

BUTLER COUNTY, OHIO

SINGLE AUDIT

FOR THE YEAR ENDED
DECEMBER 31, 2023



65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

County Commissioners
Butler County
315 High Street
Hamilton, Ohio 45011

We have reviewed the *Independent Auditor's Report* of Butler County, prepared by Julian & Grube, Inc., for the audit period January 1, 2023 through December 31, 2023. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Butler County is responsible for compliance with these laws and regulations.

Keith Faber
Auditor of State
Columbus, Ohio

September 05, 2024

This page intentionally left blank.

BUTLER COUNTY, OHIO

TABLE OF CONTENTS

Independent Auditor’s Report.....	1 - 3
Management’s Discussion and Analysis.....	5 - 14
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	15
Statement of Activities.....	16 - 17
Fund Financial Statements:	
Balance Sheet - Governmental Funds.....	18 - 19
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	20
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	22 - 23
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	24
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budget Basis) - General Fund.....	25
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budget Basis) – Mental Health and Addiction Recovery Services Board Fund.....	26
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budget Basis) – Developmental Disabilities Fund	27
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budget Basis) – Job and Family Services/Children Services Agency Fund	28
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budget Basis) – Residential Incentive Districts and Tax Incremental Financings Fund.....	29
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budget Basis) – County ARPA Relief Fund.....	30
Statement of Fund Net Position - Proprietary Funds.....	31
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	32
Statement of Cash Flows - Proprietary Funds.....	33 - 34
Statement of Fiduciary Net Position – Custodial Funds.....	35
Statement of Changes in Fiduciary Net Position - Custodial Funds.....	36
Notes to the Basic Financial Statements	37 - 111
Required Supplementary Information:	
Notes to the Required Supplementary Information – Condition Assessment of the County’s Infrastructure Reported Using the Modified Approach as Outlined in GASB 34	112 - 115
Schedule of the County’s Proportionate Share of the Net Pension Liability (Asset):	
Ohio Public Employees Retirement System (OPERS) - Traditional Plan.....	116
Ohio Public Employees Retirement System (OPERS) - Combined Plan.....	117
Schedule of County’s Proportionate Share of the Net OPEB Liability (Asset):	
Ohio Public Employees Retirement System (OPERS) - OPEB Plan	118
Schedule of the County’s Contributions:	
Ohio Public Employees Retirement System (OPERS) - Traditional and Combined Plans	119
Notes to the Required Supplementary Information	120 - 122
Supplementary Information:	
Schedule of Expenditures of Federal Awards	123 - 124
Notes to the Schedule of Expenditures of Federal Awards 2 <i>CFR</i> § 200.510(b)(6).....	125
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	126 - 127
Independent Auditor’s Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance.....	128 - 130
Schedule of Findings 2 <i>CFR</i> § 200.515	131

This page intentionally left blank.

Independent Auditor's Report

Butler County
315 High Street
6th Floor
Hamilton, Ohio 45011

To the Members of the Board of County Commissioners:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Butler County, Ohio, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise Butler County's basic financial statements as listed in the table of contents.

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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Butler County, as of December 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, Mental Health and Addiction Recovery Services Board Fund, Developmental Disabilities Fund, Job and Family Services/Children Services Agency Fund, Residential Incentive Districts and Tax Incremental Financings Fund, and County ARPA Relief Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of Butler County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 3 to the financial statements, Butler County restated fund balance as of December 31, 2022 for the Residential Incentive District and Tax Incremental Financings Fund and Non Major Governmental Funds. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Butler County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Butler County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Butler County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information


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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Butler County's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 29, 2024, on our consideration of Butler County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Butler County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Butler County's internal control over financial reporting and compliance.


Julian & Grube, Inc.
July 29, 2024

This Page is Intentionally Left Blank.

BUTLER COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Unaudited)

Management's Discussion and Analysis offers an introspective look at the finances of Butler County for the year ended December 31, 2023 and provides a readable overview of the County's financial performance. In addition to the information presented here, readers are encouraged to review the County's financial statements for a more complete picture.

Financial Highlights

Key financial highlights for 2023 are as follows:

- In December 2021, the Butler County Board of Commissioners voted to temporarily reduce inside real estate tax millage from 1.92 mills to zero mills for tax year 2021 collected in 2022. Beginning in tax year 2022 collected in 2023, this inside millage has been reinstated. At the same time, the Butler County Developmental Disabilities Board elected not to reduce their property tax millage for tax year 2022 collected in 2023 as they had in previous years. Consequently, property tax revenues in 2023 were substantially higher than in 2022.
- The County disbursed several million dollars in federal American Rescue Plan Act (ARPA) grant funding to various local entities for a variety of projects. Per ARPA guidelines, these projects help offset various negative impacts of the global COVID-19 pandemic. More information about these projects is provided later in this discussion and analysis.
- There was an overall increase in governmental funds' ending balance due to increased revenue. Increased property tax collections were a major contributing factor of this increase. The reasons for the increase are discussed above.
- The County's net pension liability increased substantially in 2023 due to the County's proportionate share of the OPERS traditional plan's unfunded benefits. The County's deferred outflows of governmental activities increased due to significant decrease in State-wide pension systems' net difference between projected and actual earnings on pension plan investments.
- At year end, Butler County had a total of \$53.2 million in outstanding long-term debt, a substantial decrease from the previous year. This decrease is due to schedule maturity payments.

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 required supplementary information (RSI) on pension and infrastructure, combining financial statements, and individual fund schedules.

Government-Wide Financial Statements

Butler County's government-wide financial statements include a Statement of Net Position and a Statement of Activities, which report the financial activities of the County government as a whole, giving the reader a summary of the County's finances with a view of the bottom-line results of the County's operations. These statements are 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 deferred outflows of resources and liabilities and deferred inflows of resources 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

Governmental activities comprise the majority of the County's operations and are financed primarily by taxes, charges for services, operating grants, capital grants, and other intergovernmental revenues. Butler County's governmental activities are accounted for in governmental funds, which are classified as follows:

BUTLER COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Unaudited)

Legislative and Executive – general government operations including the offices of the Commissioners, Auditor, Treasurer, Prosecutor, and Recorder, as well as the department of development, public defender, information services, board of elections, maintenance, economic development, and records center.

Legislative and Executive – Intergovernmental – compensation agreements related to tax incremental financing and residential incentive districts where the County is paying the various school districts and townships.

Judicial – court related activities including the operations of the common pleas court, probate court, area 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.

Public Works – Intergovernmental – activities associated with maintaining roads in Butler County where the County is using local or grant funds to improve township or state-owned roads.

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

Health – Intergovernmental – funding agreements related to the creation of public health services programs where the County is using grant funds to improve assets owned by health care providers.

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

Human Services – Intergovernmental – funding agreements associated with the creation of job development programs, schools, a food pantry, and social services center where the County is using grant funds to improve assets owned by Butler Tech and the City of Oxford.

Conservation and Recreation – activities associated with conserving and maintaining the beauty of county lands, including services provided through the Ohio State Agriculture Program and the Butler County Soil and Water Conservation District, as well as activities associated with lodging and recreational activities.

Conservation and Recreation – Intergovernmental – funding agreements related to accelerating the County's travel industry and conserving and maintaining county lands where the County is using grant funds to improve land owned by MetroParks of Butler County.

Interest and Fiscal Charges – activities related to expenditures on County bonds and notes for interest and related costs to issue debt.

Business-Type Activities

Business-type activities are activities that rely on user fees and other charges to fund the majority, or entirety, of their operations, and includes the County's Water and Sewer operations. These activities are accounted for in enterprise funds.

BUTLER COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Unaudited)

Statement of Net Position

The Statement of Net Position reports all County assets and deferred outflows of resources followed by liabilities and deferred inflows of resources. The difference between these elements is referred to as net position and is shown at the bottom of the statement. Changes to net position over time can be an indication that the County's financial condition is either improving or deteriorating. This makes the statement useful in evaluating the County's financial condition.

Statement of Activities

The Statement of Activities reports changes to the County's net position for the current year, which is the difference between all elements in a statement of financial position. However, the format of this statement departs from the more traditional "revenues less expenses equal net financial position" format seen in the private sector.

Generally, private sector goals are to generate income or simply, maximize revenues. Therefore, 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, drive the financial activities. Thus, the Statement of Activities presents expenses before revenues, emphasizing that service activities dictate the level of resources required to be generated.

In the County's Statement of Activities, resources used to fund service activities are identified as either program revenues or general revenues. Program revenues are resources that are either received from people obtaining services or from operating and capital grants, contributions, and interest. General revenues are all non-program revenues, including taxes.

The Statement of Activities classifies the County's operations as either 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 which draw from the general resources of the County. This makes the statement 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 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 provide more detailed information about the County with an emphasis on major funds. Major funds are those governmental or enterprise funds that have been determined to be the most significant based on a defined set of financial criteria, as well as any other funds deemed to be particularly important to readers because of public interest or to ensure consistency between years. Information is presented separately in the fund financial statements for each of the major funds. Information for all non-major funds is aggregated and presented in a separate column on the fund financial statements.

All Butler County funds are classified into one of three 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. This provides 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 and is in contrast to the government-wide financial statements which incorporate a longer-term focus. The reconciliations included in the

BUTLER COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Unaudited)

governmental fund financial statements compare 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 Health and Addiction Recovery Services Board, Developmental Disabilities, Job and Family Services/Children Services Agency, Residential Incentive Districts and Tax Incremental Financings, and County ARPA Relief Fund. 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. The proprietary fund financial statements are prepared using the same measurement focus and basis of accounting as the government-wide financial statements and provide the same type of information, only in greater detail.

Enterprise funds are used to account for the County's water and sewer operations, which are the business-type activities reported in the government-wide financial statements.

Internal service funds are used to account for the financing of services provided by one county department to other county departments on a cost-reimbursement basis. The County uses internal service funds to account for its health insurance and workers' compensation programs. Since these programs mostly benefit governmental, rather than business, functions, they have been included in the governmental activities' column of the government-wide financial statements. The basic proprietary fund financial statements begin on page 31 of this report.

Fiduciary Funds - Fiduciary funds are used to account for assets held by the County in a purely custodial capacity. Fiduciary funds are not presented in the government-wide financial statements since their resources are not available to support the County's governmental or business-type activities. The basic fiduciary fund financial statements begin on page 35 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 necessary 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 37 of this report.

To summarize, the government-wide financial statements report the County's activities as a whole, using a long-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 to demonstrate operational accountability, while the focus of the governmental fund financial statements is to demonstrate 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 short-term and long-term.

Government-Wide Financial Analysis

The County's total net position increased significantly in 2023 amidst dramatic changes in deferred inflows of resources for pension and OPEB, deferred outflows of resources for pension and OPEB, and net pension liability. The net pension liability (NPL) is the largest single liability reported by the County at December 31, 2023, and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The County also adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pension." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the County's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability, and the net OPEB liability to the reported net position and subtracting the net pension asset and deferred outflows related to pension and OPEB.

BUTLER COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Unaudited)

Table 1
Net Position

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2023	2022	2023	2022	2023	2022
Assets						
Current and Other Assets	\$ 577,134,812	\$ 568,641,446	\$ 113,536,169	\$ 106,150,859	\$ 690,670,981	\$ 674,792,305
Capital Assets, Net	401,026,323	383,564,631	284,856,822	286,493,328	685,883,145	670,057,959
Total Assets	978,161,135	952,206,077	398,392,991	392,644,187	1,376,554,126	1,344,850,264
Deferred Outflows of Resources						
Deferred Charges on Refunding	38,119	42,355	35,468	95,104	73,587	137,459
Pension	71,917,415	23,475,057	4,798,829	1,570,241	76,716,244	25,045,298
OPEB	11,024,546	345,555	734,968	23,037	11,759,514	368,592
Total Deferred Outflows of Resources	82,980,080	23,862,967	5,569,265	1,688,382	88,549,345	25,551,349
Liabilities						
Current and Other Liabilities	55,084,558	87,263,601	3,875,448	4,849,899	58,960,006	92,113,500
Long-Term Liabilities:						
Due Within One Year	9,075,151	8,766,925	5,894,516	6,045,510	14,969,667	14,812,435
Due in More than One Year	44,173,393	46,939,285	28,503,710	34,494,633	72,677,103	81,433,918
Net Pension Liability	173,016,362	54,614,521	11,534,423	3,640,966	184,550,785	58,255,487
Net OPEB Liability	3,643,277	-	242,883	-	3,886,160	-
Total Liabilities	284,992,741	197,584,332	50,050,980	49,031,008	335,043,721	246,615,340
Deferred Inflows of Resources						
Deferred Charge on Refunding	17,216	30,015	-	-	17,216	30,015
Property Taxes	78,455,653	77,295,623	-	-	78,455,653	77,295,623
Payment In Lieu of Taxes	13,953,803	13,692,661	-	-	13,953,803	13,692,661
Pension	4,645,662	66,948,789	309,826	4,463,398	4,955,488	71,412,187
OPEB	1,227,916	20,077,503	81,862	1,338,500	1,309,778	21,416,003
Leases	8,467,182	8,618,320	-	-	8,467,182	8,618,320
Total Deferred Inflows of Resources	106,767,432	186,662,911	391,688	5,801,898	107,159,120	192,464,809
Net Position						
Net Investment in Capital Assets	396,470,113	378,747,170	250,510,649	245,220,939	646,980,762	623,968,109
Restricted	216,351,620	197,638,668	5,523,340	5,439,081	221,874,960	203,077,749
Unrestricted (Deficit)	56,559,309	15,435,963	97,485,599	88,839,643	154,044,908	104,275,606
Total Net Position	\$ 669,381,042	\$ 591,821,801	\$ 353,519,588	\$ 339,499,663	\$ 1,022,900,630	\$ 931,321,464

GASB standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension or OPEB liability. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability (asset) and the net OPEB liability (asset) to equal the County's proportionate share of each plan's collective: Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service, minus plan assets available to pay these benefits.

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the County is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code

BUTLER COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Unaudited)

permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan as against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities but are outside the control of the local government. In the event contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the County's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's change in net pension liability (asset) and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

As shown on Table 1, the County saw a substantial increase in net pension liability at December 31, 2023. However, this was largely offset by significant decreases in deferred inflows of resources for pension and OPEB as well as significant increases in deferred outflows of resources for pension and OPEB for both governmental and business-type activities. Increases in total assets, which are discussed below, and deferred outflows of resources ultimately had the greatest impact on the County's total net position which increased significantly from 2022 to 2023.

Governmental Activities: Total governmental net position showed significant growth in 2023. As demonstrated on Table 2, total revenues rose considerably. This was due, in part, to higher property tax collections, the reasons for which were discussed in the Financial Highlights section of this analysis. The County also had a substantial increase in their investment earnings as a result of improved market performance and rising interest rates.

Increased expenditure activity in the County's ARPA Relief fund was responsible for several significant changes in the County's net position. For example, there was a significant decrease in Current and Other Liabilities as noted on Table 1. This was due to the considerable reduction in the County's unearned revenue liability related to previously unspent ARPA funding. The County expended several million dollars of this funding in 2023, leading to a substantial decrease in the cash balance of the ARPA Relief fund. As this cash balance declines, so does the associated liability. Furthermore, as the grant funds were expended, they were recognized as additional program revenue, shown on Table 2 as Operating Grants, Contributions, and Interest.

Notable 2023 ARPA expenses include a \$7 million subgrant to Butler Tech to construct the School of Aviation, a \$3 million subgrant to the City of Fairfield for development along Route 4, a \$2.95 million subgrant to MetroParks of Butler County to expand the Great Miami River Trail and Davidson Woods Park system, and a \$2.9 million subgrant to Cincinnati Bell for countywide Altafiber high speed fiberoptics expansion. There were also various subgrants for infrastructure improvements throughout the County, including improvements to the Butler County Jail. This activity partly explains the expense increases seen in governmental activities in 2023.

BUTLER COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Unaudited)

Table 2
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program Revenues:						
Charges for Services	\$64,342,580	\$58,578,438	\$45,804,467	\$44,392,714	\$110,147,047	\$102,971,152
Operating Grants, Contributions and Interest	104,296,760	90,062,497	-	-	104,296,760	90,062,497
Capital Grants, Contributions and Interest	28,296,573	31,587,868	14,470,402	18,080,653	42,766,975	49,668,521
Program Revenues Subtotal	196,935,913	180,228,803	60,274,869	62,473,367	\$257,210,782	\$242,702,170
General Revenues:						
Property Taxes	71,850,156	51,180,824	-	-	71,850,156	51,180,824
Sales Taxes	59,175,250	56,921,771	-	-	59,175,250	56,921,771
Local Taxes	7,557,570	7,208,532	-	-	7,557,570	7,208,532
Payment in Lieu of Taxes	13,783,849	13,236,993	-	-	13,783,849	13,236,993
Grants and Entitlements Not Restricted to Specific Programs	12,405,440	9,669,371	-	-	12,405,440	9,669,371
Investment Earnings	25,575,835	(16,195,114)	-	-	25,575,835	(16,195,114)
Gifts and Donations	838,119	-	-	-	838,119	-
Other	3,949,306	4,148,336	537,783	532,779	4,487,089	4,681,115
General Revenues Subtotal	195,135,525	126,170,713	537,783	532,779	195,673,308	126,703,492
Total Revenues	\$392,071,438	\$306,399,516	\$60,812,652	\$63,006,146	\$452,884,090	\$369,405,662
Program Expenses						
General Government:						
Legislative & Executive	\$ 38,448,389	\$ 32,519,924	\$ -	\$ -	\$ 38,448,389	\$ 32,519,924
Legislative & Executive - Intergovernmental	5,682,978	6,819,551	-	-	5,682,978	6,819,551
Judicial	21,508,384	14,946,665	-	-	21,508,384	14,946,665
Public Safety	75,828,078	51,170,736	-	-	75,828,078	51,170,736
Public Works	24,295,720	21,786,098	-	-	24,295,720	21,786,098
Public Works - Intergovernmental	17,653,601	31,442,322	-	-	17,653,601	31,442,322
Health	48,138,578	42,922,763	-	-	48,138,578	42,922,763
Health - Intergovernmental	150,000	645,526	-	-	150,000	645,526
Human Services	68,256,649	64,082,287	-	-	68,256,649	64,082,287
Human Services - Intergovernmental	8,500,000	5,200,000	-	-	8,500,000	5,200,000
Conservation & Recreation	2,639,541	2,407,199	-	-	2,639,541	2,407,199
Conservation & Recreation - Intergovernmental	2,950,000	3,750,000	-	-	2,950,000	3,750,000
Interest	460,279	504,515	-	-	460,279	504,515
Sewer	-	-	23,837,530	20,553,635	23,837,530	20,553,635
Water	-	-	22,955,197	22,565,892	22,955,197	22,565,892
Total Expenses	\$ 314,512,197	\$ 278,197,586	\$ 46,792,727	\$ 43,119,527	\$ 361,304,924	\$ 321,317,113
Change in Net Position	77,559,241	28,201,930	14,019,925	19,886,619	91,579,166	48,088,549
Net Position at Beginning of Year	591,821,801	563,619,871	339,499,663	319,613,044	931,321,464	883,232,915
Net Positions at End of Year	\$ 669,381,042	\$ 591,821,801	\$ 353,519,588	\$ 339,499,663	\$ 1,022,900,630	\$ 931,321,464

BUTLER COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Unaudited)

Business-Type Activities: The County's water and sewer operations constitute the business-type activities presented on Tables 1 and 2. In 2023, the total net position for these funds increased as revenues, while lower than last year, continued to exceed expenses. Moreover, this excess of revenues over expenses led to overall growth in the funds' pooled cash and cash equivalents, thereby increasing total assets for business-type activities.

For the most part, the funds' liabilities saw little change from 2022 to 2023. The largest changes occurred in items related to deferred outflows and inflows of resources related to pension and OPEB as well as the net pension liability. The reasons for these changes were discussed earlier.

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 the 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 was higher than the same balance one year ago. The County's General Fund revenue activity had the greatest impact on this balance. The most significant changes seen there were increased property tax revenues and investment earnings, which led to a substantial increase in General Fund equity in pooled cash and cash equivalents. Reasons for the revenue and investment earnings increases have been previously discussed.

The Mental Health and Addiction Recovery Services Board Fund continues to be reported as a major fund as it receives a significant amount of grant and additional funding. This funding is used for mental health issues and addiction recovery services. Revenue and expenditure activity, as well as reported assets and liabilities, remained relatively the same in 2023 as compared to 2022.

The most notable activity for the County's Developmental Disabilities Fund related to an increase in property tax revenues. This increase was explained in the Financial Highlights section at the beginning of this analysis. In spite of these increased revenues, the funds' overall balance fell marginally in 2023. This was due to slightly increased expenses.

The Job and Family Services/Children Services Agency Fund ending balance increased in 2023. This was the result of higher intergovernmental revenues due to increased grant funding from the State of Ohio. These revenues offset rising expenses for client services.

The Residential Incentive Districts and Tax Incremental Financings Fund experienced some notable changes in 2023. Equity in cash and cash equivalent fell significantly due to the repayment of the \$4 million advance the fund received from the County's General Fund in 2022. This is also reflected in the decrease in Advances to Other Funds reported in the General Fund. A new Cash with Fiscal Agents asset is also being reported for 2023. This reflects a transfer of monies previously reported in the County's bond fund to cover debt.

The County ARPA Relief Fund's ending balance decreased substantially in 2023. This is due to considerable expense activity that occurred in the fund throughout the year, which has been previously described. With the exception of the improvements at the Butler County Jail, the assets related to the ARPA subgrant projects are not owned by the County. Therefore, they are listed as intergovernmental expenditures.

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.

BUTLER COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Unaudited)

Sewer Fund: The Sewer Fund's operating expenses surpassed operating revenues in 2023, resulting in an overall operating loss for the year. This is due to increased personal services costs which significantly increased due to pension and OPEB plans as discussed earlier. Other expenses remained similar to those reported in 2022. The fund's net position at the end of the year was ultimately higher than last year as a result of capital contributions.

Water Fund: The Water Fund's operating revenues in 2023 were consistent with amounts reported in 2022. While personal service expenses were up, again due to pension and OPEB plans, total operating revenues continued to exceed total operating expenses for the year. This led to a significant increase in net position for the fund.

General Fund Budget Analysis

The County's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of receipts, disbursements, and encumbrances. The General Fund's final 2023 appropriation budget was \$127.3 million, excluding other financing sources. The highest budgeted expenses continue to be for Public Safety and Legislative and Executive expenditures. These categories also saw significant increases from original budget amounts to final budget amounts due to rising costs for building maintenance and boarding of prisoners, as well as increased personal and contract services costs.

Capital Asset and Debt Administration

Capital Assets

Capital assets include County owned land and easements, land improvements, buildings and improvements, furniture, fixtures and equipment, vehicles, intangible right to use leases for buildings, infrastructure, water rights, water and sewer mains, and construction in progress. Butler County's investment in capital assets for governmental and business-type activities was \$685.9 million as of December 31, 2023. Table 3 contains a summary of capital assets at year-end as compared to assets owned by the County at December 31, 2022. Readers should refer to Note 10 for further information and additional capital asset disclosure.

**Table 3
Butler County Capital Assets**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Land and Easements	\$ 20,420,673	\$ 20,420,673	\$ 1,544,056	\$ 1,544,056	\$ 21,964,729	\$ 21,964,729
Land Improvements	6,770,817	7,353,078	228,272	277,229	6,999,089	7,630,307
Buildings and Improvements	37,798,408	40,906,676	59,252,129	62,579,747	97,050,537	103,486,423
Furniture, Fixtures and Equipment	29,152,968	30,964,216	27,484,284	30,624,430	56,637,252	61,588,646
Vehicles	4,922,277	4,025,759	1,180,616	895,562	6,102,893	4,921,321
Right to Use Lease - Buildings	1,061,088	1,479,509	-	-	1,061,088	1,479,509
Infrastructure	287,526,354	276,588,308	-	-	287,526,354	276,588,308
Water Rights	-	-	430,063	645,096	430,063	645,096
Water and Sewer Mains	-	-	187,666,120	186,338,976	187,666,120	186,338,976
Construction in Progress	13,373,738	1,826,412	7,071,282	3,588,232	20,445,020	5,414,644
Total	\$ 401,026,323	\$ 383,564,631	\$ 284,856,822	\$ 286,493,328	\$ 685,883,145	\$ 670,057,959

BUTLER COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Unaudited)

Infrastructure Assets

Infrastructure assets refer to County owned roads, bridges, and culverts. These assets are reported as part of governmental activities, using the modified approach for reporting as outlined in *GASB Statement No. 34*. The Buter County Engineer's Office maintains an infrastructure asset system and performs conditional assessments of the infrastructure on a three-year cycle. Roads are evaluated on physical condition using a one-hundred-point scale with a rating of 56 or higher indicating fair or better condition. Bridges are evaluated based on general appraisal and operational status using a ten-point scale with a rating of 5 or higher indicating fair or better condition. Finally, culverts are evaluated on a four-point scale with a rating of 2 or lower indicating fair or better condition. Butler County policy requires at least 90 percent of roads, 85 percent of bridges, and 75 percent of culverts achieve a rating of fair or better. In 2023, the County's infrastructure assets continued to exceed these requirements with 96 percent of roads, 94 percent of bridges, and 82 percent of culverts rating fair or better. Additional information about infrastructure asset assessment ratings can be found in the Require Supplementary Information following the Notes to the Basic Financial Statements.

Long-Term Debt

Butler Count's total outstanding long-term debt decreased significantly in 2023, as Table 4 illustrates. This was the result of scheduled maturity payments made throughout the year. At year-end, the County had a total of \$53.2 million in outstanding long-term debt, excluding premiums and discounts. Long-term debt related to governmental activities is backed by the full faith and credit of Butler County. This includes special assessment bonds, for which the County is liable if the property owners subject to the related assessment default. Long-term debt related to business-type activities is secured by specified revenue sources, such as revenue from the County's water and sewer funds or motor vehicle fund. Additional information about the County's debt and other long-term obligations can be found in Note 16.

Moody's Investors Service upgraded Butler County to its highest level, Aaa, in late 2019. Butler County continued to maintain this rating in 2023. Butler County's general obligation bond issues are rated at Aa1 and the sales tax bonds at Aa2 by Moody's Investors Services. The water and sewer district currently maintains a credit rating from Moody's of Aa3.

Table 4
Butler County Outstanding Long-Term Debt

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2023	2022	2023	2022	2023	2022
General Obligation Bonds	\$ 15,732,000	\$ 17,592,000	\$ 2,886,960	\$ 2,960,270	\$ 18,618,960	\$ 20,552,270
Special Assessment debt with						
Governmental Commitment	1,985,780	2,204,020	-	-	1,985,780	2,204,020
Long-term Loans	596,054	720,344	18,169,817	19,900,308	18,765,871	20,620,652
Revenue Bonds	1,320,000	1,455,000	5,281,680	7,092,200	6,601,680	8,547,200
Water Judgment Bonds	-	-	7,190,000	9,350,000	7,190,000	9,350,000
Total	\$ 19,633,834	\$ 21,971,364	\$ 33,528,457	\$ 39,302,778	\$ 53,162,291	\$ 61,274,142

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.

