490,098	4,435,139	9,018,145	12,368,985	13,631,099
Public Works	1131460	2,175,913	10,026,807	10,382,866	7,095,760	767,323	3,025,891
Health	897,590	1,042,160	1,355,895	1,446,007	930,496	1,317,932	910,720
Human Services	1,911,831	1,945,316	1,946,389	1,928,863	2,336,047	2,448,406	3,160,525
Conservation and Recreation	-	-	-	-	-	26,784	40,890
Subtotal - Charges for Services	27,540,340	40,928,467	63,012,448	48,460,490	50,325,018	48,509,442	45,710,686
Operating Grants, Contributions and Interest							
General Government:							
Legislative and Executive	1,226,721	160,789	355,609	353,185	16,966	43,820	440,633
Judicial	48,770	1,182,707	1,020,690	1,186,715	1,246,084	986,906	1,230,555
Public Safety	6,136,704	6,721,740	6,671,901	7,086,662	7,661,085	7,087,851	4,309,488
Public Works	2,305,868	193,292	3,658,865	3,960,609	4,851,754	11,398,189	10,837,709
Health	30,257,939	30,579,700	29,222,174	30,622,659	36,549,354	32,777,452	31,433,888
Human Services	41,788,193	46,424,550	44,947,797	46,836,974	54,423,787	63,185,700	51,118,231
Subtotal - Operating Grants, Contributions and Interest	81,764,195	85,262,778	85,877,036	90,046,804	104,749,030	115,479,918	99,370,504
Capital Grants Contributions and Interest							
General Government:							
Legislative and Executive	34,813	-	-	3,543,122	-	-	-
Judicial	5,757	-	-	89,041	-	-	-
Public Safety	6,158,459	301,836	20,272	-	-	-	15,785
Human Services	-	15,736,890	-	-	1,244,826	-	-
Public Works	17,880,521	-	13,337,057	16,317,031	11,062,312	6,785,122	13,920,646
Health	-	-	758,073	-	-	-	-
Subtotal - Capital Grants, Contributions and Interest	24,079,550	16,038,726	14,115,402	19,949,194	12,307,138	6,785,122	13,936,431
<b>Total Governmental Activities Program Revenues</b>	<b>133,384,085</b>	<b>142,229,971</b>	<b>163,004,886</b>	<b>158,456,488</b>	<b>167,381,186</b>	<b>170,774,482</b>	<b>159,017,621</b>

(continued)

(1) In 2008, the County changed the accounting treatment applied to payment in lieu of taxes transactions. The County now views these transactions as exchange transactions, whereas in prior years, they were viewed as non-exchange transactions

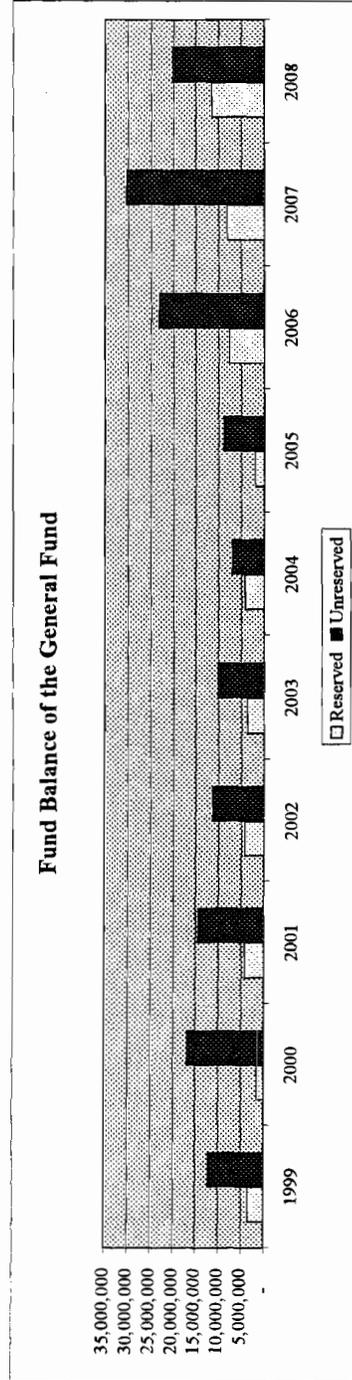
**Butler County, Ohio**  
**Changes in Net Assets of Governmental Activities**  
**Last Seven Years**  
**(accrual basis of accounting)**  
**(Continued)**

	2002	2003	2004	2005	2006	2007	2008 (1)
<b>Business-type Activities:</b>							
<b>Charges for Services</b>							
Sewer	16,527,843	16,464,896	17,330,204	17,547,243	18,988,269	20,980,896	21,299,055
Water	20,166,493	16,500,238	19,243,602	21,836,928	21,956,744	26,065,961	23,456,446
GSC Parking Facility	131,445	176,084	160,594	172,315	169,805	158,869	156,404
Capital Grants, Contributions and Interest	19,328,626	21,624,175	26,867,947	34,706,212	22,321,495	14,010,237	6,595,488
<b>Total Business-type Activities Program Revenues</b>	<b>56,154,407</b>	<b>54,765,393</b>	<b>63,602,347</b>	<b>74,262,698</b>	<b>63,436,313</b>	<b>61,215,963</b>	<b>51,507,393</b>
<b>Total Primary Government Program Revenues</b>	<b>189,538,492</b>	<b>196,995,364</b>	<b>226,607,233</b>	<b>232,719,186</b>	<b>230,817,499</b>	<b>231,990,445</b>	<b>51,507,393</b>
<b>Net (Expense)/Revenue</b>							
Governmental Activities	(76,112,499)	(219,025,241)	(238,221,362)	(238,291,478)	(257,646,049)	(107,902,160)	(137,324,320)
Business-type Activities	13,157,499	12,523,222	16,423,678	19,553,861	11,182,001	4,396,210	(1,951,832)
<b>Total Primary Government Net (Expense)/Revenue</b>	<b>(62,955,000)</b>	<b>(206,502,019)</b>	<b>(221,797,684)</b>	<b>(218,737,617)</b>	<b>(246,464,048)</b>	<b>(103,505,950)</b>	<b>(139,276,152)</b>
<b>General Revenues and Other Changes in Net Assets</b>							
<b>Governmental Activities:</b>							
Property Taxes Levied for:							
General Purposes	9,571,297	12,810,448	12,419,287	12,956,608	14,737,266	14,620,159	14,191,594
Health - Mental Retardation and Developmental Disabilities	16,803,125	14,890,749	14,765,474	18,467,802	20,014,999	19,665,938	19,073,043
Human Services - Child Welfare	7,804,510	8,214,528	12,829,080	13,282,374	14,283,235	14,269,273	13,884,835
Health - Alcohol, Drug Abuse and Mental Health	1,869,810	1,959,018	1,920,227	1,995,109	2,239,541	9,343,505	9,023,904
Human Services - Council on Aging	7,259,359	7,583,447	7,476,865	7,803,077	13,973,467	13,992,100	13,280,836
Animal Shelter	-	-	-	-	29,997	3,340,811	-
Sales Tax	16,642,460	17,182,889	18,414,113	22,607,425	40,662,394	41,317,071	33,408,493
Local Taxes	2,110,549	2,278,929	-	-	2,699,651	2,450,378	2,454,986
Payments in Lieu of Taxes	-	-	-	-	93,487	3,620,542	4,438,718
Grants and Entitlements not Restricted to Specific Programs	10,072,833	9,966,355	11,232,408	11,954,539	6,276,571	7,659,749	7,664,080
Interest	4,968,360	1,397,806	2,891,968	5,069,405	9,258,342	13,783,637	9,085,686
Net increase (decrease) in Fair Value of Investments	(241,646)	(746,510)	(1,159,879)	(147,597)	861,416	1,096,005	1,277,036
Other	819,767	2,771,852	2,412,759	4,847,763	3,277,088	5,238,068	3,707,444
Gain on Sale of Capital Assets	-	-	-	-	-	281,924	-
Transfers	(380,965)	119,000	-	31,372	-	-	-
<b>Total Governmental Activities</b>	<b>77,299,459</b>	<b>78,428,511</b>	<b>83,202,302</b>	<b>98,867,877</b>	<b>128,407,454</b>	<b>150,679,160</b>	<b>131,490,655</b>
<b>Business-type Activities:</b>							
Interest	112,115	77,142	276,589	781,251	635,202	462,058	125,300
Other	1,678,347	1,286,712	1,448,950	10,003,224	1,135,722	1,123,014	769,887
Transfers	380,965	(119,000)	-	(31,372)	-	-	-
<b>Total Business-type Activities</b>	<b>2,171,427</b>	<b>1,244,854</b>	<b>1,725,539</b>	<b>10,753,103</b>	<b>1,770,924</b>	<b>1,585,072</b>	<b>895,187</b>
<b>Total Primary Government</b>	<b>79,470,886</b>	<b>79,673,365</b>	<b>84,927,841</b>	<b>109,620,980</b>	<b>130,178,378</b>	<b>152,264,232</b>	<b>132,385,842</b>
<b>Change in Net Assets</b>							
Governmental Activities	1,186,960	1,633,241	7,985,826	19,032,887	38,142,591	42,777,000	(5,833,665)
Business-type Activities	15,328,926	13,768,076	18,149,217	30,306,964	12,952,925	5,981,282	(1,056,645)
<b>Total Primary Government Change in Net Assets</b>	<b>\$ 16,515,886</b>	<b>\$ 15,401,317</b>	<b>\$ 26,135,043</b>	<b>\$ 49,339,851</b>	<b>\$ 51,095,516</b>	<b>\$ 48,758,282</b>	<b>\$ (6,890,310)</b>