THIS PAGE IS INTENTIONALLY LEFT BLANK

Butler County, Ohio
Statement of Net Position
December 31, 2023

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 395,910,064	\$ 105,864,771	\$ 501,774,835	\$ 8,063,018
Cash and Cash Equivalents:				
In Segregated Accounts	2,777,832	500	2,778,332	-
With Fiscal Agents	5,185,591	-	5,185,591	623,229
Accounts Receivable	5,764,540	6,922,689	12,687,229	519,787
Assessed Valuation Charges Receivable	-	-	-	36,107
Facility Charges Receivable	-	-	-	101,032
Due from Other Governments	41,664,564	146,080	41,810,644	18,639,432
Accrued Interest Receivable	305,766	-	305,766	-
Prepaid Items	2,676,530	99,352	2,775,882	34,191
Internal Balances	(11,615)	11,615	-	-
Materials and Supplies Inventory	1,231,052	142,976	1,374,028	-
Property Taxes Receivable	80,644,957	-	80,644,957	-
Sales Tax Receivable	9,215,671	-	9,215,671	-
Preemptive Motor Vehicle Receivable	410,348	-	410,348	-
Other Local Taxes Receivable	468,029	-	468,029	-
Payments in Lieu of Taxes Receivable	14,044,240	-	14,044,240	-
Loans Receivable	497,671	-	497,671	-
Lease Receivable	8,467,182	-	8,467,182	-
Special Assessments Receivable	6,618,529	263,927	6,882,456	-
Assets Held for Resale	-	-	-	100
Net Pension Asset	1,263,861	84,259	1,348,120	-
Capital Assets:				
Nondepreciable Capital Assets	321,320,765	8,615,338	329,936,103	2,333,662
Depreciable Capital Assets, net	79,705,558	276,241,484	355,947,042	34,394,941
Total Assets	978,161,135	398,392,991	1,376,554,126	64,745,499
Deferred Outflows of Resources				
Deferred Charge on Refunding	38,119	35,468	73,587	1,110,201
Pension	71,917,415	4,798,829	76,716,244	-
OPEB	11,024,546	734,968	11,759,514	-
Total Deferred Outflows of Resources	82,980,080	5,569,265	88,549,345	1,110,201
Liabilities				
Accounts Payable	1,423,650	534,276	1,957,926	291,458
Contracts Payable	9,583,418	942,822	10,526,240	-
Accrued Wages and Benefits	5,118,741	331,520	5,450,261	13,625
Employee Benefits Payable	1,082,187	60,888	1,143,075	-
Due to Other Governments	4,976,419	1,651,784	6,628,203	1,365,000
Matured Bonds Payable	13,250	-	13,250	-
Matured Interest Payable	5,543	-	5,543	-
Accrued Interest Payable	48,994	354,158	403,152	155,863
Claims Payable	256,448	-	256,448	-
Refundable Advance	-	-	-	557,096
Unearned Revenue	32,575,908	-	32,575,908	-
Long-Term Liabilities:				
Due Within One Year	9,075,151	5,894,516	14,969,667	820,480
Due In More Than One Year:				
Net Pension Liability	173,016,362	11,534,423	184,550,785	-
Net OPEB Liability	3,643,277	242,883	3,886,160	-
Other Amounts	44,173,393	28,503,710	72,677,103	49,395,342
Total Liabilities	284,992,741	50,050,980	335,043,721	52,598,864
Deferred Inflows of Resources				
Deferred Charge on Refunding	17,216	-	17,216	-
Property Taxes not Levied to Finance Current Year Operations	78,455,653	-	78,455,653	-
Payment in Lieu of Taxes not Intended to Finance Current Year Operations	13,953,803	-	13,953,803	-
Pension	4,645,662	309,826	4,955,488	-
OPEB	1,227,916	81,862	1,309,778	-
Leases	8,467,182	-	8,467,182	-
Total Deferred Inflows of Resources	106,767,432	391,688	107,159,120	-
Net Position				
Net Investment in Capital Assets	396,470,113	250,510,649	646,980,762	8,354,677
Restricted for:				
Capital Outlay	1,122,356	-	1,122,356	-
Debt Service	3,248,920	-	3,248,920	-
Replacement and Improvement	-	5,300,000	5,300,000	-
Mental Health and Addiction Recovery Services	25,054,772	-	25,054,772	-
Developmental Disabilities	40,911,838	-	40,911,838	-
Nonexpendable	878,600	-	878,600	-
Job and Family/Children Services Agency	37,471,656	-	37,471,656	-
Residential Incentive Districts and Tax Incremental Financings	7,571,810	-	7,571,810	-
Elderly Services Levy	7,951,771	-	7,951,771	-
Motor Vehicle	22,600,228	-	22,600,228	-
All Other Judicial	6,343,823	-	6,343,823	-
All Other Public Safety	10,112,016	-	10,112,016	-
All Other Public Works	25,298,088	-	25,298,088	-
All Other Health	6,826,097	-	6,826,097	-
Child Support Enforcement	7,940,966	-	7,940,966	-
Pension Plans	3,273,606	223,340	3,496,946	-
Other Purposes	9,745,073	-	9,745,073	619,675
Unrestricted	56,559,309	97,485,599	154,044,908	4,282,484
Total Net Position	\$ 669,381,042	\$ 353,519,588	\$ 1,022,900,630	\$ 13,256,836

See accompanying notes to the basic financial statements

Butler County, Ohio
Statement of Activities
For the Year Ended December 31, 2023

	Expenses	Program Revenues	
		Charges for Services	Operating Grants, Contributions, and Interest
Governmental Activities			
General Government:			
Legislative and Executive	\$ 38,448,389	\$ 23,218,978	\$ 1,464,335
Legislative and Executive - Intergovernmental	5,682,978	-	-
Judicial	21,508,384	6,758,848	4,632,627
Public Safety	75,828,078	20,000,462	15,469,752
Public Works	24,295,720	3,762,553	4,528,949
Public Works - Intergovernmental	17,653,601	-	10,410,624
Health	48,138,578	6,690,758	16,784,041
Health - Intergovernmental	150,000	-	297,446
Human Services	68,256,649	3,888,826	38,811,130
Human Services - Intergovernmental	8,500,000	-	8,923,392
Conservation and Recreation	2,639,541	22,155	-
Conservation and Recreation - Intergovernmental	2,950,000	-	2,974,464
Interest	460,279	-	-
Total Governmental Activities	314,512,197	64,342,580	104,296,760
Business-Type Activities			
Sewer	23,837,530	21,888,034	-
Water	22,955,197	23,916,433	-
Total Business-Type Activities	46,792,727	45,804,467	-
Total Primary Government	\$ 361,304,924	\$ 110,147,047	\$ 104,296,760
Component Units	\$ 6,146,742	\$ 1,936,720	\$ 4,268,035

General Revenues
Taxes Levied for:
 General Purposes
 Mental Health and Addiction Recovery Services
 Developmental Disabilities
 Children Services Agency
 Elderly Services Levy
Sales Tax
Local Taxes
Payments in Lieu of Taxes
Grants and Entitlements not Restricted
 to Specific Programs
Investment Earnings and Other Interest
Gifts and Donations
Other
Total General Revenues

Change in Net Position

Net Position at Beginning of Year

Net Position at End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Position				
Capital Grants, Contributions, and Interest	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
\$ -	\$ (13,765,076)	\$ -	\$ (13,765,076)	\$ -
-	(5,682,978)	-	(5,682,978)	-
-	(10,116,909)	-	(10,116,909)	-
-	(40,357,864)	-	(40,357,864)	-
28,131,748	12,127,530	-	12,127,530	-
164,825	(7,078,152)	-	(7,078,152)	-
-	(24,663,779)	-	(24,663,779)	-
-	147,446	-	147,446	-
-	(25,556,693)	-	(25,556,693)	-
-	423,392	-	423,392	-
-	(2,617,386)	-	(2,617,386)	-
-	24,464	-	24,464	-
-	(460,279)	-	(460,279)	-
<u>28,296,573</u>	<u>(117,576,284)</u>	<u>-</u>	<u>(117,576,284)</u>	<u>-</u>
8,044,598	-	6,095,102	6,095,102	-
6,425,804	-	7,387,040	7,387,040	-
<u>14,470,402</u>	<u>-</u>	<u>13,482,142</u>	<u>13,482,142</u>	<u>-</u>
<u>\$ 42,766,975</u>	<u>(117,576,284)</u>	<u>13,482,142</u>	<u>(104,094,142)</u>	<u>-</u>
<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,013</u>
	17,319,175	-	17,319,175	-
	9,540,285	-	9,540,285	-
	20,545,388	-	20,545,388	-
	14,815,343	-	14,815,343	-
	9,629,965	-	9,629,965	-
	59,175,250	-	59,175,250	-
	7,557,570	-	7,557,570	-
	13,783,849	-	13,783,849	-
	12,405,440	-	12,405,440	-
	25,575,835	-	25,575,835	-
	838,119	-	838,119	-
	3,949,306	537,783	4,487,089	448,894
	<u>195,135,525</u>	<u>537,783</u>	<u>195,673,308</u>	<u>448,894</u>
	77,559,241	14,019,925	91,579,166	506,907
	<u>591,821,801</u>	<u>339,499,663</u>	<u>931,321,464</u>	<u>12,749,929</u>
<u>\$</u>	<u>669,381,042</u>	<u>\$ 353,519,588</u>	<u>\$ 1,022,900,630</u>	<u>\$ 13,256,836</u>

Butler County, Ohio
Balance Sheet
Governmental Funds
December 31, 2023

	General	Mental Health and Addiction Recovery Services Board	Developmental Disabilities	Job and Family Services/Children Services Agency
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 151,455,046	\$ 22,386,851	\$ 34,892,515	\$ 30,669,487
Cash and Cash Equivalents:				
In Segregated Accounts	1,057,375	-	-	-
With Fiscal Agents	-	-	3,227,572	-
Receivables:				
Property Taxes	19,348,189	10,759,005	23,118,028	16,623,659
Sales Taxes	9,215,671	-	-	-
Permissive Motor Vehicle License Taxes	-	-	-	-
Other Local Taxes	-	-	-	-
Payments in Lieu of Taxes	-	-	-	-
Accounts	82,641	-	-	-
Due from Other Governments	7,745,955	3,024,734	4,131,401	10,614,600
Accrued Interest	305,766	-	-	-
Special Assessments	-	-	-	-
Loans	-	-	-	-
Leases	1,611,565	-	-	-
Due from Other Funds	289,366	2,974	19,196	26,180
Prepaid Items	1,240,928	88,876	55,956	93,582
Materials and Supplies Inventory	140,055	1,206	5,115	14,010
Advances to Other Funds	283,153	-	-	-
Restricted Cash and Cash Equivalents	2,461,860	-	-	-
Total Assets	\$ 195,237,570	\$ 36,263,646	\$ 65,449,783	\$ 58,041,518
Liabilities				
Accounts Payable	\$ 1,161,384	\$ 3,220	\$ 19,815	\$ 79,889
Contracts Payable	2,616,581	541,953	158,913	2,220,858
Accrued Wages and Benefits Payable	2,942,006	73,518	501,172	582,023
Employee Benefits Payable	624,457	15,690	106,017	125,116
Due to Other Funds	12,338	-	-	49,756
Due to Other Governments	1,000,454	22,341	353,807	258,336
Advances from Other Funds	-	-	-	-
Unearned Revenue	-	-	-	-
Matured Bonds Payable	-	-	-	-
Matured Interest Payable	-	-	-	-
Total Liabilities	8,357,220	656,722	1,139,724	3,315,978
Deferred Inflows of Resources				
Property Taxes not Levied to Finance the Current Year Operations	18,999,033	10,405,130	22,410,279	16,151,826
Payment in Lieu of Taxes not Levied to Finance the Current Year Operations	-	-	-	-
Leases	1,611,565	-	-	-
Unavailable Revenue	11,498,166	2,652,277	4,655,243	9,214,858
Total Deferred Inflows of Resources	32,108,764	13,057,407	27,065,522	25,366,684
Fund Balances				
Nonspendable	4,125,996	90,082	61,071	107,592
Restricted	-	22,459,435	37,183,466	29,251,264
Assigned	9,561,683	-	-	-
Unassigned	141,083,907	-	-	-
Total Fund Balances	154,771,586	22,549,517	37,244,537	29,358,856
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 195,237,570	\$ 36,263,646	\$ 65,449,783	\$ 58,041,518

See accompanying notes to the basic financial statements

Residential Incentive Districts and Tax Incremental Financings	County ARPA Relief Fund	Non Major Governmental Funds	Total Governmental Funds
\$ 8,027,704	\$ 36,317,127	\$ 94,340,237	\$ 378,088,967
-	-	1,720,457	2,777,832
1,715,411	-	-	4,942,983
-	-	10,796,076	80,644,957
-	-	-	9,215,671
-	-	410,348	410,348
-	-	468,029	468,029
14,044,240	-	-	14,044,240
-	-	5,681,899	5,764,540
363,585	-	15,784,289	41,664,564
-	-	-	305,766
-	-	6,618,529	6,618,529
-	-	497,671	497,671
-	-	6,855,617	8,467,182
-	-	90,726	428,442
-	-	512,979	1,992,321
-	-	1,070,666	1,231,052
-	-	-	283,153
-	-	-	2,461,860
<u>\$ 24,150,940</u>	<u>\$ 36,317,127</u>	<u>\$ 144,847,523</u>	<u>\$ 560,308,107</u>
\$ -	\$ -	\$ 159,226	\$ 1,423,534
6,375	531,508	3,506,059	9,582,247
-	-	1,016,698	5,115,417
-	-	210,353	1,081,633
-	-	155,095	217,189
903,541	2,000,000	437,220	4,975,699
-	-	283,153	283,153
-	31,789,761	786,147	32,575,908
-	-	13,250	13,250
-	-	5,543	5,543
<u>909,916</u>	<u>34,321,269</u>	<u>6,572,744</u>	<u>55,273,573</u>
-	-	10,489,385	78,455,653
13,953,803	-	-	13,953,803
-	-	6,855,617	8,467,182
363,585	-	25,965,352	54,349,481
<u>14,317,388</u>	<u>-</u>	<u>43,310,354</u>	<u>155,226,119</u>
-	-	2,462,245	6,846,986
8,923,636	1,995,858	77,710,582	177,524,241
-	-	15,000,000	24,561,683
-	-	(208,402)	140,875,505
<u>8,923,636</u>	<u>1,995,858</u>	<u>94,964,425</u>	<u>349,808,415</u>
<u>\$ 24,150,940</u>	<u>\$ 36,317,127</u>	<u>\$ 144,847,523</u>	<u>\$ 560,308,107</u>

Butler County, Ohio
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2023

Total Governmental Fund Balances	\$	349,808,415
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		401,026,323
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 position.		15,397,292
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:		
Delinquent Property Taxes	2,189,304	
Other Local Taxes	242,639	
Sales Taxes	4,837,662	
Special Assessments	6,618,529	
Due From Other Governments	33,909,734	
Charges for Services	690,042	
Licenses and Permits	102,931	
Fines and Forfeitures	5,367,680	
Other	390,960	
Total		54,349,481
Deferred Outflows and Inflows of Resources represent deferred charges on refundings which do not provide current financial resources and therefore are not reported in the funds.		
Deferred Charge on Refunding - Outflows	38,119	
Deferred Charge on Refunding - Inflows	(17,216)	
		20,903
The net pension/OPEB liabilities are not due and payable in the current period; therefore, the liabilities (asset) and related deferred inflows/outflows are not reported in governmental funds:		
Net Pension Asset	1,263,861	
Deferred Outflows - Pension	71,917,415	
Deferred Outflows - OPEB	11,024,546	
Deferred Inflows - Pension	(4,645,662)	
Deferred Inflows - OPEB	(1,227,916)	
Net Pension Liability	(173,016,362)	
Net OPEB Liability	(3,643,277)	
		(98,327,395)
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	(48,994)	
Bonds	(19,122,086)	
Loans	(596,054)	
Judgement Payable	(824,556)	
Long Term Contracts Payable	(20,207,074)	
Lease Payable	(1,087,917)	
Compensated absences	(11,007,296)	
Total		(52,893,977)
Net Position of Governmental Activities		<u><u>\$669,381,042</u></u>

See accompanying notes to the basic financial statements

This Page is Intentionally Left Blank.

Butler County, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2023

	General	Mental Health and Addiction Recovery Services Board	Developmental Disabilities	Job and Family Services/Children Services Agency
Revenues				
Property Taxes	\$ 17,350,691	\$ 9,483,810	\$ 20,432,438	\$ 14,740,043
Sales Taxes	59,229,244	-	-	-
Permissive Motor Vehicle License Taxes	-	-	-	-
Other Local Taxes	-	-	-	-
Charges for Services	28,620,074	87,870	9,460	-
Licenses and Permits	2,962,749	-	-	-
Fines and Forfeitures	2,363,103	-	-	-
Intergovernmental	17,980,695	8,191,092	8,869,979	29,883,619
Special Assessments	-	-	-	-
Payments in Lieu of Taxes	-	-	-	-
Investment Earnings and Other Interest	22,532,330	-	-	-
Lease Revenue	11,939	-	-	-
Lease Interest	40,861	-	-	-
Other	2,362,960	57,224	17,365	383,564
Total Revenues	<u>153,454,646</u>	<u>17,819,996</u>	<u>29,329,242</u>	<u>45,007,226</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive	33,613,229	-	-	-
Legislative and Executive - Intergovernmental	-	-	-	-
Judicial	18,395,175	-	-	-
Public Safety	53,941,529	-	-	-
Public Works	231,151	-	-	-
Public Works - Intergovernmental	-	-	-	-
Health	982,989	17,501,759	29,977,525	-
Health - Intergovernmental	-	-	-	-
Human Services	2,087,322	-	-	40,762,879
Human Services - Intergovernmental	-	-	-	-
Conservation and Recreation	506,782	-	-	-
Conservation and Recreation - Intergovernmental	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal Retirement	411,224	-	-	-
Interest	20,087	-	-	-
Total Expenditures	<u>110,189,488</u>	<u>17,501,759</u>	<u>29,977,525</u>	<u>40,762,879</u>
Excess of Revenues Over (Under) Expenditures	<u>43,265,158</u>	<u>318,237</u>	<u>(648,283)</u>	<u>4,244,347</u>
Other Financing Sources (Uses):				
Transfers - In	-	110,000	-	797,871
Transfers - Out	(970,305)	-	-	-
Total Other Financing Sources (Uses)	<u>(970,305)</u>	<u>110,000</u>	<u>-</u>	<u>797,871</u>
Net Change in Fund Balance	42,294,853	428,237	(648,283)	5,042,218
Fund Balances at Beginning of Year (Restated - See Note 3)	<u>112,476,733</u>	<u>22,121,280</u>	<u>37,892,820</u>	<u>24,316,638</u>
Fund Balances at End of Year	<u>\$ 154,771,586</u>	<u>\$ 22,549,517</u>	<u>\$ 37,244,537</u>	<u>\$ 29,358,856</u>

See accompanying notes to the basic financial statements

Residential Incentive Districts and Tax Incremental Financings	County ARPA Relief Fund	Non Major Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 9,581,020	\$ 71,588,002
-	-	-	59,229,244
-	-	5,469,421	5,469,421
-	-	1,896,172	1,896,172
-	-	18,098,766	46,816,170
-	-	890,317	3,853,066
-	-	3,398,760	5,761,863
-	29,744,640	50,403,314	145,073,339
-	-	2,025,755	2,025,755
13,783,849	-	-	13,783,849
63,369	1,995,859	984,277	25,575,835
-	-	139,199	151,138
-	-	60,736	101,597
-	-	1,028,909	3,850,022
<u>13,847,218</u>	<u>31,740,499</u>	<u>93,976,646</u>	<u>385,175,473</u>
-	529,803	3,592,724	37,735,756
5,682,978	-	-	5,682,978
-	-	2,962,512	21,357,687
-	2,850,560	15,553,860	72,345,949
2,372,890	-	28,590,792	31,194,833
1,797,292	15,433,870	1,739,190	18,970,352
-	-	5,995	48,468,268
-	150,000	-	150,000
-	-	25,228,354	68,078,555
-	8,500,000	-	8,500,000
-	-	2,128,111	2,634,893
-	2,950,000	-	2,950,000
-	-	12,585,702	12,585,702
-	-	2,337,530	2,748,754
-	-	520,137	540,224
<u>9,853,160</u>	<u>30,414,233</u>	<u>95,244,907</u>	<u>333,943,951</u>
<u>3,994,058</u>	<u>1,326,266</u>	<u>(1,268,261)</u>	<u>51,231,522</u>
-	-	2,495,676	3,403,547
(2,433,242)	-	-	(3,403,547)
<u>(2,433,242)</u>	<u>-</u>	<u>2,495,676</u>	<u>-</u>
1,560,816	1,326,266	1,227,415	51,231,522
7,362,820	669,592	93,737,010	298,576,893
<u>\$ 8,923,636</u>	<u>\$ 1,995,858</u>	<u>\$ 94,964,425</u>	<u>\$ 349,808,415</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, 2023

Net Change in Fund Balances - Total Governmental Funds		\$51,231,522
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	25,611,306	
Current Year Depreciation	<u>(8,987,733)</u>	
		16,623,573
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.		
Delinquent Property Taxes	262,154	
Sales Taxes	(53,994)	
Due From Other Governments	(74,566)	
Other Local Taxes	191,977	
Special Assessments	(214,092)	
Charges for Services	483,654	
License and Permits	102,931	
Fines and Forfeitures	5,362,095	
Other	(2,313)	
Contribution and Donation Revenue	<u>838,119</u>	
		6,895,965
Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Bond principal retirement	1,995,000	
Special assessment principal retirement	218,240	
Lease payable retirement	411,224	
Loan principal retirement	<u>124,290</u>	
		2,748,754
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:		
Accrued Interest	3,832	
Amortization of Gain/Loss on Refunding	8,563	
Amortization of Bond Premiums	<u>67,550</u>	
Total		79,945
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	13,678,023	
OPEB	<u>146,598</u>	
Total		13,824,621
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability (asset) are reported as pension expense in the statement of activities.		
Pension	(22,387,049)	
OPEB	<u>6,353,458</u>	
Total		(16,033,591)
Some items reported in the statement of activities do not require the expenditures in governmental funds. These activities consist of:		
Compensated Absences	(910,866)	
Judgement Payable	(824,556)	
Long Term Contracts Payable	<u>1,316,751</u>	
		(418,671)
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.		
		2,607,123
Change in Net Position of Governmental Activities		<u><u>\$77,559,241</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, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Property Taxes	\$ 19,004,000	\$ 19,004,000	\$ 17,308,849	\$ (1,695,151)
Sales Taxes	47,500,000	47,500,000	59,437,715	11,937,715
Charges for Services	28,321,531	28,214,484	29,042,175	827,691
Licenses and Permits	2,318,050	2,318,050	2,962,749	644,699
Fines and Forfeitures	960,419	960,419	938,045	(22,374)
Intergovernmental	12,785,805	12,733,805	17,318,740	4,584,935
Investment Earnings	5,000,000	5,000,000	10,796,473	5,796,473
Other	1,130,050	1,130,050	2,234,643	1,104,593
Total Revenues	117,019,855	116,860,808	140,039,389	23,178,581
Expenditures:				
Current:				
General Government:				
Legislative and Executive	36,765,637	44,556,178	39,944,943	4,611,235
Judicial	19,063,977	19,699,372	18,482,416	1,216,956
Public Safety	52,403,291	57,300,938	55,903,777	1,397,161
Public Works	248,960	248,960	231,274	17,686
Health	806,000	1,030,673	1,030,673	-
Human Services	3,364,062	3,436,098	2,348,201	1,087,897
Conservation and Recreation	550,000	550,000	545,682	4,318
Debt Service:				
Principal Retirement	411,224	411,224	411,224	-
Interest and Fiscal Charges	20,087	20,087	20,087	-
Total Expenditures	113,633,238	127,253,530	118,918,277	8,335,253
Excess of Revenues Over (Under) Expenditures	3,386,617	(10,392,722)	21,121,112	31,513,834
Other Financing Sources (Uses):				
Other Financing Sources	2,896,932	2,896,932	2,943,115	46,183
Advances - In	-	-	4,257,679	4,257,679
Advances - Out	(5,268)	(5,268)	(318,112)	(312,844)
Transfers - Out	(6,150,000)	(2,017,084)	(970,305)	1,046,779
Total Other Financing Sources (Uses)	(3,258,336)	874,580	5,912,377	5,037,797
Net Change in Fund Balance	128,281	(9,518,142)	27,033,489	36,551,631
Fund Balance at Beginning of Year	118,268,603	118,268,603	118,268,603	-
Prior Year Encumbrances Appropriated	9,561,683	9,561,683	9,561,683	-
Fund Balance at End of Year	\$ 127,958,567	\$ 118,312,144	\$ 154,863,775	\$ 36,551,631

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 and Addiction Recovery Services Board Fund
For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Property Taxes	\$ 9,509,800	\$ 9,509,800	\$ 9,461,927	\$ (47,873)
Charges for Services	74,280	74,280	87,870	13,590
Intergovernmental	6,398,810	6,448,810	8,416,459	1,967,649
Other	10,000	10,000	54,250	44,250
Total Revenues	<u>15,992,890</u>	<u>16,042,890</u>	<u>18,020,506</u>	<u>1,977,616</u>
Expenditures:				
Current:				
Health	<u>19,790,775</u>	<u>21,404,232</u>	<u>18,820,421</u>	<u>2,583,811</u>
Excess of Revenues Over (Under) Expenditures	<u>(3,797,885)</u>	<u>(5,361,342)</u>	<u>(799,915)</u>	<u>4,561,427</u>
Other Financing Sources (Uses):				
Other Financing Sources	150,000	150,000	8,430	(141,570)
Transfers - In	<u>110,000</u>	<u>110,000</u>	<u>110,000</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>260,000</u>	<u>260,000</u>	<u>118,430</u>	<u>(141,570)</u>
Net Change in Fund Balance	(3,537,885)	(5,101,342)	(681,485)	4,419,857
Fund Balance at Beginning of Year	20,224,771	20,224,771	20,224,771	-
Prior Year Encumbrances Appropriated	<u>1,311,754</u>	<u>1,311,754</u>	<u>1,311,754</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 17,998,640</u>	<u>\$ 16,435,183</u>	<u>\$ 20,855,040</u>	<u>\$ 4,419,857</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)
Developmental Disabilities Fund
For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Property Taxes	\$ 20,039,226	\$ 20,039,226	\$ 20,384,850	\$ 345,624
Charges for Services	9,000	9,000	9,460	460
Intergovernmental	7,423,000	7,379,834	8,881,585	1,501,751
Other	-	-	1,350	1,350
Total Revenues	<u>27,471,226</u>	<u>27,428,060</u>	<u>29,277,245</u>	<u>1,849,185</u>
Expenditures:				
Current:				
Health	<u>32,663,041</u>	<u>33,739,319</u>	<u>31,227,091</u>	<u>2,512,228</u>
Excess of Revenues Over (Under) Expenditures	<u>(5,191,815)</u>	<u>(6,311,259)</u>	<u>(1,949,846)</u>	<u>4,361,413</u>
Other Financing Sources (Uses):				
Other Financing Sources	50,000	50,000	86,049	36,049
Transfers - Out	<u>(200,000)</u>	<u>(200,000)</u>	-	<u>200,000</u>
Total Other Financing Sources (Uses)	<u>(150,000)</u>	<u>(150,000)</u>	<u>86,049</u>	<u>236,049</u>
Net Change in Fund Balance	(5,341,815)	(6,461,259)	(1,863,797)	4,597,462
Fund Balance at Beginning of Year	33,613,447	33,613,447	33,613,447	-
Prior Year Encumbrances Appropriated	862,643	862,643	862,643	-
Fund Balance at End of Year	<u>\$ 29,134,275</u>	<u>\$ 28,014,831</u>	<u>\$ 32,612,293</u>	<u>\$ 4,597,462</u>

See accompanying notes to the basic financial statements

Butler County, Ohio
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual (Budget Basis)
Job and Family Services/Children Services Agency Fund
For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Property Taxes	\$ 14,500,000	\$ 14,500,000	\$ 14,705,682	\$ 205,682
Intergovernmental	30,718,186	28,940,186	29,450,601	510,415
Other	448,320	448,320	408,629	(39,691)
Total Revenues	<u>45,666,506</u>	<u>43,888,506</u>	<u>44,564,912</u>	<u>676,406</u>
Expenditures:				
Current:				
Human Services	50,155,687	47,209,105	46,394,963	814,142
Excess of Revenues Over (Under) Expenditures	<u>(4,489,181)</u>	<u>(3,320,599)</u>	<u>(1,830,051)</u>	<u>1,490,548</u>
Other Financing Sources (Uses):				
Other Financing Sources	389,986	389,986	205,642	(184,344)
Transfers - In	795,991	795,991	797,871	1,880
Total Other Financing Sources (Uses)	<u>1,185,977</u>	<u>1,185,977</u>	<u>1,003,513</u>	<u>(182,464)</u>
Net Change in Fund Balance	(3,303,204)	(2,134,622)	(826,538)	1,308,084
Fund Balance at Beginning of Year	23,066,364	23,066,364	23,066,364	-
Prior Year Encumbrances Appropriated	2,677,389	2,677,389	2,677,389	-
Fund Balance at End of Year	<u>\$ 22,440,549</u>	<u>\$ 23,609,131</u>	<u>\$ 24,917,215</u>	<u>\$ 1,308,084</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)
Residential Incentive Districts and Tax Incremental Financings Fund
For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Payments in Lieu of Taxes	\$ 13,204,237	\$ 13,648,582	\$ 13,874,920	\$ 226,338
Expenditures:				
Current:				
Public Works	2,372,890	2,372,890	2,372,890	-
Legislative and Executive - Intergovernmental	6,745,924	6,745,924	6,745,924	-
Public Works - Intergovernmental	3,562,122	9,153,716	8,971,127	182,589
Total Expenditures	<u>12,680,936</u>	<u>18,272,530</u>	<u>18,089,941</u>	<u>182,589</u>
Excess of Revenues Over (Under) Expenditures	<u>523,301</u>	<u>(4,623,948)</u>	<u>(4,215,021)</u>	<u>408,927</u>
Other Financing Sources (Uses):				
Other Financing Sources	1,917,494	1,641,203	4,405,030	2,763,827
Advances - Out	-	-	(4,000,000)	(4,000,000)
Transfers - Out	(3,139,382)	(2,863,082)	(2,433,242)	429,840
Total Other Financing Sources (Uses)	<u>(1,221,888)</u>	<u>(1,221,879)</u>	<u>(2,028,212)</u>	<u>(806,333)</u>
Net Change in Fund Balance	(698,587)	(5,845,827)	(6,243,233)	(397,406)
Fund Balance at Beginning of Year	11,082,484	11,082,484	11,082,484	-
Prior Year Encumbrances Appropriated	2,564,571	2,564,571	2,564,571	-
Fund Balance at End of Year	<u>\$ 12,948,468</u>	<u>\$ 7,801,228</u>	<u>\$ 7,403,822</u>	<u>\$ (397,406)</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)
County ARPA Relief Fund
For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Intergovernmental	\$ 37,209,644	\$ -	\$ -	\$ -
Investment Earnings	-	-	1,995,859	1,995,859
Total Revenues	37,209,644	-	1,995,859	1,995,859
Expenditures:				
Current:				
General Government:				
Legislative and Executive	529,803	705,000	705,000	-
Public Safety	23,021,228	26,155,006	583,000	25,572,006
Public Works - Intergovernmental	15,468,914	15,996,174	15,996,174	-
Health Services - Intergovernmental	150,000	150,000	150,000	-
Human Services - Intergovernmental	8,500,000	16,500,000	16,500,000	-
Conservation and Recreation - Intergovernmental	2,950,000	2,950,000	2,950,000	-
Total Expenditures	50,619,945	62,456,180	36,884,174	25,572,006
 Excess of Revenues Over (Under) Expenditures	 (13,410,301)	 (62,456,180)	 (34,888,315)	 27,567,865
Other Financing Sources (Uses):				
Other Financing Sources	-	-	35,044	35,044
 Net Change in Fund Balance	 (13,410,301)	 (62,456,180)	 (34,853,271)	 27,602,909
 Fund Balance at Beginning of Year	 61,873,179	 61,873,179	 61,873,179	 -
Prior Year Encumbrances Appropriated	594,762	594,762	594,762	-
Fund Balance at End of Year	\$ 49,057,640	\$ 11,761	\$ 27,614,670	\$ 27,602,909

See accompanying notes to the basic financial statements

Butler County, Ohio
Statement of Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2023

	Enterprise Funds			Governmental Activities - Internal Service Funds
	Sewer	Water	Total	
Assets				
Current Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 63,878,930	\$ 36,685,841	\$ 100,564,771	\$ 15,359,237
Cash and Cash Equivalents in Segregated Accounts	250	250	500	-
Cash and Cash Equivalents with Fiscal Agent	-	-	-	242,608
Accounts	3,319,781	3,602,908	6,922,689	-
Due from Other Governments	-	146,080	146,080	-
Special Assessments	245,550	18,377	263,927	-
Due from Other Funds	8,841	3,653	12,494	101
Prepaid Items	65,145	34,207	99,352	684,209
Materials and Supplies Inventory	130,333	12,643	142,976	-
Total Current Assets	67,648,830	40,503,959	108,152,789	16,286,155
Noncurrent Assets				
Non-Depreciable Capital Assets	4,321,971	4,293,367	8,615,338	-
Depreciable Capital Assets	174,137,629	102,103,855	276,241,484	-
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	4,000,000	1,300,000	5,300,000	-
Net Pension Asset	56,171	28,088	84,259	-
Total Noncurrent Assets	182,515,771	107,725,310	290,241,081	-
Total Assets	250,164,601	148,229,269	398,393,870	16,286,155
Deferred Outflows of Resources				
Deferred Charges on Refunding	-	35,468	35,468	-
Pension	3,200,668	1,598,161	4,798,829	-
OPEB	489,978	244,990	734,968	-
Total Deferred Outflows of Resources	3,690,646	1,878,619	5,569,265	-
Liabilities				
Current Liabilities				
Accounts Payable	431,791	102,485	534,276	116
Contracts Payable	383,370	559,452	942,822	1,171
Accrued Wages and Benefits Payable	241,887	89,633	331,520	3,324
Employee Benefits Payable	46,076	14,812	60,888	554
Due to Other Funds	352	527	879	222,969
Due to Other Governments	167,899	1,483,885	1,651,784	720
Accrued Interest Payable	288,244	65,914	354,158	-
General Obligation Bonds Payable	76,490	-	76,490	-
Revenue Bonds Payable	424,040	965,000	1,389,040	-
Judgement Bonds Payable	-	2,275,000	2,275,000	-
Loans Payable	1,039,979	798,915	1,838,894	-
Claims Payable	-	-	-	403,715
Compensated Absences Payable	242,303	72,789	315,092	1,284
Total Current Liabilities	3,342,431	6,428,412	9,770,843	633,853
Noncurrent Liabilities				
Claims Payable	-	-	-	253,547
Compensated Absences Payable	229,787	99,325	329,112	1,463
General Obligation Bonds Payable	2,810,470	-	2,810,470	-
Revenue Bonds Payable	2,922,640	1,195,565	4,118,205	-
Judgement Bonds Payable	-	4,915,000	4,915,000	-
Loans Payable	11,409,750	4,921,173	16,330,923	-
Net Pension Liability	7,689,613	3,844,810	11,534,423	-
Net OPEB Liability	161,923	80,960	242,883	-
Total Noncurrent Liabilities	25,224,183	15,056,833	40,281,016	255,010
Total Liabilities	28,566,614	21,485,245	50,051,859	888,863
Deferred Inflows of Resources				
Pension	206,591	103,235	309,826	-
OPEB	54,574	27,288	81,862	-
Total Deferred Inflows of Resources	261,165	130,523	391,688	-
Net Position				
Net Investment in Capital Assets	159,610,288	90,900,361	250,510,649	-
Restricted for:				
Replacement and Improvement	4,000,000	1,300,000	5,300,000	-
Pension and OPEB	150,590	72,750	223,340	-
Unrestricted	61,266,590	36,219,009	97,485,599	15,397,292
Total Net Position	\$ 225,027,468	\$ 128,492,120	\$ 353,519,588	\$ 15,397,292

See accompanying notes to the basic financial statements

Butler County, Ohio
Statement of Revenues,
Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2023

	Enterprise Funds			Governmental Activities - Internal Service Funds
	Sewer	Water	Total	
Operating Revenues:				
Charges for Services	\$ 21,888,034	\$ 23,916,433	\$ 45,804,467	\$ 24,955,629
Other Operating Revenues	16,136	39,603	55,739	355,602
Total Operating Revenues	<u>21,904,170</u>	<u>23,956,036</u>	<u>45,860,206</u>	<u>25,311,231</u>
Operating Expenses:				
Personal Services	5,908,664	2,254,937	8,163,601	76,387
Contractual Services	4,176,458	12,297,025	16,473,483	21,705,665
Claims and Judgments	-	-	-	1,533,574
Materials and Supplies	1,948,746	713,230	2,661,976	2,971
Depreciation and Amortization Expense	10,518,945	6,684,258	17,203,203	-
Other	802,698	356,274	1,158,972	289
Total Operating Expenses	<u>23,355,511</u>	<u>22,305,724</u>	<u>45,661,235</u>	<u>23,318,886</u>
Operating Income (Loss)	<u>(1,451,341)</u>	<u>1,650,312</u>	<u>198,971</u>	<u>1,992,345</u>
Non-Operating Revenues (Expenses)				
Other Non-Operating Revenues	418,469	63,575	482,044	848,704
Investment Earnings	-	-	-	1,534
Other Non-Operating Expenses	-	-	-	(235,460)
Interest	(482,019)	(649,473)	(1,131,492)	-
Total Non-Operating Revenues (Expenses)	<u>(63,550)</u>	<u>(585,898)</u>	<u>(649,448)</u>	<u>614,778</u>
Income (Loss) Before Contributions	<u>(1,514,891)</u>	<u>1,064,414</u>	<u>(450,477)</u>	<u>2,607,123</u>
Capital Contributions	<u>8,044,598</u>	<u>6,425,804</u>	<u>14,470,402</u>	<u>-</u>
Change in Net Position	<u>6,529,707</u>	<u>7,490,218</u>	<u>14,019,925</u>	<u>2,607,123</u>
Net Position at Beginning of Year	<u>218,497,761</u>	<u>121,001,902</u>	<u>339,499,663</u>	<u>12,790,169</u>
Net Position at End of Year	<u>\$ 225,027,468</u>	<u>\$ 128,492,120</u>	<u>\$ 353,519,588</u>	<u>\$ 15,397,292</u>

See accompanying notes to the basic financial statements

THIS PAGE IS INTENTIONALLY LEFT BLANK

Butler County
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2023

	<u>Business-type Activities - Enterprise Funds</u>			Governmental Activities - Internal Service Funds
	<u>Sewer</u>	<u>Water</u>	<u>Totals</u>	
<u>Increase (Decrease) in Cash and Cash Equivalents:</u>				
<u>Cash Flows from Operating Activities:</u>				
Cash Received from Customers	\$ 21,400,161	\$ 24,356,414	\$ 45,756,575	\$ -
Cash Received from Other Operating Sources	-	-	-	355,602
Cash Paid to Suppliers	(7,006,619)	(13,166,384)	(20,173,003)	(21,720,292)
Cash Paid to Employees	(5,751,920)	(2,235,172)	(7,987,092)	(76,695)
Cash Received from Interfund Services Provided	-	-	-	24,955,629
Other Operating Revenues	16,136	39,603	55,739	-
Other Operating Expenses	-	(356,274)	(356,274)	(289)
Other Non-Operating Revenues	409,628	59,922	469,550	848,603
Other Non-Operating Expenses	(802,698)	-	(802,698)	(12,491)
Cash Paid for Claims	-	-	-	(1,898,838)
Net Cash Provided by Operating Activities	<u>8,264,688</u>	<u>8,698,109</u>	<u>16,962,797</u>	<u>2,451,229</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>				
Principal Paid on Loans	(1,003,430)	(727,061)	(1,730,491)	-
Interest Paid on Loans	(386,449)	(77,358)	(463,807)	-
Interest Paid on General Obligation Bonds	(128,379)	-	(128,379)	-
Principal Paid on General Obligation Bonds	(73,310)	-	(73,310)	-
Interest Paid on Revenue Bonds	(179,122)	(135,308)	(314,430)	-
Principal Paid on Revenue Bonds	(875,520)	(935,000)	(1,810,520)	-
Interest Paid on Judgement Bonds	-	(490,873)	(490,873)	-
Principal Paid on Judgement Bonds	-	(2,160,000)	(2,160,000)	-
Acquisition and Construction of Capital Assets	(2,684,329)	(4,855,994)	(7,540,323)	-
Cash Received from Special Assessments	19,460	2,551	22,011	-
Capital Contributions by Customers	<u>4,061,435</u>	<u>2,236,436</u>	<u>6,297,871</u>	<u>-</u>
Net Cash Used for Capital and Related Financing Activities	<u>(1,249,644)</u>	<u>(7,142,607)</u>	<u>(8,392,251)</u>	<u>-</u>
<u>Cash Flows from Investing Activities:</u>				
Interest and Dividends on Investments	-	-	-	<u>1,534</u>
Net Increase(decrease) in Cash and Cash Equivalents	7,015,044	1,555,502	8,570,546	2,452,763
Cash and Cash Equivalents at Beginning of Year	<u>60,864,136</u>	<u>36,430,589</u>	<u>97,294,725</u>	<u>13,149,082</u>
Cash and Cash Equivalents at End of Year	<u>\$ 67,879,180</u>	<u>\$ 37,986,091</u>	<u>\$ 105,865,271</u>	<u>\$ 15,601,845</u>

(continued)

Butler County
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2023 (Continued)

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Sewer	Water	Totals	
Reconciliation of Operating Income (Loss) to Net Income				
<u>Cash Provided by Operating Activities:</u>				
Operating Income (Loss)	\$ (1,451,341)	\$ 1,650,312	\$ 198,971	\$ 1,992,345
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation and Amortization	10,518,945	6,684,258	17,203,203	-
Other Non-Operating Revenues	418,469	63,575	482,044	848,704
Other Non-Operating Expenses	-	-	-	(235,460)
<u>(Increase)Decrease in Assets</u>				
Accounts Receivable	(487,873)	439,981	(47,892)	-
Due from Other Governments	-	-	-	-
Due from Other Funds	(8,841)	(3,653)	(12,494)	(101)
Prepaid Items	(299)	7,095	6,796	(1,087)
Net Pension Asset	3,322	1,661	4,983	-
Net OPEB Asset	(3,950)	(1,974)	(5,924)	-
Deferred Outflows Pension	1,428,152	713,625	2,141,777	-
Deferred Outflows OPEB	331,746	165,872	497,618	-
<u>Increase(Decrease) in Liabilities</u>				
Accounts Payable	(229,615)	(114,659)	(344,274)	(322)
Contracts Payable	(680,149)	10,769	(669,380)	(4)
Accrued Wages and Benefits Payable	46,912	(223,459)	(176,547)	(558)
Compensated Absences Payable	(1,512)	(39,958)	(41,470)	(9,311)
Due to Other Funds	91	353	444	222,969
Due to Other Governments	32,063	173,722	205,785	(119)
Payroll Withholdings	8,786	686	9,472	(563)
Deferred Inflows Pension	(1,234,258)	(617,116)	(1,851,374)	-
Deferred Inflows OPEB	(616,687)	(308,344)	(925,031)	-
Net Pension Liability	190,727	95,363	286,090	-
Claims Payable	-	-	-	(365,264)
Total Adjustments	9,716,029	7,047,797	16,763,826	458,884
Net Cash Provided by Operating Activities	\$ 8,264,688	\$ 8,698,109	\$ 16,962,797	\$ 2,451,229

Non-Cash capital and related financing activities:

Capital Contributions from Customers of \$54,199 for the Sewer Fund

Capital Contributions from Customers of \$40,469 for the Water Fund

Developers donated \$3,955,745 of sewer lines to the Sewer fund during the year.

Developers donated \$4,070,899 of water lines to the Water fund during the year.

The Sewer Fund has contracts payable for capital assets in the amount of \$165,943

The Water Fund has contracts payable for capital assets in the amount of \$461,676

The Water Fund has due from other governments receivable for capital assets in the amount of \$146,080.

See accompanying notes to the basic financial statements.

Butler County, Ohio
Statement of Fiduciary Net Position
Custodial Funds
December 31, 2023

	<u>Total</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 35,068,732
Cash and Cash Equivalents in Segregated Accounts	3,775,430
Property Taxes Receivable	522,427,279
Revenue in Lieu of Taxes Receivable	56,444,472
Special Assessments Receivable	73,805,882
Due from Other Governments	10,257,526
Total Assets	<u>701,779,321</u>
Liabilities	
Accounts Payable and Other Liabilities	4,792,239
Due to Other Governments	32,816,664
Total Liabilities	<u>37,608,903</u>
Deferred Inflows of Resources	
Property Taxes not Levied to Finance the Current Year Operations	508,143,260
Payment in Lieu of Taxes not Levied to Finance Current Year Operations	56,444,472
Total Deferred Inflows of Resources	<u>564,587,732</u>
Net Position	
Restricted for Individuals, Organizations and Other Governments	<u>\$ 99,582,686</u>

See accompanying notes to the basic financial statements

Butler County, Ohio
Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended December 31, 2023

	<u>Total</u>
Additions	
Intergovernmental	\$ 31,133,109
Amounts Received as Fiscal Agent	19,981,563
Licenses, Permits and Fees for Other Governments	1,253,947
Fines and Forfeitures for Other Governments	133,382,196
Property Tax Collections for Other Governments	447,181,499
Payments in Lieu of Taxes Collections for Other Governments	55,629,255
Special Assessment Collections for Other Governments	8,774,177
Sheriff Sale Collections for Other Governments	11,589,456
Amounts Received for Others	200,994
Miscellaneous	1,975,170
Total Additions	<u>711,101,366</u>
Deductions	
Distributions of State Funds to Other Governments	31,087,048
Fines and Forfeitures Distributions to Other Governments	323,096
Property Taxes Distributions for Other Governments	443,786,483
Payments in Lieu of Taxes Distributions for Other Governments	55,046,294
Special Assessment Distributions to Other Governments	11,071,126
Distributions to the State of Ohio	123,683,755
Distributions to Individuals	24,684,585
Distributions as Fiscal Agent	16,192,476
Miscellaneous	1,911,638
Total Deductions	<u>707,786,501</u>
Change in Net Position	3,314,865
Net Position Beginning of Year	<u>96,267,821</u>
Net Position End of Year	<u>\$ 99,582,686</u>

See accompanying notes to the basic financial statements

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 1 – REPORTING ENTITY

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 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 Developmental Disabilities, the Job and Family Services/Children Services Agency, Mental Health and Addiction Recovery Services, the Veterans Service Board, the Board of Elections, the Emergency Management Agency, 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 organization's budget, the issuance of its debt, or the levying of its taxes and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

Discretely Presented Component Units

The component units column in the entity-wide financial statements identify the financial data of the County's component units, Butler County Land Reutilization Corporation, Liberty Community Authority, Butler County Finance Authority, and the Butler County Convention and Visitors Bureau. They are reported separately to emphasize that they are legally separate from the County.

Butler County Land Reutilization Corporation

The Butler County Land Reutilization Corporation was created by resolution of the County Commissioners and organized under Chapter 1724 of the Ohio Revised Code (ORC) to act on behalf and cooperate with the County in exercising the powers and performing the duties of the County under Chapter 5722 of the Ohio Revised Code. The purpose of the organization is to reduce the existence of nonproductive land within Butler County. The corporation takes title of nonproductive properties and gives them to the requesting cities participating in the program. The cities will improve the properties and return them to a revenue generating status or devote them to public purpose.

The Butler County Commissioners and Butler County Treasurer comprise the voting majority of the land reutilization corporation. Because the County makes up a voting majority of the board, the County is able to impose its will on the operations of the land reutilization corporation. The component units column of the financial statements identifies the financial data of the discretely presented component unit. It is reported separately to emphasize that it is legally separate from the County. Separately issued financial statements can be obtained from Butler County Economic Development, 130 High Street, 6th floor, Hamilton, Ohio 45011. Disclosures can be found in Note 24.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Liberty Community Authority

The Liberty Community Authority (the Authority) is a community authority created pursuant to Chapter 349 of ORC. Liberty Center Holdings, LLC (the Developer) filed a petition for creation of the Authority with the Butler County Commissioners. The petition was accepted on August 22, 2013. The Authority was organized as a body corporate for the purpose of fostering development of a mixed-use retail space known as Liberty Center located in Butler County.

The Butler County Commissioners appoint four of the seven voting members of the Liberty Community trustees. In addition, Butler County has agreed to pledge remaining TIF dollars to the repayment of the Liberty Community issued OWDA loans. This pledge is a secondary source and will only be used if the Authority does not have sufficient revenues for payment. Because the County appoints a voting majority of the board, and a financial benefit/burden relationship exists, the Liberty Community Authority is being disclosed as a discretely presented component unit. Separately issued financial statements can be obtained from the Authority's Treasurer, 7100 Foundry Row, Suite 204, Liberty Township, Ohio 45069. Disclosures can be found in Note 25.

Butler County Finance Authority

The Butler County Commissioners established the Butler County Finance Authority pursuant to section 4582.22 of ORC in September of 2004. The Finance Authority is a body corporate and politic established to undertake various projects that would create or preserve jobs and employment opportunities within the County. The Finance Authority Board consists of seven voting members of which four members must have businesses or places of employment within Butler County. The remaining three members of the board need not possess either of the preceding qualifications.

The Butler County Commissioners appoint four of the seven voting members of the Butler County Finance Authority Board. In addition, Butler County entered into a contractual agreement to be the secondary payee on the Finance Authority issued bonds for the Liberty Center Project. These bonds are being paid from Butler County TIF revenues. Because the County appoints a voting majority of the board, and a financial benefit/burden relationship exists, the Butler County Finance Authority is being disclosed as a discretely presented component unit. Separately issued financial statements can be obtained from the Butler County Finance Authority, 300 High Street, Hamilton, Ohio 45011. Disclosures can be found in Note 26.

Butler County Convention and Visitors Bureau

The Butler County Convention and Visitors Bureau was 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, a member from Butler County Chamber Caucus, and a member recommended by the Commissioners.

The County Commissioners passed a three percent hotel excise tax in August of 2003 pursuant to the regulations in ORC Section 5739.09. The hotel tax collections are collected by Butler County and per the statute can only be distributed to a Convention and Visitor Bureau. The County is responsible for the administration and allocation of the tax. Because the County appoints a voting majority of the board, and a financial benefit/burden relationship exists, the Butler County Convention and Visitors Bureau is being disclosed as a discretely presented component unit. Complete financial statements can be obtained from the Butler County Convention and Visitors Bureau, 8756 Union Centre Blvd., West Chester, Ohio 45069. Disclosures can be found in Note 27.

The County participates in the jointly governed organizations, the risk sharing pool, the insurance purchasing pool, and related organizations listed on the following page. These organizations are presented in Note 19 to the basic financial statements and are excluded from the accompanying financial statements except as noted.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Transportation Improvement District of Butler County
Ohio Kentucky Indiana Regional Council of Governments
Butler/Clermont/Warren Workforce Policy Board
Community-Based Correctional Facility
Southwest Ohio Council of Governments
County Risk Sharing Authority (CORSA)
Jefferson Health Plan
Regional Transit Authority (RTA)
Metroparks of Butler County
Twelfth District Court of Appeals

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 custodial funds within the County's financial statements:

Butler County General Health District

The Board of Health is elected by a District Advisory Council comprised of township trustees, mayors of participating municipalities, and a representative of the county commissioners which oversee the operation of the Health District. 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 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 or 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.

Community-Based Correctional Facility

The Community-Based Correctional Facility serves Butler, Clermont, and Warren Counties. 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 accounting principles generally accepted in the United States of America (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 principles. The more significant of the County's accounting policies are described below.

BASIS OF PRESENTATION

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

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Government-Wide Financial Statements

The statement of net position 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 position 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. Non-major funds are aggregated and presented in a single column. Internal service funds are combined, and the totals are presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by type.

Fund Accounting

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

Governmental Funds

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

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

General - This fund accounts for and reports 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 Health and Addiction Recovery Services Board – This fund accounts for and reports the countywide tax levy along with various Federal, State, and local funds restricted to provide mental health and addiction recovery services to all citizens of Butler County.

Developmental Disabilities - This fund accounts for and reports the countywide tax levy and Federal and State grants restricted to pay the costs of services provided to local citizens with developmental disabilities.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Job and Family Services/Children Services Agency – This fund accounts for and reports the countywide tax levy along with various Federal and State grants restricted 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.

Residential Incentive Districts and Tax Incremental Financings – This fund accounts for and reports the countywide TIF/RID revenues and expenses restricted for development, construction, and maintenance of various development projects within Butler County.

County ARPA Relief Fund – This fund accounts for and reports the revenue received from the Federal Government for the American Rescue Plan Act of 2021 for expenses restricted to support recovery from the COVID-19 public health emergency.

The non-major governmental funds of the County account for grants and other resources whose use is restricted, committed, or assigned to a particular purpose.

Proprietary Funds

Proprietary fund reporting focuses on the determination of operating income, changes in net position, 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 enterprise funds:

Sewer - This fund accounts and reports fees collected by Butler County Water and Sewer for the processing and disposal of sewage.

Water - This fund accounts and reports fees collected by Butler County Water and Sewer for providing water services to Butler County residents.

Internal Service Funds

Internal service funds account for the financing of services provided by one department or agency for 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 and workers compensation.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into classifications: pension (and other employee benefit) trust funds, investment trust funds, private purpose trust funds, and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangement that has certain characteristics. The County does not have any trust funds. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund.

The County’s only fiduciary funds are custodial funds. The County’s custodial funds account for amounts collected and distributed on behalf of another government or organization. The County’s custodial 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 General Health District, Soil and Water Conservation District, Metroparks, and the Community-Based Correctional Facility.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

MEASUREMENT FOCUS

Government-Wide Financial Statements

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

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 and deferred inflows 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 and fiduciary funds are accounted for using a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of net position. In fiduciary funds, a liability to the beneficiaries of the fiduciary activity is recognized when an event has occurred that compels the government to disburse fiduciary resources. Fiduciary fund liabilities, other than those to beneficiaries are recognized using the economic resources measurement focus.

For proprietary funds, the statement of changes in fund net position presents increases (i.e. revenues) and decreases (i.e. expenses) in total net position. The statement of cash flows provides information about how the County finances and meets the cash flow needs of its proprietary activities. Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from custodial funds.

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 inflows and outflows of resources, and in the presentation of expenses versus expenditures.

Revenues – Exchange and Non-Exchange Transactions

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that the sources 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 31 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, payments in lieu of taxes, grants, entitlements and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the sale occurs (see Note 8). On an accrual basis, revenue from property taxes/revenue in lieu of taxes is recognized in the year for which the taxes are levied or would have been levied (see Note 7). Revenue from grants, entitlements, and donations are recognized in the year in which all eligibility requirements have been satisfied.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. The County recognizes unearned revenue for intergovernmental revenue from grants received before the eligibility requirements are met.

Payments in Lieu of Taxes

The County has entered into several Tax Increment Financing Agreements with developers. In order to encourage improvements, companies and homeowners 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, Lakota Local School District, and Ross Local School District since they are impacted by the exemption. A receivable for the amount of the payments estimated to be received in the next tax collection year has been recorded in the respective TIF funds with a corresponding credit to deferred inflows of resources – revenue in lieu of taxes. On a full accrual basis, the portion of collections relating to delinquencies will be reported as Payments in Lieu of Taxes revenue. While on the modified accrual basis, the revenue has been reported as deferred inflows – unavailable revenue.

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the County, deferred outflows of resources are reported on the government-wide statement of net position for deferred charges on refunding, pension and OPEB. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 12 and 13.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the County, deferred inflows of resources include deferred charge on refunding, property taxes, payments in Lieu of taxes, pension, OPEB, leases and unavailable revenue. Property taxes and payments in Lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2023, but which were levied to finance 2024 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. The deferred inflow for leases is related to leases receivable and is being recognized as a lease revenue in a systematic and rational manner over the term of the lease.

Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the County unavailable revenue includes delinquent property taxes, income taxes, special assessments and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the reconciliation of total governmental fund balance to net position of governmental activities found on page 20. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position (see Notes 12 and 13 for more information).

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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 2023, investments were limited to STAR Ohio, commercial paper, money market mutual fund, corporate bonds and notes, municipal bonds, negotiable CD's, U.S. Treasury bonds and notes, Federal agency securities, and Private Export Funding Corporation. Except for STAR Ohio and commercial paper, investments are reported at fair value which is based on quoted market prices. The County's commercial paper is measured at amortized cost as it is a highly liquid debt instrument with a remaining maturity at the time of purchase of less than one year. Note 6 provides a detailed disclosure regarding cash, cash equivalents, and investments held by the County.

STAR Ohio (the State Treasury Asset Reserve of Ohio) is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants". The County measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2023, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours advance notice for deposits and withdrawals of \$100 million or more is appreciated. STAR Ohio reserves the right to limit the transaction to \$250 million per day.

Under existing Ohio statutes, all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Investment Earnings and Other Interest revenue credited to the general fund during 2023 amounted to \$22,532,330 which includes \$17,135,837 assigned from other County funds.

Statement of Cash Flows

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

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".

Cash and Cash Equivalents with Fiscal Agents

The Southwest Ohio Council of Governments is currently holding deposits that belong to the County which are represented by "Cash and cash equivalents with fiscal agents" on the statement of net position – government wide and on the fund financial statements in the Developmental Disabilities major fund.

The County also maintains cash with a fiscal agent at US Bank for the Liberty Community Authority backed OWDA loans as well as the Butler County Finance Authority issued Liberty Center bonds. These dollars are held in escrow as secondary pledge for these pieces of debt. "Cash and cash equivalents with fiscal agents" can be found on the statement of net position- government wide and on the fund financial statements in the Residential Incentive Districts and Tax Incremental Financings Fund.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Butler County Developmental Disabilities provides health insurance to employees through the Jefferson Health Plan. The cash related to this insurance plan is represented by “Cash and cash equivalents with fiscal agents” on the statement of fund net position – proprietary funds in the governmental activities-internal service funds column.

Inventories and Prepaid Items

On the government-wide financial statements inventories are presented at the lower of cost or fair value, 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 fair value. For all funds, cost is determined on a first-in first-out basis. The cost of inventory items is recorded as expenditures in the governmental fund types when consumed. Inventories of the enterprise funds are expensed when used. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items by using the consumption method.

Interfund Transactions

On fund financial statements, receivables and payables arising between funds for goods provided or services rendered, are classified as “due from other funds/due to other funds”. Long-term interfund loans are classified as “advances to/from other funds” and are classified as non-spendable fund balance which indicates that they are not in spendable form even though it is a component of net current assets. These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts due between governmental and business type activities which are presented as internal balances.

Restricted Assets

Assets are reported as restricted when limitations on their use change in nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments or imposed by law through constitutional provisions. Restricted assets in the general fund represent money set aside for unclaimed monies.

Restricted equity in pooled cash and cash equivalents in enterprise funds 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 \$1,300,000 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 and amounts held in trust by the pension and OPEB plans for future benefits are presented as Restricted Assets: Equity in pooled cash and cash equivalents. Restricted assets in the enterprise funds also represent amounts held in trust by the pension and OPEB plans for future benefits.

Capital Assets

Capital assets, which include intangible assets (e.g. water rights, easements and internally generated software) 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 (except for intangible right-to-use lease assets which are discussed below) are recorded at historical cost or estimated historical cost, if purchased or constructed.

Donated capital assets are recorded at estimated acquisition value at the date of donation. For certain assets estimates were calculated by indexing estimated current costs back to the year of acquisition. 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.

BUTLER COUNTY, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2023

All reported capital assets except for land and easements, 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:

Description	Useful Lives
Land and Building Improvements	10 - 60 years
Furniture, Fixtures and Equipment	3 - 30 years
Vehicles	7 - 10 years
Intangible Right to Use Buildings	3-7 years
Water Right Contracts	20 years
Water and Sewer Mains	40 years

The County is reporting intangible right to use assets related land for hanger leases at the Butler County Airport. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, these intangible assets are being amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

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 every three years for bridges, 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.

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.

On the governmental fund financial statements, compensated absences are recognized as a liability 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 "Matured Compensated Absences Payable" in the fund from which the employees will be paid.

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

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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 proprietary 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, and compensated absences 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. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits. Bonds, leases and long-term loans are recognized as a liability on the governmental fund financial statements when due.

Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB asset/liability, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent of which the County is bound to observe constraints imposed upon the use of the resources in the government funds. The classifications are as follows:

Non-spendable- The non-spendable fund balance classification includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The non-spendable fund balances include prepaid items, materials and supplies inventory, long-term interfund loans, developmental disabilities trust and unclaimed monies.

Restricted- The restricted fund balance classification includes amounts that have constraints placed on the use of resources that are either externally imposed by creditors such as through debt covenants, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions.

Committed- The committed fund balance classification includes amounts that can be used only for specific purposes imposed by formal action (resolution) of the County Commissioners. Those committed amounts cannot be used for any other purpose unless the Commissioners remove or change the specified use by taking the same type of action (resolution) it employed to commit these amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been committed for use in satisfying those contractual requirements.

Assigned- The assigned fund balance classification is intended to be used by the County for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned amounts represent intended uses established by the County Commissioners or a County Official delegated that authority by resolution or by State Statute. In the general fund, assigned amounts represent encumbered amounts for outstanding obligations. State statute authorizes the fiscal officer to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

Unassigned- The unassigned fund balance classification is intended for the General Fund and includes all spendable amounts not contained in the other classifications. In non-major governmental funds, the unassigned fund balance classification is used only to report a deficit fund balance.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

The County applies restricted resources first when expenditures are incurred for the purpose for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classification could be used.

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net Investment in Capital Assets 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 position is 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 non-major governments.

Net position restricted for other purposes primarily include funds for the operation of recording fees, tax assessment and collections; services provided by Butler County courts; law enforcement and other public safety services; animal licensing and control; and human services to support victim assistance programs.

The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available. The County's sewer and water enterprise funds have restricted net position relative to those resources necessary to comply with various covenants of bond financing agreements. Additionally, restricted net position for Pension and OPEB plans represent the corresponding restricted asset amounts held in trust by the pension and OPEB plans for future benefits.

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, and self-insurance. 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.

Leases

The County serves as both lessee and lessor in various noncancellable leases which are accounted for as follows:

Lessee – At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor - At the commencement of a lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Contributions of Capital

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

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Settlement Monies

During 2021, Ohio reached an agreement with the three largest distributors of opioids. Subsequently, settlements have been reached with other distributors. As contingencies related to timing and measurement are resolved, a receivable will be reported in accompanying financial statements as a part of accounts receivable. As a participating subdivision, the County reported \$5,398,677 as a receivable related to opioid settlement monies in the OneOhio Special Revenue Fund in the accompanying financial statements.

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

Bond Premiums and Discounts

On the government-wide financial statements (and in the enterprise funds), bond premiums and discounts are deferred and amortized over the term of the bonds using the straight-line (bonds outstanding) method, which approximates the effective interest method. Bond premiums/discounts are presented as additions/reductions to the face amount of bonds payable. On the governmental fund financial statements, premiums and discounts are recognized in the period in which the debt is issued.