(1) In 2008, the County changed the accounting treatment applied to payment in lieu of taxes transactions. The County now views these transactions as exchange transactions, whereas in prior years, they were viewed as non-exchange transactions

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

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>General Fund</b>										
Reserved	\$ 3,427,392	\$ 1,496,938	\$ 4,187,656	\$ 4,195,492	\$ 3,637,460	\$ 4,216,411	\$ 1,912,847	\$ 7,520,543	\$ 8,048,067	\$ 11,396,642
Unreserved, Designated	-	-	-	-	-	-	-	17,729,295	16,953,260	8,409,077
Unreserved	12,185,981	16,743,199	14,352,808	11,313,356	10,013,728	6,957,053	8,715,587	5,262,983	13,287,018	11,656,994
<b>Total General Fund</b>	<b>15,613,373</b>	<b>18,240,137</b>	<b>18,540,464</b>	<b>15,508,848</b>	<b>13,651,188</b>	<b>11,173,464</b>	<b>10,628,434</b>	<b>30,512,821</b>	<b>38,288,345</b>	<b>31,462,713</b>
<b>All Other Governmental Funds</b>										
Reserved	15,282,275	9,089,084	6,797,712	7,512,507	5,870,249	10,462,267	10,488,074	8,520,627	8,496,349	13,340,880
Unreserved, Undesignated, Reported in:										
Special Revenue Funds	28,907,206	35,452,761	37,326,719	26,955,861	28,827,510	38,329,806	49,050,968	60,449,732	75,216,379	66,039,506
Debt Service Funds	1,167,711	1,079,271	930,745	701,453	7,056,879	9,394,492	9,860,557	10,274,042	10,709,381	1,965,932
Capital Projects Funds	(17,877,839)	(20,261,460)	(39,631,918)	(7,405,332)	(12,841,676)	(5,623,226)	(4,329,568)	(5,673,702)	(21,970,837)	(23,393,334)
<b>Total All Other Governmental Funds</b>	<b>27,479,353</b>	<b>25,359,656</b>	<b>5,423,258</b>	<b>27,764,489</b>	<b>28,912,962</b>	<b>52,563,339</b>	<b>65,070,031</b>	<b>73,570,699</b>	<b>72,451,272</b>	<b>57,952,984</b>
<b>Total Governmental Funds</b>	<b>\$ 43,092,726</b>	<b>\$ 43,599,793</b>	<b>\$ 23,963,722</b>	<b>\$ 43,273,337</b>	<b>\$ 42,564,150</b>	<b>\$ 63,736,803</b>	<b>\$ 75,698,465</b>	<b>\$ 104,083,520</b>	<b>\$ 110,739,617</b>	<b>\$ 89,415,697</b>



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

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Revenues</b>										
Property and Other Local Taxes	\$ 48,921,817	\$ 51,471,925	\$ 56,994,477	\$ 56,635,633	\$ 47,667,011	\$ 49,452,124	\$ 54,548,053	\$ 63,587,785	\$ 77,262,187	\$ 72,129,958
Sales Tax*	-	-	-	-	17,071,061	18,226,392	21,013,937	40,557,333	41,256,564	34,238,835
Charges for Services	20,178,062	24,781,590	22,895,309	24,051,238	37,586,693	54,430,214	39,599,181	50,623,535	45,676,573	42,536,158
Licenses and Permits	27,748	29,286	451,134	356,079	395,704	625,484	576,368	578,800	528,432	741,296
Fines and Forfeitures	1,061,046	1,745,472	1,381,193	1,496,642	1,577,450	1,588,923	1,596,855	1,990,868	2,123,869	2,231,081
Intergovernmental	89,356,200	97,673,685	109,774,122	116,397,421	104,819,010	115,938,364	121,141,697	115,942,192	127,289,857	119,929,792
Special Assessments	1,438,009	1,540,991	3,243,508	1,935,767	1,796,964	3,437,822	4,069,049	4,769,460	3,797,896	2,578,575
Payments in Lieu of Taxes	-	-	-	-	-	102,604	98,044	93,487	3,371,248	4,063,662
Interest	6,861,399	7,565,330	7,088,825	5,150,982	3,066,622	3,202,111	4,900,790	9,013,598	13,767,582	9,094,150
Net Increase (Decrease) in Fair Value of Investments	(1,542,196)	1,678,776	961,775	(241,646)	(746,510)	(1,159,879)	(147,597)	861,416	1,096,005	1,277,036
Contributions and Donations	-	-	-	-	-	-	57,442	-	-	-
Other	1,217,584	1,233,265	3,319,072	3,347,703	2,476,504	2,152,051	4,733,899	3,324,541	5,238,068	4,312,857
<b>Total Revenues</b>	<b>167,519,669</b>	<b>187,720,320</b>	<b>206,109,415</b>	<b>209,129,819</b>	<b>215,710,509</b>	<b>247,996,210</b>	<b>252,187,718</b>	<b>291,343,015</b>	<b>321,408,281</b>	<b>293,133,400</b>
<b>Expenditures</b>										
Current:										
General Government:										
Legislative and Executive	20,145,825	24,227,740	22,320,463	22,416,059	27,389,325	39,470,890	32,422,732	28,864,871	33,006,531	34,806,814
Judicial	9,832,946	10,075,022	10,774,926	11,973,877	12,417,152	13,600,268	14,903,814	15,614,805	16,293,690	16,701,077
Public Safety	20,922,077	25,779,523	28,030,833	32,038,169	33,995,976	36,712,267	37,831,821	48,197,839	60,514,200	56,351,505
Public Works	27,231,103	20,874,389	22,342,883	17,495,693	16,723,691	21,793,001	24,075,562	22,258,619	30,092,525	26,885,234
Health	36,559,053	38,633,572	43,063,262	47,016,101	47,016,129	47,080,225	46,791,219	55,828,433	54,243,058	61,761,021
Human Services	40,866,226	53,583,561	74,701,273	70,167,063	68,945,768	69,795,718	78,182,733	82,122,458	89,324,671	93,732,570
Conservation and Recreation	446,976	460,000	487,768	520,722	531,971	477,828	517,825	589,151	686,496	587,061
Other	407,636	267,497	743,474	-	-	-	-	-	-	-
Capital Outlay	28,159,608	18,192,673	33,491,306	17,202,016	2,864,741	902,028	702,757	748,995	4,254,031	10,115,027
Intergovernmental	1,529,327	1,410,577	-	-	-	-	-	-	-	5,572,290
Debt Service:										
Principal Retirement	947,585	2,164,123	2,431,193	12,196,730	14,895,447	18,282,294	19,421,622	21,760,855	5,943,125	6,770,900
Interest and Fiscal Charges	3,324,510	4,252,619	4,404,660	-	4,892,067	4,801,820	4,463,136	5,735,766	5,454,896	5,730,483
Refunding Bond Issuance Cost	-	-	-	-	-	156,127	555,185	245,108	210,797	60,948
<b>Total Expenditures</b>	<b>190,372,872</b>	<b>199,921,296</b>	<b>242,792,041</b>	<b>231,026,430</b>	<b>229,672,267</b>	<b>253,072,466</b>	<b>259,868,406</b>	<b>281,966,900</b>	<b>300,024,020</b>	<b>319,074,930</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(22,853,203)</b>	<b>(12,200,976)</b>	<b>(36,682,626)</b>	<b>(21,896,611)</b>	<b>(13,961,758)</b>	<b>(5,076,256)</b>	<b>(7,680,688)</b>	<b>9,376,115</b>	<b>21,384,261</b>	<b>(25,941,530)</b>
<b>Other Financing Sources (Uses)</b>										
General Obligation Bonds Issued	-	8,260,000	3,045,000	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	960,332	83,744
Notes Issued	-	-	-	11,465,000	14,485,000	15,470,000	17,105,000	-	-	-
Refunding Bonds Issued	-	-	-	-	-	8,905,000	29,365,000	-	17,095,000	-
Special Assessment Bonds Issued	-	-	-	-	-	-	1,144,000	-	-	3,315,000
Proceeds of Loans	-	-	-	-	-	768,868	-	374,761	-	-
Accrued Interest Received on Debt Issued	-	-	-	-	-	11,851	-	-	-	-
Payment to Refund Bond Escrow Agent	-	-	-	4,776,101	-	(8,841,258)	32,908,080	-	(17,836,926)	-
Inception of Capital Lease	-	-	-	87,215	72,200	-	2,862,332	83,878	1,532,939	1,218,866
Sale of Fixed Assets	44,099	-	672,237	-	-	-	-	-	-	-
Proceeds from Sale of Capital Assets	6,430,115	6,447,331	7,764,627	6,322,346	6,242,489	6,100,441	7,071,258	7,928,785	2,803,627	3,089,344
Transfers In	(6,460,115)	(6,648,885)	(8,098,273)	(6,703,311)	(6,123,489)	(6,100,441)	(7,039,886)	(7,928,785)	(2,803,627)	(3,089,344)
Transfers Out	-	-	-	-	-	-	-	-	-	-
<b>Total Other Financing Sources</b>	<b>14,099</b>	<b>8,058,446</b>	<b>3,383,591</b>	<b>50,730,812</b>	<b>14,868,895</b>	<b>27,134,720</b>	<b>85,458,510</b>	<b>18,162,596</b>	<b>2,245,048</b>	<b>4,617,610</b>
<b>Prior Year Restatement of Fund Balance</b>	<b>719,540</b>	<b>4,649,597</b>	<b>13,662,964</b>	<b>27,616</b>	<b>(1,616,324)</b>	<b>(1,185,811)</b>	<b>-</b>	<b>-</b>	<b>(16,973,312)</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ (22,119,564)</b>	<b>\$ 507,067</b>	<b>\$ (19,636,071)</b>	<b>\$ 28,861,817</b>	<b>\$ (709,187)</b>	<b>\$ 20,872,653</b>	<b>\$ 77,777,822</b>	<b>\$ 27,538,711</b>	<b>\$ 6,655,997</b>	<b>\$ (21,323,920)</b>
Debt Service as a Percentage of Noncapital Expenditures	2.26%	3.23%	2.82%	5.78%	8.62%	9.30%	9.75%	10.15%	4.22%	4.24%