Under Ohio law, premiums on the original issuance of debt are to be deposited to the bond retirement fund to be used for debt retirement and are precluded from being applied to the project fund. Ohio law does allow premiums on refunding debt to be used as part of the payment to the bond escrow agent.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 custodial 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, 2023

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 restricted, committed or assigned 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).
6. Cash that is held by the custodial funds on behalf of County funds on a budget basis are allocated and reported on the balance sheet (GAAP basis) in the appropriate County Fund.

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:

	Net Change in Fund Balance					
	General	Mental Health and Addiction Recovery Services Board	Developmental Disabilities	Job and Family Services/Children Services Agency	Residential Incentive Districts and Tax Incremental Financing	County ARPA Relief Fund
GAAP Basis	\$ 42,294,853	\$ 428,237	\$ (648,283)	\$ 5,042,218	\$ 1,560,816	\$ 1,326,266
Revenue Accruals	2,215,041	234,642	110,160	(208,610)	4,432,732	(29,709,596)
Expenditure Accruals	(1,775,530)	(71,395)	165,529	(499,001)	(7,612,899)	2,232,516
Encumbrances	(6,953,259)	(1,247,267)	(1,415,095)	(5,133,083)	(623,882)	(8,702,457)
2022 Decrease in Fair Value of Investments	(22,540,933)	-	-	-	-	-
2023 Increase in Fair Value of Investments	10,867,939	-	-	-	-	-
2022 Custodial Fund Allocation	1,953,622	234,447	796,626	591,127	-	-
2023 Custodial Fund Allocation	(2,967,811)	(260,149)	(872,734)	(619,189)	-	-
Advances In	4,257,679	-	-	-	-	-
Advances Out	(318,112)	-	-	-	(4,000,000)	-
Budget Basis	\$ 27,033,489	\$ (681,485)	\$ (1,863,797)	\$ (826,538)	\$ (6,243,233)	\$ (34,853,271)

BUTLER COUNTY, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF FUND BALANCES

For 2023, the County implemented Governmental Accounting Standards Board (GASB) No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, and GASB Statement No. 99, *Omnibus 2022*. The County had no agreements that met GASB 94 and 99.

GASB Statement 94 improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). The County did not have any arrangements that met the GASB 94 definition of a PPP or an APA.

GASB Statement 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The County did not have any contracts that met the GASB 96 definition of a SBITA, other than short-term SBITAs.

GASB Statement 99 addresses various issues including items related to leases, PPPs, and SBITAs. The requirements related to PPPs and SBITAs were incorporated with the corresponding GASB 94 and GASB 96 changes identified above.

The County is restating fund balance due to an optional change in accounting treatment for Cash and Cash Equivalents with Fiscal Agent starting in 2023. The County chose to issue contractually required payments to a bank account directly from the Residential Incentive District and Tax Incremental Financings fund instead of the Bond Retirement fund. As a result, the County moved the \$1,216,437 of Cash and Cash Equivalents with Fiscal Agent to the Residential Incentive District and Tax Incremental Financings statement. The change had no impact on total Governmental Funds restricted fund balance at December 31, 2022.

	Mental Health and Addiction		Job and Family Services/Children		Residential Incentive District and Tax Incremental	County ARPA Relief Fund	Non-Major Governmental Funds	Total Governmental Fund
	General	Recovery Services Board	Developmental Disabilities	Services Agency				
Fund Balance, December 31, 2022	\$ 112,476,733	\$ 22,121,280	\$ 37,892,820	\$ 24,316,638	\$ 6,146,383	\$ 669,592	\$ 94,953,447	\$ 298,576,893
Cash and Cash Equivalents with Fiscal Agent	-	-	-	-	1,216,437	-	(1,216,437)	-
Restated Fund Balance, December 31, 2022	\$ 112,476,733	\$ 22,121,280	\$ 37,892,820	\$ 24,316,638	\$ 7,362,820	\$ 669,592	\$ 93,737,010	\$ 298,576,893

NOTE 4 – FUND BALANCE

The fund balance for all governmental funds are classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the County is bound to observe constraints imposed upon the use of the resources. The constraints placed on the fund balance for the major governmental funds and non-major governmental funds are presented in the following table.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Fund Balances	General	Mental Health	Developmental	Job and Family /	Residential	County ARPA	Non-Major	Total
		and Addiction		Children Services	Incentive		Governmental	
		Recovery	Disabilities	Agency	Districts and	Relief	Funds	
		Services Board			Tax			
					Financings			
Nonspendable								
Prepaid Items	\$ 1,240,928	\$ 88,876	\$ 55,956	\$ 93,582	\$ -	\$ -	\$ 512,979	\$ 1,992,321
Materials and Supplies	140,055	1,206	5,115	14,010	-	-	1,070,666	1,231,052
Interfund Loans	283,153	-	-	-	-	-	-	283,153
Unclaimed Monies	2,461,860	-	-	-	-	-	-	2,461,860
Developmental Disabilities Trust	-	-	-	-	-	-	878,600	878,600
Total Nonspendable	4,125,996	90,082	61,071	107,592	-	-	2,462,245	6,846,986
Restricted for								
Mental Health and Addiction Recovery Services Board	-	22,459,435	-	-	-	-	-	22,459,435
Developmental Disabilities	-	-	37,183,466	-	-	-	-	37,183,466
Job and Family/Children Services	-	-	-	29,251,264	-	-	-	29,251,264
Residential Incentive Districts and Tax Incremental Financing	-	-	-	-	8,923,636	-	-	8,923,636
County ARPA Relief Fund	-	-	-	-	-	1,995,858	-	1,995,858
Elderly Services	-	-	-	-	-	-	7,056,821	7,056,821
Motor Vehicle	-	-	-	-	-	-	18,302,156	18,302,156
Public Works	-	-	-	-	-	-	18,798,617	18,798,617
Real Estate Assessment	-	-	-	-	-	-	5,150,952	5,150,952
Legislative and Executive	-	-	-	-	-	-	3,336,182	3,336,182
Child Support Enforcement Agency	-	-	-	-	-	-	7,319,369	7,319,369
Public Safety	-	-	-	-	-	-	8,759,149	8,759,149
Judicial	-	-	-	-	-	-	6,147,604	6,147,604
Other Purposes	-	-	-	-	-	-	2,839,732	2,839,732
Total Restricted	-	22,459,435	37,183,466	29,251,264	8,923,636	1,995,858	77,710,582	177,524,241
Assigned								
Purchases on Order - Material/Supplies	1,508,145	-	-	-	-	-	-	1,508,145
Purchases on Order - Contract Services	6,870,839	-	-	-	-	-	-	6,870,839
Purchases on Order - Other	1,182,699	-	-	-	-	-	-	1,182,699
Capital Projects	-	-	-	-	-	-	15,000,000	15,000,000
Total Assigned	9,561,683	-	-	-	-	-	15,000,000	24,561,683
Unassigned (Deficit)	141,083,907	-	-	-	-	-	(208,402)	140,875,505
Total Fund Balance	\$ 154,771,586	\$ 22,549,517	\$ 37,244,537	\$ 29,358,856	\$ 8,923,636	\$ 1,995,858	\$ 94,964,425	\$ 349,808,415

In addition to the above fund balance constraints, the County has a General Fund budget stabilization arrangement that does not meet the criteria to be classified as restricted or committed. Pursuant to Ohio Revised Code 5705.13, the County established a budget stabilization by resolution to provide options to stabilize against cyclical changes in revenues and expenditures. Expenditures of a recurring nature are not addressed as through the use of this arrangement. The balance in the reserve at December 31, 2023 is \$16,000,000.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 5- ACCOUNTABILITY

At year-end, the All Other Conservation and Recreation non-major special revenue fund and the Jefferson Health Plan internal service fund had deficit fund balances of \$208,402 and \$13,840, respectively. The deficit in the special revenue fund is due to the recognition of payables in accordance with generally accepted accounting principles, while the deficit in the internal service fund is due to increased claims payable and rising health care costs. Management is currently analyzing the internal service operations to determine appropriate steps to alleviate the deficit. When necessary, the General Fund provides transfers to cover deficit balances, however, this is done when cash is needed rather than when accruals occur.

NOTE 6- 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 demands 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 active are classified as inactive. Inactive monies may be deposited or invested with certain limitations in the following securities provided the County has filed a written investment policy with the Ohio Auditor of State:

1. United States Treasury bills, bonds, notes, 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 obligations 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 and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the fair value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of this state or the political subdivisions of this state, provided the bonds or other obligations of political subdivisions mature within ten years from the date of settlement;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts, in eligible institutions pursuant to ORC sections 135.32;
6. 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 or consisting exclusively of obligations described in (1) or (2) above; commercial paper as described in ORC section 135.143 (6); and repurchase agreements secured by such obligations, provided these investments are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio);
8. Securities lending agreements in which the County lends securities and the eligible institution agrees to simultaneously exchange either securities or cash, equal value for equal value, within certain limitations;
9. Up to forty percent of the County's average portfolio, if training requirements have been met in either of the following:

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

- a. Commercial paper notes in entities incorporated under the laws of Ohio, or any other State that have assets exceeding five hundred million dollars, which are rated in the highest classification established by two nationally recognized standard rating services, which do not exceed ten percent of the value of the outstanding commercial paper of the issuing corporation, which mature within 270 days after purchase, and the investment in commercial paper notes of a single issuer shall not exceed the aggregate five percent of interim monies available for investment at the time of purchase.
 - b. Bankers acceptances of banks that are insured by the federal deposit insurance corporation and that mature not later than 180 days after purchase.
10. Up to fifteen percent of the County's average portfolio in notes issued by U.S. corporations or by depository institutions doing business under authority granted by the U.S. or any state provided the notes are rated in the three highest categories by at least two nationally recognized standard rating services at the time of purchase and the notes mature not later than three years after purchase;
 11. A current unpaid or delinquent tax line of credit, provided certain conditions are met related to a County land reutilization corporation organized under ORC Chapter 1724; and,
 12. Up to two percent of the County's average portfolio in debt interests rated at the time of purchase in the three highest categories by two nationally recognized standard rating services and issued by foreign nations diplomatically recognized by the United States government, subject to certain limitations. All interest and principal shall be denominated and payable in United States funds.

Reverse repurchase agreements, investments in derivatives, and investments in stripped principal or interest obligations that are not issued or guaranteed by the United States, are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Except as noted above, an investment must mature within five years from the date of settlement, 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. 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, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

DEPOSITS

Ohio law requires that deposits either be insured or be protected by:

Eligible securities pledged to the county and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured; or

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

INVESTMENTS

As of December 31, 2023, the County had the following investments:

Measurement/Investment	Measurement Amount	Maturity	Standard & Poors Rating	Percent of Total Investments
Investments Not Measured At Fair Value				
Star Ohio	\$ 81,074,066	Less than three years	AAAm	16.5%
Amortized Cost				
Commercial Paper	30,591,708	Less than one year	A-1	6.2%
Fair Value-Level One Inputs				
Money Market Mutual Fund	6,355	Less than three years	AAAm	N/A
Fair Value-Level Two Inputs				
Corporate Bonds	8,368,582	Less than one year	AA/A-	1.7%
Corporate Notes	2,237,300	Less than one year	A-1	0.5%
Municipal Bonds	7,177,081	More than six years	AAA - A-	1.5%
Negotiable CD's	3,097,003	Less than three years	NA	0.6%
U.S. Treasury Notes	131,076,628	Less than five years	AA+	26.7%
U.S. Treasury Bonds	6,015,488	Less than four years	AA+	1.2%
Federal Agriculture Mortgage Corp	14,362,389	Less than five years	AA+	2.9%
Federal Farm Credit Bank Bonds	91,145,106	Less than five years	AA+	18.6%
Federal Home Loan Bank Bonds	54,080,630	Less than four years	AA+	11.0%
Federal Home Loan Mortgage Bonds	28,627,972	Less than three years	AA+	5.8%
Federal National Mortgage Association	27,247,595	Less than two years	AA+	5.6%
Private Export Funding Corporation	5,062,451	Less than four years	AA+	1.0%
Total Fair Value - Level Two Inputs	<u>378,498,225</u>			
Total Investments	<u>\$ 490,170,354</u>			

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the county's recurring fair value measurements as of December 31, 2023. The county's remaining investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data (Level 2 inputs).

Interest rate risk arises because fixed-income securities will increase or decrease in fair value as interest rates fluctuate during the life of such securities. If held to maturity, fixed income securities owned by the County will pay the face value (par value). 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 future obligation of the county and approved by the Investment Advisory Committee.

Credit risk refers to the risk of default of principal or interest. Investment assets currently owned by the County are listed in the table above. All issues are currently rated AAA to A- by Standard and Poor's and Aaa by Moody's with the exception of commercial paper. All commercial paper issues have a minimum credit rating of A-1 by Standard and Poor's and P-1 by Moody's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. 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, 2023

NOTE 7– PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the County. Property tax revenue received during 2023 for real and public utility property taxes represents collections of 2022 taxes. 2023 real property taxes are levied after October 1, 2023 on the assessed value as of January 1, 2023, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2023 real property taxes are collected in and intended to finance 2024.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2023 public utility property taxes, which became a lien December 31, 2022, are levied after October 1, 2023, and are collected in 2024 with real property taxes.

The full tax rate for all County operations for the year ended December 31, 2023, was \$9.72 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2023 property tax receipts were based are as follows:

Category	Assessed Value
Real Property	\$ 9,384,842,980
Public Utility Personal Property	632,805,190
Total	<u>\$ 10,017,648,170</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 1.92 mills of this 10-mill limit but chose to temporarily reduce the mills to zero for 2022 collections. The 1.92 mills were reinstated for 2023 collections. In addition to the 1.92 mills, voted levies in the amount of 7.30 mills have been approved for the Developmental Disabilities Board, Mental Health & Addiction Recovery Services Board, Children Services Agency, and Senior Citizens Services. A summary of voted levies follows:

Purpose	Voter Levy Date	Authorized Rate	Rate Levied for Current Year		Final Levy Year
			R/A	C/I	
Developmental Disabilities Board	2000	1.50	1.01	1.26	Continuing
Developmental Disabilities Board	2004	1.00	0.80	0.84	Continuing
Mental Health Board	1985	0.50	0.19	0.29	2024
Mental Health Board	2006	1.00	0.81	0.84	2025
Children Services Agency	2008	2.00	1.61	1.68	2027
Senior Citizens	2010	1.30	1.05	1.09	2024
Total		<u>7.30</u>	<u>5.47</u>	<u>6.00</u>	

Ohio law provides for a reduction in the rates of voted levies to offset increased values resulting from a reappraisal of real property. Reduction factors are applied to authorized voted levies so that each levy yields the same amount of property taxes on carry-over property as in the year in which the levy was approved. Increases to voted levy revenues are restricted to assessments for new construction. The reduction factors are computed annually and applied separately for (R/A) residential/agricultural property and (C/I) commercial/industrial property.

The County Treasurer collects property taxes on behalf of all taxing districts in the County. The County Auditor periodically remits to the taxing districts their portions of the taxes collected. The collections and distribution of taxes for all subdivisions within the County, excluding the County itself, is accounted for through custodial funds. The amount of the County's tax collections is accounted for within the applicable funds. Property taxes receivable represents real, public utility taxes, and outstanding delinquencies which were measurable as of December 31, 2023, and for which there is an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2024 operations is offset to deferred inflows of resources – property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 8– PERMISSIVE SALES TAX

Vendor collections of the permissive sales 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.

In 2023, \$59,229,244 of permissive sales tax revenue was recognized in the General Fund. The County's total sales tax rate was three-quarters of one percent (.75%).

NOTE 9– RECEIVABLES

Receivables at December 31, 2023 consisted of taxes, payments in lieu of taxes, accounts (including unpaid utilities and Opioid settlement monies), intergovernmental receivables arising from grants, entitlements, and shared revenues, accrued interest, special assessments, loans, leases, and interfund receivables. Loans receivable represent 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 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 incremental financing agreements. All receivables, except for delinquent property taxes and leases, are considered collectible in full, including water and sewer accounts receivable, which, if delinquent, may be certified and collected as a special assessment, subject to foreclosure for nonpayment. Delinquent special assessments at December 31, 2023 totaled \$144,179. The following are receivables expected to be collected in more than one year: Special Assessments of \$3,379,987 and various leases.

THIS SPACE INTENTIONALLY LEFT BLANK

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

A summary of intergovernmental receivables follows:

Governmental Activities	Amount
Public Assistance Grants	\$ 6,454,178
Motor Vehicle License Fee	3,935,275
Property Tax Rollbacks	4,496,656
CDBG and HOME Grants	5,120,306
Developmental Disabilities Board Grants	2,904,870
Mental Health and Addiction Recovery Board Grants	2,454,246
Children Services Grants	2,452,034
Sheriff Grants and Miscellaneous Revenue	2,361,527
Juvenile Rehabilitation Grants	1,971,989
Undivided Local Government	1,448,333
Casino Tax	1,350,949
Child Support Enforcement Grants	1,322,030
Indigent Attorney Reimbursement	816,276
12th District Court of Appeals Funding	713,322
Workforce Development Grants	790,860
Other	1,094,756
Common Pleas Court/Adult Probation Grants	596,734
Continuum of Care	497,557
Motor Vehicle Permissive	519,081
Transportation Improvement District Reimbursement	363,585
Total Governmental Activities	\$ 41,664,564
Custodial Activities	Amount
Library Local Government	\$ 5,867,068
Local Government	3,378,069
Motor Vehicle License Tax	812,978
Other	199,411
Total Custodial Funds	\$ 10,257,526

The County is reporting lease receivable of \$1,611,565 in the general fund and \$6,855,617 in the All Other Public Works non-major special revenue fund at December 31, 2023. These amounts represent the discounted future lease payments. This discount is being amortized using the interest method. For 2023, the County recognized lease revenue of \$11,939 and lease interest revenue of \$40,861 in the general fund and recognized lease revenue of \$139,199 and interest revenue of \$60,736 in the All Other Public Works non-major special revenue fund related to lease payments received. These lease revenue amounts exclude short-term leases. The County's leasing arrangements are summarized below.

The County has entered into lease agreements with Sprint and Verizon for space on County owned cell towers. The remaining leases are for leasing land for hanger space at the Butler County Airport. The varying years and terms for each lease are as follows:

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

<u>Company/Airport Hanger Number</u>	<u>Lease Commencement Date</u>	<u>Years</u>	<u>Lease Ending Date</u>	<u>Payment Method</u>
Sprint	2021	29	2050	Monthly
Verizon	2021	35	2056	Monthly
Hangar C-6	2005	60	2065	Semi-Annual
Hangar T-0	2002	60	2062	Semi-Annual
Hanger C-0	2002	60	2062	Semi-Annual
Hangar C-1	1997	40	2037	Semi-Annual
Hangar E-4	2004	60	2064	Semi-Annual
Hangar T-1	2017	40	2057	Semi-Annual
Hangar T-7	2017	40	2057	Semi-Annual
Hangar T-8	2017	40	2057	Semi-Annual
Hangar E-3	2020	40	2060	Semi-Annual
Hanger C-2	2021	40	2061	Semi-Annual
Hangar T-10	2008	60	2068	Semi-Annual
Hangar C-12A	2017	40	2057	Semi-Annual
Hangar C-12	2007	60	2067	Semi-Annual
Hangar C-11	2008	59	2067	Semi-Annual
Hanger C-9	2021	40	2061	Semi-Annual
Hangar C-1A	2002	60	2062	Semi-Annual
Hangar T-5	1998	60	2058	Semi-Annual
Hangar C-7	2010	55	2065	Semi-Annual
Hangar C-13A	2017	40	2057	Semi-Annual
Hangar C-13	2010	60	2070	Semi-Annual
Hangar C-5	2021	40	2061	Semi-Annual
Hangar E-2	2019	40	2059	Semi-Annual
Hangar T-6	2019	40	2059	Semi-Annual
Hangar C-3	2004	59	2063	Semi-Annual
Hangar E-1A	2017	40	2057	Semi-Annual
Hangar E-1	1999	60	2059	Semi-Annual
Hangar C-2A	2003	60	2063	Semi-Annual
Hangar C-8	2003	60	2063	Semi-Annual
Hangar C-10	2027	40	2067	Semi-Annual
Hangar T-11	2015	60	2075	Semi-Annual
Hangar T-9	2004	60	2064	Semi-Annual
Hangar C-4	2004	60	2064	Semi-Annual

A summary of future lease amounts receivable is as follows:

Year	General		Non Major Governmental Funds		Total Governmental Funds	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 12,242	\$ 40,558	\$ 152,111	\$ 60,836	\$ 164,353	\$ 101,394
2025	12,554	40,246	153,434	59,513	165,988	99,759
2026	17,135	39,870	154,769	58,177	171,904	98,047
2027	17,589	39,416	157,151	56,827	174,740	96,243
2028	18,055	38,950	159,551	55,460	177,606	94,410
2029-2033	132,756	186,054	818,763	256,291	951,519	442,345
2034-2038	210,554	164,001	846,851	220,080	1,057,405	384,081
2039-2043	313,420	130,813	874,413	183,039	1,187,833	313,852
2044-2048	420,217	83,207	916,440	144,415	1,336,657	227,622
2049-2053	344,385	28,484	965,067	103,728	1,309,452	132,212
2054-2058	112,658	2,708	903,689	61,198	1,016,347	63,906
2059-2063	-	-	519,725	26,100	519,725	26,100
2064-2068	-	-	173,780	7,204	173,780	7,204
2069-2073	-	-	46,963	1,924	46,963	1,924
2074-2075	-	-	12,910	134	12,910	134
	<u>\$ 1,611,565</u>	<u>\$ 794,307</u>	<u>\$ 6,855,617</u>	<u>\$ 1,294,926</u>	<u>\$ 8,467,182</u>	<u>\$ 2,089,233</u>

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 10– CAPITAL ASSETS

Primary government capital asset activity for the year ended December 31, 2023, was as follows:

	Balance At 12/31/2022	Additions	Deletions	Balance At 12/31/2023
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land and Easements	\$ 20,420,673	\$ -	\$ -	\$ 20,420,673
Infrastructure:				
Roads	186,071,948	7,113,985	-	193,185,933
Bridges	82,814,022	3,839,067	(360,450)	86,292,639
Culverts	7,702,338	345,444	-	8,047,782
Construction in Progress	1,826,412	18,318,641	(6,771,315)	13,373,738
Total Capital Assets, Not Being Depreciated	<u>298,835,393</u>	<u>29,617,137</u>	<u>(7,131,765)</u>	<u>321,320,765</u>
Depreciable Capital Assets:				
Land Improvements	14,269,216	-	-	14,269,216
Buildings and Improvements	127,238,884	99,054	(26,931)	127,311,007
Furniture, Fixtures and Equipment	94,250,425	2,055,033	(1,034,299)	95,271,159
Vehicles	11,494,345	1,809,966	(578,701)	12,725,610
Intangible Right to Use Lease - Buildings**	1,913,102	-	-	1,913,102
Total Depreciable Capital Assets	<u>249,165,972</u>	<u>3,964,053</u>	<u>(1,639,931)</u>	<u>251,490,094</u>
Total Capital Assets At Historical Cost	<u>548,001,365</u>	<u>33,581,190</u>	<u>(8,771,696)</u>	<u>572,810,859</u>
Less Accumulated Depreciation/Amortization:				
Land Improvements	(6,916,138)	(582,261)	-	(7,498,399)
Buildings and Improvements	(86,332,208)	(3,207,322)	26,931	(89,512,599)
Furniture, Fixtures and Equipment	(63,286,209)	(3,866,281)	1,034,299	(66,118,191)
Vehicles	(7,468,586)	(913,448)	578,701	(7,803,333)
Intangible Right to Use Lease - Buildings**	(433,593)	(418,421)	-	(852,014)
Total Accumulated Depreciation/Amortization	<u>(164,436,734)</u>	<u>(8,987,733)</u>	<u>1,639,931</u>	<u>(171,784,536)</u>
Total Depreciable Capital Assets, Net	<u>84,729,238</u>	<u>(5,023,680)</u>	<u>-</u>	<u>79,705,558</u>
Total Governmental Activities Capital Assets, Net	<u>\$ 383,564,631</u>	<u>\$ 24,593,457</u>	<u>\$ (7,131,765)</u>	<u>\$ 401,026,323</u>

**Of the current year depreciation/amortization total of \$8,987,733, \$418,421 is presented as a general government expense on the Statement of Activities related to the County's intangible assets of various building space leases, which are included as Intangible Right to Use Lease.

Depreciation/Amortization expense was charged to governmental functions as follows:

General Government:	Depreciation	Amoritization
Legislative and Executive	\$ 2,512,420	\$ 271,064
Judicial	370,258	35,230
Public Safety	4,124,467	112,127
Public Works	943,611	-
Health	434,367	-
Human Servcies	179,541	-
Conservation and Recreation	4,648	-
Total	<u>\$ 8,569,312</u>	<u>\$ 418,421</u>

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Business Type capital asset activity for the year ended December 31, 2023, was as follows:

	Balance		Balance	
	12/31/2022	Additions	Deletions	12/31/2023
Business Type Activities				
Capital Assets Not Being Depreciated				
Land	\$ 1,544,056	\$ -	\$ -	\$ 1,544,056
Construction in Progress	3,588,232	6,948,001	(3,464,951)	7,071,282
Total Capital Assets Not Being Depreciated	5,132,288	6,948,001	(3,464,951)	8,615,338
Depreciable Capital Assets:				
Land Improvements	2,734,738	-	(73,460)	2,661,278
Building and Improvements	125,005,407	-	(1,647,182)	123,358,225
Furniture, Fixtures and Equipment	114,875,248	1,669,798	(10,475,084)	106,069,962
Vehicles	2,438,206	476,863	(218,574)	2,696,495
Water Rights	38,896,324	-	(34,810,695)	4,085,629
Water and Sewer Main	394,137,172	9,936,986	-	404,074,158
Total Depreciable Capital Assets	678,087,095	12,083,647	(47,224,995)	642,945,747
Total Capital Assets At Historical Cost	683,219,383	19,031,648	(50,689,946)	651,561,085
Less Accumulated Depreciation for:				
Land Improvements	(2,457,509)	(48,957)	73,460	(2,433,006)
Building and Improvements	(62,425,660)	(3,327,618)	1,647,182	(64,106,096)
Furniture, Fixtures and Equipment	(84,250,818)	(4,809,944)	10,475,084	(78,585,678)
Vehicles	(1,542,644)	(191,809)	218,574	(1,515,879)
Water Rights	(38,251,228)	(215,033)	34,810,695	(3,655,566)
Water and Sewer Main	(207,798,196)	(8,609,842)	-	(216,408,038)
Total Accumulated Depreciation	(396,726,055)	(17,203,203)	47,224,995	(366,704,263)
Total Depreciable Capital Assets, Net	281,361,040	(5,119,556)	-	276,241,484
Total Business Activities Capital Assets, Net	\$ 286,493,328	\$ 1,828,445	\$ (3,464,951)	\$ 284,856,822

Additions to business-type capital assets being depreciated include \$8,026,644 in assets donated by property developers.

BUTLER COUNTY, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 11– 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 2023, the County contracted with County Risk Sharing Authority Inc. (CORSA) (a risk-sharing pool - see Note 19) for liability, property, and crime damage. Coverage provided by the pool is as follows:

Category	Amount (Each Occurrence)
Property Coverage:	
Building Contents and Equipment	\$811,577,528
Flood	125,000,000
Earthquake	125,000,000
Liability Coverage:	
Automobile Liability	8,000,000
Uninsured Motorist	250,000
General Liability	8,000,000
Stop Gap Liability	8,000,000
Law Enforcement Liability	8,000,000
Errors and Omissions Liability	8,000,000
Medical Professional Liability	3,000,000
Cyber Liability	2,000,000
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	2,500,000
Deductible:	
Auto Liability, General, Law Enforcement, Cyber, Medical Profession and Error and Omissions	100,000
Property Coverage, Auto Physical Damage, Crimes, Boiler and Mact	100,000

Settled claims have not exceeded coverage in any of the last three years. The County had no significant decrease in coverage in 2023.

The County has workers' compensation coverage for all employees. The County Commissioners provides medical coverage for their employees. In 2022, the County changed from a self-insurance plan to a fully insured premium based healthcare plan. Remaining 2021 self-insurance claims or runoff claims were paid through the end of 2022. Butler County Developmental Disabilities Board provides medical coverage for their employees through self-insurance plans. The claims liabilities reported in the Health Insurance, Workers' Compensation, and Jefferson Health Plan internal service funds at December 31, 2023 are based on the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. 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.

BUTLER COUNTY, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2023

The historical changes in claims payable (based on 12/31/23 maximum premium) during years December 31, 2022 and 2023 are as follows:

Health Insurance

	Beginning Balance	Claims and Changes in Estimates	Claims Payments	Ending Balance
2022	\$ 2,634,031	\$ (406,254)	\$ 2,227,777	\$ 0
2023	\$ 0	\$ 0	\$ 0	\$ 0

Workers Compensation

	Beginning Balance	Claims and Changes in Estimates	Claims Payments	Ending Balance
2022	\$ 484,441	\$ (32,905)	\$ 0	\$ 451,536
2023	\$ 451,536	\$ (50,722)	\$ 0	\$ 400,814

Jefferson Health Plan

	Beginning Balance	Claims and Changes in Estimates	Claims Payments	Ending Balance
2022	\$ 285,442	\$ 1,793,555	\$ 1,508,007	\$ 570,990
2023	\$ 570,990	\$ 1,582,673	\$ 1,897,215	\$ 256,448

NOTE 12 - DEFINED BENEFIT PENSION PLANS

NET PENSION LIABILITY

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

Net Pension Liability (Asset)/Net OPEB Liability

The net pension liability (asset) and the net OPEB liability reported on the statement of net position represent liabilities to employees for pensions and OPEB, respectively. Pensions/OPEB are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions/OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension/OPEB liability (asset) represent the County's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan's fiduciary net position. The net pension/OPEB liability (asset) calculations are dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

Ohio Revised Code limits the County's obligation for this liability to annually required payments. The County cannot control benefit terms or the manner in which pensions are financed; however, the County does receive the benefit of employees' services in exchange for compensation including pension and OPEB.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits but does not require the retirement systems to provide healthcare to eligible benefit recipients.