\*.05 Sales Tax imposed in 2006 and in January 2008. .25 of the Sales Tax was removed

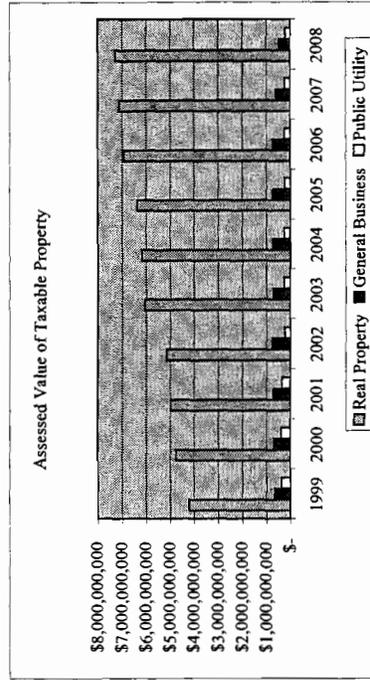
**Butler County, Ohio**  
Assessed and Estimated Actual Value of Taxable Property  
Last Ten Years

Collection Year	Real Property				Tangible Personal Property				Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio	Weighted Average Tax Rate
	Residential/Agricultural		Commercial/Industrial/PU		General Business		Public Utility						
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value					
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%	6.79		
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%	6.42		
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%	7.05		
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%	7.44		
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%	5.65		
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%	7.32		
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%	6.98		
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%	8.65		
2007	5,593,932,480	1,530,799,300	20,356,376,514	604,188,591	4,833,508,728	236,656,000	268,927,272	7,965,576,371	25,458,812,514	31.29%	10.11		
2008	5,686,682,890	1,583,855,220	20,772,966,029	463,957,189	742,331,502	221,175,070	251,335,307	7,955,670,369	21,766,632,838	36.55%	9.57		

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 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.





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

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
(continued)										
1996 Senior Citizens										
Residential/Agricultural Real	\$ 0.90117	\$ 0.81236	\$ 0.80277	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commercial/Industrial and Public Utility Real	0.98	0.90	0.91	-	-	-	-	-	-	-
General Business and Public Utility Personal	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	1.85933	1.85407
Commercial/Industrial and Public Utility Real	-	-	-	-	-	-	-	1.96666	1.99058	1.97999
General Business and Public Utility Personal	-	-	-	-	-	-	-	2.00	2.00	2.00
<b>Total voted millage by type of property</b>										
Residential/Agricultural Real	4.31790	3.89239	4.67870	5.13677	3.41651	5.39917	4.89339	6.45633	7.89744	7.37021
Commercial/Industrial and Public Utility Real	4.79764	4.41127	5.16806	5.55565	3.85086	5.94317	5.20241	7.08234	8.66848	8.13501
General Business and Public Utility Personal	6.50	6.50	6.50	6.80	4.80	4.50	5.50	7.50	9.00	8.50
<b>Total millage by type of property</b>										
Residential/Agricultural Real	6.26790	5.84239	6.62870	7.08677	5.35651	7.33917	6.83339	8.39633	9.84744	9.33021
Commercial/Industrial and Public Utility Real	6.74764	6.36127	7.11806	7.50565	5.79086	7.88317	7.14241	9.02234	10.61848	10.07501
General Business and Public Utility Personal	8.45	8.45	8.45	8.75	6.74	6.44	7.44	9.44	10.95	10.45
<b>Rates by Taxing District</b>										
<b>Cities</b>										
Fairfield										
Residential/Agricultural Real	3.60731	3.38981	5.90933	5.90272	5.35541	5.35741	5.34934	5.02221	5.01206	5.00579
Commercial/Industrial and Public Utility Real	3.66173	3.50206	5.94000	5.94000	5.46168	5.52777	5.58406	5.37459	5.42924	5.42234
General Business and Public Utility Personal	4.54	4.54	5.94	5.94	5.94	5.94	5.94	5.94	5.94	5.94
Hamilton										
Residential/Agricultural Real	5.06000	5.06000	5.12000	5.12000	6.79564	6.79902	6.83473	6.69492	6.689172	6.688394
Commercial/Industrial and Public Utility Real	5.06000	5.06000	5.12000	5.12000	7.01672	7.06603	7.14589	7.09028	7.11923	7.141428
General Business and Public Utility Personal	5.06	5.06	5.12	5.12	7.12	7.12	7.16	7.16	7.16	7.16
Indian Springs										
Residential/Agricultural Real	4.20350	-	-	-	-	-	-	-	-	-
Commercial/Industrial and Public Utility Real	3.93392	-	-	-	-	-	-	-	-	-
General Business and Public Utility Personal	7.19	-	-	-	-	-	-	-	-	-
Middletown										
Residential/Agricultural Real	6.36000	6.46000	5.86000	5.86000	5.86000	5.88000	5.90000	5.90000	5.90000	5.90000
Commercial/Industrial and Public Utility Real	6.36000	6.46000	5.86000	5.86000	5.86000	5.88000	5.90000	5.90000	5.90000	5.90000
General Business and Public Utility Personal	6.36	6.46	5.86	5.86	5.86	5.88	5.90	5.90	5.90	5.90

(continued)

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

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Monroe</b>										
Residential/Agricultural Real	\$ 6.71583	\$ 6.14274	\$ 6.60934	\$ 6.46646	\$ 5.78934	\$ 7.06429	\$ 6.98737	\$ 7.01895	\$ 6.18114	\$ 6.14354
Commercial/Industrial and Public Utility Real	8.31752	7.93183	8.31289	8.39148	8.21447	10.01255	10.00393	10.03001	8.51989	8.55240
General Business and Public Utility Personal	9.17	9.17	9.85	9.85	9.85	11.17	11.17	11.17	9.32	9.32
<b>Oxford</b>										
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
<b>Trenton</b>										
Residential/Agricultural Real	4.62325	4.60046	4.55989	4.54447	4.40188	4.39271	3.24000	3.24000	3.24000	3.24000
Commercial/Industrial and Public Utility Real	4.90587	4.58380	4.58285	4.56804	4.43234	4.43413	3.24000	3.24000	3.24000	3.24000
General Business and Public Utility Personal	4.99	4.74	4.74	4.74	4.74	4.74	3.24	3.24	3.24	3.24
<b>Villages</b>										
<b>College Corner</b>										
Residential/Agricultural Real	7.18294	6.16105	6.15572	6.15572	5.50066	5.50066	5.50095	5.49357	5.492928	5.492701
Commercial/Industrial and Public Utility Real	8.34398	7.60372	7.60372	7.60372	6.79368	6.84204	6.84204	6.38366	6.383665	6.383665
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
<b>Jacksonburg</b>										
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
<b>Millville</b>										
Residential/Agricultural Real	2.30000	2.30000	2.30000	2.30000	2.30000	2.30000	2.30000	2.30000	2.30000	2.30000
Commercial/Industrial and Public Utility Real	2.30000	2.30000	2.30000	2.30000	2.30000	2.30000	2.30000	2.30000	2.30000	2.30000
General Business and Public Utility Personal	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30
<b>New Miami</b>										
Residential/Agricultural Real	3.87009	3.69009	3.69032	7.99488	7.29526	7.30259	7.30259	7.05463	7.057468	3.300000
Commercial/Industrial and Public Utility Real	4.27674	4.10089	4.10089	8.20041	7.51588	7.51591	7.51591	7.17936	7.055503	3.300000
General Business and Public Utility Personal	4.30	4.30	4.30	8.30	8.30	8.30	8.30	8.30	8.30	3.30
<b>Sevenmile</b>										
Residential/Agricultural Real	7.64217	6.66123	6.26028	5.66027	5.25700	5.15851	5.15752	7.05464	3.705286	3.706631
Commercial/Industrial and Public Utility Real	8.40855	7.40442	7.00442	6.40442	6.18269	6.08269	6.08269	7.17936	4.709944	4.709945
General Business and Public Utility Personal	8.82	8.02	7.62	7.02	6.82	6.72	6.72	6.72	5.42	5.42
<b>Somerville</b>										
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)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Townships</b>										
<b>Fairfield</b>										
Residential/Agricultural Real	\$ -	\$ 3.97666	\$ 6.97612	\$ 6.84975	\$ 6.00824	\$ 5.96827	\$ 5.93866	\$ 5.69314	\$ 5.63499	\$ 5.62097
Commercial/Industrial and Public Utility Real	-	3.61927	7.17721	7.19000	6.16790	6.38986	5.16953	5.75430	6.07546	5.33824
General Business and Public Utility Personal	-	7.19	7.19	7.19	7.19	7.19	7.19	7.19	7.19	7.19
<b>Fairfield - Fire District</b>										
Residential/Agricultural Real	-	6.45376	11.79268	11.55814	10.00553	9.93105	9.87616	9.42364	9.31581	9.28917
Commercial/Industrial and Public Utility Real	-	5.83524	12.16542	12.19000	10.25863	10.68224	8.37058	9.47644	10.08158	8.69678
General Business and Public Utility Personal	-	12.19	12.19	12.19	12.19	12.19	12.19	12.19	12.19	12.19
<b>Hanover</b>										
Residential/Agricultural Real	2.72000	2.72000	2.72000	2.72000	2.72000	2.72000	2.72000	2.72000	4.46341	4.45784
Commercial/Industrial and Public Utility Real	2.72000	2.72000	2.72000	2.72000	2.72000	2.72000	2.72000	2.72000	4.45866	4.45954
General Business and Public Utility Personal	2.72	2.72	2.72	2.72	2.72	2.72	2.72	2.72	4.47	4.47
<b>Liberty</b>										
Residential/Agricultural Real	7.13315	8.29426	9.65225	9.44701	8.60930	8.46939	8.29812	8.08019	9.072858	9.037356
Commercial/Industrial and Public Utility Real	7.04726	7.68319	9.36170	9.05024	8.81452	8.80417	8.51552	8.74424	9.765146	9.527537
General Business and Public Utility Personal	7.59	9.09	10.59	10.59	10.59	10.59	10.59	10.59	11.09	11.09
<b>Madison</b>										
Residential/Agricultural Real	1.80863	1.74684	1.74579	1.74402	1.67161	1.67146	1.67062	1.62584	1.626605	1.626586
Commercial/Industrial and Public Utility Real	1.90008	1.84544	1.88711	1.88711	1.83876	1.84668	1.86908	1.84953	1.852322	1.848355
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
<b>Milford</b>										
Residential/Agricultural Real	4.90159	4.65993	4.65391	4.64783	4.48500	4.49477	4.49446	4.32320	6.32517	6.310499
Commercial/Industrial and Public Utility Real	5.25068	5.15822	5.15822	5.10450	4.99677	4.99677	4.99677	4.92652	6.887879	6.857308
General Business and Public Utility Personal	5.74	5.74	5.74	5.74	5.74	5.74	5.74	5.74	7.74	7.74
<b>Morgan</b>										
Residential/Agricultural Real	5.87151	5.41015	5.40332	5.54938	5.21615	5.46729	5.45731	5.12685	5.588967	5.584894
Commercial/Industrial and Public Utility Real	6.13727	5.81046	5.80073	5.61132	5.02325	5.29820	5.29820	5.23022	5.684251	5.684251
General Business and Public Utility Personal	6.22	6.22	6.22	5.72	5.72	5.72	5.72	5.72	5.72	5.72
<b>Oxford</b>										
Residential/Agricultural Real	6.63499	5.62843	5.61958	5.60183	5.20114	6.95904	6.95211	6.17824	6.172409	6.148158
Commercial/Industrial and Public Utility Real	7.37146	6.51285	6.51188	6.51188	6.48900	8.23900	8.23900	7.64170	6.48060	6.216652
General Business and Public Utility Personal	7.84	7.84	7.84	7.84	7.84	9.59	9.59	9.59	9.59	9.59
<b>Reily</b>										
Residential/Agricultural Real	7.38465	6.77284	7.24589	6.75579	6.44892	7.39000	7.36915	7.05233	7.045005	7.042639
Commercial/Industrial and Public Utility Real	7.39000	7.24589	7.24589	7.23638	6.79602	7.39000	7.39000	7.32789	7.327889	7.327889
General Business and Public Utility Personal	7.39	7.39	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)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Ross</b>										
Residential/Agricultural Real	\$ 5.32396	\$ 4.91859	\$ 4.89024	\$ 6.43050	\$ 6.10720	\$ 6.07934	\$ 6.33714	\$ 6.00272	\$ 6.57842	\$ 6.567461
Commercial/Industrial and Public Utility Real	5.43170	5.06395	5.06233	6.50392	6.18917	6.21257	6.47485	6.22600	6.65257	6.64420
General Business and Public Utility Personal	5.72	5.72	5.72	6.72	6.72	6.72	6.72	6.72	6.72	6.72
<b>St. Clair</b>										
Residential/Agricultural Real	3.95230	3.82485	3.82496	3.82343	3.69544	4.14391	4.46851	4.44145	4.445978	4.445095
Commercial/Industrial and Public Utility Real	3.95976	3.84700	3.84590	3.84593	3.86077	4.23634	4.46689	4.45291	4.44457	4.449051
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
<b>Union</b>										
Residential/Agricultural Real	8.79777	9.15252	-	-	-	-	-	-	-	-
Commercial/Industrial and Public Utility Real	8.87546	9.23068	-	-	-	-	-	-	-	-
General Business and Public Utility Personal	9.59	10.59	-	-	-	-	-	-	-	-
<b>Wayne</b>										
Residential/Agricultural Real	3.41399	3.30787	3.57639	3.56717	3.46418	3.46469	4.76164	4.60155	4.59691	3.456438
Commercial/Industrial and Public Utility Real	3.33622	3.23848	3.58000	3.58000	3.48059	3.47766	4.77766	4.81274	4.81274	3.550552
General Business and Public Utility Personal	3.58	3.58	3.58	3.58	3.58	3.58	4.88	4.88	4.88	3.58
<b>West Chester</b>										
Residential/Agricultural Real	-	-	9.68700	12.39019	11.29850	11.28300	11.20549	10.86922	13.298642	13.246766
Commercial/Industrial and Public Utility Real	-	-	9.44359	12.44096	12.01912	12.24324	12.03437	12.22604	14.429398	14.245764
General Business and Public Utility Personal	-	-	10.59	13.09	13.09	13.09	13.09	13.09	14.59	14.59
<b>Joint Vocational Schools</b>										
<b>Butler County JVS</b>										
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
<b>Great oaks JVS</b>										
Residential/Agricultural Real	2.00000	2.37848	2.34421	2.33712	2.13885	2.11538	2.108827	2.00000	2.00000	2.00000
Commercial/Industrial and Public Utility Real	2.12525	2.50207	2.46880	2.48728	2.34505	2.36535	2.376635	2.23693	2.219364	2.210809
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
<b>Montgomery County JVS</b>										
Residential/Agricultural Real	2.01751	2.00000	2.00000	2.00000	2.30689	2.29585	2.275391	2.10844	2.098318	2.066068
Commercial/Industrial and Public Utility Real	2.36872	2.27947	2.75376	2.56602	2.33263	2.33654	2.348741	2.25405	2.259504	2.239154
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
<b>Schools</b>										
<b>Edgewood City</b>										
Residential/Agricultural Real	26.69000	26.25001	26.25001	32.73708	30.27635	30.21236	30.03971	35.28072	35.280013	35.130009
Commercial/Industrial and Public Utility Real	28.96861	26.86926	27.16008	33.74129	33.40668	33.39966	33.38948	39.83427	39.807444	39.712012
General Business and Public Utility Personal	37.55	37.11	37.11	43.76	43.76	43.76	43.76	50.64	50.64	50.49

(continued)