The proportionate share of each plan's unfunded benefits is presented as a *net pension asset* or a long-term *net pension/OPEB liability* on the accrual basis of accounting. Any liability for the contractually required pension/OPEB contribution outstanding at the end of the year is included in *due to other governments*. The remainder of this note includes the required pension disclosures. See Note 13 for the required OPEB disclosures.

Ohio Public Employees Retirement System (OPERS)

Plan Description – County employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which 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 and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Effective January 1, 2022, new members may no longer select the Combined Plan, and current members may no longer make a plan change to this plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

BUTLER COUNTY, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2023

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35
Public Safety	Public Safety	Public Safety
Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
Law Enforcement	Law Enforcement	Law Enforcement
Age and Service Requirements: Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Public Safety and Law Enforcement	Public Safety and Law Enforcement	Public Safety and Law Enforcement
Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

Final Average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The amount of a member's pension benefit vests upon receipt of the initial benefit payment. The options for Public Safety and Law Enforcement permit early retirement under qualifying circumstances as early as age 48 with a reduced benefit.

When a traditional plan benefit recipient has received benefits for 12 months, the member is eligible for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost-of-living adjustment is 3 percent. For those retiring on or after January 7, 2013, beginning in calendar year 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for

BUTLER COUNTY, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2023

retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options and will continue to be administered by OPERS), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	<u>State and Local</u>			
	<u>Traditional</u>	<u>Combined</u>	<u>Public Safety</u>	<u>Law Enforcement</u>
2023 Statutory Maximum Contribution Rates				
Employer	14.0 %	14.0 %	18.1 %	18.1 %
Employee *	10.0 %	10.0 %	**	***
2023 Actual Contribution Rates				
Employer:				
Pension *****	14.0 %	12.0 %	18.1 %	18.1 %
Post-employment Health Care Benefits *****	<u>0.0</u>	<u>2.0</u>	<u>0.0</u>	<u>0.0</u>
Total Employer	<u>14.0 %</u>	<u>14.0 %</u>	<u>18.1 %</u>	<u>18.1 %</u>
Employee	<u>10.0 %</u>	<u>10.0 %</u>	<u>12.0 %</u>	<u>13.0 %</u>

* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.

** This rate is determined by OPERS' Board and has no maximum rate established by ORC.

*** This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.

***** These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension; however, effective July 1, 2022, a portion of the health care rate is funded with reserves.

Employer contribution rates are actuarially determined within the constraints of statutory limits for each division and expressed as a percentage of covered payroll.

For 2023, the County's contractually required contribution was \$14,288,356 for the traditional plan, \$301,535 for the combined plan and \$297,943 for the member-directed plan. Of these amounts, \$625,161 is reported as a due to other governments payable for the traditional plan, \$12,240 for the combined plan, and \$14,123 for the member-directed plan.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability (asset) for OPERS was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability (asset) was based on the County's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense of the County's defined benefit pension plans:

	OPERS <u>Traditional Plan</u>	OPERS <u>Combined Plan</u>	<u>Total</u>
Proportion of the Net Pension Liability/Asset:			
Current Measurement Date	0.62474784%	0.57198816%	
Prior Measurement Date	<u>0.66957216%</u>	<u>0.62714112%</u>	
Change in Proportionate Share	<u>-0.04482432%</u>	<u>-0.05515296%</u>	
Proportionate Share of the:			
Net Pension Liability	\$184,550,785	\$0	\$184,550,785
Net Pension Asset	0	(1,348,120)	(1,348,120)
Pension Expense	23,702,516	177,877	23,880,393

2023 pension expense for the member-directed defined contribution plan was \$297,943. The aggregate pension expense for all pension plans was \$24,178,336 for 2023.

At December 31, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to defined benefit pensions from the following sources:

	OPERS <u>Traditional Plan</u>	OPERS <u>Combined Plan</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$6,130,002	\$82,880	\$6,212,882
Changes of assumptions	1,949,649	89,250	2,038,899
Net difference between projected and actual earnings on pension plan investments	52,602,772	491,311	53,094,083
Changes in proportion and differences between County contributions and proportionate share of contributions	598,638	181,851	780,489
County contributions subsequent to the measurement date	<u>14,288,356</u>	<u>301,535</u>	<u>14,589,891</u>
Total Deferred Outflows of Resources	<u>\$75,569,417</u>	<u>\$1,146,827</u>	<u>\$76,716,244</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$0	\$192,628	\$192,628
Changes in proportion and differences between County contributions and proportionate share of contributions	<u>4,733,025</u>	<u>29,835</u>	<u>4,762,860</u>
Total Deferred Inflows of Resources	<u>\$4,733,025</u>	<u>\$222,463</u>	<u>\$4,955,488</u>

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

\$14,589,891 reported as deferred outflows of resources related to pension resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability or increase to the net pension asset in 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	OPERS Traditional Plan	OPERS Combined Plan	Total
2024	\$4,535,790	\$41,504	\$4,577,294
2025	10,760,183	111,946	10,872,129
2026	15,483,558	146,965	15,630,523
2027	25,768,505	233,507	26,002,012
2028	0	22,536	22,536
Thereafter	0	66,371	66,371
Total	<u>\$56,548,036</u>	<u>\$622,829</u>	<u>\$57,170,865</u>

Actuarial Assumptions – OPERS

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2022, using the following key actuarial assumptions and methods applied to all periods included in the measurement in accordance with the requirements of GASB 67:

	OPERS Traditional Plan	OPERS Combined Plan
Wage Inflation	2.75 percent	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation	2.75 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3.0 percent, simple	3.0 percent, simple
Post-January 7, 2013 Retirees	3.0 percent, simple through 2023, then 2.05 percent, simple	3.0 percent, simple through 2023, then 2.05 percent, simple
Investment Rate of Return	6.9 percent	6.9 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

Pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

BUTLER COUNTY, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2023

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 12.1 percent for 2022.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by the Board's investment consultant. For each major class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized below:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	22.00%	2.62%
Domestic Equities	22.00	4.60
Real Estate	13.00	3.27
Private Equity	15.00	7.53
International Equities	21.00	5.51
Risk Parity	2.00	4.37
Other investments	5.00	3.27
Total	100.00%	

Discount Rate

The discount rate used to measure the total pension liability for the current year was 6.9 percent for the traditional plan and the combined plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the traditional pension plan, combined plan and member-directed plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following table presents the County's proportionate share of the net pension liability (asset) calculated using the current period discount rate assumption of 6.9 percent, as well as what the County's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (5.9 percent) or one-percentage-point higher (7.9 percent) than the current rate:

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
County's proportionate share of the net pension liability (asset)			
OPERS Traditional Plan	\$276,450,919	\$184,550,785	\$108,106,366
OPERS Combined Plan	(703,545)	(1,348,120)	(1,858,962)

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 13 – DEFINED BENEFIT OPEB PLANS

See Note 12 for a description of the net OPEB liability (asset).

Plan Description – Ohio Public Employees Retirement System (OPERS)

The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust. The 115 Health Care Trust (115 Trust or Health Care Trust) was established in 2014, under Section 115 of the Internal Revenue Code (IRC). The purpose of the 115 Trust is to fund health care for the Traditional Pension, Combined and Member-Directed plans. Medicare-enrolled retirees in the Traditional Pension and Combined plans may have an allowance deposited into a health reimbursement arrangement (HRA) account to be used toward the health care program of their choice selected with the assistance of an OPERS vendor. Non-Medicare retirees have converted to an arrangement similar to the Medicare-enrolled retirees, and are no longer participating in OPERS provided self-insured group plans.

With one exception, OPERS-provided health care coverage is neither guaranteed nor statutorily required. Ohio law currently requires Medicare Part A equivalent coverage or Medicare Part A premium reimbursement for eligible retirees and their eligible dependents.

OPERS offers a health reimbursement arrangement (HRA) allowance to traditional pension plan and combined plan benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents.

OPERS members enrolled in the Traditional Pension Plan or Combined Plan retiring with an effective date of January 1, 2022, or after must meet the following health care eligibility requirements to receive an HRA allowance:

Medicare Retirees Medicare-eligible with a minimum of 20 years of qualifying service credit

Non-Medicare Retirees Non-Medicare retirees qualify based on the following age-and-service criteria:

Group A 30 years of qualifying service credit at any age;

Group B 32 years of qualifying service credit at any age or 31 years of qualifying service credit and minimum age 52;

Group C 32 years of qualifying service credit and minimum age 55; or,

A retiree from groups A, B or C who qualifies for an unreduced pension, but a portion of their service credit is not health care qualifying service, can still qualify for health care at age 60 if they have at least 20 years of qualifying health care service credit.

Retirees who don't meet the requirement for coverage as a non-Medicare participant can become eligible for coverage at age 65 if they have at least 20 years of qualifying service.

Members with a retirement date prior to January 1, 2022, who were eligible to participate in the OPERS health care program will continue to be eligible after January 1, 2022.

Eligible retirees may receive a monthly HRA allowance for reimbursement of health care coverage premiums and other qualified medical expenses. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are provided to eligible retirees, and are deposited into their HRA account.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Retirees will have access to the OPERS Connector, which is a relationship with a vendor selected by OPERS to assist retirees participating in the health care program. The OPERS Connector may assist retirees in selecting and enrolling in the appropriate health care plan.

When members become Medicare-eligible, recipients enrolled in OPERS health care programs must enroll in Medicare Part A (hospitalization) and Medicare Part B (medical).

OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Connector. OPERS also will reimburse 50 percent of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

The health care trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

The Ohio Revised Code permits but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, 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 Ohio Revised Code provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2023, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2023, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and beginning July 1, 2022, there was a two percent allocation to health care for the Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2023 was 4.0 percent; however, effective July 1, 2022, a portion of the health care rate was funded with reserves.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County's contractually required contribution was \$156,371 for 2023. Of this amount, \$6,344 is reported as a due to other governments payable.

BUTLER COUNTY, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2023

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The County's proportion of the net OPEB liability was based on the County's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>
Proportion of the Net OPEB Liability:	
Current Measurement Date	0.61634400%
Prior Measurement Date	<u>0.66017184%</u>
Change in Proportionate Share	<u>0.04382784%</u>
Proportionate Share of the Net OPEB Liability	\$3,886,160
OPEB Expense	(\$6,777,022)

At December 31, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>
Deferred Outflows of Resources	
Changes of assumptions	\$3,795,707
Net difference between projected and actual earnings on OPEB plan investments	7,718,064
Changes in proportion and differences between County contributions and proportionate share of contributions	89,372
County contributions subsequent to the measurement date	<u>156,371</u>
Total Deferred Outflows of Resources	<u>\$11,759,514</u>
Deferred Inflows of Resources	
Differences between expected and actual experience	\$969,363
Changes of assumptions	312,326
Changes in proportion and differences between County contributions and proportionate share of contributions	<u>28,089</u>
Total Deferred Inflows of Resources	<u>\$1,309,778</u>

BUTLER COUNTY, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2023

\$156,371 reported as deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability or an increase of the net OPEB asset in 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	<u>OPERS</u>
2024	\$1,346,177
2025	2,811,987
2026	2,406,743
2027	<u>3,728,458</u>
Total	<u>\$10,293,365</u>

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022. The actuarial valuation used the following key actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	2.75 percent
Projected Salary Increases,	2.75 to 10.75 percent including wage inflation
Single Discount Rate	5.22 percent
Prior Year Single Discount Rate	6.00 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	4.05 percent
Prior Year Municipal Bond Rate	1.84 percent
Health Care Cost Trend Rate	5.5 percent, initial 3.50 percent, ultimate in 2036
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five year period ended December 31, 2020.

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, if any contribution are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. Health care-related payments are assumed to occur mid-year. Accordingly, the money-

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was 15.6 percent for 2022.

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	34.00%	2.56%
Domestic Equities	26.00	4.60
Real Estate Investment Trust	7.00	4.70
International Equities	25.00	5.51
Risk Parity	2.00	4.37
Other investments	6.00	1.84
Total	100.00%	

Discount Rate

A single discount rate of 5.22 percent was used to measure the OPEB liability on the measurement date of December 31, 2022; however, the single discount rate used at the beginning of the year was 6 percent. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 4.05 percent (Fidelity Index's "20-Year Municipal GO AA Index"). The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2054. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2054, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the County's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following table presents the County's proportionate share of the net OPEB liability calculated using the single discount rate of 5.22 percent, as well as what the County's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (4.22 percent) or one-percentage-point higher (6.22 percent) than the current rate:

	1% Decrease (4.22%)	Current Discount Rate (5.22%)	1% Increase (6.22%)
County's proportionate share of the net OPEB liability	\$13,226,742	\$3,886,160	(\$3,821,333)

BUTLER COUNTY, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2023

Sensitivity of the County's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend

Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability or asset. The following table presents the net OPEB liability or asset calculated using the assumed trend rates, and the expected net OPEB liability or asset if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2023 is 5.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	<u>1% Decrease</u>	<u>Current Health Care Cost Trend Rate Assumption</u>	<u>1% Increase</u>
County's proportionate share of the net OPEB liability	\$3,642,593	\$3,886,160	\$4,160,322

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

The County has elected to provide a fully insured plan for employee medical/surgical benefits through Humana. Dental insurance is provided to all employees as a function of the health care plan through Delta Dental. Butler County Developmental Disabilities has chosen to provide a self-insurance employee medical/surgical benefits along with dental insurance through the Jefferson Health Plan.

The Commissioners provided both a high deductible health care plans (HDHP) and a preferred provider organization (PPO) plan for health benefits in 2023. The chart below identifies the dollars contributed by the Commissioners and the employees per month.

<u>Level</u>	<u>Employee Contribution</u>	<u>County Contribution</u>	<u>Total Contribution</u>
High Deductible Plan:			
Employee	\$ 128.16	\$ 567.52	\$ 695.68
Employee plus Spouse	277.00	1,255.56	1,532.56
Employee plus Children	182.46	1,067.64	1,250.10
Family	355.52	1,731.48	2,087.00
Preferred Provider Organization:			
Employee	\$ 188.28	\$ 582.36	\$ 770.64
Employee plus Spouse	410.46	1,287.24	1,697.70
Employee plus Children	290.54	1,094.30	1,384.84
Family	537.26	1,774.64	2,311.90

BUTLER COUNTY, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2023

The Butler County Board of Development Disabilities (BCBDD) participated in the Jefferson Health Plan during 2023. BCBDD provides health insurance to its employees through a self-insurance plan. BCBDD pays \$669.44 per month for employees enrolled in a single plan and \$1,851.30 per month for employees enrolled in a family plan, with the employees paying \$82.74 per month for single coverage, and \$228.82 per month for family coverage.

County employees may participate in deferred compensation plans as a voluntary benefit. The employees can select from Ohio Public Employees Deferred Compensation Plan, County Commissioners Association Deferred Compensation plan or the Great American Fund Connection 457 Deferred Compensation Program. These plans were created in accordance with Internal Revenue Code Section 456 and are considered an other employee benefit plan. Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. According to the plans, the deferred compensation is not available until termination, retirement, death or an unforeseeable emergency.

NOTE 15 – PRIOR YEAR DEFEASANCE OF BONDS

In prior years, the County has defeased various bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust assets and the liability for the defeased bonds are not included in the County’s financial statements. As of December 31, 2023, the bonds listed were unmatured and unpaid.

Defeasance from Debt	Original Issue	Unmatured and Unpaid at 12/31/23
Water Judgement Bonds Dated July 23, 2002	35,030,000	7,410,000

THIS SPACE IS INTENTIONALLY LEFT BLANK

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 16– LONG-TERM OBLIGATIONS

A schedule of changes in bonds and other long-term obligations of the governmental activities of the County during 2023 were as follows:

Debt Issue	Balance as of 12/31/22	Increases	Decreases	Balance as of 12/31/23	Due Within One Year
General Obligation Bonds					
2014 1.50-5.00% \$7,520,000					
Various Purpose	\$ 1,385,000	\$ -	\$ 675,000	\$ 710,000	\$ 710,000
Premium on Debt Issued	126,730	-	63,363	63,367	-
2022 1.93-2.46% \$7,525,000					
Various Purpose	6,830,000	-	700,000	6,130,000	715,000
2022 1.93% \$9,315,000					
Various Purpose	9,115,000	-	355,000	8,760,000	370,000
<i>Direct Placement</i>					
2019 1.916% \$634,000					
By-Pass 4	262,000	-	130,000	132,000	132,000
Total General Obligation Bonds	\$ 17,718,730	\$ -	\$ 1,923,363	\$ 15,795,367	\$ 1,927,000
Special Assessment Bonds					
2005 4.125% \$1,144,000					
Venice Gardens Sewer	\$ 864,020	\$ -	\$ 23,240	\$ 840,780	\$ 24,190
2008 3.00-5.50% \$3,315,000					
Various Purpose	1,340,000	-	195,000	1,145,000	205,000
Premium on Debt Issued	25,126	-	4,187	20,939	-
Total Special Assessment Bonds	\$ 2,229,146	\$ -	\$ 222,427	\$ 2,006,719	\$ 229,190
Revenue Bonds					
<i>Direct Placement</i>					
2020 1.98% \$1,700,000					
Hamilton Mason Road	\$ 1,455,000	\$ -	\$ 135,000	\$ 1,320,000	\$ 135,000
Total Revenue Bonds	\$ 1,455,000	\$ -	\$ 135,000	\$ 1,320,000	\$ 135,000

(Continued)

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Debt Issue	Balance as of 12/31/22	Increases	Decreases	Balance as of 12/31/23	Due Within One Year
Long-Term Loans from Direct Borrowings					
2005 0.00% \$789,748					
OPWC Cincinnati Dayton Rd.	\$ 98,719	\$ -	\$ 39,488	\$ 59,231	\$ 39,488
2009 0.00% \$329,549					
OPWC Tylersville Rd.	115,345	-	16,478	98,867	16,478
2009 0.00% \$157,188					
OPWC Hamilton Eaton Slip	62,877	-	7,860	55,017	7,860
2010 0.00% \$305,000					
OPWC Reily Millville Slip Phase I	129,625	-	15,250	114,375	15,250
2010 0.00% \$416,498					
OPWC Reily Millville Slip Phase II	138,831	-	27,766	111,065	27,766
2011 0.00% \$348,950					
OPWC Trenton and Busenbark Rd.	174,947	-	17,448	157,499	17,448
Total Long-Term Loans From Direct Borrowing	\$ 720,344	\$ -	\$ 124,290	\$ 596,054	\$ 124,290
Other Long-Term Obligations					
Claims Payable	\$ 451,536	\$ -	\$ 50,722	\$ 400,814	\$ 147,267
Compensated Absences Payable	10,108,488	5,517,918	4,616,363	11,010,043	4,813,517
Judgement Payable	-	824,556	-	824,556	-
Contracts Payable - TID	12,899,461	150,584	1,078,690	11,971,355	1,137,823
Contracts Payable - LCA Obligations	8,624,364	-	388,645	8,235,719	236,246
Leases Payable	1,499,141	-	411,224	1,087,917	324,818
Net Pension Liability - OPERS	54,614,521	118,401,841	-	173,016,362	-
Net OPEB Liability - OPERS	-	3,643,277	-	3,643,277	-
Total Other Long-Term Obligations	88,197,511	128,538,176	6,545,644	210,190,043	6,659,671
Total Governmental Activities	\$ 110,320,731	\$ 128,538,176	\$ 8,950,724	\$ 229,908,183	\$ 9,075,151

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

GENERAL OBLIGATION BONDS

All governmental activities general obligation bonded debt are general obligations supported by the full faith and credit of the County. All unvoted general obligation bonds will be retired using unvoted general property tax revenues. The County currently retires all general obligation bonds from the bond retirement fund which is funded through general fund transfers. In the event of default, the lender could force the County to redirect inside millage to cover the debt.

In September 2014, the County issued \$7,520,000 in general obligation bonds for the purpose of current refunding \$8,030,000 of 2004 various purpose bonds to take advantage of lower interest rates. These bonds will mature in December 2024. In September 2020, the County chose to defease a portion of the future bond payments by placing \$51,055 of County funds with an escrow agent. As a result, \$50,000 of the bonds were considered defeased and the liability for the bonds has been removed from the County's financial statements. The County also incurred an accounting loss of \$1,055 (difference between the amount paid to the escrow agent and the net carrying amount).

In November 2019, the County issued \$634,000 in general obligation bonds to current refund \$1,340,000 of the 2009 By-Pass 4 General Obligation Bonds. The bonds were issued for a five-year period, with final maturity in December 2024. This debt is a direct placement as indicated on the debt table.

In March 2022, the County issued \$7,525,000 in public infrastructure improvement limited tax general obligation bonds that were converted to tax exempt general obligation bonds in October of 2022. The County issued these bonds to alleviate the long-term contractual obligation referred to as "Contracts Payable – Finance Authority" in Note 16. The long-term contractual obligation was originally issued for \$11,085,000 to pay for the Finance Authority 2014 Series A Bonds issued for the construction of public parking garages at Liberty Center. The 2022 County bonds were issued for a ten-year period with final maturity in December 2031. The County will use excess dollars remaining on the Voice of America TIF equivalency fund to pay for these obligations.

In March 2022, the County issued \$9,315,000 of various purpose limited tax obligation bonds. \$6,585,000 of the bonds were issued to aid in the construction of certain assets related to the Freedom Pointe development project. The Freedom Pointe bonds were issued for an eleven-year period with maximum maturity in December 2032. The remaining \$2,730,000 of bonds were issued to current refund a portion of the County's 2010 various purpose general obligation bonds to take advantage of lower interest rates. These bonds are paid from the bond retirement fund and will mature in December 2034. The 2010 various purpose general obligation bonds were defeased in late March 2022 and the liability for the bonds have been removed from the County's financial statements.

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 a property owner defaults on an assessment, the County would be responsible for the debt payments. Special assessment bonds are retired from the Bond Retirement Fund using special assessment revenues. In the event of default, the lender could force the County to redirect inside millage to cover the debt.

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 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.

The County has pledged future special assessment revenues, net of operating expenses, to repay the general obligation bonds in the General Fund. The total interest and principal remaining on the bonds is \$2,636,118 payable through 2045. The purpose, terms, and balances outstanding are identified above. For the current year, principal and interest paid and special assessment revenues were \$218,240 and \$109,341 respectively.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

REVENUE BONDS

In 2020, the County bonded its Hamilton Mason TIF note by issuing \$1,700,000 in revenue bonds which will mature in 2032.

LONG-TERM LOANS

The County's outstanding Ohio Public Works Commission (OPWC) loans from direct borrowings contain provisions that in an event of default, where loan payment is more than 60 days past due, OPWC may (1) apply late fees of 8 percent per year, (2) turn the loan over to the Attorney General's Office for collection, and as provided by law, require that such payments be taken from the County's share of the undivided local government fund, and (3) at its option, declare the loan immediately due and payable.

In 2005, the County entered a loan agreement with OPWC for \$789,748 to make improvements to Cincinnati Dayton Road using proceeds from the loan. The loan was issued for twenty-years with the final payment originally due in 2024. OPWC deferred one payment in 2020 during the global COVID-19 pandemic and the final payment is now due in 2025. The loan will be repaid from Motor Vehicle Fund revenues.

In 2009, the County entered a loan agreement with OPWC for \$329,549 for the widening of Tylersville Road between Cincinnati Dayton Road and Wetherington Drive, including the replacement of an existing bridge using proceeds from the loan. The loan was issued for twenty-years with the final payment due in 2029. The loan will be repaid from Motor Vehicle Fund revenues.

In 2009, the County entered a loan agreement with OPWC for \$157,188 for the restoration of the Hamilton Eaton Slip located at the intersection of State Road and Hamilton Eaton Road where Seven Mile Creek had eroded into the roadway area. The loan was issued for twenty-years with the final payment due in 2030. The loan will be repaid from Motor Vehicle Fund revenues.

In 2010, the County entered a loan agreement with OPWC for \$305,000 for phase one of the restoration of the Reily Millville Road Slip. The loan was issued for twenty-years with the final payment originally due in 2030. OPWC deferred one payment in 2020 during the global COVID-19 pandemic and the final payment is now due in 2031. The loan will be repaid from Motor Vehicle Fund revenues.

In 2010, the County entered a loan agreement with OPWC not to exceed \$416,498 for phase two of the restoration of the Reily Millville Road Slip. The loan was issued for fifteen-years with the final payment due in 2027. The loan will be repaid from Motor Vehicle Fund revenues.

In 2011, the County entered a loan agreement with OPWC not to exceed \$348,950 for the construction of new left turns lanes on Trenton Road and Busenbark Road. The loan was issued for twenty-years with the final payment due in 2032. The loan will be repaid from Motor Vehicle Fund revenue.

OTHER PAYABLES

Claims payable represents the County's liability for workers' compensation. 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 Fund. For additional information relating to the claims liability, see Note 11.

Compensated absences will be paid from the General Fund, Developmental Disabilities, Mental Health and Addiction Recovery Service, Children Services, and Elderly Services Funds. There is no repayment schedule for the net pension/OPEB liability. However, employer pension contributions are made from the following funds: General Fund, Developmental Disabilities, Job and Family Services, Children Services, Road Improvement, Real Estate Assessment, Motor Vehicle, Mental Health and Addiction Recovery Service, Child Support Enforcement, and Elderly Services. For additional information related to the net pension/OPEB liability, see Note 12 and Note 13.

Judgement payable represents an employment settlement order issued in March 2024 by the United States District Court for the Southern District Court of Ohio Western Division. The County entered a motion stay pending appeal and approval of the cash bond which is being held by the Court. The Judgement was issued for \$1,174,556 and CORSA, the County Risk Sharing Authority, reimbursed the County \$350,000.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

The County has recorded a Long Term Liability – Due in More than One Year for the net liability of \$824,556 awaiting the final appeal decision of the Court.

Contracts payable represents long-term contractual agreements for the payment of bonds issued by the Butler County Transportation Improvement District (TID) and the Liberty Community Authority. While the assets of these organizations do not belong to the County, the infrastructure and economic development benefit Butler County citizens.

The County pledged the Voice of America net TIF revenues (collections less debt service and school district payments) as a primary source to the TID to assist in paying for \$41,130,000 of 2007 Butler County Transportation Improvement District Highway Improvement Bonds. There is no set amortization schedule reflecting the amount sent to the TID. The County has recorded a long-term obligation in the amount of \$11,971,355, the estimated portion of the bonds to be paid by the net TIF revenues. The County paid \$1,078,690 on the bonds in 2023.

Excess dollars paid to the TID from the TIF revenues will be returned to the County each year once debt service coverage is met. In the event the dollars are not sufficient to cover the debt requirements, the County has pledged one-quarter of its Non-Tax Revenues of the General Fund as a secondary pledge. In addition to Butler County's pledged receipts, the TID bonds have pledged receipts for payment from Liberty Township and West Chester Township.

In 2014, the County partnered with Liberty Township and the Liberty Community Authority (LCA) for the construction of public parking garages and infrastructure for the Liberty Center project, also known as the Steiner Development. When the project is complete, the assets will belong to the LCA. The parties entered into a funding agreement and issued \$37,310,000 in bonds for capital financing through the Butler County Finance Authority. The bonds were issued November 14, 2014, and will be paid solely from the pledged amounts identified in the funding agreement; the Finance Authority shall never be required to use its own funds to make such payments. The County pledged the excess dollars remaining on the Voice of America net TIF revenues for the \$11,085,000 Series A bonds. The Series A bonds were issued to assist in constructing public parking garages. In the event the net TIF revenues are not sufficient to cover the debt requirements, the County has pledged one-quarter of its Non-Tax Revenues of the General Fund as a secondary pledge. The Series B bonds in the amount of \$6,045,000 will be paid by Liberty Township and the Series C bonds of \$20,180,000 will be paid by the LCA.

The Liberty Community Authority, a component unit of the County, has issued \$12,267,111 in OWDA loans to construct certain public infrastructure projects at the Liberty Center Project. The first principal payment due on the loans was scheduled to start in January 2019 with semiannual payments expected to be paid through July 2048. The County has agreed to assign to the LCA the Available County Revenues in an amount sufficient to secure the repayment of debt service payable on of the OWDA Loan to the extent the County OWDA Obligation amounts have not been expended for payment of debt service on the Series C Bonds, provided that County OWDA Obligation amounts shall be used to pay debt service on the OWDA Loan only if available and Liberty Community Authority Revenues are insufficient to pay such debt service. The County is required to send approximately \$825,000 each year from 2017 through 2031 to a bank account to be held by the trust agent if the Liberty Community Authority revenues are insufficient to cover the OWDA loan obligation. The total sent to this trust account shall not exceed \$12,363,500, which is considered the maximum liability Butler County can incur for the OWDA loan and the Liberty Community Authority Finance Authority issued bonds.

In 2023, the Liberty Community Authority had insufficient revenues to meet their OWDA loan and LCA issued bonds payment obligations in full. In accordance with the financial guarantees provided by the County, \$388,645 of Butler County TIF revenues were used by the fiscal agent to cover cash flow shortfalls for a portion of the LCA's OWDA obligations and the LCA bonds. Due to the high likelihood that Butler County will continue to make these payments, a Long-Term Contractual Obligation has been recognized in the County's financial statements. The Contractual Obligation is shown on the Statement of Activities as Public Works – Intergovernmental and on the Statement of Net Position as Long-Term Liabilities Due Within One Year and Due in More Than One Year. The liability at the end of 2023 was \$8,235,719 with no expectation of repayment from the Liberty Community Authority at this time.