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

Last Ten Years  
 (continued)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Fairfield City</b>										
Residential/Agricultural Real	\$ 32.50289	\$ 30.79470	\$ 30.24206	\$ 29.95467	\$ 27.05724	\$ 28.48467	\$ 33.23818	\$ 31.55048	\$ 31.40127	\$ 31.35133
Commercial/Industrial and Public Utility Real	34.02843	32.66840	33.09322	33.05070	30.28542	31.98280	36.81783	35.69384	36.14147	35.82337
General Business and Public Utility Personal	54.16	54.46	54.23	54.11	53.82	53.82	58.66	58.60	58.60	58.60
<b>Hamilton City</b>										
Residential/Agricultural Real	25.84680	27.68287	27.65690	27.64353	27.20002	27.43744	27.40002	27.20001	32.60793	32.607554
Commercial/Industrial and Public Utility Real	31.57294	34.05498	34.19538	34.23823	32.65664	33.39285	33.92930	32.96734	38.67935	38.964789
General Business and Public Utility Personal	43.81	48.21	48.21	48.21	48.01	48.21	48.21	48.01	53.42	53.42
<b>Lakota Local</b>										
Residential/Agricultural Real	35.31570	32.78870	39.04158	38.71042	34.20658	33.23384	32.92870	37.61133	37.012536	36.845748
Commercial/Industrial and Public Utility Real	36.47560	32.69604	39.31170	39.14837	36.61006	36.30944	35.71049	41.81848	41.906875	41.339911
General Business and Public Utility Personal	56.14	55.14	61.88	61.88	60.84	60.04	60.04	65.64	65.39	65.39
<b>Madison Local</b>										
Residential/Agricultural Real	24.40001	29.40000	29.75001	30.00001	29.30000	29.15001	29.10001	36.50002	36.537476	36.04396
Commercial/Industrial and Public Utility Real	24.57237	29.40000	29.95264	30.20276	29.30001	29.47105	30.35233	37.17764	37.291347	36.64454
General Business and Public Utility Personal	30.94	35.94	36.29	36.54	32.14	31.99	31.94	39.34	39.34	38.85
<b>Middletown City</b>										
Residential/Agricultural Real	33.37000	32.14000	31.79000	31.59000	30.39000	34.89872	34.89382	41.94000	41.940000	42.576939
Commercial/Industrial and Public Utility Real	33.54216	32.14000	31.79000	31.62466	30.39000	35.33044	35.83617	45.52261	42.201794	43.004439
General Business and Public Utility Personal	36.56	35.33	34.98	34.78	33.58	38.08	38.08	45.13	45.13	45.75
<b>Monroe Local</b>										
Residential/Agricultural Real	-	-	31.79000	39.93001	-	37.25001	36.62001	36.89001	41.440008	40.850008
Commercial/Industrial and Public Utility Real	-	-	31.79000	40.32449	-	38.32615	37.67802	38.01213	42.290586	41.780025
General Business and Public Utility Personal	-	-	34.98	43.36	-	40.68	40.05	40.32	44.87	44.28
<b>New Miami Local</b>										
Residential/Agricultural Real	20.05908	24.00001	24.30001	24.32961	24.25575	24.29220	24.29522	24.24146	24.241093	24.240991
Commercial/Industrial and Public Utility Real	20.00001	24.00001	24.30001	24.33136	24.30528	24.30531	24.30231	24.28661	24.27754	24.276447
General Business and Public Utility Personal	25.09	29.09	29.39	29.42	29.42	29.42	29.42	29.42	29.42	29.42
<b>Ross Local</b>										
Residential/Agricultural Real	28.17735	24.76118	24.62602	24.56734	28.94295	28.87405	28.64743	26.71995	26.700024	26.500011
Commercial/Industrial and Public Utility Real	30.38726	27.22518	27.19716	27.25679	31.11014	31.17261	31.12516	29.84849	29.874938	29.648716
General Business and Public Utility Personal	45.73	45.73	45.73	45.73	51.98	51.98	51.98	51.73	51.73	51.53
<b>Talawanda City</b>										
Residential/Agricultural Real	21.66171	20.00002	26.40272	26.31517	24.24443	25.45427	25.37183	23.17002	23.170026	23.150032
Commercial/Industrial and Public Utility Real	23.53106	21.19066	27.98817	27.93829	25.21530	26.77622	26.86896	25.52164	25.638202	25.656717
General Business and Public Utility Personal	43.80	43.80	50.30	50.30	50.30	51.49	51.49	51.47	51.47	51.45

(continued)

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

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Out-of-County School Districts</b>										
College Corner Local										
Residential/Agricultural Real	\$ 25.76860	\$ 24.72153	\$ 24.71343	\$ 24.71943	\$ 24.30488	\$ 24.32231	\$ 24.33114	\$ 24.37675	\$ 24.38430	\$ 24.38386
Commercial/Industrial and Public Utility Real	25.75480	25.77504	25.77504	25.77504	25.13507	25.23619	25.23619	24.76491	24.76491	24.76491
General Business and Public Utility Personal	32.10	32.10	32.10	32.10	32.10	32.10	32.10	32.10	32.10	32.10
<b>Mason Local</b>										
Residential/Agricultural Real	32.34030	31.71708	31.48572	37.73514	38.76762	37.95676	37.59062	43.74732	41.001409	42.491636
Commercial/Industrial and Public Utility Real	34.88509	34.67035	34.11770	40.64756	41.79058	42.85488	42.08389	48.17900	43.76230	45.158847
General Business and Public Utility Personal	61.95	61.95	64.57	71.11	72.61	74.11	74.11	80.65	81.76	83.45
<b>Northwest Local</b>										
Residential/Agricultural Real	32.77377	28.82161	28.51493	28.54339	26.89285	26.84669	26.80263	23.96740	23.82354	27.684315
Commercial/Industrial and Public Utility Real	34.63690	31.48023	31.57760	32.31974	30.13759	30.41112	30.76530	28.33662	27.989296	31.568016
General Business and Public Utility Personal	50.18	50.13	49.80	49.80	49.64	49.64	49.64	49.64	49.50	53.39
<b>Preble Shawnee Local</b>										
Residential/Agricultural Real	25.49000	25.49000	25.49000	25.48901	25.44130	22.99000	23.44086	23.39818	23.399192	23.39904
Commercial/Industrial and Public Utility Real	25.49000	25.49000	25.49000	25.48591	25.47680	22.99000	23.48172	23.44091	23.442185	23.442186
General Business and Public Utility Personal	25.49	25.49	25.49	25.49	25.49	23.49	23.49	23.49	23.49	23.49
<b>Princeton Local</b>										
Residential/Agricultural Real	23.89818	24.78618	24.67755	24.69631	22.93628	25.99338	25.97780	23.48106	23.423617	23.428671
Commercial/Industrial and Public Utility Real	28.36265	29.14202	29.32211	29.53832	28.03975	31.51204	31.90181	30.13473	30.370811	29.929559
General Business and Public Utility Personal	42.24	46.19	46.19	46.19	45.79	49.03	49.03	49.03	49.03	49.03
<b>Southwest Local</b>										
Residential/Agricultural Real	27.30029	26.15454	25.84902	25.74574	25.31913	25.12157	24.94505	24.46831	23.62001	23.620025
Commercial/Industrial and Public Utility Real	34.29659	31.35189	31.11609	31.04264	29.47580	29.22645	28.99390	27.08158	26.13142	26.080145
General Business and Public Utility Personal	48.22	48.22	47.88	47.75	47.44	47.25	47.08	46.68	45.30	45.30

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
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
2007	80,547,889	74,545,921	92.55	2,937,556	77,483,477	96.20
2008	76,057,818	69,182,604	90.96	3,554,162	72,736,766	95.63

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**  
**2008 and 2002 (1)**

Name of Taxpayer	2008	
	Assessed Value	Percent of Real Property Assessed Value
Miller Breweries Inc	\$20,271,590	0.28 %
First Industrial L P	18,726,820	0.26
Cincinnati Financial Corp.	16,913,280	0.23
AK Steel Corp.	15,574,390	0.21
Dugan Financing LLC	13,657,460	0.19
Meijer Stores LTD PRT	12,403,830	0.17
Duke Realty Ohio	11,133,980	0.15
Dugan Realty LLC	10,857,570	0.15
Cincinnati LeSaint Industrial	10,727,500	0.15
Sam Boymel TR	9,720,740	0.13
Totals	<u>\$139,987,160</u>	<u>1.92 %</u>
Total Assessed Valuation	<u>\$7,270,538,110</u>	
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 Breweries Inc	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
.	<u>\$200,892,020</u>	<u>3.91 %</u>
Total Assessed Valuation	<u>\$5,144,613,220</u>	

**(1) The amounts presented represent the assessed values upon which 2008 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**  
**2008 and 1999 (1)**

Name of Taxpayer	2008	
	Assessed Value	Percent of Tangible Personal Property Assessed Value
AK Steel Corp.	\$ 39,627,790	8.54 %
Cincinnati Bell Telephone	11,936,040	2.57
Miller Brewery	8,724,620	1.88
BAE Systems	5,912,290	1.27
Banc of America Leasing & Capital	3,353,120	0.72
Worthington Steel Co.	3,134,130	0.68
Bay West Paper Co.	2,640,540	0.57
Ohio Bell Telephone Co.	2,505,540	0.54
Pierre Foods Inc.	2,490,420	0.54
Time Warner Entertainment Co.	2,410,200	0.52
<b>Total</b>	<b>82,734,690</b>	<b>17.83 %</b>
<b>Total Assessed Valuation</b>	<b>\$ 463,957,189</b>	