BUTLER COUNTY, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2023

The County has outstanding agreements to lease office space and buildings. The future lease payments were discounted based on the interest rate implicit in the lease or using the County's incremental borrowing rate. This discount is being amortized using the interest method over the life of the lease. These leases will be paid from the governmental funds. A summary of the principal and interest amounts for the remaining leases is as follows:

Year	Principal	Interest
2024	\$ 324,818	\$ 14,228
2025	327,242	9,178
2026	261,782	4,458
2027	44,894	2,410
2028	19,721	2,183
2029-2033	7,801	10,199
2034-2038	8,591	9,409
2039-2043	9,461	8,539
2044-2048	10,418	7,582
2049-2053	11,473	6,527
2054-2058	12,634	5,366
2059-2063	13,913	4,087
2064-2068	15,322	2,679
2069-2073	16,872	1,127
2074	2,975	25
	\$ 1,087,917	\$ 87,998

BUTLER COUNTY, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2023

Annual debt service requirements to maturity for general obligation bonds, special assessment bonds, and loans for all governmental activities are as follows:

Year	General Obligation Bonds		General Obligation Bonds Direct Placement	
	Principal	Interest	Principal	Interest
2024	\$ 1,795,000	\$ 305,127	\$ 132,000	\$ 2,530
2025	1,655,000	266,437	-	-
2026	1,690,000	234,495	-	-
2027	1,720,000	201,878	-	-
2028	1,750,000	168,682	-	-
2029-2033	6,755,000	339,101	-	-
2034	235,000	4,535	-	-
	<u>\$ 15,600,000</u>	<u>\$ 1,520,255</u>	<u>\$ 132,000</u>	<u>\$ 2,530</u>

Year	Special Assessment Bonds		Revenue Bond Direct Placement	
	Principal	Interest	Principal	Interest
2024	\$ 229,190	\$ 97,657	\$ 135,000	\$ 26,136
2025	240,200	85,384	140,000	23,463
2026	256,230	72,516	140,000	20,691
2027	267,320	58,788	145,000	17,919
2028	283,440	44,461	145,000	15,048
2029-2033	160,810	133,583	615,000	30,789
2034-2038	196,830	97,565	-	-
2039-2043	240,910	53,479	-	-
2044-2045	110,850	6,905	-	-
	<u>\$ 1,985,780</u>	<u>\$ 650,338</u>	<u>\$ 1,320,000</u>	<u>\$ 134,046</u>

Year	Loans Direct Borrowings
	Principal
2024	\$ 124,290
2025	104,546
2026	84,802
2027	84,802
2028	57,035
2029-2032	140,579
	<u>\$ 596,054</u>

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Changes in long-term obligations reported in the business-type activities of the County during 2023 were as follows:

Debt Issue	Balance as of 12/31/22	Increases	Decreases	Balance as of 12/31/23	Due Within One Year
Sewer General Obligation Bonds					
2005 4.125% \$600,000					
Venice Garden Sewer	\$ 453,160	\$ -	\$ 12,190	\$ 440,970	\$ 12,690
2006 4.375% \$3,200,000					
USDA New Miami Sewer	2,507,110	-	61,120	2,445,990	63,800
Total General Obligation Bonds	\$ 2,960,270	\$ -	\$ 73,310	\$ 2,886,960	\$ 76,490
Water Judgement Bonds					
2007 4.00-5.25% \$24,135,000					
Water Judgement	\$ 9,350,000	\$ -	\$ 2,160,000	\$ 7,190,000	\$ 2,275,000
Total Judgement Bonds	\$ 9,350,000	\$ -	\$ 2,160,000	\$ 7,190,000	\$ 2,275,000
Sewer Revenue Bonds					
2005 3.00-5.00% \$19,575,000					
Sewer	\$ 465,000	\$ -	\$ 465,000	\$ -	\$ -
Premium on Debt Issued	104,697	-	104,697	-	-
2006 4.375% \$4,000,000					
USDA Sewer	3,087,200	-	80,520	3,006,680	84,040
2014 2.00-4.00% \$9,640,000					
Sewer	670,000	-	330,000	340,000	340,000
Premium on Debt Issued	108,645	-	108,645	-	-
Total Sewer Revenue Bonds	\$ 4,435,542	\$ -	\$ 1,088,862	\$ 3,346,680	\$ 424,040
Water Revenue Bonds					
2014 1.50-5.00% \$9,345,000					
Water	2,870,000	-	935,000	1,935,000	965,000
Premium on Debt Issued	338,349	-	112,784	225,565	-
Total Water Revenue Bonds	\$ 3,208,349	\$ -	\$ 1,047,784	\$ 2,160,565	\$ 965,000

(Continued)

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Debt Issue	Balance as of 12/31/2022	Increases	Decreases	Balance as of 12/31/2023	Due Within One Year
Long-Term Loans					
Sewer Direct Borrowings					
2009 3.42% \$849,987					
OWDA Shaker Creek Sewer	364,698	-	46,952	317,746	48,572
2009 3.42% \$1,153,728					
OWDA Big Monroe Sewer	496,284	-	63,730	432,554	65,929
2009 2.65% \$1,587,221 (ARRA)					
OWDA LeSourdsville Sewer	44,295	-	5,736	38,559	5,890
2010 0.00% \$510,468					
OPWC LeSourdsville Sharon Creek	323,292	-	17,016	306,276	17,016
2011 3.71% \$35,500,000					
OWDA LeSourdsville Phase 2	12,224,590	-	869,996	11,354,594	902,572
Total Sewer Direct Borrowings	13,453,159	-	1,003,430	12,449,729	1,039,979
Water Direct Borrowings					
2005 4.19% \$4,634,892					
Cincinnati Waterworks	919,260	-	283,901	635,359	349,861
2005 0.00% \$700,871					
OPWC Cast Iron Watermain	245,296	-	35,045	210,251	35,045
2006 0.00% \$874,581					
OPWC Watermain Improvements	262,372	-	43,730	218,642	43,730
2009 0.00% \$470,318					
OPWC Cast Iron Watermain	290,030	-	15,678	274,352	15,678
2009 3.52% \$3,158,694					
OWDA Polybutylene Water Line	1,613,788	-	165,970	1,447,818	171,864
2010 0.00% \$2,466,203 (ARRA)					
OWDA Liberty-Fairfield Water Tank	566,879	-	70,860	496,019	70,860

(Continued)

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Debt Issue	Balance as of 12/31/2022	Increases	Decreases	Balance as of 12/31/2023	Due Within One Year
2010 0.00% \$600,000 OPWC Cast Iron Watermain	400,000	-	20,000	380,000	20,000
2011 0.00% \$201,000 OPWC WC Road Watermain Replacement	107,248	-	5,231	102,017	5,231
2011 0.00% \$580,000 OPWC Polybutylene	425,333	-	19,334	405,999	19,334
2012 0.00% \$169,873 OPWC Liberty-Fairfield Watermain Replacement	118,915	-	5,662	113,253	5,662
2013 0.00% \$1,275,000 OPWC Polybutylene Service Lines	1,020,000	-	42,500	977,500	42,500
2014 0.00% \$308,512 OPWC Liberty-FF WM Replace	251,950	-	10,284	241,666	10,284
2015 0.00% \$265,975 OPWC Polybutylene Replacement	226,078	-	8,866	217,212	8,866
Total Water Direct Borrowings	6,447,149	-	727,061	5,720,088	798,915
Total Long-Term Loans From Direct Borrowings	19,900,308	-	1,730,491	18,169,817	1,838,894
Other Long-Term Obligations					
Compensated Absences	\$ 685,674	\$ 203,365	\$ 244,835	644,204	\$ 315,092
Net Pension Liability - OPERS	3,640,966	7,893,457	-	11,534,423	-
Net OPEB Liability - OPERS	-	242,883	-	242,883	-
Total Other Long-Term Obligations	\$ 4,326,640	\$ 8,339,705	\$ 244,835	\$ 12,421,510	\$ 315,092
Total Business-Type Activities	\$ 44,181,109	\$ 8,339,705	\$ 6,345,282	\$ 46,175,532	\$ 5,894,516

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

GENERAL OBLIGATION BONDS

All business-type activities general obligation bonded debt is supported by the full faith and credit of the County. Enterprise supported general obligation bonds are being paid by Enterprise Funds. In the event of default, the lender could force the County to redirect inside millage to cover the debt.

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.

WATER JUDGEMENT BONDS

In the event of default, the lender can choose to accelerate the payments on the Water Judgement Bond debt.

The 2007 Water Judgement Bond is a general obligation bond that was court ordered to settle the water contract dispute between Butler County and the City of Hamilton. The County received Water Rights assets as part of the settlement agreement. See Capital Assets Note 10 for additional information. The principal and interest are paid from the Water fund.

In April 2007, the County issued \$24,135,000 in Water Judgement 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.

REVENUE BONDS

In the event of default, the lender can choose to accelerate the payments on the Revenue Bond debt.

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 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 and reached final maturity in December 2023. The liability for the bonds have been removed from the County's financial statements.

In September 2006, the County issued a \$4,000,000 Sewer 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.

In September 2014, the County issued \$9,640,000 of Sewer Revenue Bonds for the purpose of current refunding \$10,150,000 of 2004 Sewer Revenue Bonds, in order to take advantage of lower interest rates. These bonds are paid from the Sewer Fund and will mature in December 2024. As a result, \$10,150,000 of the 2004 sewer revenue bonds were considered defeased and the liability for the refunded bonds have been removed from the County's financial statements. All refunded bonds have been repaid.

In September 2014, the County issued \$9,345,000 of Water Revenue Bonds for the purpose of advance refunding \$10,275,000 of 2005 Water Revenue Bonds, in order to take advantage of lower interest rates. These bonds are paid from the Water Fund and will mature in December 2025. As a result, \$10,275,000 of the 2005 Water Revenue Bonds were considered defeased and the liability for the refunded bonds have been removed from the County's financial statements. All refunded bonds have been repaid.

The County has pledged future revenues, net of operating expenses, to repay Revenue Bonds, Cincinnati Waterworks Loans, and OPWC and OWDA loans in the Water fund. The debt is payable solely from water customer net revenues and is payable through 2046. The purpose, terms, and outstanding balances are identified

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

above. Annual principal and interest payments on this debt are expected to require 18 percent of net revenues, which were \$10,634,581 in 2023. Total current year principal and interest payments were \$1,874,727. This included \$1,070,308 for the Revenue Bonds, \$314,080 for the Cincinnati Waterworks loan, and \$490,339 for the remaining OPWC/OWDA loans. Total principal and interest remaining to be paid is \$7,968,016, broken down as follows: \$2,080,250 for the Revenue Bonds, \$713,961 for the Cincinnati Waterworks, and \$5,173,805 for the OPWC/OWDA loans.

The County has pledged future revenues, net of operating expenses, to repay Revenue Bonds and OWDA loans in the Sewer fund. The debt is payable solely from sewer customer net revenues and is payable through 2046. The purpose, terms, and outstanding balances are identified above. Annual principal and interest payments on this debt are expected to require 18 percent of net revenues, which were \$13,457,508 in 2023. Total current year principal and interest payments were \$2,444,521. This included \$1,054,642 for the revenue bonds and \$1,389,879 for the OPWC/OWDA loans. Total principal and interest remaining to be paid is \$20,805,372, broken down as follows: \$5,096,442 for the Revenue Bonds and \$15,708,930 for the OPWC/OWDA loans.

LONG-TERM LOANS

The County's outstanding Ohio Public Works Commission (OPWC) loans from direct borrowings contain provisions that in an event of default, where loan payment is more than 60 days past due, OPWC may (1) apply late fees of 8 percent per year, (2) turn the loan over to the Attorney General's Office for collection, and as provided by law, require that such payments be taken from the County's share of the undivided local government fund, and (3) at its option, declare the loan immediately due and payable.

Sewer Long-Term Loans

In 2009, the County entered into a loan with the OWDA for \$849,987 to restore and stabilize eroding stream banks of Shaker Creek. The loan was issued for twenty-years with the final payment due in 2029. The loan will be repaid by Sewer Fund revenues.

In 2009, the County entered into a loan with the OWDA for \$1,153,728 to reduce erosion, sedimentation and nutrient enrichment for the Big Monroe project located at Mill Creek. The loan was issued for twenty-years with the final payment due in 2029. The loan will be repaid by Sewer Fund revenues.

In 2009, the County entered into a loan with the OWDA for \$1,587,221 to construct a new sewage receiving facility, a new vector truck unloading facility, and install a second sludge-dewatering centrifuge. The loan was issued for twenty-years with the final payment due in 2030. The loan will be repaid by Sewer Fund revenues.

In 2010, the County entered into a loan with the OPWC for \$510,468 to replace and improve an existing sanitary force main with a new sanitary force main and gravity sewer. The loan proceeds also were used to increase the height of a cascade wall approximately two feet to prevent overflows that occur during heavy storm events. The loan was issued for thirty-years with the final payment due in 2041. The loan will be repaid by Sewer Fund revenues.

In 2011, the County entered into a loan with the OWDA for an amount not to exceed \$35,500,000 to upgrade and improve the LeSourdsville Wastewater Treatment Plant. The project includes upgrading existing systems and equipment at the plant. The loan was issued for twenty-years with the final payment due in 2034. The loan will be repaid by Sewer Fund revenues.

Water Long-Term Loans

In 2005, Butler County entered into a contractual agreement with the City of Cincinnati for \$4,634,892 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. Approximately \$549,623 of Butler County water lines were added while intangible assets of \$4,085,629 were recorded as depreciable capital assets, net. This loan matures in October 2025.

In 2006, the County entered into a loan with the OPWC for \$700,871 and \$874,581 to make 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 2009 and a final payment due in January 2029. The 2006

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

watermain improvements loan was issued for twenty-years with the first payment starting in July 2008 and a final payment due in January 2028. Both OPWC loans will be repaid by Water fund user charges.

In 2009, the County entered into a loan with the OPWC for \$470,318 to replace watermains using proceeds from the loan. The loan was issued for thirty-years with the final payment due in 2040. The loan will be repaid by Water Fund revenues.

In 2009, the County entered into a loan with Ohio Water Development Authority (OWDA) for \$3,158,694 to replace over 7,000 failing polybutylene service lines in Butler County. The loan was issued for thirty-years with the final payment due in 2031. The loan will be repaid by Water Fund revenues.

In 2010, the County entered into a loan with the OWDA for \$2,466,203 to design and construct a 2.0 million gallon ground-level storage tank that will serve as a buffer, isolating the pump station from other systems that are surrounding the area. In addition, control valves will be included to smooth out flow rates going into the tank and ensuring that pressures are not drawn below acceptable levels. The loan was issued for twenty-years with the final payment due in 2030. The loan will be repaid by Water Fund revenues.

In 2010, the County entered into a loan with the OPWC for \$600,000 to replace over 15,000 feet of failing cast iron watermains for the subdivision of Dalewood located in West Chester Township. The loan was issued for thirty-years with the final payment due in 2042. The loan will be repaid by Water Fund revenues.

In 2011, the County entered into a loan with the OPWC for an amount not to exceed \$201,000 to replace the aging cast iron water main along West Chester Road from Barret Road to John Street in West Chester Twp. The loan was issued for thirty-years with the final payment due 2042. The loan will be repaid by Water Fund revenues.

In 2011, the County entered into a loan with the OPWC for an amount not to exceed \$580,000 to replace polybutylene water lines in at various locations including Fairfield Township, Liberty Township, and West Chester Township. The loan was issued for thirty-years with the final payment due in 2043. The loan will be repaid by Water Fund revenues.

In 2012, the County entered into a loan with Ohio Public Works Commission (OPWC) for an amount not to exceed \$169,873 to replace a watermain in Liberty-Fairfield Township. The loan was issued for thirty-years with the final payment due 2043. The loan will be repaid by Water Fund revenues.

In 2013, the County entered into a loan with the OPWC for \$1,275,000 for polybutylene water line replacement. The 2013 project was completed in 2015 with a loan payoff date in 2045. The loan will be paid from the Water Fund revenues.

In 2014, the County entered into a loan with the OPWC for \$308,512 for Liberty Fairfield Rd water main replacement. The 2014 project was completed in 2016 with a loan payoff date in 2046. The loan will be paid from the Water Fund revenues.

In 2017, the County entered into a loan with the OPWC for \$265,975 for Polybutylene water line services. The loan will be paid from the Water Fund Revenues. The loan matures in 2048.

OTHER PAYABLES

Compensated absences will be paid from the Water and Sewer enterprise funds. There is no repayment schedule for the net pension/OPEB liability. However, employer pension contributions are made from the Water and Sewer funds. For additional information related to the net pension/OPEB liability see Note 12 and Note 13.

Annual debt service requirements to maturity for general obligation bonds, judgment bonds, revenue bonds and revenue bonds and loans are as follow:

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Year	General Obligation Bonds		Judgment Bonds	
	Principal	Interest	Principal	Interest
2024	\$ 76,490	\$ 125,202	\$ 2,275,000	\$ 377,475
2025	79,800	121,887	2,395,000	258,038
2026	83,250	118,429	2,520,000	132,300
2027	86,870	114,821	-	-
2028	90,640	111,057	-	-
2029-2033	515,590	492,846	-	-
2034-2038	637,430	370,997	-	-
2039-2043	788,100	220,334	-	-
2044-2046	528,790	45,391	-	-
Total	\$ 2,886,960	\$ 1,720,964	\$ 7,190,000	\$ 767,813

Year	Revenue Bonds		Loans	
	Principal	Interest	Direct Borrowings Principal	Interest
2024	\$ 1,389,040	\$ 241,892	\$ 1,838,894	\$ 560,516
2025	1,057,720	176,366	1,818,529	507,909
2026	91,550	124,028	1,578,662	413,954
2027	95,560	120,022	1,625,972	370,336
2028	99,750	115,842	1,675,027	330,991
2029-2033	568,110	509,806	7,414,373	1,078,779
2034-2038	703,750	374,171	1,368,636	164,394
2039-2043	871,760	206,153	627,013	-
2044-2048	404,440	26,732	222,711	-
Total	\$ 5,281,680	\$ 1,895,012	\$ 18,169,817	\$ 3,426,879

MULTIFAMILY HOUSING

To further economic development in the County, the County has issued bonds that provide capital financing to private-sector entities to acquire, construct, improve, and equip multifamily housing. The properties financed are pledged as collateral, and the bonds are payable solely from payments received from the private-sector entities on the underlying mortgage or promissory notes. In addition, no commitments beyond the collateral, the payments from the private-sector entities, and maintenance of the tax-exempt status of the conduit debt obligation were extended by the County for any of those bonds. At December 31, 2023, the bonds have an aggregate outstanding principal amount payable of \$85,805,000

HOSPITAL REVENUE BONDS

To further economic development in the County, the County has issued bonds that provide capital financing to hospitals to acquire, construct, improve, and equip hospital facilities. The properties financed are pledged as collateral, and the bonds are payable solely from payments received from the private-sector entities on the underlying mortgage or promissory notes. In addition, no commitments beyond the collateral, the payments from the private-sector entities, and maintenance of the tax-exempt status of the conduit debt obligation were extended by the County for any of those bonds. At December 31, 2023, the bonds have an aggregate outstanding principal amount payable of \$482,125,000.

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 payments will begin in 2035. The principal balance outstanding at December 31, 2023 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

BUTLER COUNTY, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2023

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, 2023 are an overall debt margin of \$248,941,204 and unvoted debt margin of \$100,176,482.

NOTE 17– INTERFUND BALANCES AND ACTIVITY

Transfers In/Transfers Out activity for 2023 consisted of the following:

Transfers To	Transfers From				Total
	General	Residential Incentive Districts and Tax Incremental Financings	Non Major Governmental		
Mental Health and Addiction Recovery Services Board	\$ 110,000	\$ -	\$ -		\$ 110,000
Job and Family Services / Children Services Agency	797,871	-	-		797,871
Non Major Governmental	62,434	2,433,242	-		2,495,676
Total	\$ 970,305	\$ 2,433,242	\$ -		\$ 3,403,547

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 to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Non-major funds received transfers from the General Fund and the Residential Incentive Districts and Tax Incremental Financings Fund to pay cash matches as required by various grant agreements and to pay principal and interest on various County issued notes and bonds.

Due From/Due To balances at December 31, 2023 consist of the following individual fund receivables and payables:

Due To (Payable)	Due From (Receivable)								Total
	General	Mental Health and Addiction Recovery Services Board	Developmental Disabilities	Job and Family Services/Children Services Agency	Non Major Governmental	Internal Service Funds	Sewer	Water	
General	\$ -	\$ -	\$ -	\$ -	\$ 12,338	\$ -	\$ -	\$ -	\$ 12,338
Job and Family Services/Children Services Agency	49,756	-	-	-	-	-	-	-	49,756
Non Major Governmental	119,295	-	-	826	34,974	-	-	-	155,095
Internal Service Funds	119,436	2,974	19,196	25,354	43,414	101	8,841	3,653	222,969
Sewer	352	-	-	-	-	-	-	-	352
Water	527	-	-	-	-	-	-	-	527
Total	\$ 289,366	\$ 2,974	\$ 19,196	\$ 26,180	\$ 90,726	\$ 101	\$ 8,841	\$ 3,653	\$ 441,037

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, and (3) payments between funds are made. The amounts reported as Due From/Due to Other Funds are expected to be repaid within one year.

Advances From/Advances To balances at December 31, 2023 consist of the following individual fund receivables and payables:

Advances To	Advances From	
	Non Major Governmental	General
	\$	283,153

The balance of \$283,153 due to the General Fund results from cash flow issues in those funds. These advances were not expected to be repaid within the current year.

NOTE 18– 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.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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 have a material adverse effect on the financial condition of the County.

NOTE 19 –JOINTLY GOVERNED ORGANIZATIONS/RISK SHARING POOL/INSURANCE PURCHASING POOL/RELATED ORGANIZATIONS

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. The board exercises total control over the operation of the district, including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the board. Complete financial statements can be obtained from the Transportation Improvement District, 315 High St. 6th Floor Hamilton, OH 45011.

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. The board exercises total control over the operation of the district, including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the board. The County contributed \$32,735 in 2023. Financial statements can be obtained from the OKI, 720 E. Pete Rose Way, Suite 420 Cincinnati, OH 45202.

BUTLER/CLERMONT/WARREN WORKFORCE POLICY BOARD (AREA 12)

The Butler/Clermont/Warren Workforce Policy Board is a jointly governed organization with thirty-one board members consisting of representatives from business, education, labor and government. The Butler County Commissioners appoint two 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.

Warren County is currently the fiscal agent for the WIA area. The duties of the fiscal agent include budgeting, reporting and disbursing grant funding to the participating counties from the Ohio Department of Job and Family Services.

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 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.

SOUTHWEST OHIO COUNCIL OF GOVERNMENTS

The Southwest Ohio Council of Governments was created by the Board of Developmental Disabilities of Butler, Hamilton, Clermont, and Warren Counties. The Council consists of four members representing each of the four counties. Any other County Board of Developmental Disabilities may petition for membership to the Council however membership must be approved by two-thirds vote of the Council members. The role of the Council is to

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

coordinate the powers and duties of the member Boards to better serve and benefit persons with developmental disabilities within the four counties. The Council serves as its own taxing and debt issuance authority and is a jointly governed organization. In 2023, Butler County contributed \$5,000 to the Council. Financial information for the Southwest Ohio Council of Governments may be obtained at 282 North Fair Avenue, Hamilton, Ohio 45011.

COUNTY RISK SHARING AUTHORITY (CORSA)

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

Each member county has one vote on all matters requiring a vote, to be cast by a designated representative. An elected board of not more than nine trustees manages the affairs of the Corporation. Only county commissioners of member counties are eligible to serve on the board. No county may have more than one representative on the board at any time. Each member county's control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the board of trustees. CORSA has issued certificates of participation in order to provide adequate cash reserves. The certificates are secured by the member counties' obligations to make coverage payments to CORSA. The participating counties have no responsibility for the payment of certificates. The County's payment for insurance to CORSA in 2023 was \$752,832.

JEFFERSON HEALTH PLAN

The Butler County Board Development Disabilities (BCBDD) participated in the Jefferson Health Plan during 2023. Jefferson Health Plan was first established in 1985 to provide to serve public entities in Ohio and afford them an opportunity to share in the benefits of better health care through a consortium. The Jefferson Health Plan is organized and operates as a Council of Governments under Ohio Revised Code Chapter 167 with membership open to political subdivisions within and outside of the State of Ohio.

BCBDD provides health and dental insurance to its employees through a self-insurance plan. BCBDD pays \$669.44 per month for employees enrolled in a single plan and \$1,851.30 per month for employees enrolled in a family plan, with the employees paying \$82.74 per month for single coverage, and \$228.82 per month for family coverage.

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. 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.

METROPARKS OF BUTLER COUNTY

The Park 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. Metroparks of Butler County is a related organization. Financial information for the Metroparks of Butler County may be obtained at 2051 Timberman Road, Hamilton, OH 45013.

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

BUTLER COUNTY, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2023

by the populous of the above listed counties. The court system sets its own budget and appoints staff necessary for operations of the court. The County contributed \$248,951 to the court of appeals in 2023.

NOTE 20– CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

Encumbrances

Encumbrances are commitments related to unperformed contracts for goods and services. Encumbrances accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end, the amount of encumbrances expected to be honored upon performance by the vendor in the next fiscal year were as follows:

Governmental Funds:	
General	\$ 6,953,259
Mental Health and Addiction Recovery Services Board	1,247,267
Developmental Disabilities	1,415,095
Job and Family Services/Children Services Agency	5,133,083
Residential Incentive Districts and Tax Incremental Financings	623,882
County ARPA Relief Fund	8,234,457
Nonmajor Governmental Funds	6,653,741
Total Governmental Funds	<u>\$ 30,260,784</u>
Proprietary Funds:	
Sewer	\$ 2,123,988
Water	1,464,822
Total Proprietary Funds	<u>\$ 3,588,810</u>

The County has several outstanding contracts for construction and professional services. The following amounts remain on these contracts as of December 31,2023:

<u>Contractor</u>	<u>Outstanding Balance</u>
Sunesis Construction Co	\$ 1,141,464
Barrett Paving	918,868
Ford Development	696,562
NR Lee Restoration	568,423
Rack and Ballauer	310,857
Kelchner	153,292
US Imaging Inc	131,810
Mapsys	95,548
Water and Sewer Service Construction	81,899
Total	<u>\$ 4,098,723</u>

BUTLER COUNTY, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 21 – TAX ABATEMENTS

For 2023, County property taxes were reduced by \$990,022 under community reinvestment areas and enterprise tax zone exemption agreements entered into by various municipalities as summarized below.

<u>Overlapping Government</u>	<u>Amount of 2023 Taxes Abated</u>
<i>Community Reinvestment Areas:</i>	
City of Fairfield	\$ 221,172
City of Hamilton	3,080
City of Monroe	<u>337,089</u>
Total Community Reinvestment Areas	<u>561,341</u>
<i>Enterprise Zone Exemptions:</i>	
City of Hamilton	226,804
City of Middletown	165,438
City of Trenton	<u>36,439</u>
Total Enterprise Zone Exemptions	<u>428,681</u>
Total Abatements	<u>\$ 990,022</u>

NOTE 22 – ASSET RETIREMENT OBLIGATIONS (ARO)

Ohio Revised Code Section 6111.44 requires the County to submit any changes to their sewerage system to the Ohio EPA for approval. Through this review process, the County would be responsible to address any public safety issues associated with their wastewater treatment facilities. Any ARO associated with these public safety issues are not reasonably estimable. Currently, there is significant uncertainty as to what public safety items would need addressed; therefore, a reliable estimated amount could not be determined.

NOTE 23 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. During 2023, the County received COVID-19 funding. The County will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

The 2023 activity includes \$28,170,103 of County American Rescue Plan funding which was subgranted to various organizations for several different projects. Significant projects include the Butler Tech School of Aviation, development along Route 4 in the City of Fairfield, the Great Miami River Trail and Davidson Woods Park system expansion, and countywide Altafiber high speed fiber optics upgrades. In addition, the County continued to receive funding for emergency rental assistance from the federal government and was able to provide housing support in the amount of \$4,286,147 to Butler County residents during 2023.

NOTE 24 – BUTLER COUNTY LAND REUTILIZATION CORPORATION

Reporting Entity

The Butler County Land Reutilization Corporation (the "Corporation") is a county land reutilization corporation that was formed on June 15, 2012, when the Butler County Board of Commissioners authorized the incorporation of the Corporation under Chapter 1724 of the Ohio Revised Code through resolution as a not-for-profit corporation under the laws of the State of Ohio. The purpose of the Corporation is to strengthen neighborhoods in Butler County (the "County") by returning vacant and abandoned properties to productive use. The Corporation has been designated as the County's agent to further its mission to reclaim, rehabilitate, and reutilize vacant, abandoned, tax foreclosed and other real property in the County by exercising the powers of the County under Chapter 5722 of the Ohio Revised Code.

Pursuant to Section 1724.03 (B) of the Ohio Revised Code, the Board of Directors of the Corporation shall be composed of at least seven members including, (1) the County Treasurer, (2) at least two members of the County Board of Commissioners, (3) one member who is a representative of the largest municipal corporation,

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

based on the population according to the most recent federal decennial census, that is located in the County, (4) one member who is a representative of a township with a population of at least ten thousand in the unincorporated area of the township according to the most recent federal decennial census, and (5) any remaining members selected by the County Treasurer and the County Commissioners who are members of the Corporation board. The term of office of each ex officio director runs concurrently with the term of office of that elected official. The term of office of each appointed director is two years.

The Corporation is a political subdivision of the State of Ohio. In accordance with the Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organization Are Component Units" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus", the Corporation's primary government and basic financial statements include components units which are defined as legally separate organizations for which the Corporation is financially accountable. The Corporation is financially accountable for an organization if the Corporation appoints a voting majority of the organization's governing board and (1) the Corporation is able to significantly influence the programs or services performed or provided by the organization; or impose its will over the organization; or (2) the Corporation is legally entitled to or can otherwise access the organization's resources; or (3) the Corporation is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the Corporation is obligated for the debt of an organization. The Corporation does not have any component units and does not include any organizations in its presentation. The Corporation is a component unit of Butler County, Ohio.

Basis of Accounting

The basic financial statements of the Corporation have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Land Reutilizations' accounting policies are described below:

The general fund accounts for all financial resources that are received from the County Treasurer from penalties collected on delinquent property taxes and interest on those delinquencies. The general fund receives 1% of all collections of delinquent real property, personal property, and manufactured and mobile home taxes that are deposited into the County's Delinquent Tax Assessment and Collection Tax (DTACT) fund. The general fund also receives various other grants. The general fund balance is available to the Corporation for any purpose provided it is expended or transferred according to the general laws of Ohio. In addition, the fund receives State grant revenues.

Measurement Focus

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets, all deferred outflows of resources, all liabilities and all deferred inflows of resources associated with the operation of the Corporation are included on the statement of net position. The statement of activities presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

The fund financial statements for the general fund is accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, current deferred outflows of resources, current liabilities and current deferred inflows of resources 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 a reconciliation with brief explanation to better identify the relationship between the government-wide statements and the statements for the general fund.

Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the government-wide statement of net assets will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. There were no deferred outflows of resources at December 31, 2023.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

In addition to liabilities, both the government-wide statement of net assets and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the Corporation, deferred inflows of resources include unavailable revenue. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. At year-end, there were no deferred inflows of resources.

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 governmental funds.

Budgetary Process

The Corporation is not bound by the budgetary laws prescribed by the Ohio Revised Code for purely governmental entities. The Board of Directors of the Corporation adopts an annual budget prior to the beginning of the fiscal year. Appropriations and subsequent amendments are approved by the Board of Directors during the year as required.

Federal Income Tax

The Corporation is exempt from federal income tax under Section 115(1) of the Internal Revenue Code.

Cash, Cash Equivalents, and Investments

All monies received by the Corporation are deposited in a demand deposit account. The Corporation invested in STAR Ohio for the year ended December 31, 2023.

Prepayments

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These items are reported as assets on the balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of the purchase and the expenditure/expense is reported in the year in which services are consumed. At year end, because prepayments are not available to finance future governmental fund expenditures, a nonspendable fund balance is recorded by an amount equal to the carrying value of the asset on the fund financial statements.

Assets Held for Resale

Assets held for resale represent properties purchased by or donated to the Corporation. These properties are valued based upon the purchase price plus any costs of maintenance, rehabilitation, or demolition of homes on the properties. For donated or forfeited properties, the asset is reported at fair value. The Corporation holds the properties until the home is either sold to a new homeowner, sold to an individual who will rehabilitate the home, or the home on the property is demolished. Properties with demolished homes could be transferred to the city or township they are in after demolition, until those parcels may be merged with adjacent parcels for development or green space projects, or the Corporation may sell other lots to the owners of adjacent parcels for a nominal cost.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements.

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 fund.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Corporation had restricted net position for amounts held for cities and townships at year-end. The Corporation applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Intergovernmental Revenue

The Corporation receives operating income through Butler County. This money represents the penalties and interest on current unpaid and delinquent property taxes once these taxes are paid. Pursuant to ORC 321.263, these penalty and interest monies are collected by the County when taxes are paid and then are paid to the Corporation upon the Corporation's written request. In addition, the Corporation receives State grant funding.

Estimates

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

Deposits and Investments

At December 31, 2023, the carrying amount of all Corporation deposits was \$585,043 and the bank balance of all deposits was \$585,043. Of the bank balance, \$250,000 was covered by FDIC and the remaining was either covered by the Ohio Pooled Collateral System or subject to custodial credit risk as described below.

Custodial credit risk is the risk that, in the event of bank failure, the Corporation will not be able to recover deposits or collateral securities that are in the possession of an outside party. The Corporation has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the Corporation's and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the OPCS, a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the Corporation to a successful claim by the FDIC.

At December 31, 2023, the Corporation had investments in STAR Ohio totaling \$1,036,448. The investments are measured at amortized cost and have a Standard and Poor's money market rating of AAAM.

Transactions with Butler County

Pursuant to and in accordance with Section 321.261 (B) of the Ohio Revised Code, the Corporation has been authorized by the Butler County Board of Commissioners to receive 1% of all collections of delinquent real property, personal property, and manufactured and mobile home taxes that are deposited into the County's Delinquent Tax Assessment and Collection Tax (DTACT) fund and will be available for appropriation by the Corporation to fund operations. At December 31, 2023, the Corporation recognized revenues of \$239,793 for these fees that were collected by the County in 2023. The Corporation also recorded \$143,704 in Sheriff sale money from Butler County.

During 2023, the Corporation paid \$12,548 in various costs to various Butler County departments.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 25 – LIBERTY COMMUNITY AUTHORITY

Reporting Entity

The Liberty Community Authority, Butler County, Ohio (the “Authority”) is a community authority created pursuant to Chapter 349 of the Ohio Revised Code (ORC) and is a component unit of Butler County. Liberty Center Holdings, LLC (the Developer) filed a petition (the Petition) for creation of the Authority with the Board of County Commissioners of Butler County, Ohio, and the Petition was accepted by Resolution No. 13-08-03783 of the Board of County Commissioners of Butler County on August 22, 2013. The Petition, which may be subject to amendment or change, defines the boundaries of the Authority and allows the Authority to finance the costs of publicly owned and operated improvements and community facilities with Community Development Charges.

By its Resolution, the Board of County Commissioners of Butler County determined the Authority would be conducive to the public health, safety, convenience and welfare, and that it was intended to result in the development of a new community as described in ORC. The Authority thereby was organized as a body corporate and politic in the State. While the Authority was formed in 2013, no financial activity occurred until the issuance of bonds in November 2014.

By law, the Authority is governed by a seven-member board of trustees. At inception, the Board of County Commissioners of Butler County appointed four of the trustees and the remaining three trustees were appointed by the Developer.

The Authority includes approximately 65 acres of land located in Liberty Township, Butler County, Ohio with a mixed-use commercial project known as Liberty Center including retail space, office space, hospitality components and residential units. Liberty Center’s grand opening was in October 2015.

Measurement Focus, Basis of Accounting and Basis of Presentation

The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of cash flows.

Operating revenues are those revenues that are generated from the primary activity of the Authority and consist of both assessed valuation charges and facility charges. Operating expenses consist of administrative expenses and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

Cash and Cash Equivalents

The Authority considers all highly liquid investments with an original maturity of three months or less at the time they are purchased to be cash and cash equivalents.

Capital Assets and Depreciation

Capital assets, including parking garages and infrastructure, are recorded at historical cost for assets acquired or constructed and fair value for contributed infrastructure. Expenses that increase values or extend the useful life of the respective assets are capitalized while the costs of maintenance and repairs are charged to operating expenses. Interest costs related to the construction are capitalized. Depreciation is calculated on a straightline basis over the estimated useful life of the various classes of assets. The useful life for computing depreciation is 50 years for parking garages and infrastructure.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Bonds Payable and Discounts

Bonds payable are reported net of the unamortized bond discount which is deferred and amortized over the term of the bonds. Issuance costs are expensed as incurred.

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Authority or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The Authority applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Use of Estimates

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

Deferred Outflow of Resources

In addition to assets, the statements of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense) until then. The Authority reports a deferred charge on debt refunding as a deferred outflow of resources. This results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority does not have a custodial risk policy. Ohio law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the Authority places deposits must pledge as collateral eligible securities of aggregate fair value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). Financial institutions participating in the Ohio Pooled Collateral System (OPCS), a centralized collateral system monitored by the Ohio Treasurer of State, must pledge eligible securities equal to at least 102 percent of the carrying value of all public deposits held by each institution. Financial institutions choosing not to participate in the OPCS must pledge eligible securities equal to at least 105 percent of the carrying value of the all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation or other authority. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

As of December 31, 2023, the carrying amount and bank balance of the Authority's deposits was \$35,713. These balances were covered by the FDIC.

Cash Equivalents

As of December 31, 2023, the Authority also had \$93,990 in a US Treasury Money Market account. In addition, the Authority had cash on deposit with US Bank (Trustee) in accordance with the Authority's Master Trust Agreement with the Trustee. The amount on deposit with the Trustee at December 31, 2023 was \$623,229 and consists of a US Treasury money market fund. This account is reported as restricted cash with fiscal agent on the Statement of Net Position.

BUTLER COUNTY, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2023

Community Development Charges

The Authority can levy community development charges, as defined, for the benefit and use of the Authority to cover all or part of land acquisitions, development, construction, operation and maintenance of land, land development and community facilities, the debt service therefor and any other cost incurred by the Authority. The Authority levies both an Assessed Valuation Charge and Facilities Charge.

Assessed Valuation Charge

The Assessed Valuation Charge is an annual charge on each chargeable parcel of land within the Authority based on the Assessed Valuation of each parcel which may be expressed as a number of mills. In 2023, the Assessed Valuation Charge was the full 10 mills on the total Assessed Valuation.

Facility Charge

The Authority has levied a Facility Charge upon all retail sales conducted within the Authority of one half one percent (0.5%) of the price paid by each consumer in connection with such retail sales. The Facility Charge is collected by tenants from consumers and remitted on a monthly basis.

Restricted Assets

Restricted assets consist of cash with fiscal agent whose use has been restricted by bond indenture for a debt service reserve. Restricted assets at December 31, 2023 were \$623,229.

Capital Assets

Capital Assets Activity for the year ended December 31, 2023 was as follows:

	Balance 12/31/2022	Increases	Decreases	Balance 12/31/2023
Capital assets not being depreciated:				
Land	\$ 2,333,662	\$ -	\$ -	\$ 2,333,662
Capital assets being depreciated:				
Parking garages	27,025,015	-	-	27,025,015
Infrastructure	13,871,256	-	-	13,871,256
Total Capital Assets Not Depreciated	<u>40,896,271</u>	<u>-</u>	<u>-</u>	<u>40,896,271</u>
Less accumulated depreciation:				
Parking garages	(3,918,625)	(540,500)	-	(4,459,125)
Infrastructure	(2,011,331)	(277,425)	-	(2,288,756)
Total accumulated depreciation	<u>(5,929,956)</u>	<u>(817,925)</u>	<u>-</u>	<u>(6,747,881)</u>
Capital assets, net	<u>\$ 37,299,977</u>	<u>\$ (817,925)</u>	<u>\$ -</u>	<u>\$ 36,482,052</u>

LONG-TERM DEBT

In November 2014, the Authority entered into a funding agreement with the Butler County Finance Authority for the issuance of public infrastructure revenue bonds in the amount of \$20,180,000 for the primary purpose of financing the cost of construction of parking garages and water, sewer and storm water system improvements. The proceeds were also used to fund capitalized interest on the bonds through the June 1, 2016 payment date, fund a debt service reserve and pay costs of issuance. The bonds were issued at discount and pay interest at rates ranging from 5% to 6% and fully mature on December 1, 2043.

The bond issuance was a portion of a partnership with Butler County and Liberty Township for the construction of public parking garages and infrastructure for the Liberty Center project. The constructed assets belong to the Authority. The parties entered into a funding agreement and issued in bonds for capital financing through the Butler County Finance Authority. The bonds will be paid solely from the pledged amounts identified in the funding agreement and the Finance Authority shall never be required to use its own funds to make such payments.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

In April 2022, the Authority entered into a new funding agreement with the Butler County Finance Authority for the issuance of public infrastructure refunding revenue bonds in the amount of \$19,350,000 for the primary purpose of refunding the 2014 bonds. The bonds were issued at discount and pay interest at 5.5% and fully mature on December 1, 2053.

The new funding agreement also included an obligation for an accumulated County enhancement due to the County from the Authority equal to \$975,000, representing an amount due to the County from the 2014 bonds. Further, it also includes an annual amount of \$195,000 due to the County for the enhancement gained by the County's participation in the financing of the bonds. These obligations accumulate until paid. As of December 31, 2023, the Authority owes the County \$1,365,000 for these obligations.

The Authority has pledged its community development charges, including both Assessed Valuation Charges and Facility Charges, for the payment of principal and interest on the bonds.

Also in November 2014, the Authority entered into a loan with the Ohio Water Development Authority (OWDA) in the amount of \$12,000,000 to finance the construction of a storm water collection system throughout the Liberty Center site. The loan was modified in 2022 to reduce the interest rate to 1.5% and extend the final due an additional ten years to January 1, 2048. This reduced the Authority's annual payments from \$783,168 to \$478,743.

Debt activity for the year ended December 31, 2023 was as follows:

	Balance 1/1/23	Additions	Reductions	Balance 12/31/23	Due Within One Year
2022 Refunding Bonds	\$ 18,805,000	\$ -	\$ 295,000	\$ 18,510,000	\$ 305,000
Less deferred amount for issuance discounts	(467,696)	-	(15,087)	(452,609)	-
Total Revenue Bonds	<u>18,337,304</u>	<u>-</u>	<u>279,913</u>	<u>18,057,391</u>	<u>305,000</u>
OWDA Loan	9,949,825	-	330,731	9,619,094	167,228
Development Subordinate Bond	<u>3,664,874</u>	<u>117,644</u>	<u>-</u>	<u>3,782,518</u>	<u>-</u>
Total Long Term Obligations	<u>\$ 31,952,003</u>	<u>\$ 117,644</u>	<u>\$ 610,644</u>	<u>\$ 31,459,003</u>	<u>\$ 472,228</u>

In accordance with the Construction Services Agreement between the Authority and the Developer for the construction of community facilities by the Developer, the Authority agreed to issue notes or bonds to the Developer to evidence the Authority's obligation to reimburse the Developer for public infrastructure costs funded by the Developer. The Developer incurred additional development costs that were included in the Public Infrastructure Scope that exceeded the amounts paid for by the Bond Issuance and the OWDA loan that could be reimbursable to the Developer after all other obligations are fulfilled per the Funding and Trust Agreements. In 2016, the Developer submitted cost certificates to the Authority which were approved by the Board for reimbursement of costs. Thus, in November 2016, the Authority issued a Development Subordinate Bond payable to the Developer in the principal amount of \$2,941,091. In 2023 there was \$117,644 in capitalized interest on the bond.

The bond matures 40 years from the date of issuance in 2056 and bears interest at a rate of 4% per year. Principal and interest payments shall be payable on each February 1 and August 1 until the principal has been paid provided that interest and principal shall be payable only to the extent of available pledges revenues after the payment of revenue bonds, OWDA loan and operating costs. Thus, no specific repayment schedule is provided.

Under funding agreements, Butler County has pledged tax increment financing (TIF) revenues in the event the assessed valuation and facility charges are insufficient to pay debt service on the revenue bonds or OWDA loan. During 2023, Butler County provided \$388,645 in TIF revenues to use toward OWDA loan debt service and \$19,368 in TIF revenues to pay towards the revenue bonds debt service and fees. A liability for these amounts has been recorded on the statements of net position as Due to the County prior to 2022. In 2023, these amounts have been reported as intergovernmental revenue due to the new funding agreement.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

A summary of the annual debt service requirements for the bonds payable as of December 31, 2023 follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 305,000	\$ 848,010	\$ 1,153,010
2025	320,000	833,750	1,153,750
2026	340,000	818,800	1,158,800
2027	355,000	803,045	1,158,045
2028	370,000	786,485	1,156,485
2029-2033	2,110,000	3,679,862	5,789,862
2034-2038	2,475,000	3,343,515	5,818,515
2039-2043	3,160,000	2,676,338	5,836,338
2044-2048	3,945,000	1,912,327	5,857,327
2049-2053	5,130,000	758,741	5,888,741
Total	<u>\$ 18,510,000</u>	<u>\$ 16,460,873</u>	<u>\$ 34,970,873</u>

Annual debt service on the OWDA Loans as of December 31, 2023 follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 167,228	\$ 72,144	\$ 239,372
2025	338,229	140,514	478,743
2026	343,321	135,422	478,743
2027	348,490	130,253	478,743
2028	353,737	125,006	478,743
2029-2033	1,850,198	543,517	2,393,715
2034-2038	1,993,740	399,975	2,393,715
2039-2043	2,148,420	245,295	2,393,715
2044-2048	2,075,731	78,613	2,154,344
Total	<u>\$ 9,619,094</u>	<u>\$ 1,870,739</u>	<u>\$ 11,489,833</u>

Related Party Transactions

Under an agreement with the Authority, the Developer was responsible for overseeing the construction and development of the public infrastructure projects. In addition, the Developer will fulfill certain administrative and operational functions for the Authority on an ongoing basis. The Developer has paid operating costs on behalf of the Authority for which it is eligible for reimbursement. However, the agreement also allowed for additional reimbursements to the Developer after debt obligations were paid if surplus revenues exist. Prior to 2022, the Authority reported amounts due to the Developer for operating costs incurred on its behalf by the Developer.

However, the new funding agreement in 2022 changed the reimbursement of operating and maintenance costs to the Developer. The agreement outlines an amount each year which is eligible for reimbursement if adequate resources are available after the payment of debt service. For 2023, the Developer incurred eligible costs but no payments were made due to a lack of available resources. These obligations do not accumulate under the new agreement so operating and maintenance expenses unreimbursed each year are no longer payable. All accumulated amounts for years prior to 2022 are no longer obligations of the Authority and were recorded as forgiveness at the time of the new agreement. During 2023, the Authority made no payments to the Developer in accordance with these agreements.

By law, the Authority is governed by a seven-member board of trustees. At inception, the Board of County Commissioners of Butler County appointed four of the trustees and the remaining three trustees were appointed by the Developer. During 2019, these trustees were replaced by three trustees from the current property manager.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Risk Management

The Authority is exposed to various risks of loss related to torts and liability, damage to and theft of or destruction of assets; errors and omissions; and natural disasters. The Authority maintains comprehensive insurance coverage with private carriers for property and general liability insurance. Claim payments have not exceeded coverage in the past three years. There was no decline in the level of coverage from the prior year.

Contingent Liabilities

There are no claims and lawsuits pending against the Authority.

NOTE 26 - BUTLER COUNTY FINANCE AUTHORITY

Reporting Entity

The Butler County Finance Authority (the "Finance Authority") is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Finance Authority was established in September 2004 pursuant to section 4582.22 of the Ohio Revised Code by resolution of Butler County. The seven voting member Board of Directors directs the Finance Authority. The Finance Authority is a component unit of Butler County.

The Finance Authority provides services that are enumerated in Sections 4582.21 to 4582.29 of the Ohio Revised Code. The services include but are not limited to the power to purchase, construct, reconstruct, enlarge, improve, equip, develop, sell, exchange, lease, convey other interest in, and operate Finance Authority facilities.

Basis of Presentation

Enterprise accounting is used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Enterprise accounting uses a flow of economic resources measurement focus. With this measurement focus, all asset and all liabilities are included on the statement of net position. Equity (i.e., net position) consists of retained earnings. The operating statement presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position. Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made. The accrual basis of accounting is utilized for reporting purposes. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

Operating and Non-Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly by the Finance Authority's primary mission. For the Finance Authority, operating revenues include intergovernmental contributions to fund operations and local business contributions to work on grant applications, as well as administrative fees charged to cover operating expenses. Operating expenses are necessary costs incurred to support the Finance Authority's primary mission. Non-operating revenues and expenses are those that are not generated directly by the Finance Authority's primary mission. Various state grants, local government contributions, interest income and expenses comprise the non-operating revenues and expenses of the Finance Authority.

Accrued Liabilities

In general, payables and accrued liabilities are reported as obligations regardless of whether they will be liquidated with current resources.

BUTLER COUNTY, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2023

Net Position

Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The Finance Authority applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Deposits and Investments

In accordance with state statute, active deposits are designated as public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the Finance Authority Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Custodial credit risk is the risk that in the event of bank failure, the Finance Authority will not be able to recover deposits or collateral securities that are in the possession of an outside party. Although all statutory requirements for the deposit of money have been followed, noncompliance with Federal requirements could potentially subject the Finance Authority to a successful claim by the Federal Deposit Insurance Corporation.

The Finance Authority has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by:

- Eligible securities pledged to the Finance Authority and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least one hundred five percent of the deposits being secured;
Or
- Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

At year-end, the carrying amount of the Finance Authority's deposits was \$238,090 and the bank balance was \$236,140. Federal depository insurance covered \$236,140 of the bank balance.

As of December 31, 2023, the Finance Authority had investments in STAR Ohio totaling \$4,436,002.

The Finance Authority has no investment policy dealing with investment credit risk beyond the requirements in state statutes. STAR Ohio carries a rating of AAAM by Standard and Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service.

Long-Term Obligations

Bonds Payable - Changes in the Finance Authority's long-term liabilities for the year ended December 31, 2023, were as follows:

	Restated			Due Within
	Beginning Balance	Deletions	Ending Balance	One Year
Bonds Payable - 5.5%	\$ 18,805,000	\$ (295,000)	\$ 18,510,000	\$ 305,000

The bonds payable were originally issued in 2014 for the purposes of acquiring and constructing certain public infrastructure improvements, in relation to the Liberty Center Project. The Finance Authority had an intergovernmental agreement with the Butler County Board of County Commissioners that provides for the County to make the semi-annual payments to the debt service trustee in the exact amounts of the debt service that is due.

In April 2022, the Finance Authority entered into a new funding agreement with the Liberty Community Authority and the Butler County Board of County Commissioners for the issuance of public infrastructure refunding revenue bonds in the amount of \$19,350,000 for the primary purpose of refunding the 2014 bonds. The bonds were issued

BUTLER COUNTY, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2023

at discount and pay interest at 5.5% and fully mature on December 1, 2053. While the Finance Authority was the issuer on these bonds, Butler County is the third-party obligor on the bonds, and Butler County is also part of the same reporting unit as the Finance Authority since the Finance Authority is a component unit of Butler County. Accordingly, at December 31, 2023, the Finance Authority recorded the above debt as an obligation (as opposed to conduit debt) and recorded an offsetting intergovernmental receivable from Butler County for the amount of the outstanding bonds payable.

Principal and interest requirements to retire the bonds payable, as of December 31, 2023, are as follows:

Bonds Payable			
Year	Principal	Interest	Total
2024	\$ 305,000	\$ 848,010	\$ 1,153,010
2025	320,000	833,750	1,153,750
2026	340,000	818,800	1,158,800
2027	355,000	803,045	1,158,045
2028	370,000	786,485	1,156,485
2029-2033	2,110,000	3,679,863	5,789,863
2034-2038	2,475,000	3,343,515	5,818,515
2039-2043	3,160,000	2,676,338	5,836,338
2044-2048	3,945,000	1,912,327	5,857,327
2048-2053	5,130,000	758,741	5,888,741
	<u>\$ 18,510,000</u>	<u>\$ 16,460,873</u>	<u>\$ 34,970,873</u>

Conduit Debt

One of the Finance Authority's main functions is to provide Butler County companies and organizations with the ability to issue debt at a tax-exempt rate. These companies may use the Finance Authority's tax-exempt status for such offerings by issuing conduit debt obligations, backed by reimbursement agreements with the Finance Authority and trustee.

A conduit debt obligation is debt issued in the name of the issuer (the Finance Authority) benefiting a third party that is liable for repayment of the debt, also known as a third-party obligor. The Finance Authority, as issuer, has not made any commitments in connection with these conduit debt obligations that would require reporting an obligation under GASB 91. As such, the aggregate amount of conduit debt obligations outstanding at December 31, 2023, with the Finance Authority as issuer, approximately \$231 million, is not being recorded in the Finance Authority's financial statements.

NOTE 27 – BUTLER COUNTY CONVENTION AND VISITORS BUREAU

Reporting Entity

The Butler County Convention and Visitors Bureau (the "CVB") was organized in 2007 for the purpose of spotlighting Butler County as a unique travel and tourism destination through target marketing, sales and development efforts. The CVB also promotes the community as a successful meeting, conference, convention and event destination. All levels of sporting events, statewide and nationwide, are actively solicited and secured by the CVB. The CVB's financial support is mainly derived from Butler County through revenues collected from the hotel/motel room tax.

Basis of Accounting

The financial statements of the CVB have been prepared in accordance with the accounting principles generally accepted in the United State of America using the accrual basis of accounting.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Use of Estimates

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

Accounts Receivable

Accounts receivable represent amounts due for hotel/motel room tax collected, but not yet remitted to the CVB. The CVB uses the allowance method of accounting for credit losses. All accounts were considered to be fully collectible at December 31, 2023. Therefore, no allowance for credit losses has been recorded in these financial statements.

Property & Equipment

Property and equipment are valued at cost if purchased and fair value if contributed. Property and equipment over \$500 are capitalized. Depreciation is computed using the modified accelerated cost recovery system (MACRS) based upon the estimated useful lives of the assets. Computer equipment, computer software and office equipment are generally depreciated over 3 to 7 years. Depreciation expense for the year ended December 31, 2023 was \$0.

Refundable Advance

Refundable advance represents grants received from Butler County, Ohio but not yet spent on qualifying expenses which triggers the recognition of revenue.

Net Asset Classifications

Net assets are classified as without donor restrictions and with donor restrictions.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the CVB's management and the Board of Directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by the actions of the CVB or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. The CVB has no net assets with donor restrictions as of December 31, 2023.

Contributions and Promises to Give

Unconditional promises to give are recognized as revenue when the underlying promises are received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions; depending on the existence and/or nature of any donor-imposed restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as contributions without donor restriction. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Revenue Recognition

Management has evaluated Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers (Topic 606). The CVB has no revenue streams during 2023 covered under Topic 606.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Leases

The CVB leases certain office space. The determination of whether an arrangement is a lease is made at the lease's inception. Under Accounting Standards Codification (ASC) 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from the use of the asset and right to direct use of the asset. Management only reassesses its determination if the terms and conditions of the contracts are changed.

Operating leases are included in right-of-use (ROU) assets, short term lease liability and long term lease liability in the statement of financial net position. ROU assets represent the CVB's obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The CVB uses the implicit rate, the CVB uses the risk-free rate for a term similar to the related lease term. Lease expense for lease payments is recognized on a straight-line basis over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the CVB will exercise those options.

The CVB has a lease agreement with lease and non-lease components, which are generally accounted for separately with amounts allocated to the lease and non-lease components based on stand-alone prices.

If the CVB has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities of right-of-use assets on the statement of financial position.

Income Taxes

The CVB is exempt from Federal income taxes under the provisions of the Internal Revenue Code 501(c)(6).

Advertising Costs

Advertising Costs are expensed as incurred and amounted to \$459,066 for the year ended December 31, 2023.

Accounting Principal Adopted

In June 2016, the Financial Accounting Standard Board (FASB) issued ASU 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which revises the accounting requirements related to the measurement of credit losses. ASU 2016-13 requires organizations to measure all expected credit losses for financial assets based on historical experience, current conditions, and reasonable and supportable forecasts about collectability. Assets must be presented in the financial statements at the net amount of expected to be collected. Under the standard, disclosures are required to provide users of the financial statements with useful information analyzing an entity's exposure to credit risk and the measure of credit losses. Financial assets held by the CVB that are subject to the guidance in Topic 326 were accounts receivable. The CVB adopted the standards effective January 01, 2023 using the modified retrospective approach. The impact of the adoption was not considered material to the financial statements.

Subsequent Events

No Subsequent events as of July 29, 2024.

Availability and Liquidity

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31 comprise of the following:

Cash	\$	1,080,636
Accounts Receivable		491,688
	\$	<u>1,572,324</u>

BUTLER COUNTY, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2023

Concentration of Credit Risk

The CVB maintains cash balances in banks which are insured by the Federal Deposit Insurance Corporation. The CVB's cash balance at times exceeded the federally insured limits.

The CVB receives a significant amount of revenue from the Butler County hotel and motel excise tax. At December 31, 2023, 100% of the CVB's accounts receivable were due from Butler County for the tax. Approximately 87% of the CVB's of the CVB's revenue and other support was provided from Butler County through revenue collected form the tax.

Leasing Activities

Other than short-term leases, the CVB is party to one operating leases, with a lease term of five years at December 31, 2023. The CVB has no financing leases.

The following table provides quantitative information concerning the Company's operating lease for the year ended December 31, 2023:

Lease Cost

Operating lease cost included in Administration Expenses	\$ 4,339
Short-term lease cost included in Administration Expenses	43,428
Variable lease cost included in Administration Expenses	<u>9,050</u>
Net Lease costs	<u>\$ 56,817</u>

Other Information

Operating Lease - Operating Cash Flows (Fixed Payments)	\$ 4,339
Operating Lease - Operating Cash Flows (Liability Reduction)	\$ 43,428
New ROU Assets - Operating Leases	\$ 9,050

The following table summarized the weighted average remaining lease term and discount rate of December 31, 2023:

Weighted Average Lease Term – Operating Leases	4.92 years
Weighted Average Discount Rate – Operating Leases	4.0 years

Maturities of Lease Liabilities as of December 31, 2023 were as follows:

2024	\$ 52,194
2025	53,759
2026	55,359
2027	57,024
2028	53,931
Thereafter	-
Total Lease Payments	<u>272,267</u>
Less: Interest	<u>(25,438)</u>
Present Value of lease payments	<u>\$ 246,829</u>

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 28 – CONDENSED COMPONENT UNIT STATEMENTS

Condensed Component Unit Statement of Net Position

	Butler County Land Reutilization Corporation	Liberty Community Authority	Butler County Finance Authority	Butler County Convention and Visitors Bureau	Total
Assets					
Equity in Pooled Cash and Cash Equivalents	\$ 1,621,491	\$ 129,703	\$ 4,674,092	\$ 1,637,732	\$ 8,063,018
Cash and Cash Equivalents:					
With Fiscal Agents	-	623,229	-	-	623,229
Assessed Valuation Charges Receivable	-	36,107	-	-	36,107
Facility Charges Receivable	-	101,032	-	-	101,032
Accounts Receivable	-	-	28,099	491,688	519,787
Due from Other Governments	44,523	-	18,594,909	-	18,639,432
Prepaid Items	1,929	-	-	32,262	34,191
Assets Held for Resale	100	-	-	-	100
Capital Assets:					
Nondepreciable Capital Assets	-	2,333,662	-	-	2,333,662
Depreciable Capital Assets, net	-	34,148,390	-	246,551	34,394,941
Total Assets	1,668,043	37,372,123	23,297,100	2,408,233	64,745,499
Deferred Outflow of Resources					
Deferred Charge on Debt Refunding	-	1,110,201	-	-	1,110,201
Liabilities					
Accounts Payable	44,523	78,861	88,492	79,582	291,458
Accrued Wages	-	-	-	13,625	13,625
Refundable Advance	-	-	-	557,096	557,096
Accrued Interest Payable	-	70,954	84,909	-	155,863
Due To Other Governments	-	1,365,000	-	-	1,365,000
Long-Term Liabilities:					
Due Within One Year	-	472,228	305,000	43,252	820,480
Due In More Than One Year	-	30,986,775	18,205,000	203,567	49,395,342
Total Liabilities	44,523	32,973,818	18,683,401	897,122	52,598,864
Net Position					
Net Investment in Capital Assets	-	8,354,677	-	-	8,354,677
Restricted	343,429	-	-	276,246	619,675
Unrestricted	1,280,091	(2,846,171)	4,613,699	1,234,865	4,282,484
Total Net Position	\$ 1,623,520	\$ 5,508,506	\$ 4,613,699	\$ 1,511,111	\$ 13,256,836

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Condensed Component Unit Statement of Activities

	Butler County Land Reutilization Corporation	Liberty Community Authority	Butler County Finance Authority	Butler County Convention and Visitors Bureau	Total
Expenses:	\$ 799,175	\$ 2,316,996	\$ 985,989	\$ 2,044,582	\$ 6,146,742
Program Revenues:					
Charges for Services	-	1,240,810	695,030	880	1,936,720
Operating Grants, Contributions, and Interest	443,626	431,812	1,072,649	2,319,948	4,268,035
Total Program Revenues	443,626	1,672,622	1,767,679	2,320,828	6,204,755
Net Program Revenue (Expenses)	(355,549)	(644,374)	781,690	276,246	58,013
Other General Revenues	448,894	-	-	-	448,894
Change in Net Position	93,345	(644,374)	781,690	276,246	506,907
Net Position at Beginning of Year	1,530,175	6,152,880	3,832,009	1,234,865	12,749,929
Net Position at End of Year	\$ 1,623,520	\$ 5,508,506	\$ 4,613,699	\$ 1,511,111	\$ 13,256,836

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, 2023

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 2023, 2020, and 2017. Beginning with reporting year 2009, the County moved to a three-year conditional assessment rotation cycle.