Name of Taxpayer	1999	
	Assessed Value	Percent of Tangible Personal Property Assessed Value
AK Steel Corp.	\$ 98,052,430	14.58 %
Miller Brewery	46,153,582	6.86
Champion Intl. Corp.	28,604,830	4.25
Worthington Steel Co.	10,035,030	1.49
International Paper Co.	9,067,510	1.35
Mckesson Corp.	7,523,480	1.12
Southwestern Ohio	7,441,250	1.11
Jefferson Smurfit Corp.	6,752,210	1.00
Bay West Paper Co.	6,362,100	0.95
Messer Griesheim	5,994,230	0.89
<b>Total</b>	<b>\$ 225,986,652</b>	<b>33.60 %</b>
<b>Total Assessed Valuation</b>	<b>\$ 672,403,843</b>	

**(1) The amounts presented represent the assessed values upon which 2008 and 1999 collections were based.**

**Source: Butler County Auditor**

**Butler County, Ohio**  
**Principal Taxpayers**  
**Public Utilities Personal Property Tax**  
**2008 and 2002 (1)**

Name of Taxpayer	2008	
	Assessed Value	Percent of Public Utility Assessed Value
Duke Energy Ohio Inc.	\$ 169,696,910	76.73 %
Duke Energy Kentucky Inc.	23,881,040	10.80
Butler Rural Electric Cooperative	9,066,610	4.10
Texas Eastern Transmission Corp.	6,297,040	2.85
Dayton Power & Light	3,217,690	1.45
Texas Gas Transmission LLC	2,583,120	1.17
CSX Transportation Inc.	2,208,090	1.00
Norfolk Southern Combined	1,907,810	0.86
PSI Energy Inc.	594,830	0.27
Oxford Natural Gas Company	490,670	0.22
<b>Total</b>	<b>\$ 219,943,810</b>	<b>99.45 %</b>
<b>Total Assessed Valuation</b>	<b>\$ 221,175,070</b>	

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
<b>Total</b>	<b>\$ 21,853,180</b>	<b>9.19 %</b>
<b>Total Assessed Valuation</b>	<b>\$ 237,777,970</b>	

**(1) The amounts presented represent the assessed values upon which 2008 and 2002 collections were based.**

**Note: Information prior to 2002 not available**

**Source: Butler County Auditor**

**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	Loans Payable	Capital Leases	Long Term Notes	Short Term Notes (1)	Revenue Bonds Payable	Loans Payable	General Obligation Bonds	Water Judgement Bonds	Long Term Notes	Short Term Notes	Percentage of Personal Income	Per Capita		
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	776		
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	-	-	2.28	760		
2007	61,605,330	9,466,643	26,532,756	1,824,765	2,532,262	-	34,643,000	91,499,366	5,883,636	4,656,680	32,976,751	-	-	3.07	761		
2008	58,498,514	12,305,218	24,751,340	1,643,071	2,512,592	-	30,463,000	85,567,039	5,696,103	4,630,087	31,904,658	-	-	2.88	715		

(1) The Short Term Notes are issued in anticipation of long-term bond financing and will be refinanced until such bonds are issued.

Source: Butler County Auditor

**Butler County, Ohio**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Years**

Year	General Obligation Bonds (1)	Net General Bonded Debt	Ratio of Net Bonded Debt to Estimated Actual Value	Net Bonded Debt per Capita
1999	\$ 16,445,000	\$ 16,445,000	0.11 % \$	49.23
2000	15,765,000	15,765,000	0.09	47.37
2001	15,060,000	15,060,000	0.09	45.16
2002	49,173,461	49,173,461	0.27	144.40
2003	47,535,289	47,535,289	0.23	138.50
2004	58,404,314	58,404,314	0.28	168.53
2005	49,038,755	49,038,755	0.23	140.30
2006	64,630,026	64,630,026	0.26	183.45
2007	61,605,330	61,605,330	0.24	172.43
2008	58,498,514	58,498,514	0.27	162.15

**(1) Does not include General Obligation Bonds  
paid from Enterprise funds.**

**Source: Butler County Auditor**

**Butler County, Ohio**  
**Computation of Legal Debt Margin**  
**Last Seven Years**

	2002	2003	2004	2005	2006	2007	2008
Tax Valuation	\$ 6,148,864,733	\$ 7,026,539,577	\$ 7,161,517,611	\$ 7,359,389,352	\$ 7,937,495,027	\$ 7,965,576,371	\$ 7,955,670,369
Debt Limit (1)	\$ 152,221,618	\$ 179,163,489	\$ 177,537,940	\$ 182,484,734	\$ 196,937,376	\$ 197,639,409	\$ 197,391,759
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	30,213,576	28,524,099
General Obligation Notes		15,710,000	15,600,000	14,885,000	7,205,000	15,355,000	15,995,000
General Obligation Loans					137,346	458,768	403,310
Less Amount Available in Debt Service							
Amount of Debt Subject to Limit	\$ 33,432,784	\$ 32,135,000	\$ 44,300,000	\$ 35,380,000	\$ 38,122,346	\$ 46,027,344	\$ 44,922,409
Legal Debt Margin	\$ 118,788,834	\$ 147,028,489	\$ 133,237,940	\$ 147,104,734	\$ 158,815,030	\$ 151,612,065	\$ 152,469,350
Legal Debt Margin as a Percentage of the Debt Limit	78.04%	82.06%	75.05%	80.61%	80.64%	76.71%	77.24%
Unvoted Debt Limit (2)	\$ 61,488,647	\$ 70,265,396	\$ 71,615,176	\$ 73,593,894	\$ 79,374,950	\$ 79,655,764	\$ 79,556,704
Amount of Debt Subject to Limit	\$ 33,432,784	\$ 32,898,000	\$ 44,300,000	\$ 35,380,000	\$ 38,122,346	\$ 46,027,344	\$ 44,922,409
Unvoted Legal Debt Margin	\$ 28,055,863	\$ 37,367,396	\$ 27,315,176	\$ 38,213,894	\$ 41,252,604	\$ 33,628,420	\$ 34,634,295
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	45.63%	53.18%	38.14%	51.93%	51.97%	42.22%	43.53%

(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

Year	Sewer Pledged Revenue										
	Less:					Debt Service (4)					
	Operating Revenues	Operating Expenses (1)	Net Operating Revenue	Capacity Fees	Non-Operating Revenue (Expenses) Other	Net Non-Operating Rev (Exp) (2)	Net Available Revenue (3)	Principal	Interest	Total	Coverage
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
2007	21,011,439	14,409,447	6,601,992	3,952,630	561,743	4,514,373	11,116,365	3,980,580	2,639,131	6,619,711	1.68
2008	21,385,170	12,766,850	8,618,320	3,388,044	141,025	3,529,069	12,147,389	4,132,360	2,486,488	6,618,848	1.84

Year	Water Pledged Revenue										
	Less:					Debt Service (4)					
	Operating Revenues	Operating Expenses (1)	Net Operating Revenue	Capacity Fees	Non-Operating Revenue (Expenses) Other	Net Non-Operating Rev (Exp) (2)	Net Available Revenue (3)	Principal	Interest	Total	Coverage
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
2007	26,395,879	20,168,090	6,227,789	2,265,660	660,300	2,925,960	9,153,749	2,113,882	1,900,573	4,014,455	2.28
2008	23,839,865	17,094,090	6,745,775	1,953,742	284,638	2,238,380	8,984,155	2,217,533	1,823,212	4,040,745	2.22

- (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**  
**Last Ten Years**  
 (continued)

Year	Sales Tax Revenue Bonds				Special Assessment Bonds							
	Sales Tax Revenues	Debt Service			Coverage	Special Assessment			Debt Service		Total Debt	Coverage
		Principal	Interest	Total Debt		Collections	Principal	Interest	Total Debt			
1999	\$ 14,252,234	\$ -	\$ 1,366,833	\$ 1,366,833	10.43	\$ -	-	\$ -	-	\$ -	-	-
2000	15,709,348	915,000	1,366,833	2,281,833	6.88	-	-	-	-	-	-	-
2001	16,102,332	950,000	1,330,233	2,280,233	7.06	-	-	-	-	-	-	-
2002	16,642,460	990,000	1,291,045	2,281,045	7.30	-	-	-	-	-	-	-
2003	17,182,889	1,035,000	1,249,465	2,284,465	7.52	1,884,272	763,000	536,103	1,299,103	1,299,103	1.45	
2004	18,047,011	1,080,000	1,204,443	2,284,443	7.90	1,563,809	587,000	537,466	1,124,466	1,124,466	1.39	
2005	19,503,113	1,100,000	700,434	1,800,434	10.83	1,380,252	615,000	509,519	1,124,519	1,124,519	1.23	
2006	40,662,394	680,000	1,266,775	1,946,775	20.89	1,374,653	506,690	531,040	1,037,730	1,037,730	1.32	
2007	41,317,071	1,200,000	1,242,975	2,442,975	16.91	1,405,765	610,170	505,912	1,116,082	1,116,082	1.26	
2008	33,408,493	1,765,000	1,200,975	2,965,975	11.26	1,101,044	570,670	434,080	1,004,750	1,004,750	1.10	

Source: Butler County Auditor

**Butler County, Ohio**  
**Demographic and Economic Statistics**  
**Last Ten Years**

Year	Population (1)	Total Personal Income	Per Capita Personal Income (2)	Unemployment Rate (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	11,738,969,200	33,320	5.9
2007	357,276	8,861,873,904	24,804	5.0
2008	360,765	8,948,415,060	24,804	5.9

**Sources:** (1) Bureau of Economic Analysis. The 1999 and 2001 through 2008 population is estimated.  
(2) Information not available for 2008 Per Capita Personal Income. Using 2007 Per Capita Personal Income  
(3) Ohio Labor Market Information.

**Butler County, Ohio  
Principal Employers  
2007 and Nine years Ago**

Employer	Nature of Business	2007*		
		Number of Employees	Rank	Percentage of Total Employment
Miami University	Education	4,250	1	2.12%
AK Steel	Steel Manufacturing	3,100	2	1.55
Butler County	Government	2,655	3	1.33
Cincinnati Insurance	Insurance	2,600	4	1.30
Fort Hamilton Hospital	Health Care	2,000	5	1.00
Middletown Regional Hospital	Health Care	1,800	6	0.90
Mercy Regional Hospital	Health Care	1,601	7	0.80
Lakota Local School District	Education	1,600	8	0.80
Ohio Casualty Insurance Co.	Insurance	1,340	9	0.67
Hamilton City Schools	Education	1,150	10	0.58
Total		<u>22,096</u>		<u>11.05</u>
Total Employment within the County		<u>200,000</u>		

Employer	Nature of Business	1999		
		Number of Employees	Rank	Percentage of Total Employment
AK Steel	Steel Manufacturing	4,100	1	2.27%
Miami University	Education	3,600	2	1.99
Cincinnati Financial Corp.	Financial	2,500	3	1.38
Butler County	Government	2,500	4	1.38
Champion International	Paper Manufacturer	2,292	5	1.27
Middletown Regional Hospital	Health Care	1,600	6	0.88
The Cincinnati Insurance Co.	Insurance	1,486	7	0.82
Ohio Casualty Insurance Co	Insurance	1,400	8	0.77
Lakota Local School District	Education	1,300	9	0.72
Fort Hamilton Hospital	Health Care	1,200	10	0.66
Total		<u>21,978</u>		<u>12.14</u>
Total Employment within the County		<u>180,900</u>		

Source: Census Bureau

\* 2008 Information not available

**Butler County, Ohio**  
**County Government Employees by Function/Activity**  
**Last Seven Years**

	2002	2003	2004	2005	2006	2007	2008
<b>General Government</b>							
<b>Legislative and Executive</b>							
Commissioners	47	45	47	48	49	40	55
Auditor	90	87	75	71	78	69	72
Treasurer	30	28	29	33	28	25	28
Prosecuting Attorney	65	65	63	63	67	68	67
Board of Elections	33	34	48	34	39	57	44
Recorder	19	20	20	17	18	18	18
Buildings and Grounds	7	7	7	6	6	6	6
Data Processing	32	36	38	34	31	31	31
<b>Judicial</b>							
Area Courts	33	39	42	47	47	53	47
Common Pleas Court	44	44	43	44	52	53	52
Probate Court	19	20	21	22	21	20	21
Juvenile Court	189	182	180	184	190	195	188
Municipal Court	32	32	32	34	38	42	38
Clerk of Courts	70	70	75	85	82	84	82
Domestic Relations	35	31	33	29	32	31	32
Law Library	2	2	2	2	2	2	2
<b>Public Safety</b>							
Sheriff	290	300	306	297	330	385	291
Probation	49	49	51	49	47	50	47
Paramedics	23	25	26	27	35	35	35
Emergency Management	4	4	4	4	4	3	4
Coroner	11	11	11	10	12	11	12
<b>Public Works</b>							
Engineer	85	85	88	85	93	91	93
Environmental Services	164	166	154	156	158	157	157
<b>Health</b>							
MRDD	361	350	359	317	300	292	303
Alcohol & Drug	5	5	5	5	5	6	5
Mental Health	11	9	10	9	8	10	8
<b>Human Services</b>							
Jobs and Family Services	194	195	199	190	191	197	191
Care Facility	196	179	168	180	180	180	180
Children's Services	164	145	173	183	196	207	197
Child Support Enforcement Agency	95	88	90	93	84	90	84
Veteran Services	14	16	13	14	15	14	15
<b>Conservation and Recreation</b>							
Parks	13	13	15	15	27	29	27
Community and Economic Development	26	24	25	27	26	27	26
<b>Agency Funds</b>							
Court of Appeals - 12th Dist Court	19	20	19	23	22	22	22
Health Dept	31	34	37	38	37	37	38
Regional Transit Authority	49	11	10	12	13	12	13
Soil and Water Conservation	10	8	7	5	6	6	6
<b>Total</b>	<b>2,561</b>	<b>2,479</b>	<b>2,525</b>	<b>2,492</b>	<b>2,569</b>	<b>2,655</b>	<b>2,537</b>

**Note: Information prior to 2002 not available**

**Source: Butler County Auditor**

**Butler County, Ohio**  
**Operating Indicators by Function/Program**  
**Last Ten Years**

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>General Government</b>										
<b>Legislative and Executive</b>										
<b>Commissioners</b>										
Number of resolutions	2,097	2,216	2,197	2,108	2,107	3,270	2,538	2,415	2,377	2,361
Number of meetings	64	60	67	69	61	66	68	59	56	61
<b>Auditor</b>										
Number of exempt conveyances	5,320	5,483	7,589	6,228	6,636	6,304	6,318	5,618	5,261	5,128
Number of real estate transfers	10,953	10,856	14,026	10,524	11,202	11,358	11,799	10,284	8,497	6,525
Number of parcels billed	129,088	131,638	133,698	135,506	138,839	-	-	-	147,558	148,658
Number of appropriation checks issued	68,717	74,164	71,789	68,940	71,630	71,266	72,445	73,636	75,060	75,873
Number of payroll checks issued	28,942	29,695	47,578	25,316	21,522	20,738	17,909	15,953	12,693	15,702
Number of purchase orders issued	35,219	19,085	25,095	26,938	29,940	26,893	28,967	30,129	31,355	30,304
<b>BMV</b>										
Number of tags issued	55,329	62,093	67,080	66,623	65,562	68,294	68,842	64,279	62,552	60,583
<b>Treasurer</b>										
Number of parcels collected	91,224	107,656	90,625	90,445	138,734	140,504	152,470	151,239	159,465	151,189
<b>Prosecuting Attorney</b>										
Number of cases - criminal	-	-	-	-	1,951	2,258	2,380	2,411	2,485	2,456
<b>Board of Elections</b>										
Number of registered voters	197,719	216,275	206,056	215,796	207,675	238,022	230,873	232,187	238,219	262,380
Number of voters last general election	57,455	138,992	70,878	89,568	66,169	168,976	83,090	119,521	65,797	175,132
Percentage of register voters that voted	29.06	64.27	34.40	41.51	31.86	70.99	35.98	51.48	28.00	66.75
<b>Recorder</b>										
Number of deeds recorded	18,532	16,794	17,326	19,010	20,035	19,923	20,252	17,981	16,128	13,512
Number of mortgages recorded	29,994	24,083	34,448	40,637	49,791	34,447	32,709	27,392	21,965	15,827
Number of military discharges recorded	84	67	55	38	20	29	32	43	35	30
<b>Judicial</b>										
<b>Common Pleas Court</b>										
Number of civil cases filed	2,482	2,796	3,223	3,432	3,529	4,031	4,176	2,343	2,215	5,617
Number of criminal cases filed	1,595	1,279	2,335	2,833	2,538	3,008	3,391	4,787	5,022	2,244
<b>Probate Court</b>										
Number of civil cases filed	80	51	53	46	41	36	52	50	47	54
<b>Juvenile Court</b>										
Number of civil cases filed	1,121	894	1,287	1,495	1,767	2,396	3,536	3,819	3,591	2,623
Number of criminal cases filed	6,301	6,186	7,221	7,438	6,274	4,502	4,540	4,778	4,914	4,886
Number of adjudged delinquent cases filed	4,444	4,558	5,420	5,633	4,540	2,959	2,739	2,757	2,582	2,216
<b>Area Courts</b>										
Number of civil cases filed	1,569	1,697	1,721	2,023	2,215	2,183	2,613	2,985	3,284	3,558
Number of criminal cases filed	19,358	25,914	25,713	27,181	27,117	22,683	24,021	25,552	25,569	21,097
Number of small claims cases filed	326	383	434	412	453	471	424	488	423	311
<b>Clerk of Courts</b>										
Number of civil cases filed	2,482	2,796	3,222	3,432	3,529	4,031	4,176	4,782	5,022	5,617
Number of criminal cases filed	1,604	1,771	1,846	2,030	1,951	2,256	2,374	2,343	2,215	2,244
<b>Domestic Relations</b>										
Number of divorce cases files	1,759	1,733	1,669	1,529	1,496	1,571	1,493	1,567	1,559	1,547
Number of motions files	1,007	1,153	1,312	1,596	1,737	3,902	4,139	4,153	12,499	19,794
Number of protective orders	1,134	1,277	1,449	1,326	1,186	1,282	1,365	1,584	1,482	1,555
<b>Public Safety</b>										
<b>Sheriff</b>										
<b>Jail Operation</b>										
Average daily jail census	431	451	451	515	692	748	734	974	1,056	1,045
Prisoners booked	7,150	2,802	7,447	7,365	10,265	10,537	10,592	14,948	16,145	15,801
Prisoners released	-	-	-	7,277	10,159	10,507	10,509	14,645	16,381	15,707
Out of county bed days used	-	-	2,316	390	1,681	1,477	-	-	4,320	3,564
<b>Enforcement</b>										
Number of incidents reported	9,385	5,548	6,345	8,152	5,972	6,052	5,568	7,593	9,464	9,524
Number of citations issued	9,736	6,636	7,318	6,636	6,351	7,318	5,724	5,452	5,812	5,967
<b>Concealed Weapons Permit</b>										
Number of permits issued	-	-	-	-	-	-	969	992	1,104	1,031
<b>Adult Probation</b>										
Offenders supervised	2,003	2,142	2,127	2,381	2,419	2,107	1,985	2,227	2,311	2,649

(continued)

**Butler County, Ohio**  
**Operating Indicators by Funtion/Program**  
**Last Ten Years**  
**(Continued)**

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Coroner</b>										
Number of cases investigated	321	318	327	298	314	332	362	322	360	338
Number of autopsies performed	205	214	218	212	211	205	221	196	224	219
<b>Public Works</b>										
<b>Engineer</b>										
Miles of roads resurfaced	29	11	9	6	14	38	46	33	11	9
Number of bridges replaced/improved	15	3	9	11	12	9	6	4	28	10
Number of culverts built/replaced/improved	11	14	7	8	10	14	25	16	19	13
<b>Building Department</b>										
Number of permits issued	3,441	3,251	3,269	3,622	3,834	4,197	3,854	3,627	4,176	3,820
Number of inspections performed	-	26,741	26,219	27,918	29,914	29,674	31,427	25,127	19,302	15,642
<b>Sewer District</b>										
Average daily sewage treated	12.69	13.87	14.11	16.39	17.13	15.88	16.50	18.05	17.13	18.33
Number of tap-ins	1,343	1,279	1,090	1,131	1,570	1,653	1,863	1,443	1,055	535
Number of customers	-	29,441	31,814	33,363	35,287	36,854	38,293	41,448	40,444	41,573
<b>Water District</b>										
Average daily water distributed	9.22	8.90	9.40	11.02	10.88	10.52	12.55	11.51	13.01	12.60
Average daily water billed	43,483	44,219	45,834	53,439	43,206	50,676	57,883	58,529	69,388	63,914
Number of tap-ins	1,208	956	1,119	975	1,127	1,058	1,273	970	632	357
Number of customers	-	28,843	30,403	31,765	33,088	34,365	35,089	36,259	36,244	36,967
<b>Health</b>										
<b>ADAS</b>										
Average Client Count	924	1,700	660	777	1,449	1,671	2,033	1,352	2,168	1,204
Tx Episodes	1,848	2,842	2,110	2,718	2,755	2,304	2,033	2,238	2,235	1,804
<b>MRDD</b>										
<b>Number of Children Served</b>										
Early intervention program	-	-	-	281	437	530	669	750	870	1,026
Preschool	-	-	-	249	536	496	291	47	0	0
School age	-	-	-	322	426	532	582	617	400	446
<b>Number of Adults Served</b>										
Habilitation/Sheltered Workshop	-	-	-	475	504	509	525	479	525	493
Community Employment	-	-	-	174	172	170	172	170	163	165
Senior Program	-	-	-	38	31	32	28	23	25	12
Self Directed	-	-	-	0	0	0	18	27	-	9
<b>Number Served in Residential</b>										
Community Homes	-	-	-	232	243	278	336	436	436	437
Number Receiving Support Coordination Services	-	-	-	-	848	871	874	1,028	1,030	1,004
Number Receiving Family Support Services	-	-	-	-	371	496	451	465	533	552
<b>Percentage Served by Disability Level</b>										
Mild	-	-	-	40	40	41	42	42	42	45
Moderate	-	-	-	27	28	28	28	28	28	27
Severe	-	-	-	16	16	15	15	16	16	16
Profound	-	-	-	17	16	16	15	14	14	12
<b>Mental Health</b>										
Average client count - intensive	1,185	2,048	1,926	1,014	2,251	2,062	2,070	2,214	2,230	2,694
Average client count - non-intensive	4,662	3,263	1,673	637	844	692	736	896	1,328	2,394
Average client count - early intervention	2,054	2,275	1,606	3,568	1,789	1,717	1,794	2,161	2,471	2,502
<b>Human Services</b>										
<b>Jobs and Family Services</b>										
Average client count - food stamps	9,726	10,402	12,729	15,445	18,974	21,866	23,781	25,767	26,652	29,798
Average client count - Medicaid	-	-	51,449	67,067	74,803	79,896	85,461	89,851	42,867	45,015
Average client count - day care	760	1,026	1,189	1,352	1,322	1,321	1,534	1,607	1,779	1,926
Average client count - WIA	-	-	307	477	532	583	582	413	434	567
Average client count - job placement	-	-	122	204	253	248	218	-	-	-
<b>Children's Services</b>										
Average client count - foster care	450	446	457	469	463	380	370	388	355	359
Average client count - adoption	67	43	44	34	67	55	55	40	36	39
<b>Child Support Enforcement Agency</b>										
Average number of active support orders	12,379	16,800	17,574	17,853	17,779	17,906	18,875	20,950	17,974	17,710
Percentage collected	84.47%	71.45%	71.75%	71.43%	72.45%	72.70%	72.75%	71.26%	71.32%	69.90%
<b>Veteran Services</b>										
Number of veterans and/or dependents served	2,851	3,105	3,345	3,570	4,451	8,847	12,850	12,195	10,508.00	17,568
Amount of benefits paid to county veterans	185,945	207,861	293,704	407,535	647,830	640,634	606,175	631,546	616,469.00	824,332
<b>Community and Economic Development</b>										
Number of projects	35	34	40	32	57	64	79	37	51	-
Number of jobs created	-	-	-	-	-	-	7	10	105	-

Note: (-) Information not available.

Source: Butler County Auditor

**Butler County, Ohio**  
**Capital Asset Statistics by Function/Activity**  
**Last Three Years**

	2006	2007	2008
<b>General Government</b>			
Administrative office space (sq. ft.)	9,480	9,480	9,480
<b>Auditor/Information Services</b>			
Administrative office space	16,072	16,072	16,072
<b>Treasurer</b>			
Administrative office space	5,096	5,096	5,096
<b>Prosecuting Attorney</b>			
Administrative office space	16,320	16,320	16,320
<b>Board of Elections</b>			
Administrative office space	9,304	9,304	27,241
Voting machines	1,668	1,599	1,668
<b>Recorder</b>			
Administrative office space	8,728	8,728	8,728
<b>Buildings and Grounds</b>			
Administrative office space	600	600	600
<b>Judicial</b>			
<b>Common Pleas Court</b>			
Number of court rooms	7	7	7
<b>Probate Court</b>			
Number of court rooms	2	2	2
<b>Juvenile Court</b>			
Number of court rooms	7	7	7
<b>Clerk of Courts</b>			
Administrative office space	11,016	11,016	11,016
<b>Domestic Relations</b>			
Administrative office space	24,128	24,128	24,128
<b>Public Works</b>			
<b>Engineer</b>			
Centerline miles of roads	273	268	275
Number of bridges	371	376	395
Number of culverts	1,019	1,072	1,062
Number of traffic signs	7,252	7,513	7,697
<b>Building Department</b>			
Administrative office space	2,344	2,344	2,344
<b>Sewer District</b>			
Number of treatment facilities	6	6	6
Number of pumping stations	34	34	34
Miles of sewer lines	811	720	731
<b>Water District</b>			
Number of pumping stations	5	5	5
Miles of water lines	674	606	617
<b>Health</b>			
<b>Human Services</b>			
<b>Jobs and Family Services</b>			
Administrative office space	32,640	32,640	32,640
<b>Child Support Enforcement Agency</b>			
Administrative office space	16,320	16,320	16,320
<b>Veteran Services</b>			
Administrative office space	3,136	3,136	3,136
<b>Conservation and Recreation</b>			
<b>Parks</b>			
Number of parks	22	23	23
Acreage developed	530	680	720
Acreage undeveloped	2,661	2,720	2,880
Miles of trails	28	28	38

Note: Information prior to 2006 not available.

(-) Information not available.

Source: Butler County Auditor





**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  
FEBRUARY 4, 2010**