County Roads

The condition of road pavement is evaluated and measured using a physical condition rating system. This approach assigns a percentage 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
91-100	Very Good	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.
74-90	Good	Pavement in need of minor maintenance to restore to Very Good condition. Typically pavements 5-8 years old with high traffic counts or a large percentage of truck traffic.
56-75	Fair	Pavement in need of major maintenance to restore to Very Good condition. Typically pavements are 9-15 years old.
0-55	Poor	Pavement in need of major repair or heavy overlays to bring to Very Good condition. Pavements over 15 years old, or with high traffic volume and/or high truck traffic could be rated 55 or under.

It is the County policy that at least 90 percent of the roadways will have a rating of 56 (Fair) or higher. The Butler County Engineer's Office has a goal whereby the total mileage of the roadway in the County will be re-paved on a 17-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 25-year period. Each roadway in the County will be assessed once every three years, 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 2023, 2020, and 2017:

<i>Road Condition</i>	2023		2020		2017	
	<i>Road Miles</i>	<i>% of Total</i>	<i>Road Miles</i>	<i>% of Total</i>	<i>Road Miles</i>	<i>% of Total</i>
Fair or Better	255	96%	263	94%	257	95%
Less Than Fair	11	4%	16	6%	13	5%
Total	266	100%	279	100%	270	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, 2023

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

Year	Budgeted Expenditures	Actual Expenditures	Variance
2023	\$ 18,707,751	\$ 16,922,582	\$ 1,785,169
2022	24,111,565	20,483,421	3,628,144
2021	15,467,885	12,759,336	2,708,549
2020	13,745,989	11,385,964	2,360,025
2019	16,618,092	18,705,201	2,087,109
2018	19,731,975	17,765,600	1,966,375
2017	6,241,041	6,241,041	-
2016	3,187,007	3,187,007	-

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 0-9 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, 2023

It is the County policy to maintain the bridge system in the County where 85 percent 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 2023, 2020, and 2017:*

Bridge Condition	2023		2020		2017	
	Number of Bridges	% of Total	Number of Bridges	% of Total	Number of Bridges	% of Total
Fair or Better	373	94%	386	94%	384	94%
Less than Fair	25	6%	25	6%	23	6%
Total	398	100%	411	100%	407	100%

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

Year	Budgeted Expenditures	Actual Expenditures	Variance
2023	\$ 5,525,352	\$ 4,998,101	\$ 527,251
2022	2,235,719	1,899,303	346,416
2021	1,996,301	1,646,733	349,568
2020	3,275,496	2,713,132	562,364
2019	1,978,112	2,226,550	248,438
2018	743,591	684,674	58,917
2017	1,439,933	1,439,933	-
2016	1,973,078	1,973,078	-

County Culverts

The Butler County Engineer maintains a culvert inventory system. All culverts are inspected every three years 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 percent 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 2023, 2020, and 2017:

Culvert Condition	2023		2020		2017	
	Number of Culverts	% of Total	Number of Culverts	% of Total	Number of Culverts	% of Total
Fair or Better	802	82%	843	84%	816	83%
Less Than Fair	172	18%	161	16%	166	17%
Total	974	100%	1,004	100%	982	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, 2023

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

Year	Budgeted Expenditures	Actual Expenditures	Variance
2023	\$ 204,411	\$ 184,906	\$ 19,505
2022	430,035	365,326	64,509
2021	282,574	233,093	49,481
2020	1,179,391	976,904	202,487
2019	153,689	172,991	19,302
2018	250,000	152,189	97,811
2017	225,682	225,682	-
2016	108,845	108,845	-

BUTLER COUNTY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM—TRADITIONAL PLAN
LAST TEN YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
County's Proportion of the Net Pension Liability	0.62474784%	0.66957216%	0.65270592%	0.65245344%	0.67147668%	0.66753751%	0.67092475%	0.67466323%	0.67328450%	0.67328450%
County's Proportionate Share of the Net Pension Liability	\$ 184,550,785	\$ 58,255,487	\$ 96,651,535	\$ 128,961,846	\$ 183,903,846	\$ 104,723,692	\$ 152,355,600	\$ 116,860,173	\$ 81,205,636	\$ 79,371,471
County's Covered Payroll	\$ 83,418,339	\$ 93,634,872	\$ 88,745,008	\$ 89,499,105	\$ 87,527,186	\$ 84,967,683	\$ 83,513,607	\$ 79,521,898	\$ 79,995,262	\$ 80,024,500
County's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	221.24%	62.22%	108.91%	144.09%	210.11%	123.25%	182.43%	146.95%	101.51%	99.18%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.74%	92.62%	86.88%	82.17%	74.70%	84.66%	77.25%	81.08%	86.45%	86.36%

Amounts presented as of the County's measurement date, which is the prior year end.

See accompanying notes to the required supplementary information.

BUTLER COUNTY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY (ASSET)
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM—COMBINED PLAN
LAST SIX YEARS ⁽¹⁾

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
County's Proportion of the Net Pension Asset	0.57198816%	0.62714112%	0.61527072%	0.63708768%	0.66969576%	0.64686778%
County's Proportionate Share of the Net Pension Liability (Asset)	(\$1,348,120)	(\$2,470,969)	(\$1,776,061)	(\$1,328,480)	(\$748,870)	(\$880,598)
County's Covered Payroll	\$ 2,354,079	\$ 2,859,136	\$ 2,692,129	\$ 2,865,557	\$ 2,848,221	\$ 2,664,423
County's Proportionate Share of the Net Pension Asset as a Percentage of Its Covered Payroll	57.27%	86.42%	65.97%	46.36%	26.29%	33.05%
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset	137.14%	169.88%	157.67%	145.28%	126.64%	137.28%

(1) Amounts for the combined plan are not presented prior to 2018 as the County's participation in this plan was considered immaterial in previous years.

Amounts presented for each year were determined as of the County's measurement date which is the prior year end.

See accompanying notes to the required supplementary information.

**BUTLER COUNTY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY (ASSET)
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM - OPEB PLAN
LAST SEVEN YEARS ⁽¹⁾**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
County's Proportion of the Net OPEB Liability	0.61634400%	0.66017184%	0.64473408%	0.64631808%	0.66464303%	0.65946400%	0.66248100%
County's Proportionate Share of the Net OPEB: Liability (Asset)	\$3,886,160	(\$20,677,594)	(\$11,486,454)	\$89,273,318	\$86,653,764	\$71,612,955	\$66,912,822
County's Covered Payroll	\$ 88,493,818	\$ 99,448,708	\$ 94,333,537	\$ 95,424,537	\$ 93,311,107	\$ 90,384,381	\$ 88,695,482
County's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	4.39%	-20.79%	-12.18%	93.55%	92.87%	79.23%	75.44%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	94.79%	128.23%	115.57%	47.80%	46.33%	54.14%	54.04%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each year.

Amounts presented for each year were determined as of the County's measurement date, which is the prior year end.

See accompanying notes to the required supplementary information.

BUTLER COUNTY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE COUNTY'S CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM—TRADITIONAL AND COMBINED PLANS
LAST TEN YEARS⁽¹⁾

NET PENSION LIABILITY - TRADITIONAL PLAN

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 14,288,356	\$ 12,172,404	\$ 13,594,639	\$ 12,867,381	\$ 12,971,652	\$ 12,681,651	\$ 11,462,506	\$ 10,425,715	\$ 9,878,226	\$ 9,955,602
Contributions in Relation to the Contractually Required Contribution	(14,288,356)	(12,172,404)	(13,594,639)	(12,867,381)	(12,971,652)	(12,681,651)	(11,462,506)	(10,425,715)	(9,878,226)	(9,955,602)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County Covered Payroll	\$ 98,452,485	\$ 83,418,339	\$ 93,634,872	\$ 88,745,008	\$ 89,499,105	\$ 87,527,186	\$ 84,967,683	\$ 83,513,607	\$ 79,521,898	\$ 79,995,262
Contributions as a Percentage of Covered Payroll	14.51%	14.59%	14.52%	14.50%	14.49%	14.49%	13.49%	12.48%	12.42%	12.45%

NET PENSION LIABILITY - COMBINED PLAN

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually Required Contribution	\$ 301,535	\$ 329,571	\$ 400,279	\$ 376,898	\$ 401,178	\$ 398,751	\$ 346,375	\$ 297,147
Contributions in Relation to the Contractually Required Contribution	(301,535)	(329,571)	(400,279)	(376,898)	(401,178)	(398,751)	(346,375)	(297,147)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County Covered Payroll	\$ 2,512,792	\$ 2,354,079	\$ 2,859,136	\$ 2,692,129	\$ 2,865,557	\$ 2,848,221	\$ 2,664,423	\$ 2,476,225
Contributions as a Percentage of Covered Payroll	12.00%	14.00%	14.00%	14.00%	14.00%	14.00%	13.00%	12.00%

NET OPEB LIABILITY - OPEB PLAN

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually Required Contribution	\$ 156,371	\$ 108,856	\$ 118,188	\$ 115,856	\$ 122,395	\$ 117,428	\$ 986,412	\$ 1,828,022
Contributions in Relation to the Contractually Required Contribution	(156,371)	(108,856)	(118,188)	(115,856)	(122,395)	(117,428)	(986,412)	(1,828,022)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County Covered Payroll	\$ 104,210,384	\$ 88,493,818	\$ 99,448,708	\$ 94,333,537	\$ 95,424,537	\$ 93,311,107	\$ 90,384,381	\$ 88,695,482
Contributions as a Percentage of Covered Payroll	0.15%	0.12%	0.12%	0.12%	0.13%	0.13%	1.09%	2.06%

(1) Information prior to 2016 is not available for the combined plan.

(2) Beginning in 2016, OPERS used one trust fund as the funding vehicle for all health care plans; therefore, information prior to 2016 is not presented.

(3) The OPEB plan includes the members from the traditional plan, the combined plan and the member directed plan. The member directed pension plan is a defined contribution pension plan; therefore, the pension side is not included above.

See accompanying notes to the required supplementary information.

BUTLER COUNTY, OHIO
 NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
 FOR THE YEAR ENDED DECEMBER 31, 2023
 (Unaudited)

Changes in Assumptions – OPERS Pension– Traditional Plan

Amounts reported beginning in 2022 incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in prior years are presented below:

	2022	2019 through 2021	2018 and 2017	2016 and prior
Wage Inflation	2.75 percent	3.25 percent	3.25 percent	3.75 percent
Future Salary Increases	2.75 to 10.75 percent including wage inflation	3.25 to 10.75 percent including wage inflation	3.25 to 10.75 percent including wage inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA:				
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	see below	see below	see below	see below
Investment Rate of Return	6.9 percent	7.2 percent	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age	Individual Entry Age

The assumptions related to COLA or Ad Hoc COLA for Post-January 7, 2013, Retirees are as follows:

2023	3.0 percent, simple through 2023 then 2.05 percent, simple
2022	3.0 percent, simple through 2022 then 2.05 percent, simple
2021	0.5 percent, simple through 2021 then 2.15 percent, simple
2020	1.4 percent, simple through 2020 then 2.15 percent, simple
2017 through 2019	3.0 percent, simple through 2018 then 2.15 percent, simple

Amounts reported beginning in 2022 use pre-retirement mortality rates based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all these tables.

Amounts reported for 2017 through 2021 use mortality rates based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

BUTLER COUNTY, OHIO
 NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
 FOR THE YEAR ENDED DECEMBER 31, 2023
 (Unaudited)

Amounts reported for 2016 and prior use mortality rates based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

Changes in Assumptions – OPERS Pension – Combined Plan

	<u>2022</u>	<u>2019 through 2021</u>	<u>2018</u>
Wage Inflation	2.75 percent	3.25 percent	3.25 percent
Future Salary Increases	2.75 to 8.25 percent including wage inflation	3.25 to 8.25 percent including wage inflation	3.25 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:			
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	see below	see below	see below
Investment Rate of Return	6.9 percent	7.2 percent	7.5 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age

For 2022, 2021, and 2020, the Combined Plan had the same change in COLA or Ad Hoc COLA for Post-January 2, 2013, retirees as the Traditional Plan.

BUTLER COUNTY, OHIO
 NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
 FOR THE YEAR ENDED DECEMBER 31, 2023
 (Unaudited)

Changes in Assumptions – OPERS OPEB

Wage Inflation:	
2023 and 2022	2.75 percent
2021 and prior	3.25 percent
Projected Salary Increases (including wage inflation):	
2023 and 2022	2.75 to 10.75 percent
2021 and prior	3.25 to 10.75 percent
Investment Return Assumption:	
Beginning in 2019	6.00 percent
2018	6.50 percent
Municipal Bond Rate:	
2023	4.05 percent
2022	1.84 percent
2021	2.00 percent
2020	2.75 percent
2019	3.71 percent
2018	3.31 percent
Single Discount Rate:	
2023	5.22 percent
2022	6.00 percent
2021	6.00 percent
2020	3.16 percent
2019	3.96 percent
2018	3.85 percent
Health Care Cost Trend Rate:	
2023	5.5 percent, initial 3.5 percent, ultimate in 2036
2022	5.5 percent, initial 3.5 percent, ultimate in 2034
2021	8.5 percent, initial 3.5 percent, ultimate in 2035
2020	10.5 percent, initial 3.5 percent, ultimate in 2030
2019	10.0 percent, initial

Changes in Benefit Terms – OPERS OPEB

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are reflected in 2021.

SUPPLEMENTARY INFORMATION

BUTLER COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED 12/31/2023

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	ASSISTANCE LISTING NUMBER	PASS-THROUGH ENTITY/ IDENTIFYING NUMBER/ ADDITIONAL AWARD IDENTIFICATION	PASSED THROUGH TO SUBRECIPIENTS	TOTAL EXPENDITURES OF FEDERAL AWARDS
U.S. DEPARTMENT OF AGRICULTURE				
<i>Passed Through the Ohio Department of Education and Workforce (DEW)</i>				
Child Nutrition Cluster:				
School Breakfast Program	10.553	2023	\$ -	\$ 57,452
National School Lunch Program	10.555	2023	-	113,372
Total Child Nutrition Cluster			-	170,824
<i>Passed Through Ohio Department of Job and Family Services (ODJFS)</i>				
Supplemental Nutrition Assistance Program (SNAP) Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	G-2223-11-6904/G-2425-11-6114	127,100	1,758,232
COVID-19 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	COVID-19, G-2223-11-6904	-	169,618
Total State Administrative Matching Grants for the Supplemental Nutrition Assistance Program			127,100	1,927,850
Total Supplemental Nutrition Assistance Program (SNAP) Cluster:			127,100	1,927,850
TOTAL U.S. DEPARTMENT OF AGRICULTURE			127,100	2,098,674
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
<i>Direct Program</i>				
Rural Telemedicine Grants	93.211	GA139541	467,704	477,696
<i>Passed Through Ohio Department of Mental Health and Addiction Services (MHAS)</i>				
Projects for Assistance in Transition from Homelessness (PATH)	93.150	X06SM087128/X06SM088827	92,656	92,656
Opioid STR	93.788	H79TI083294/H79TI085753	1,745,934	1,746,907
Block Grants for Community Mental Health Services	93.958	B09SM086030/B09SM087381	226,127	226,127
Block Grants for Prevention and Treatment of Substance Abuse	93.959	B08TI084665/B08TI085827	1,393,823	1,393,823
<i>Passed Through Ohio University</i>				
Block Grants for Prevention and Treatment of Substance Abuse	93.959	UT22427	20,000	20,000
Total Block Grants for Prevention and Treatment of Substance Abuse			1,413,823	1,413,823
<i>Passed Through Ohio Department of Mental Health and Addiction Services (MHAS)</i>				
Social Services Block Grant	93.667	2201OHSOSR/2301OHSOSR	194,364	194,364
<i>Passed Through the Ohio Department of Developmental Disabilities (DODD)</i>				
Social Services Block Grant	93.667	2301OHSOSR	-	230,028
<i>Passed Through the Ohio Department of Job and Family Services (ODJFS)</i>				
Social Services Block Grant	93.667	G-2223-11-6904/G-2425-11-6114	575,505	2,875,461
Total Social Services Block Grant			769,869	3,299,853
<i>Passed Through the Ohio Department of Job and Family Services (ODJFS)</i>				
Title IV-E Prevention Program	93.472	G-2223-11-6904/G-2425-11-6114	-	40,263
MaryLee Allen Promoting Safe and Stable Families Program	93.556	G-2223-11-6904/G-2425-11-6114	-	126,585
Temporary Assistance for Needy Families (TANF)	93.558	G-2223-11-6904/G-2425-11-6114	3,285,541	4,607,350
Child Support Services	93.563	G-2223-11-6904/G-2425-11-6114	-	2,560,656
Child Care and Development Fund (CCDF) Cluster:				
Child Care and Development Block Grant	93.575	G-2223-11-6904/G-2425-11-6114	167,579	407,852
Total Child Care and Development Fund (CCDF) Cluster			167,579	407,852
Stephanie Tubbs Jones Child Welfare Services Program	93.645	G-2223-11-6904/G-2425-11-6114	-	246,529
Foster Care (Title IV-E)	93.658	G-2223-11-6904/G-2425-11-6114	-	517,224
Adoption Assistance (Title IV-E)	93.659	G-2223-11-6904/G-2425-11-6114	-	2,224,764
John H Chafee Foster Care Program for Successful Transition to Adulthood	93.674	G-2223-11-6904/G-2425-11-6114	-	162,825
Elder Abuse Prevention Interventions Program	93.747	G-2223-11-6904/G-2425-11-6114	-	2,213
Children's Health Insurance Program	93.767	G-2223-11-6904	-	617
COVID-19 - Children's Health Insurance Program	93.767	COVID-19, G-2223-11-6904	-	29
Total Children's Health Insurance Program			-	646
Medicaid Cluster:				
Medical Assistance Program (Medicaid, Title XIX)	93.778	G-2223-11-6904/G-2425-11-6114	2,344,045	2,429,034
Total Medicaid Cluster			2,344,045	2,429,034
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			10,513,278	20,583,003
U.S. DEPARTMENT OF HOMELAND SECURITY				
<i>Passed Through Ohio Emergency Management Agency (EMA)</i>				
Emergency Management Performance Grants	97.042	EMC-2022-EP-00006	-	183,775
Homeland Security Grant Program	97.067	EMW-2021-SS-00004	-	30,459
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			-	214,234
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
<i>Direct Program</i>				
CDBG - Entitlement Grants Cluster:				
Community Development Block Grants/Entitlement Grants	14.218	B-19-UC-39-0008	-	71,198
Community Development Block Grants/Entitlement Grants	14.218	B-20-UC-39-0008	-	38,949
Community Development Block Grants/Entitlement Grants	14.218	B-21-UC-39-0008	-	570,230
Community Development Block Grants/Entitlement Grants	14.218	B-22-UC-39-0008	262,300	754,240
COVID-19 - Community Development Block Grants/Entitlement Grants	14.218	COVID-19, B-20-UW-39-0008	720,645	750,481
Total Community Development Block Grants/Entitlement Grants			982,945	2,185,098
Total CDBG - Entitlement Grants Cluster			982,945	2,185,098
HOME Investment Partnership Program	14.239	M-19-DC390222	-	93,701
HOME Investment Partnership Program	14.239	M-21-DC390222	120,800	186,088
HOME Investment Partnership Program	14.239	M-22-DC390222	-	171,000
HOME Investment Partnership Program	14.239	M-23-DC390222	-	84,219
COVID-19 - HOME Investment Partnership Program	14.239	COVID-19, M-21-DP390222	-	28,616
Total HOME Investment Partnership Program			120,800	563,624
Continuum of Care Program	14.267	OH0430L5E072110	-	455,449
Continuum of Care Program	14.267	OH0739L5E072200	-	31,010
Continuum of Care Program	14.267	OH0430L5E072211	-	216,013
Total Continuum of Care Program			-	702,472
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			1,103,745	3,451,194

U.S. DEPARTMENT OF JUSTICE				
Direct Program				
Crime Victim Assistance/Discretionary Grants	16.582	2020-V3-GX-0151	178,367	193,553
State Criminal Alien Assistance Program	16.606	15PBJA-22-RR-05107-SCAA	-	41,806
Comprehensive Opioid, Stimulant, and Other Substances Use Program	16.838	2020-AR-BX-0132	240,920	253,831
Comprehensive Opioid, Stimulant, and Other Substances Use Program	16.838	15PBJA23GG0235COAP	-	180,861
Total Comprehensive Opioid, Stimulant, and Other Substances Use Program			240,920	434,692
Equitable Sharing Program	16.922	N/A	-	175,489
Edward Byrne Memorial Justice Assistance Grant	16.738	15PBJA-21-GG-01736-JAGX	-	43,666
Edward Byrne Memorial Justice Assistance Grant	16.738	15PBJA-22-GG-02381-JAGX	-	35,040
Edward Byrne Memorial Justice Assistance Grant	16.738	15PBJA-23-GG-03683-JAGX	-	7,740
Passed Through the Ohio Office of Criminal Justice Services (OCJS)				
Edward Byrne Memorial Justice Assistance Grant	16.738	2022-IG-A01-6801	-	34,111
Total Edward Byrne Memorial Justice Assistance Grant			-	120,557
Passed Through the Ohio Office of Criminal Justice Services (OCJS)				
Violence Against Women Formula Grants	16.588	2021-WF-VAS-8949	-	2,651
Violence Against Women Formula Grants	16.588	2022-WF-VAS-8807	-	43,741
Violence Against Women Formula Grants	16.588	2022-WF-VAS-8949	-	31,238
Total Violence Against Women Formula Grants			-	77,630
Passed Through the Ohio Attorney General's Office (OAG)				
Crime Victim Assistance	16.575	2023-VOCA-135103884	-	35,243
Crime Victim Assistance	16.575	2023-VOCA-135103887	-	37,489
Crime Victim Assistance	16.575	2024-VOCA-135504392	-	14,779
Crime Victim Assistance	16.575	2024-VOCA-135502657	-	10,648
Total Crime Victim Assistance			-	98,159
TOTAL U.S. DEPARTMENT OF JUSTICE			419,287	1,141,886
U.S. DEPARTMENT OF LABOR				
Passed Through the Ohio Department of Job and Family Services (ODJFS)				
WIOA Cluster:				
WIOA Adult Program	17.258	G-2223-15-0048/G-2425-15-0166	-	1,080,566
WIOA Dislocated Worker Formula Grants	17.278	G-2223-15-0048/G-2425-15-0166	-	553,289
Total WIOA Cluster			-	1,633,855
Employment Service Cluster:				
Employment Service/Wagner-Peyser Funded Activities	17.207	G-2223-15-0048/G-2425-15-0166	-	38,493
Total Employment Service Cluster			-	38,493
Trade Adjustment Assistance	17.245	G-2223-15-0048/G-2425-15-0166	-	6,155
TOTAL U.S. DEPARTMENT OF LABOR			-	1,678,503
U.S. DEPARTMENT OF TRANSPORTATION				
Passed Through the Ohio Department of Public Safety (ODPS) via Ohio Traffic Safety Office (OTSO)				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	69A375223000040200H0/ 69A375233000040200H0	-	56,749
Total Highway Safety Cluster			-	56,749
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	69A375223000016400HA/ 69A375233000016400HA	-	48,619
Passed Through the Ohio Department of Transportation (ODOT)				
Highway Planning and Construction	20.205	PID 104195	-	3,211,168
Highway Planning and Construction	20.205	PID 109089	-	1,371,840
Highway Planning and Construction	20.205	PID 110993	-	273,926
Highway Planning and Construction	20.205	PID 112211	-	1,871,062
Highway Planning and Construction	20.205	PID 113714	-	1,226,130
Highway Planning and Construction	20.205	PID 113715	-	1,114,936
Highway Planning and Construction	20.205	PID 114381	-	1,739,322
Highway Planning and Construction	20.205	PID 117252	-	50,994
Highway Planning and Construction	20.205	PID 117496	-	559,713
Total Highway Planning and Construction			-	11,419,091
Passed Through the Ohio Emergency Management Agency (EMA)				
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	693JK3194004HMEP	-	4,480
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			-	11,528,939
U.S. DEPARTMENT OF THE TREASURY				
Direct Program				
COVID-19 - Emergency Rental Assistance Program	21.023	COVID-19, ERAE0761	4,286,147	4,286,147
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	COVID-19, SLFRP3938	21,466,400	28,181,717
Passed Through the Ohio Department of Job and Family Services (ODJFS)				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	COVID-19, G-2223-11-6904/G-2425-11-6114	-	221,469
Passed Through the Ohio Office of Criminal Justice Services:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	COVID-19, 2022-AR-CCB-1104	-	102,733
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	COVID-19, 2022-AR-CCB-1105	-	66,119
Passed Through the Ohio Emergency Management Agency				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	COVID-19, AFRR-347P-RET	-	698,659
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	COVID-19, AFRR-347F-RET	-	48,417
Total Coronavirus State and Local Fiscal Recovery Fund (SLFRF)			21,466,400	29,319,114
TOTAL U.S. DEPARTMENT OF THE TREASURY			25,752,547	33,605,261
U.S. ELECTION ASSISTANCE COMMISSION				
Passed Through Ohio Secretary of State (SOS)				
Help America Vote Act Election Security Grants	90.404	N/A	-	19,705
TOTAL U.S. ELECTION ASSISTANCE COMMISSION			-	19,705
TOTAL EXPENDITURES OF FEDERAL AWARDS			37,915,957	74,321,399

The accompanying notes are an integral part of this schedule.

BUTLER COUNTY

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 1 – BASIS OF PRESENTATION & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Butler County under programs of the federal government for the year ended December 31, 2023. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Butler County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Butler County.

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance requirements, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE 2 – INDIRECT COST RATE

CFR Section 200.414 of the Uniform Guidance allows a non-federal entity that has never received a negotiated indirect cost rate to charge a de minimis rate of 10% of modified total direct costs to indirect costs. Butler County has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 – SUBRECIPIENTS

Butler County passes certain federal awards received from various agencies to other governments or not-for-profit agencies (subrecipients). As Note 1 describes, Butler County reports expenditures of Federal awards to subrecipients when paid in cash.

As a subrecipient, Butler County has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.

NOTE 4 – CHILD NUTRITION CLUSTER

Butler County commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this Schedule, Butler County assumes it expends federal monies first.

NOTE 5 – MATCHING REQUIREMENTS

Certain Federal programs require Butler County to contribute non-Federal funds (matching funds) to support the Federally funded programs. Butler County has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

**Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With
*Government Auditing Standards***

Butler County
315 High Street
6th Floor
Hamilton, Ohio 45011

To the Members of the Board of County Commissioners:

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Butler County, Ohio, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise Butler County’s basic financial statements, and have issued our report thereon dated July 29, 2024, wherein we noted as described in Note 3 to the financial statements, Butler County restated fund balance as of December 31, 2022 for the Residential Incentive District and Tax Incremental Financings Fund and Non Major Governmental Funds.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Butler County’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Butler County’s internal control. Accordingly, we do not express an opinion on the effectiveness of Butler County’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of Butler County’s financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Butler County

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters

Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Butler County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Butler County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Butler County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Julian & Grube, Inc.

July 29, 2024

**Independent Auditor’s Report on Compliance for Each Major Federal Program
and on Internal Control Over Compliance Required by the Uniform Guidance**

Butler County
315 High Street
6th Floor
Hamilton, Ohio 45011

To the Members of the Board of County Commissioners:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Butler County’s compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Butler County’s major federal programs for the year ended December 31, 2023. Butler County’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings.

In our opinion, Butler County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the “Auditor’s Responsibilities for the Audit of Compliance” section of our report.

We are required to be independent of Butler County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Butler County’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Butler County’s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Butler County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Butler County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Butler County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Butler County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Butler County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the "Auditor's Responsibilities for the Audit of Compliance" section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Butler County
Independent Auditor's Report on Compliance for Each Major Federal Program
and on Internal Control Over Compliance Required by the Uniform Guidance

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Julian & Grube, Inc.

Julian & Grube, Inc.
July 29, 2024

BUTLER COUNTY
SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2023

1. SUMMARY OF AUDITORS' RESULTS		
<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unmodified
<i>(d)(1)(ii)</i>	<i>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(ii)</i>	<i>Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i>	None reported
<i>(d)(1)(iii)</i>	<i>Was there any reported material noncompliance at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any material weaknesses in internal control reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any significant deficiencies in internal control reported for major federal programs?</i>	None reported
<i>(d)(1)(v)</i>	<i>Type of Major Programs' Compliance Opinion</i>	Unmodified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under 2 CFR §.516(a)?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Program(s) (listed):</i>	COVID-19 – Coronavirus State and Local Fiscal Recovery Funds (ALN 21.027); COVID-19 – Emergency Rental Assistance Program (ALN 21.023); Highway Planning and Construction (ALN 20.205); and Child Support Services (ALN 93.563)
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: >\$2,229,642 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee under 2 CFR § 200.520?</i>	Yes

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
--

None

OHIO AUDITOR OF STATE KEITH FABER



BUTLER COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 9/17/2024

65 East State Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov