

# Butler County Ohio

## Comprehensive Annual Financial Report



For the Year Ended December 31, 2012





# Dave Yost • Auditor of State

County Commissioners  
Butler County  
130 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, 2012 through December 31, 2012. 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.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

August 5, 2013

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# ***Butler County, Ohio***

## ***Comprehensive Annual Financial Report*** ***For the Year Ended December 31, 2012***

***Prepared by the Butler County Auditor's Office***

***Roger Reynolds, CPA***  
***Butler County Auditor***

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## Introductory Section

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BUTLER COUNTY, OHIO  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE YEAR ENDED DECEMBER 31, 2012

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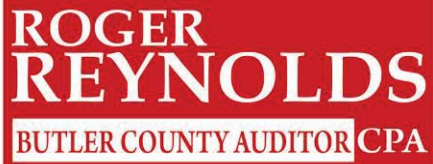
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130 High Street  
Hamilton, Ohio 45011



June 24, 2013

To the Citizens and Board of Commissioners of Butler County:

Butler County is required by Ohio law to prepare an annual financial report using generally accepted accounting principles. It is our pleasure to present the Butler County Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2012.

The CAFR is prepared in conformance with generally accepted accounting principles as set forth by the Government Accounting Standards Board (GASB) and other recognized authoritative sources and contains basic financial statements, supplemental statements, and other financial and statistical information, providing complete and full disclosure of all material financial aspects of Butler County for 2012. This report is presented in fulfillment of the financial reporting requirements and is representative of our continual commitment to provide accurate and timely financial information to the citizens of Butler County.

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

Our independent auditor, Julian & Grube, Incorporated, has issued an unmodified opinion on Butler County's financial statements for the year ended December 31, 2012. The independent auditors' report is presented as the first component of the financial section of this report.

Management provides a narrative introduction, overview and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with the MD&A, which can be found immediately following the independent auditors' report.

## **REPORTING ENTITY**

Butler County, established in 1803, was one of Ohio's original eight counties. The elected three-member Board of County Commissioners functions as the primary legislative and executive branch of the County. Each commissioner serves a term of four years. In addition, the Auditor, who serves as the chief fiscal officer and real estate property assessor for the County, and the Treasurer, who collects property taxes and is the custodian of all funds, are also elected to four-year terms. Other elected officials serving four-year terms include the Prosecuting Attorney, Sheriff, Engineer, Clerk of Courts, Recorder, and Coroner. Judges presiding over the Court of Common Pleas, Domestic Relations Court, Juvenile Court, Probate Court, and the County Court are also elected on a countywide basis.

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

The financial statements contained within this Comprehensive Annual Financial Report includes all funds, agencies, boards and commissions for which the County elected officials are financially accountable. A complete discussion of the County's reporting entity is provided in Note 1 to the basic financial statements.

## **ECONOMIC CONDITION AND OUTLOOK**

Butler County is located in Southwestern Ohio between Hamilton and Montgomery Counties; it shares its northern border with Preble County, and its eastern border with Warren County. To the west is the Indiana state line. Eighth largest among the state's 88 counties, Butler County's estimated 2012 population of 370,589 is up slightly from 2011 and reflects an increase of 2,459 people since the 2010 Census – the fifth largest increase in number among the 88 counties. Ranking 177th in population out of 3,142 counties in the nation, Butler is among the top six percent of all U.S. counties in terms of total population. The county is served by rail lines, interstate highways, two nearby international airports and high-speed fiber-optic data communications to enhance business development.

A total of 3,685 building/electric permits were issued in 2012 in the unincorporated areas of Butler County with a combined valuation of more than \$139.1 million. Total permit fees were a little more than \$1.5 million. These fees, which do not reflect activity within the county's incorporated cities, are only slightly lower than 2011 but have been on a downward trend since 2007 as the economy continues to be a challenge to the local building industry. By comparison, in 2007 there were 4,176 building/electric permits issued in the unincorporated areas with a combined valuation of nearly \$474.5 million and total permit fees were just less than \$3.9 million.

The Board of County Commissioners administers the Butler County Revolving Loan Fund (RLF). RLF projects include three current loans and consist of \$186,872 in public and private investment. This investment commits county employers to create/retain 10 full-time jobs. There have been 68 jobs created or retained in Butler County by the Revolving Loan Fund over the last 15 years.

According to the U.S. Bureau of Labor Statistics (BLS), the average weekly wage in Butler County rose 6.3 percent from the first quarter of 2011 to the first quarter of 2012, increasing from \$782 to \$831. However, second and third quarter news was not as good. In the second quarter, county wage earners collected on average \$788, an increase of just 0.6 percent from the second quarter of 2011 and a substantial decrease from the previous quarter. Wages for third quarter 2012 were back up to \$800 per week on average, but that was a decrease of 1.6 percent in comparison to third quarter 2011 figures.

The BLS also reported that the Consumer Price Index for All Urban Consumers (CPI-U) in the Cincinnati-Hamilton area rose 2.5 percent from 2011 to 2012. The energy index fell 1.6 percent in 2012, primarily due to decreases in prices for utility (piped) gas service and electricity. Food prices increased 2.7 percent. The index for all items less food and energy rose 3.1 percent. Within the all items less food and energy category, the indexes for shelter, medical care, and education and communication were higher, while the index for household furnishings and operations was lower.

According to Ohio Labor Market Information, Butler County's unemployment rate dropped to 7.1 percent in 2012 from 8.6 percent in 2011. It was also reported that the county's total civilian labor force was 189,600, down 2,300 from 2011. The number of unemployed was estimated at 13,400, down from 16,500 in 2011. The civilian labor force represents civilians, 16 years of age or older, who are working, or are seeking work.

The Cincinnati-Middletown metropolitan region added more jobs than any other part of the state in 2012. Butler County alone added about 3,300 jobs, according to data from Ohio Job and Family Services. The top Butler County employers in 2012, based on data from Butler County Economic Development are: Miami University, Oxford, 3,293; Cincinnati Financial Corp., Fairfield, 2,789; AK Steel Corp., West Chester Twp., 2,400; GE Aviation, West Chester Twp., 2,000; Lakota School District: 1,827.

Butler County continues to be home to the largest privately owned business in the Cincinnati region, according to the 2012 Deloitte Cincinnati USA Top 100 list. AdvancePierre Foods (1) is one of four Butler County companies among the top 20 largest privately owned businesses. The other local companies high on the list are Baker Concrete Construction in Monroe (10); Contech Engineered Solutions of West Chester (14); and Cohen Brothers Inc. of Middletown (17).

There were 20,648 manufacturing jobs in 2007 in Butler County, according to EMSI's estimates. By 2012, the total was 20,716, a net increase of 68. The gains propelled manufacturing to be the second largest jobs industry in Butler County in 2012 behind government. Surrounding counties saw declines over the same time in manufacturing employment. Warren County has lost 2,715 manufacturing jobs from 2007-2012; Hamilton County lost 7,638; Montgomery County lost 9,883; and Preble County lost 695, according to EMSI.

Manufacturing jobs are important because they tend to be higher paying, and create wider economic impact than other industries. Average annual earnings in 2012 for Butler County manufacturing jobs were \$77,128, according to EMSI.

## **MAJOR INITIATIVES**

### **Water System**

The water system serves more than 120,000 residents and businesses in the southeast portion of Butler County, including West Chester, Liberty, and Fairfield Townships. Additionally, the system serves wholesale water to the City of Monroe. The water system consists of five pump stations, eleven storage facilities and 619 miles of water mains.

Several water main capital improvement projects took place in 2012. The County replaced the existing cast iron water mains along Princeton Road as part of the roadway improvements to the Alana and Princeton Intersection. Cast iron water mains were also replaced along Liberty Fairfield just south of the State Route 4 intersection in advance of this intersection improvement project. The cast iron pipe was replaced with ductile iron pipe and will extend the life of these water mains for up to 100 years.

The department also contracted for additional water supply to the City of Monroe, increasing wholesale water service delivery to Monroe from approximately 700,000 gallons per day to 1,100,000 gallons per day. The County also began planning and testing well field sites. The County is in the planning stages for a well field that will be able to produce up to 34 million gallons of water per day. The testing and approval process will continue for the next couple of years. Other water work includes the continued replacement of the polybutylene water service lines from the water main to the meter pits. In 2012 the Water and Sewer Department partnered with a private contractor for repair of the failing service lines, saving an estimated \$300,000 per year. This work is expected to continue for the next ten years.

### **Sewer System**

The sewer system consists of 741 miles of sewer mains, 30 pumping stations, four satellite treatment plants, and two regional water reclamation facilities (WRF). This system transports and treats wastewater and returns clean water to our rivers and streams.

The major sewer capital improvement project taking place in 2012 is the Phase Two LeSourdsville Water Reclamation Facility Upgrade. This upgrade is approximately 70 percent complete. When complete, this upgrade will increase the treatment capacity from 12 million gallons per day to 15 million gallons per day. It will also increase the ability to accommodate increased wet weather flows. Also, designed and constructed was the Williamsdale Sewer. This gravity sewer was extended from the intersection of Fox Avenue and Riverside along Riverside and South Street to the east edge of the Village of Williamsdale.

### **Recycling Programs**

In 2012 Butler County Recycling & Solid Waste District offered recycling programs to all County residents such as "on-demand" curbside Freon appliance collection; long term electronic waste drop off collection, long-term household hazardous waste drop off service, and waste tire events. The District provided ongoing education and outreach to residents, businesses, and schools about how to recycle, how to manage seasonal waste, and options for managing hard to dispose items. The district rewards local jurisdictions for residential recycling performance through an annual financial incentive program. The District provides year round drop box recycling for common household recyclables such as paper, glass, plastic and cardboard at over 30 residential drop box stations located throughout Butler County.

Since 2008, the District has successfully served the manufacturing sector with a Pollution Prevention (P2) internship program. Valeo Climate Control and Tedia Company were Butler County's 2012 P2 industrial partners. Businesses participating in the P2 program have saved over \$ 1.1 million dollars over the past five years as a result of improved energy efficiencies, waste reduction and other operational improvements. The District provided over \$18,000 in annual recycling grants to area businesses, schools, and nonprofit organizations. The District also secured grant funding from Ohio EPA to support recycling in local restaurants and bars – 12 new bars and restaurants signed up to receive information, collection containers, and recycling service with support from Butler County Recycling.

Environmental outreach education with an emphasis on recycling and resource conservation, was offered to kindergarten through middle school students at area public and private schools. In winter 2012, the District partnered with Hamilton City Schools to begin planning a food waste composting program for Wilson Middle School's 7<sup>th</sup> and 8<sup>th</sup> grade students. The food composting program is scheduled to launch in early 2013 as part of their cafeteria waste operation.

### **Capital Improvements**

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

In 2012, the County continued improving the Administrative Center building using Energy Efficiency grant dollars. Construction was completed on the Juvenile Justice Center and County Care Facility Energy Efficiency projects. In addition, the County began construction on the Juvenile Center Roof, SOLA COM Technologies call answering system, Butler Warren Road and the Munis ERP system which is scheduled for completion in 2013.

## **FINANCIAL INFORMATION**

### **Basis of Accounting**

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

### **Internal Control**

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

### **Budgetary Control**

By early January, the Board of County Commissioners adopts the annual appropriation measure for all funds, except for agency funds. All disbursements and transfers of cash between funds other than agency funds require appropriation authority from the Commissioners. The legal level of control has been established by the County Commissioners at the fund, program, department, and object level. All purchase orders and contracts must be approved by a majority of the Board of County Commissioners except where another board or elected official is given this responsibility by statute.

As contracts and purchase orders are issued to vendors, corresponding amounts of appropriations are reserved by the use of encumbrances to ensure that appropriations are not overspent. Contracts or purchase orders that exceed available appropriations are rejected by the accounting system until additional appropriations are obtained. A description of the various funds and the basis of accounting are included in Note 2 to the basic financial statements.

#### Fund Level of Reserves Policy

The Butler County Office of Budget and Management has established a fund level of reserves policy for the general fund and water and sewer funds. This policy was established to maintain, if not improve, the current bond ratings for the County as well as to ensure adequate cash flow.

Fund reserves for the general fund have been defined as the unencumbered year-end cash balance. The level of fund reserves is presented as a percentage, based upon the ratio of year-end reserves to the following years' general fund budget or actual expenditures. The goal of this policy is to maintain a reserve level of 15-20% of the following year's general fund budget and not drop below 10%. The 2012 reserve ratio is 10.8%.

Butler County management recognizes the need to maintain adequate levels of cash in the water and sewer funds, while avoiding the accumulation of unnecessarily high levels of cash over extended periods of time. The policy states the desire of the county to maintain a cash balance equating to not less than one-fourth of the operating and maintenance expenses for the year immediately preceding. The policy reflects management's intentions with regard to minimum cash or fund balances, consistent with covenants continued in the various, currently applicable revenue bond indentures, which covenants essentially refer to cash flows and cash balances when addressing fund requirements, fund balances, and debt service coverage, and other financial matters. According to the policy, the cash balance policy requirement for 2012 was \$10.7 million and the total cash balance of the water and sewer funds was \$39,955,246.

#### Independent Audit

Included in this report is the Julian & Grube, Incorporated unmodified opinion rendered on the County's basic financial statements as of and for the year ended December 31, 2012. An independent audit of the County's financial statements is part of the annual preparation of the CAFR. This annual independent audit continues to provide a review and comments which strengthen the County's accounting and budgetary controls.

#### GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Butler County for its comprehensive annual financial report for the year ended December 31, 2011. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

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

#### Acknowledgments

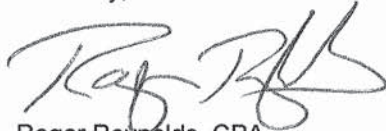
I would like to acknowledge the efforts and dedication of the entire Fiscal Services staff for their contributions to this report. My appreciation is also extended to the Local Government Services Section, each of whom was invaluable once again in adding their expertise and dedication to the project.



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

It is the mission of the Auditor's office to bring a high level of professionalism to Butler County government and to better inform and educate its citizens. Through the issuance of this Comprehensive Annual Financial Report, the County remains accountable to the public, and the public trust with which we have been provided, is retained. This report provides a fair representation of the financial condition of the County as of and for the year ended December 31, 2012. We ask for your continuing support of this project and in our efforts to best serve the citizens of Butler County.

Sincerely,

A handwritten signature in black ink, appearing to read "Roger Reynolds". The signature is stylized and cursive.

Roger Reynolds, CPA  
Butler County Auditor

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Butler County  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2011

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



*Christopher P. Mouill*

President

*Jeffrey R. Enow*

Executive Director

BUTLER COUNTY, OHIO  
ELECTED OFFICIALS  
DECEMBER 31, 2012

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Legislative and Executive Elected Officials

Commissioner – President	Donald Dixon
Commissioner – Vice President	Cindy Carpenter
Commissioner – Member	Charles R. Furmon
Auditor	Roger Reynolds, CPA
Treasurer	Nancy Nix, CPA
Prosecutor	Michael Gmoser
Recorder	Danny Crank

Judicial Elected Officials

Clerk of Courts	Mary Swain
Common Pleas Court	
Administrative Judge	Honorable Charles Pater
General Division Judge	Honorable Noah Powers II
General Division Judge	Honorable Andrew Nastoff
General Division Judge	Honorable Patricia Oney
General Division Judge	Honorable Michael Sage
General Division Judge	Honorable Keith Spaeth
General Division Judge	Honorable Craig Hedric
Domestic Relations Division Judge	Honorable Sharon Kennedy
Domestic Relations Division Judge	Honorable Barbara Schneider Carter
Juvenile Division Presiding Judge	Honorable Ronald Craft
Juvenile Division Judge	Honorable Kathleen Dobrozsi Romans
Probate Division Judge	Honorable Randy Rogers
Area Court I Presiding Judge	Honorable Robert Lyons
Area Court II Presiding Judge	Honorable Kevin McDonough
Area Court III Presiding Judge	Honorable Dan Haughey

Public Safety Elected Officials

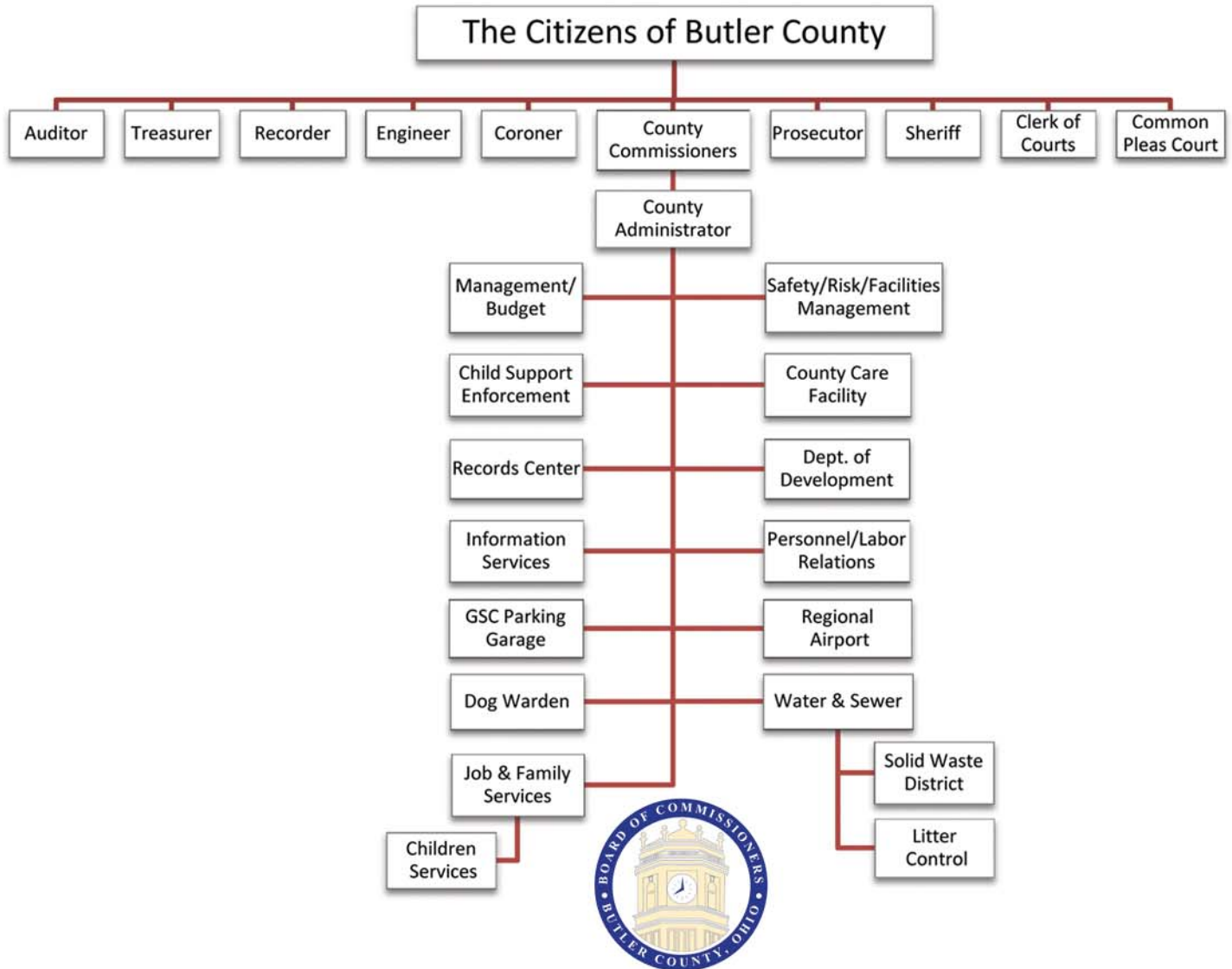
Sheriff	Richard Jones
Coroner	Lisa Mannix MD

Public Works Elected Officials

Engineer	Gregory Wilkens, PE, PS
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# Organizational Chart

## Government of Butler County, Ohio



## Ex Officio and Appointed Boards



## Financial Section

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**Julian & Grube, Inc.**  
*Serving Ohio Local Governments*

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Independent Auditor's Report

Butler County  
130 High Street  
Hamilton, Ohio 45011

To the Board of County Commissioners:

***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Butler County, Ohio, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise Butler County's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to Butler County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of Butler County's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

***Opinion***

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 discretely presented component unit, each major fund, and the aggregate remaining fund information of Butler County, Ohio, as of December 31, 2012, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the general, developmental disabilities, job and family services/children services agency, and mental health funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

As discussed in Note 3 to the financial statements, during 2012, Butler County adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities*. Also, as discussed in Note 3, Butler County has reclassified the GSC parking facility fund from an enterprise fund to a nonmajor governmental fund. Our opinion is not modified with respect to these matters.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis* and *Schedules for infrastructure assets accounted for using the modified approach*, listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

***Supplementary and Other Information***

Our audit was conducted to opine on Butler County's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The financial section's combining statements, individual fund statements and schedules are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this 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, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2013, on our consideration of Butler County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Butler County's internal control over financial reporting and compliance.



Julian & Grube, Inc.  
June 24, 2013



BUTLER COUNTY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2012  
(Unaudited)

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Management's Discussion and Analysis offers the users of these financial statements an introspective look at the finances of Butler County for the year ended December 31, 2012, providing an easily readable overview of the County's financial performance as a whole while assisting readers in interpreting the basic financial statements. In addition to the information presented here, readers are also encouraged to review the transmittal letter, found on page iv, and the County's financial statements, beginning on page 15, for a more complete picture of Butler County's financial performance.

### **Financial Highlights**

Key financial highlights for 2012 are as follows:

- The overall financial position for Butler County's operating fund, the General Fund, decreased from \$16.3 million in 2011 to \$12.7 million in 2012. Revenues declined 6% in 2012 due to a combination of property taxes, fines and forfeitures, intergovernmental revenue, investment earnings and sales tax revenue in 2011 compared to 2012. Intergovernmental revenue declined in 2012 due primarily to the reduction in local government revenue from the State of Ohio. In contrast, charges for services, licenses and permits and other revenue increased slightly in 2012 as building regulation and conveyance revenues rose.
- At year-end, the governmental funds combined ending fund balance of \$104.3 million was slightly lower than the same balance just one year ago, a \$4.6 million decrease overall. Decreases in some funds can be attributed to reductions in grant dollars, payments in lieu of taxes and investment earnings from 2011 to 2012. Developmental Disabilities recognized a \$2.7 million decrease in fund balance while Non Major Governmental Funds had a \$2.6 million dollar increase. Total governmental funds expenditures decreased from \$259.8 million in 2011 to \$254.7 million in 2012.
- At December 31, 2012, Butler County had a total of \$190.2 million (excluding premium and discounts) in outstanding long-term debt, 5% lower than the prior year-end. Governmental activities long-term debt dropped \$7.9 million due to scheduled maturities and the completion of the Fifth Third master lease. Business-type activities long-term debt decreased by \$1.5 million during 2012 due to scheduled maturities and the refunding of the water judgment bonds.

### **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 infrastructure, the combining financial statements, individual fund schedules and statistical information.

#### Government-Wide Financial Statements

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

The County's financial activities are identified in the government-wide financial statements as governmental activities or business-type activities.

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Governmental Activities

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

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

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

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.

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.

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

Intergovernmental - activities associated with expenditure classification for disclosure of asset construction where the final asset belongs to another governmental agency or contractual agreements where payments are made to various school districts for Tax Incremental Financing (TIF) and Residential Incentive Districts (RID) within the 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 those activities accounted for in enterprise funds, including the county's Water and Sewer operations. Business-type activities rely on user fees and other charges to wholly, or to a large extent, fund their operations.

Statement of Net Position

The Statement of Net Position reports all assets and deferred outflows of resources, and liabilities and deferred inflows of resources of the County, with net position being the difference between all elements. This statement is useful when evaluating the financial condition of the County. Monitoring the changes to net position over time is one indication of whether the County's financial condition is improving or deteriorating.

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Statement of Activities

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

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

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

In the County's Statement of Activities, resources used to fund service activities are identified as either program revenues (resources received from people receiving services or in the form of operating and capital grants and contributions and interest) or general revenues (all non-program revenues, including taxes). Butler County operations have also been classified into distinct governmental or business-type service activities.

These activities are reported in a format that allows the reader to see the extent to which each activity is supported or self-financed by program revenues or drawn from the general resources of the County. Therefore, the statement of activities is useful in assessing the level of self-sufficiency of the various governmental or business-type activities versus management established performance benchmarks.

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

Fund Financial Statements

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

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

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

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

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Butler County maintains numerous individual governmental funds, the following of which are considered major funds: General, Developmental Disabilities, Job and Family Services/Children Services Agency and Mental Health. The basic governmental fund financial statements begin on page 18 of this report.

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

Enterprise funds are used to account for the county's water and sewer operations, 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 department to other departments in the county on a cost-reimbursement basis. The County uses internal service funds to account for its health insurance and workers' compensation. Since these programs mostly benefit governmental rather than business functions, they have been included in the governmental activities in the government-wide financial statements. The basic proprietary fund financial statements begin on page 29 of this report.

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

Notes to the Financial Statements

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

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 demonstrating operational accountability, while the primary focus of the governmental fund financial statements is demonstrating fiscal accountability. Butler County management believes these basic financial statements provide the reader with the best information yet available to assess the level of Butler County's fiscal and operational accountability, both short-term and long-term.

**Government-Wide Financial Analysis**

The County recorded a \$3.4 million increase in total net position in 2012 from the combined 2011 governmental and business-type activities. Capital assets are used to provide services to residents and do not represent assets that may be used for future spending.

Sixty-three percent (63%) of the County's net position is used providing governmental activities. Net position used in governmental activities increased \$5.5 million from 2011 while net position used in business-type activities decreased \$2.2 million.

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Table 1  
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2012	Restated 2011	2012	Restated 2011	2012	Restated 2011
<b>Assets</b>						
Current and Other Assets	\$ 257,979,917	\$ 262,621,665	\$ 44,100,260	\$ 50,745,379	\$ 302,080,177	\$ 313,367,044
Capital Assets, Net	387,831,222	386,810,019	327,099,125	321,113,385	714,930,347	707,923,404
<b>Total Assets</b>	<b>645,811,139</b>	<b>649,431,684</b>	<b>371,199,385</b>	<b>371,858,764</b>	<b>1,017,010,524</b>	<b>1,021,290,448</b>
<b>Deferred Outflows of Resources</b>						
Deferred Charges on Refunding	956,681	1,114,037	2,394,977	3,090,436	3,351,658	4,204,473
<b>Liabilities</b>						
Current and Other Liabilities	33,223,107	32,705,795	3,427,376	3,795,408	36,650,483	36,501,203
Long-Term Liabilities:						
Due Within One Year	10,976,642	11,212,164	7,486,522	8,388,937	18,463,164	19,601,101
Due in More than One Year	85,703,550	92,751,163	102,932,772	100,856,362	188,636,322	193,607,525
<b>Total Liabilities</b>	<b>129,903,299</b>	<b>136,669,122</b>	<b>113,846,670</b>	<b>113,040,707</b>	<b>243,749,969</b>	<b>249,709,829</b>
<b>Deferred Inflows of Resources</b>						
Property Taxes	58,762,776	61,279,506	-	-	58,762,776	61,279,506
Payment In Lieu of Taxes	7,612,136	7,653,813	-	-	7,612,136	7,653,813
<b>Total Deferred Inflows</b>	<b>66,374,912</b>	<b>68,933,319</b>	<b>-</b>	<b>-</b>	<b>66,374,912</b>	<b>68,933,319</b>
<b>Net Position</b>						
Net Investment in Capital Assets	319,654,234	312,402,885	219,910,300	213,941,106	539,564,534	526,343,991
Restricted:						
Capital Projects	9,451,599	15,250,350	-	-	9,451,599	15,250,350
Debt Service	4,219,877	3,950,771	-	-	4,219,877	3,950,771
Replacement and Improvement	-	-	6,000,000	6,000,000	6,000,000	6,000,000
Other Purposes	134,752,429	140,626,096	-	-	134,752,429	140,626,096
Unrestricted (Deficit)	(17,588,530)	(27,286,822)	33,837,392	41,967,387	16,248,862	14,680,565
<b>Total Net Position</b>	<b>\$ 450,489,609</b>	<b>\$ 444,943,280</b>	<b>\$ 259,747,692</b>	<b>\$ 261,908,493</b>	<b>\$ 710,237,301</b>	<b>\$ 706,851,773</b>

Total assets from 2011 to 2012 fell \$4.3 million as shown in table 1. Current and other assets decreased \$11.3 million from 2011 while capital assets, net saw an increase of \$7.0 million as asset acquisition increased from 2011. Total liabilities dropped \$6.0 million as the County reduced long-term obligations. Total deferred inflows of resources decreased \$2.6 million due to a reduction in real estate tax values from 2011 to 2012.

**Governmental Activities:** Total governmental assets decreased \$3.6 million from 2011. Current and other assets were reduced \$4.6 million due primarily to the reduction in cash with fiscal agents held by the Southwest Ohio Council of Governments and reductions in property taxes receivable. Capital assets, net displayed an increase of \$1.0 million due to asset acquisition from capital projects exceeding depreciation. Long-term liabilities saw a reduction of \$7.3 million as the County continues to reduce the governmental debt which contributed to the total net position for governmental funds increasing \$5.5 million.

The County's governmental activities expenses exceeded program revenues in 2012 by \$109.6 million and, with an infusion of \$115.1 million of general revenues, resulted in a \$5.5 million increase to governmental activities net position. Program revenues supporting governmental activities decreased overall during 2012 to \$133.6 million. Charges for services decreased \$0.6 million while operating grants, contributions, and interest were down \$18.2 million due to reductions in various grants including house bill 66 and Medicaid. Capital grants, contributions, and interest program revenue increased \$5.0 million due primarily to federal dollars from the Ohio Department of Transportation for road projects.

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In addition, expenses reduced \$16.0 million from \$259.2 million in 2011 to \$243.2 million in 2012 with the largest areas of reduction in intergovernmental expenses related to tax incremental financing and residential incentive districts as well health expenses as a result of the Medicaid funding cuts.

General revenues and transfers declined \$1.7 million from 2011. Revenues including real estate, payment in lieu of taxes, investment earnings and other revenue decreased \$5.2 million from 2011 with payments in lieu of taxes consisting of the largest decrease at \$2.4 million. In addition, sales and other local taxes along with grants and entitlements not restricted to specific programs increased \$3.5 million from 2011.

Table 2  
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2012	2011 Restated	2012	2011 Restated	2012	2011 Restated
<b>Revenues</b>						
<b>Program Revenues:</b>						
Charges for Services	\$ 42,959,090	\$ 43,548,827	\$ 39,658,302	\$ 38,049,692	\$ 82,617,392	\$ 81,598,519
Operating Grants, Contributions and Interest	79,306,437	97,506,046	-	-	79,306,437	97,506,046
Capital Grants, Contributions and Interest	11,367,854	6,326,191	7,091,889	5,962,256	18,459,743	12,288,447
<b>Program Revenues Subtotal</b>	<b>133,633,381</b>	<b>147,381,064</b>	<b>46,750,191</b>	<b>44,011,948</b>	<b>180,383,572</b>	<b>191,393,012</b>
<b>General Revenues:</b>						
Property Taxes	60,179,815	61,773,214	-	-	60,179,815	61,773,214
Sales Taxes	32,955,898	30,779,103	-	-	32,955,898	30,779,103
Local Taxes	2,479,528	2,476,974	-	-	2,479,528	2,476,974
Payments in Lieu of Taxes	7,529,320	9,911,360	-	-	7,529,320	9,911,360
Gain on the Sale of Capital Assets	-	-	14,079	-	14,079	-
Grants and Entitlements Not Restricted to Specific Programs	8,122,035	6,771,385	-	-	8,122,035	6,771,385
Investment Earnings	2,066,480	2,889,678	1,419	-	2,067,899	2,889,678
Other	1,769,005	2,192,682	637,362	981,500	2,406,367	3,174,182
<b>General Revenues Subtotal</b>	<b>115,102,081</b>	<b>116,794,396</b>	<b>652,860</b>	<b>981,500</b>	<b>115,754,941</b>	<b>117,775,896</b>
<b>Total Revenues</b>	<b>248,735,462</b>	<b>264,175,460</b>	<b>47,403,051</b>	<b>44,993,448</b>	<b>296,138,513</b>	<b>309,168,908</b>

(Continued)

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Table 2 (Continued)  
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2012	2011 Restated	2012	2011 Restated	2012	2011 Restated
Program Expenses						
General Government:						
Legislative and Executive	26,369,763	29,823,465	-	-	26,369,763	29,823,465
Judicial	13,545,194	14,869,492	-	-	13,545,194	14,869,492
Public Safety	47,294,271	44,980,435	-	-	47,294,271	44,980,435
Public Works	23,895,460	22,218,862	-	-	23,895,460	22,218,862
Health	58,682,052	68,349,134	-	-	58,682,052	68,349,134
Human Services	63,415,959	66,342,441	-	-	63,415,959	66,342,441
Conservation and Recreation	426,186	453,611	-	-	426,186	453,611
Intergovernmental	4,665,872	7,839,719	-	-	4,665,872	7,839,719
Interest and Fiscal Charges	4,891,571	4,321,857	-	-	4,891,571	4,321,857
Sewer	-	-	23,083,649	23,474,260	23,083,649	23,474,260
Water	-	-	26,483,008	24,153,925	26,483,008	24,153,925
<b>Total Expenses</b>	<b>243,186,328</b>	<b>259,199,016</b>	<b>49,566,657</b>	<b>47,628,185</b>	<b>292,752,985</b>	<b>306,827,201</b>
Increase in Net Position before Transfers	5,549,134	4,976,444	(2,163,606)	(2,634,737)	3,385,528	2,341,707
Transfers	(2,805)	-	2,805	-	-	-
<b>Change in Net Position</b>	<b>5,546,329</b>	<b>4,976,444</b>	<b>(2,160,801)</b>	<b>(2,634,737)</b>	<b>3,385,528</b>	<b>2,341,707</b>
Restatement of Prior Year Revenues	-	66,222	-	(157,417)	-	(91,195)
<b>Net Position at Beginning of Year (Restated)</b>	<b>444,943,280</b>	<b>439,900,614</b>	<b>261,908,493</b>	<b>264,700,647</b>	<b>706,851,773</b>	<b>704,601,261</b>
<b>Net Positions at End of Year</b>	<b>\$ 450,489,609</b>	<b>\$ 444,943,280</b>	<b>\$ 259,747,692</b>	<b>\$ 261,908,493</b>	<b>\$ 710,237,301</b>	<b>\$ 706,851,773</b>

**Business-Type Activities:** The County's sewer and water operations constitute the business-type activities. Butler County management has established sound fiscal plans and mechanisms in order to respond to the challenges of delivering efficient and cost effective services to a large service area whose capacity continues to expand due to the tremendous growth the County has seen over the years. In 2012, the Water and Sewer funds experienced a reduction in net position of \$2.2 million. Further details regarding the financial condition of the sewer and water systems are provided in the fund analysis section that follows.

**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."

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At year-end, the governmental funds combined ending fund balance of \$104.3 million was slightly lower than the same balance just one year ago, a \$4.6 million decrease overall. Decreases in some funds can be attributed to reductions in grant dollars, payments in lieu of taxes and investment earnings from 2011 to 2012. Developmental Disabilities recognized a \$2.7 million decrease in fund balance while Non Major Governmental Funds had a \$2.6 million dollar increase. Total governmental funds expenditures decreased from \$259.8 million in 2011 to \$254.7 million in 2012.

The overall financial position for Butler County's operating fund, the General Fund, decreased from \$16.3 million in 2011 to \$12.7 million in 2012. Revenues declined 6% in 2012 due to a combination of property taxes, fines and forfeitures, intergovernmental revenue, investment earnings and sales tax revenue in 2011 compared to 2012. Intergovernmental revenue declined in 2012 due primarily to the reduction in local government revenue from the State of Ohio. In contrast, charges for services, licenses and permits and other revenue increased slightly in 2012 as building regulation and conveyance revenues rose.

General Fund expenditures decreased \$3.5 million from 2011 as the county continued reducing spending through budget cuts while transfers out increased \$0.8 million as the general fund contributed money to other funds primarily for matching grant dollars. Expenditures and other financing uses exceeded revenues and other financing sources resulting in a fund balance decrease of \$3.6 million.

The Butler County Developmental Disabilities (BCDD) Fund decreased \$2.7 million (7%) in fund balance during 2012. Intergovernmental revenues decreased \$1.7 million (14%) during 2012 due to state reductions with house bill 66, kilowatt tax dollars and ARRA Medicaid funding while property taxes increased \$0.8 million (4%). BCDD health expenditures increased \$3.3 million from 2011 to 2012 due primarily to increased expenses in the Southwest Ohio Council of Governments agency which were approximately \$2.6 million higher than 2011 in addition to increases in accounts payable and accrued wages and benefits payable of \$0.2 million. BCDD's total revenues of \$28.5 million were significantly lower than the total expenditures of \$31.2 million which attributed to the overall reduction in fund balance for 2012.

The Job and Family Services/Children Services Agency Fund experienced significant reductions to expenditures in 2012. Revenues saw slight reductions in property taxes and intergovernmental revenues along with a reduction in transfers in. Job and Family Services/Children Services Agency Fund continued to reduce expenditures in personal costs in 2012. The combination of both revenues and expenditures for 2012 resulted in a \$0.5 million dollar reduction in fund balance.

The Mental Health Fund revenues declined in 2012 by \$6.0 million while expenditures fell \$9.3 million. These significant changes are due primarily to reductions in Medicaid funding that historically has been given to county mental health boards. These Medicaid dollars will now remain at the state level. The Mental Health Fund expenditures exceeded revenues, resulting in a negative \$0.5 million net change to the ending fund balance.

Only a portion of the \$104.3 million fund balance in the governmental funds is available for spending in next year's budget. This is referred to as restricted, committed and unassigned fund balance, and at December 31, 2012, the restricted, committed and unassigned fund balances for the governmental funds had decreased to \$96.9 million.

The nonspendable fund balance of \$4.4 million includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact such as prepaid items, materials and supplies inventory, loans receivable and interfund loans. The committed fund balance of \$0.1 million includes amounts that can be used only for specific purposes imposed by formal action (resolution) of the County Commissioners for the sales tax dollars collected for the countywide communications system. The assigned fund balance of \$3.0 million, consisting of encumbrances and overages in the 2013 expenditure budget compared to revenues for the general fund, is intended to be used by the County for specific purposes but do not meet the criteria to be classified as restricted or committed.

*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.



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*Sewer Fund:* The Sewer Fund's \$25.8 million in current assets at the end of 2012, principally (\$23.6 million) composed of equity in pooled cash and cash equivalents, as compared with current liabilities of \$4.6 million at year-end, leaving a \$21.2 million safety margin of working capital (current assets less current liabilities) for ongoing operations, additional debt service, and contingencies.

Operating revenues during 2012 of \$19.1 million were \$1.3 million higher than the \$17.8 million in 2011, while operating expenses of \$20.2 million for 2012 were fairly consistent with 2011 operating expenses of \$21.0 million, resulting in an operating loss of \$1.2 million for 2012. In comparing 2012 to 2011, depreciation and amortization expense continues to be the largest category and, for 2012, at \$9.8 million, remained fairly consistent. The next-largest category, personal services, comprising employees' salaries and fringe benefits, increased slightly in 2012 from \$5.7 million in 2011 to \$5.8 million. Contractual services decreased \$0.7 million for 2012 while materials and supplies remained fairly consistent at \$1.4 million, for 2012.

*Water Fund:* The Water Fund's current assets of \$12.3 million consisted largely of equity in pooled cash and cash equivalents at \$10.2 million or 83%. The current assets of \$12.3 million compared to current liabilities of \$6.3 million which leaves a safety margin of working capital of \$6.0 million for ongoing operations, additional debt service, and contingencies.

Operating revenues during 2012 of \$20.9 million were \$0.3 million more than the \$20.6 million in 2011, while operating expenses of \$22.6 million for 2012 were \$1.3 million more than 2011 operating expenses of \$21.3 million, resulting in an operating loss of \$1.7 million for 2012. The largest category of operating expenses, contractual services, at \$12.0 million for 2012, was \$1.7 million higher than 2011 expenses at \$10.3 million. Depreciation and amortization expense remained consistent at \$6.5 million. Personal services, comprised of employees' salaries and fringe benefits, decreased by \$0.2 million from 2011 to 2012. Overall net position dropped \$2.6 million as expenses exceeded overall revenues in 2012.

### **General Fund Budget Analysis**

Several events influenced the budgetary process and actual results for the year of 2012. The General Fund's final 2012 appropriation budget, at \$72.3 million excluding other financing uses, was 4% higher than the original appropriation budget. The final budget included an additional \$1.6 million for legislative and executive which \$1.2 million was for various election expenses while the remaining \$0.4 million was primarily for costs associated with legal services and equipment replacement. The remaining County General Fund final budget and actual items remained fairly consistent with original and final budget estimates.

### **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, infrastructure, water rights, water and sewer mains, and construction in progress. Butler County's total investment in capital assets for governmental and business-type activities (net of accumulated depreciation) amounts to \$714.9 million as of December 31, 2012. Table 3 contains a summary of capital assets as of December 31, 2012, compared to assets owned by the County at year-end 2011.

BUTLER COUNTY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2012  
(Unaudited)

Table 3  
Butler County Capital Assets

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land and Easements	\$ 17,402,689	\$ 17,402,689	\$ 1,544,056	\$ 1,544,056	\$ 18,946,745	\$ 18,946,745
Land Improvements	7,751,293	6,757,303	1,315,655	1,463,596	9,066,948	8,220,899
Buildings and Improvements	75,397,161	77,832,023	47,065,408	49,863,665	122,462,569	127,695,688
Furniture, Fixtures and Equipment	44,346,673	47,488,257	26,982,454	29,806,154	71,329,127	77,294,411
Vehicles	2,730,350	2,594,134	233,280	293,597	2,963,630	2,887,731
Infrastructure	234,083,845	233,064,949	-	-	234,083,845	233,064,949
Water Rights	-	-	20,200,776	22,156,344	20,200,776	22,156,344
Water and Sewer Mains	-	-	191,960,330	194,369,032	191,960,330	194,369,032
Construction in Progress	6,119,211	1,670,664	37,797,166	21,616,941	43,916,377	23,287,605
<b>Total</b>	<b>\$ 387,831,222</b>	<b>\$386,810,019</b>	<b>\$327,099,125</b>	<b>\$321,113,385</b>	<b>\$ 714,930,347</b>	<b>\$ 707,923,404</b>

Significant capital asset activity (See Note 10) occurring during 2012 included the following:

Governmental activities total assets increased \$1.0 million from 2011 to 2012. Land improvements increased \$1.0 million due to improvements at the Butler County Regional Airport and the completion of the Great Miami River Trail project. Buildings and improvements decreased \$2.4 million as depreciation expense exceeded additions of \$2.4 million for the completion of Energy Efficiency projects at the Juvenile Rehabilitation Center and County Care Facility. In addition, the county completed work at the main jail as well a new salt dome for the Butler County Engineer. Furniture, fixtures and equipment decreased \$3.1 million as depreciation expense offset asset additions in 2012. Construction in progress increased \$4.5 million primarily due to large road projects funded by the Ohio Department of Transportation such as Butler Warren Road which is projected to be completed in 2013.

Business-Type Activities capital assets increased \$6.0 million from 2011. Buildings and improvements and furniture, fixtures and equipment decreased a combined \$5.6 million from 2011 due to the removal of existing items during various facility renovations. Construction in progress increased \$16.2 million with the continued construction of the LeSoursville sewer plant expansion and Liberty Fairfield Water projects. In addition, new water and sewer projects included Tylersville Road Widening, Queen Acres Erosion and Mill Creek Confluence Restoration.

Infrastructure Assets: Infrastructure assets refer to county roads, bridges, and culverts, and are reported in the governmental activities. Butler County, through the Engineer's Office, maintains an infrastructure asset system that incorporates the "modified approach" method of reporting infrastructure as provided for in Governmental Accounting Standards Board Statement No. 34. Under the modified approach, the County does not use historical cost-based depreciation as a measure of the cost of use for infrastructure assets. Instead, all expenditures made for infrastructure assets that preserve the useful life of the assets are expensed during the year incurred. Expenditures that increase the capacity or efficiency of the infrastructure assets (additions or improvements) are capitalized. The County ensures that infrastructure assets are being preserved at, or above, previously established condition-levels by performing periodic conditional assessments of the infrastructure. Based on these assessment findings, a budget is prepared for the maintenance and repair of these assets. During 2012, the County budgeted \$4.8 million for roads, \$1.7 million for bridges and \$0.1 million for culvert improvements.

Butler County manages its roadway system through the performance of three year conditional assessments, using factors such as age of pavement, surface condition and traffic volume and type. Roads are assigned a pavement rating based on a scale of one to four, with one being excellent and four being poor. It is the County's policy to maintain the county roadway system where at least 90% of the roads have a rating of three (3) or better. A twelve-year paving plan is developed in order to keep the County's roads at condition levels established per policy. Actual maintenance spending on county roads in 2012 was \$4.8 million and the most recent roadway system assessment (2011) indicates that 90% of county roads are currently assessed at a rating of three or better.

BUTLER COUNTY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2012  
(Unaudited)

The County manages its bridges using a General Appraisal and Operational Status condition coding system as developed by the Federal Highway Administration. The condition of a bridge is rated from zero to nine, with nine being excellent condition and zero meaning the bridge is in a failed or closed condition. Bridges are inspected on an annual basis as required by Ohio law and rated for infrastructure GAAP reporting every three years.

It is the policy of the County Engineer to maintain the bridges such that 85% of the structures have a General Appraisal rating of five (5 - Fair) or better. The County spent \$1.7 million in 2012 to maintain the bridges and the most recent bridge system assessment (2011) indicates that 94% of County bridges are currently assessed at a rating of five or better.

The Engineer inspects culverts on a three year basis, and conditional assessments are given based on a rating scale of one to four, with one meaning the culvert is in good condition and does not require repair, while a four rating means the culvert is in critical condition and is no longer functioning as designed. It is the policy of the County Engineer to maintain 75% of the culverts in a condition of two (2 - Fair) or better. The County spent \$0.1 million in 2012 to maintain culverts and the most recent culvert system assessment (2011) indicates that 82% of the culverts are currently assessed at a rating of two or better. Additional information regarding capital assets can be found in Note 10 to the financial statements and the Required Supplementary Information on page 84 for additional infrastructure information.

**Long-Term Debt**

At December 31, 2012, Butler County had a total of \$190.2 million (excluding premiums and discounts) in outstanding long-term debt, 5% lower than the prior year-end. Of this total, \$83.3 million (44%) has helped fund governmental activities while \$106.9 million (56%) has helped fund business-type activities. Governmental activities long-term debt dropped \$7.9 million due to scheduled maturities and the completion of the Fifth Third master lease. Business-type activities long-term debt decreased by \$1.5 million during 2012 due to scheduled maturities and the refunding of the water judgment bonds.

**Table 4**  
**Butler County Outstanding Long-Term Debt**

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
General Obligation Bonds	\$ 62,575,000	\$ 66,870,000	\$ 8,725,120	\$ 12,098,581	\$ 71,300,120	\$ 78,968,581
Sales Tax Bonds	9,160,000	11,230,000	-	-	9,160,000	11,230,000
Special Assessment debt with governmental commitment	9,261,330	10,096,230	-	-	9,261,330	10,096,230
Long-term Loans	2,276,076	2,553,276	18,838,194	12,885,469	21,114,270	15,438,745
Revenue Bonds	-	-	52,648,260	55,458,530	52,648,260	55,458,530
Water Judgment Bonds	-	-	26,590,000	27,895,000	26,590,000	27,895,000
Capital Leases	70,526	439,631	10,475	-	81,001	439,631
<b>Total</b>	<b>\$ 83,342,932</b>	<b>\$ 91,189,137</b>	<b>\$ 106,812,049</b>	<b>\$ 108,337,580</b>	<b>\$ 190,154,981</b>	<b>\$ 199,526,717</b>

The County's long-term debt consisted of \$107.2 million in obligations backed by the full faith and credit of Butler County, including \$71.3 million in general obligation bonds, \$26.6 million in water judgment bonds, and \$9.3 million in special assessment bonds, for which Butler County is liable in case of default of the property owners subject to the assessment. A total of \$83.0 million of the total outstanding debt represent bonds secured by specified revenue sources, including water and sewer revenues, motor vehicle revenues, and sales tax revenues.

Ohio law, through its direct and indirect debt limitations, restricts the amount of debt the County may issue. The County's total direct debt limit at December 31, 2012 was \$186.0 million and the legal debt margin (debt limit minus net debt) was \$141.9 million. The County's unvoted direct debt limit was \$75.0 million and the unvoted direct debt margin was \$30.8 million. The debt margins for total debt and unvoted debt reflect a slight increase over the previous year due to increased tax values and reductions in general obligation bonds and notes.

BUTLER COUNTY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2012  
(Unaudited)

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Ohio's indirect debt limitation, referred to as the ten-mill limitation, further limits the total unvoted general obligation debt that may be issued among overlapping subdivisions to a maximum of 10 mills per dollar of assessed valuation. Since the 10 mills must be shared by the overlapping subdivisions, and is available on a first-come, first serve basis, the level of debt issued by any overlapping political subdivision thus affects the County's ability to issue unvoted general obligation debt.

For example, depending on how much room is available under the 10-mill limitation, a relatively small debt issuance by an overlapping subdivision with a low assessed valuation could significantly hinder, or temporarily lock out, the County's ability to issue unvoted general obligation debt. This limitation would continue until unvoted general obligation debt was retired by either subdivision, or until the total assessed value of the subdivision or the County increased, which occurs around December of each year. The County continues to monitor the debt activity of all overlapping subdivisions for the potential effect on future financings.

Butler County's general obligation bond issues are currently rated at Aa1 and the sales tax bonds are Aa2 by Moody's Investors Services. The water and sewer district currently maintains a credit rating from Moody's of Aa3.

Besides the long-term bonds outstanding, the County also is liable for other long-term obligations in the form of capital leases payable, claims payable, and compensated absences payable. Governmental activities capital leases totaled \$0.1 million at year-end, for various equipment and vehicles throughout the county. Claims payable at year-end was \$2.8 million representing outstanding workers' compensation claims against the county. Compensated absences payable at year-end was \$7.6 million for governmental activities and \$0.8 million for business-type activities. The total liability for capital leases, claims, and compensated absences payable for governmental and business-type activities was \$11.3 million at December 31, 2012. Additional information about the County's long-term obligations can be found in Note 17 to the financial statements.

**Economic and Other Potentially Significant Matters**

Despite the recent decline in the economy, The Cincinnati-Middletown metropolitan region added more jobs than any other part of the state in 2012. Butler County alone added about 3,300 jobs, according to data from Ohio Job and Family Services. Inquiries from potential businesses looking at developing or relocating to Butler County remain steady. University Pointe and West Chester Hospital, which opened in 2009, have drawn dozens of medical-related facilities to the uptown area. In addition, Steiner and Associates has selected Butler County for the proposed site of a \$300 million mixed-use development to be built near the intersection of Interstate 75 and Ohio 129 in Liberty Township.

**Requests for Information**

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

**Butler County, Ohio**  
**Statement of Net Position**  
**December 31, 2012**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Butler County Land Reutilization Corporation
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 126,074,564	\$ 39,914,778	\$ 165,989,342	\$ 1,875
Cash and Cash Equivalents:				
In Segregated Accounts	5,139	500	5,639	-
With Fiscal Agents	506,152	-	506,152	-
Accounts Receivable	832,355	2,916,600	3,748,955	458
Due from Other Governments	38,151,232	-	38,151,232	-
Accrued Interest Receivable	213,389	-	213,389	-
Prepaid Items	1,714,135	112,788	1,826,923	-
Internal Balances	98,143	(98,143)	-	-
Materials and Supplies Inventory	848,742	112,222	960,964	-
Property Taxes Receivable	62,050,814	-	62,050,814	-
Sales Tax Receivable	8,772,993	-	8,772,993	-
Other Local Taxes Receivable	244,914	-	244,914	-
Payments in Lieu of Taxes Receivable	7,907,854	-	7,907,854	-
Loans Receivable	879,655	-	879,655	-
Special Assessments Receivable	9,679,836	1,141,515	10,821,351	-
Capital Assets:				
Nondepreciable Capital Assets	257,605,745	39,341,222	296,946,967	-
Depreciable Capital Assets, net	130,225,477	287,757,903	417,983,380	-
<b>Total Assets</b>	<b>645,811,139</b>	<b>371,199,385</b>	<b>1,017,010,524</b>	<b>2,333</b>
<b>Deferred Outflows of Resources</b>				
Deferred Charge on Refunding	956,681	2,394,977	3,351,658	-
<b>Liabilities</b>				
Accounts Payable	959,574	209,960	1,169,534	-
Contracts Payable	8,078,636	873,935	8,952,571	-
Accrued Wages and Benefits	5,725,862	463,526	6,189,388	-
Due to Other Governments	557,297	1,272,914	1,830,211	-
Matured Compensated Absences Payable	10,189	-	10,189	-
Matured Bonds Payable	13,250	-	13,250	-
Matured Interest Payable	5,543	-	5,543	-
Accrued Interest Payable	342,756	471,556	814,312	-
Notes Payable	17,530,000	-	17,530,000	-
Refundable Deposits	-	135,485	135,485	-
Long-Term Liabilities:				
Due Within One Year	10,976,642	7,486,522	18,463,164	-
Due In More Than One Year	85,703,550	102,932,772	188,636,322	-
<b>Total Liabilities</b>	<b>129,903,299</b>	<b>113,846,670</b>	<b>243,749,969</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>				
Property Taxes not Levied to Finance Current Year Operations	58,762,776	-	58,762,776	-
Payment in Lieu of Taxes not Intended to Finance Current Year Operations	7,612,136	-	7,612,136	-
<b>Total Deferred Inflows of Resources</b>	<b>66,374,912</b>	<b>-</b>	<b>66,374,912</b>	<b>-</b>
<b>Net Position</b>				
Net Investment in Capital Assets	319,654,234	219,910,300	539,564,534	-
Restricted for:				
Capital Projects	9,451,599	-	9,451,599	-
Debt Service	4,219,877	-	4,219,877	-
Replacement and Improvement	-	6,000,000	6,000,000	-
Developmental Disabilities	33,338,322	-	33,338,322	-
Nonexpendable	761,305	-	761,305	-
Expendable	90,658	-	90,658	-
Job and Family/Children Services Agency	13,499,862	-	13,499,862	-
Elderly Services Levy	14,981,283	-	14,981,283	-
Mental Health	13,781,846	-	13,781,846	-
Motor Vehicle	14,465,381	-	14,465,381	-
All Other Public Works	14,986,588	-	14,986,588	-
Other Purposes	28,847,184	-	28,847,184	-
Unrestricted (Deficit)	(17,588,530)	33,837,392	16,248,862	2,333
<b>Total Net Position</b>	<b>\$ 450,489,609</b>	<b>\$ 259,747,692</b>	<b>\$ 710,237,301</b>	<b>\$ 2,333</b>

See accompanying notes to the basic financial statements

**Butler County, Ohio**  
**Statement of Activities**  
**For the Year Ended December 31, 2012**

	Expenses	Program Revenues	
		Charges for Services	Operating Grants, Contributions, and Interest
Governmental Activities			
General Government:			
Legislative and Executive	\$ 26,369,763	\$ 18,451,250	\$ 173,457
Judicial	13,545,194	5,358,438	1,350,570
Public Safety	47,294,271	11,900,127	6,054,411
Public Works	23,895,460	3,600,994	13,020,650
Health	58,682,052	298,740	27,027,523
Human Services	63,415,959	3,326,763	31,679,826
Conservation and Recreation	426,186	22,778	-
Intergovernmental	4,665,872	-	-
Interest and Fiscal Charges	4,891,571	-	-
<b>Total Governmental Activities</b>	<b>243,186,328</b>	<b>42,959,090</b>	<b>79,306,437</b>
Business-Type Activities			
Sewer	23,083,649	18,833,608	-
Water	26,483,008	20,824,694	-
<b>Total Business-Type Activities</b>	<b>49,566,657</b>	<b>39,658,302</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 292,752,985</b>	<b>\$ 82,617,392</b>	<b>\$ 79,306,437</b>
Component Unit			
Butler County Land Reutilization Corporation	\$ 167	\$ -	\$ 2,500

General Revenues
Taxes Levied for:
General Purposes
Developmental Disabilities
Children Services Agency
Mental Health
Elderly Services Levy
Sales Tax
Local Taxes
Payments in Lieu of Taxes
Gain on Sale of Capital Assets
Grants and Entitlements not Restricted to Specific Programs
Investment Earnings
Other
Transfers
<b>Total General Revenues and Transfers</b>
<b>Change in Net Position</b>
Net Position at Beginning of Year - Restated (see Note 3)
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 Unit
	Governmental Activities	Business-Type Activities	Total	Butler County Land Reutilization Corporation
\$ -	\$ (7,745,056)	\$ -	\$ (7,745,056)	\$ -
-	(6,836,186)	-	(6,836,186)	-
-	(29,339,733)	-	(29,339,733)	-
11,367,854	4,094,038	-	4,094,038	-
-	(31,355,789)	-	(31,355,789)	-
-	(28,409,370)	-	(28,409,370)	-
-	(403,408)	-	(403,408)	-
-	(4,665,872)	-	(4,665,872)	-
-	(4,891,571)	-	(4,891,571)	-
11,367,854	(109,552,947)	-	(109,552,947)	-
4,322,012	-	71,971	71,971	-
2,769,877	-	(2,888,437)	(2,888,437)	-
7,091,889	-	(2,816,466)	(2,816,466)	-
\$ 18,459,743	(109,552,947)	(2,816,466)	(112,369,413)	-
\$ -	-	-	-	2,333
	12,571,502	-	12,571,502	-
	17,833,937	-	17,833,937	-
	13,091,271	-	13,091,271	-
	8,173,776	-	8,173,776	-
	8,509,329	-	8,509,329	-
	32,955,898	-	32,955,898	-
	2,479,528	-	2,479,528	-
	7,529,320	-	7,529,320	-
	-	14,079	14,079	-
	8,122,035	-	8,122,035	-
	2,066,480	1,419	2,067,899	-
	1,769,005	637,362	2,406,367	-
	(2,805)	2,805	-	-
	115,099,276	655,665	115,754,941	-
	5,546,329	(2,160,801)	3,385,528	2,333
	444,943,280	261,908,493	706,851,773	-
\$ 450,489,609	\$ 259,747,692	\$ 710,237,301	\$ 2,333	

**Butler County, Ohio**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2012**

	General	Developmental Disabilities	Job and Family Services/Children Services Agency	Mental Health
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 11,309,027	\$ 30,861,768	\$ 7,236,171	\$ 12,373,491
Cash and Cash Equivalents:				
In Segregated Accounts	1,599	-	-	-
With Fiscal Agents	-	506,152	-	-
Receivables:				
Property Taxes	12,861,904	18,448,426	13,397,817	8,634,086
Sales Taxes	8,772,993	-	-	-
Other Local Taxes	-	-	-	-
Payments in Lieu of Taxes	-	-	-	-
Accounts	219,759	5,429	5,084	-
Due from Other Governments	6,784,553	2,696,133	10,263,888	877,112
Accrued Interest	213,389	-	-	-
Special Assessments	-	-	-	-
Loans	257,388	-	-	-
Due from Other Funds	190,485	-	-	-
Prepaid Items	594,255	899	65,050	768,841
Materials and Supplies Inventory	64,198	4,534	27,131	1,692
Advances to Other Funds	152,243	-	-	-
<b>Total Assets</b>	<b>\$ 41,421,793</b>	<b>\$ 52,523,341</b>	<b>\$ 30,995,141</b>	<b>\$ 22,655,222</b>
<b>Liabilities</b>				
Accounts Payable	\$ 291,888	104,248	88,828	77,511
Contracts Payable	941,363	267,424	2,512,158	486,201
Accrued Wages and Benefits Payable	2,476,578	704,523	806,229	83,169
Matured Compensated Absences Payable	749	-	-	-
Due to Other Funds	19,992	2,261	125,001	-
Due to Other Governments	201,335	33,924	69,347	3,025
Advances from Other Funds	-	-	-	-
Matured Bonds Payable	-	-	-	-
Matured Interest Payable	-	-	-	-
Accrued Interest Payable	-	-	-	-
Notes Payable	-	-	-	-
<b>Total Liabilities</b>	<b>3,931,905</b>	<b>1,112,380</b>	<b>3,601,563</b>	<b>649,906</b>
<b>Deferred Inflows of Resources</b>				
Property Taxes not Levied to Finance the Current Year Operations	12,212,415	17,433,599	12,721,266	8,126,673
Payment in Lieu of Taxes not Levied to Finance the Current Year Operations	-	-	-	-
Unavailable Revenue	12,557,004	3,161,615	9,831,686	1,382,811
<b>Total Deferred Inflows of Resources</b>	<b>24,769,419</b>	<b>20,595,214</b>	<b>22,552,952</b>	<b>9,509,484</b>
<b>Fund Balances</b>				
Nonspendable	1,068,084	5,433	92,181	770,533
Restricted	-	30,810,314	4,748,445	11,725,299
Committed	85,102	-	-	-
Assigned	2,995,397	-	-	-
Unassigned (Deficit)	8,571,886	-	-	-
<b>Total Fund Balances - Restated (See Note 3)</b>	<b>12,720,469</b>	<b>30,815,747</b>	<b>4,840,626</b>	<b>12,495,832</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 41,421,793</b>	<b>\$ 52,523,341</b>	<b>\$ 30,995,141</b>	<b>\$ 22,655,222</b>

See accompanying notes to the basic financial statements



Non Major Governmental Funds	Total Governmental Funds
\$ 61,672,523	\$ 123,452,980
3,540	5,139
-	506,152
8,708,581	62,050,814
-	8,772,993
244,914	244,914
7,907,854	7,907,854
591,102	821,374
17,529,546	38,151,232
-	213,389
9,679,836	9,679,836
622,267	879,655
274,638	465,123
284,388	1,713,433
751,187	848,742
-	152,243
<u>108,270,376</u>	<u>255,865,873</u>
397,099	959,574
3,870,927	8,078,073
1,633,635	5,704,134
9,440	10,189
219,726	366,980
249,666	557,297
152,243	152,243
13,250	13,250
5,543	5,543
31,856	31,856
17,530,000	17,530,000
<u>24,113,385</u>	<u>33,409,139</u>
8,268,823	58,762,776
7,612,136	7,612,136
24,870,168	51,803,284
<u>40,751,127</u>	<u>118,178,196</u>
2,419,147	4,355,378
58,520,987	105,805,045
3,244	88,346
-	2,995,397
<u>(17,537,514)</u>	<u>(8,965,628)</u>
<u>43,405,864</u>	<u>104,278,538</u>
<u>\$ 108,270,376</u>	<u>\$ 255,865,873</u>

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**Butler County, Ohio**  
**Reconciliation of Total Governmental Fund Balances to**  
**Net Position of Governmental Activities**  
**For the Year Ended December 31, 2012**

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Total Governmental Fund Balances \$104,278,538

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. These assets consist of:

Land	17,402,689	
Infrastructure	234,083,845	
Construction in progress	6,119,211	
Depreciable capital assets	223,466,184	
Accumulated depreciation	(93,240,707)	
Total capital assets		387,831,222

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. (223,751)

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	3,288,038	
Delinquent Revenue in Lieu of Taxes	295,718	
Sales Taxes	6,047,055	
Special Assessments	9,679,836	
Due From Other Governments	29,318,731	
Charges for Services	2,745,397	
Interest Revenue	118,870	
Other	45,542	
Loans	264,097	
Total		51,803,284

Deferred Outflows of Resources represent deferred charges on refundings which do not provide current financial resources and therefore are not reported in the funds. 956,681

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	(310,900)	
Capital leases	(70,526)	
Bonds	(83,970,680)	
Loans	(2,276,076)	
Compensated absences	(7,528,183)	
Total liabilities		(94,156,365)

Net Position of Governmental Activities \$450,489,609

See accompanying notes to the basic financial statements

**Butler County, Ohio**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2012**

	General	Developmental Disabilities	Job and Family Services/Children Services Agency	Mental Health
Revenues				
Property Taxes	\$ 12,800,464	\$ 18,191,689	\$ 13,329,773	\$ 8,352,652
Sales Taxes	29,951,357	-	-	-
Other Local Taxes	-	-	-	-
Charges for Services	16,831,714	142,086	-	58,480
Licenses and Permits	1,540,980	-	-	-
Fines and Forfeitures	1,191,824	-	-	-
Intergovernmental	7,319,284	10,136,797	23,328,859	12,099,110
Special Assessments	-	-	-	-
Payments in Lieu of Taxes	-	-	-	-
Investment Earnings	1,597,927	-	-	-
Other	246,393	67,812	1,107,045	142,284
Total Revenues	<u>71,479,943</u>	<u>28,538,384</u>	<u>37,765,677</u>	<u>20,652,526</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive	18,967,355	-	-	-
Judicial	11,236,978	-	-	-
Public Safety	32,741,373	-	-	-
Public Works	175,818	-	-	-
Health	628,660	31,206,822	-	21,158,758
Human Services	1,279,273	-	39,252,979	-
Conservation and Recreation	426,186	-	-	-
Intergovernmental	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal Retirement	572,272	-	6,114	-
Interest and Fiscal Charges	20,752	-	1,716	-
Total Expenditures	<u>66,048,667</u>	<u>31,206,822</u>	<u>39,260,809</u>	<u>21,158,758</u>
Excess of Revenues Over (Under) Expenditures	<u>5,431,276</u>	<u>(2,668,438)</u>	<u>(1,495,132)</u>	<u>(506,232)</u>
Other Financing Sources (Uses):				
Premium on Debt Issued	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	-	-
Refunding Bonds Issued	-	-	-	-
Inception of Capital Lease	3,457	-	37,347	-
Proceeds of Loans	-	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	-	-
Transfers - In	1,000,000	-	973,672	-
Transfers - Out	(10,063,484)	-	-	-
Total Other Financing Sources (Uses)	<u>(9,060,027)</u>	<u>-</u>	<u>1,011,019</u>	<u>-</u>
Net Change in Fund Balance	(3,628,751)	(2,668,438)	(484,113)	(506,232)
Fund Balances at Beginning of Year - Restated (See Note 3)	<u>16,349,220</u>	<u>33,484,185</u>	<u>5,324,739</u>	<u>13,002,064</u>
Fund Balances at End of Year	<u>\$ 12,720,469</u>	<u>\$ 30,815,747</u>	<u>\$ 4,840,626</u>	<u>\$ 12,495,832</u>

See accompanying notes to the basic financial statements

Non Major Governmental Funds	Total Governmental Funds
\$ 8,664,355	\$ 61,338,933
-	29,951,357
2,479,528	2,479,528
20,022,642	37,054,922
674,007	2,214,987
943,453	2,135,277
45,921,429	98,805,479
2,537,425	2,537,425
7,446,940	7,446,940
476,450	2,074,377
271,435	1,834,969
<u>89,437,664</u>	<u>247,874,194</u>
5,969,845	24,937,200
2,204,007	13,440,985
11,662,768	44,404,141
25,575,263	25,751,081
5,665,329	58,659,569
23,174,358	63,706,610
-	426,186
4,665,872	4,665,872
5,041,559	5,041,559
8,896,654	9,475,040
4,132,487	4,154,955
<u>96,988,142</u>	<u>254,663,198</u>
<u>(7,550,478)</u>	<u>(6,789,004)</u>
979,990	979,990
21,594	21,594
8,885,000	8,885,000
37,332	78,136
50,699	50,699
(7,873,107)	(7,873,107)
10,557,969	12,531,641
(2,470,962)	(12,534,446)
<u>10,188,515</u>	<u>2,139,507</u>
2,638,037	(4,649,497)
<u>40,767,827</u>	<u>108,928,035</u>
<u>\$ 43,405,864</u>	<u>\$ 104,278,538</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, 2012**

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Net Change in Fund Balances - Total Governmental Funds (\$4,649,497)

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	9,488,250	
Current Year Depreciation	<u>(8,412,132)</u>	1,076,118

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.

Loss on Disposal of Capital Assets	(33,321)	
Proceeds from Sale of Capital Assets	<u>(21,594)</u>	(54,915)

Because some revenues will not be collected for several months after the County's year end, they are not considered "available" revenues and are deferred in the governmental funds.

Property Taxes	(1,159,118)	
Sales Taxes	3,004,541	
Payment in Lieu of Taxes	82,380	
Due From Other Governments	(2,206,807)	
Special Assessments	(339,771)	
Charges for Services	1,553,904	
Other	(65,964)	
Interest Revenue	<u>(7,897)</u>	861,268

Some capital assets were financed through capital leases. In governmental funds, a capital lease arrangement is considered a source of financing, but in the statement of net position, the lease obligation is reported as a liability.

(78,136)

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	13,465,000	
Special assessment principal retirement	2,619,900	
Loan principal retirement	327,899	
Capital lease payments	<u>447,241</u>	
Total long-term debt repayment		16,860,040

Interest on long-term debt in the statement of activities differs from the amounts reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The additional amount of interest on the statement of activities is the result of the following:

Decrease in Accrued Interest		(1,126,182)
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Governmental funds report premiums as other financings sources and bond issuance costs as expenditures, whereas these amounts are deferred and amortized in the statement of activities

Premium on Bonds	(979,990)	
Amortization of Gain/Loss on Refunding	(157,356)	
Amortization of Bond Premiums/Discounts	<u>1,035,029</u>	(102,317)

Bond and Loan Proceeds are reported as other financing sources in governmental funds and thus contribute to the change in fund balances. In the government-wide statements, however issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities.

Bond Proceeds	(8,885,000)	
Loan Proceeds	<u>(50,699)</u>	(8,935,699)

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

Compensated Absences		238,685
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The internal service funds used by management to charge the costs of insurance to individual funds. The net revenue (expense) of the internal service funds are reported with governmental activities.

1,456,964

Change in Net Position of Governmental Activities		<u>\$5,546,329</u>
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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, 2012**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>				
Property Taxes	\$ 12,316,000	\$ 12,617,000	\$ 12,695,297	\$ 78,297
Sales Taxes	31,110,000	32,309,000	32,309,959	959
Charges for Services	18,515,989	16,716,839	16,790,934	74,095
Licenses and Permits	30,774	1,474,475	1,540,980	66,505
Fines and Forfeitures	1,434,250	1,266,250	1,267,169	919
Intergovernmental	7,443,600	7,373,049	7,541,206	168,157
Interest	2,200,000	1,770,000	2,032,565	262,565
Other	918,337	676,643	732,844	56,201
<b>Total Revenues</b>	<b>73,968,950</b>	<b>74,203,256</b>	<b>74,910,954</b>	<b>707,698</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General Government:</b>				
Legislative and Executive	20,384,986	22,013,590	21,662,012	351,578
Judicial	12,256,638	12,634,280	12,079,500	554,780
Public Safety	33,555,951	34,287,477	33,797,273	490,204
Public Works	175,189	170,660	168,829	1,831
Health	784,487	784,488	784,488	-
Human Services	1,319,943	1,350,306	1,317,975	32,331
Conservation and Recreation	446,980	426,186	426,186	-
<b>Debt Service:</b>				
Principal Retirement	624,332	624,735	624,735	-
Interest and Fiscal Charges	21,687	21,962	21,962	-
<b>Total Expenditures</b>	<b>69,570,193</b>	<b>72,313,684</b>	<b>70,882,960</b>	<b>1,430,724</b>
<b>Excess of Revenues Over Expenditures</b>	<b>4,398,757</b>	<b>1,889,572</b>	<b>4,027,994</b>	<b>2,138,422</b>
<b>Other Financing Sources (Uses):</b>				
Other Financing Sources	2,106,500	2,530,500	2,694,332	163,832
Advances - In	129,972	471,666	473,722	2,056
Advances - Out	-	(458,410)	(458,410)	-
Transfers - In	500,000	1,000,000	1,000,000	-
Transfers - Out	(10,042,927)	(10,146,929)	(10,063,484)	83,445
<b>Total Other Financing Sources (Uses)</b>	<b>(7,306,455)</b>	<b>(6,603,173)</b>	<b>(6,353,840)</b>	<b>249,333</b>
<b>Net Change in Fund Balance</b>	<b>(2,907,698)</b>	<b>(4,713,601)</b>	<b>(2,325,846)</b>	<b>2,387,755</b>
Fund Balance at Beginning of Year	9,016,462	9,016,462	9,016,462	-
Prior Year Encumbrances Appropriated	1,888,809	1,888,809	1,888,809	-
<b>Fund Balance at End of Year</b>	<b>\$ 7,997,573</b>	<b>\$ 6,191,670</b>	<b>\$ 8,579,425</b>	<b>\$ 2,387,755</b>

See accompanying notes to the basic financial statements.

**Butler County, Ohio**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual (Budget Basis)**  
**Developmental Disabilities Fund**  
**For the Year Ended December 31, 2012**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Property Taxes	\$ 17,558,331	\$ 17,558,331	\$ 18,050,900	\$ 492,569
Charges for Services	65,000	142,086	142,086	-
Intergovernmental	9,661,079	9,987,494	9,990,041	2,547
Other	43,500	67,806	67,812	6
Total Revenues	<u>27,327,910</u>	<u>27,755,717</u>	<u>28,250,839</u>	<u>495,122</u>
Expenditures:				
Current:				
Health	<u>30,101,987</u>	<u>32,237,252</u>	<u>29,620,399</u>	<u>2,616,853</u>
Excess of Revenues Over (Under) Expenditures	(2,774,077)	(4,481,535)	(1,369,560)	3,111,975
Other Financing Sources:				
Other Financing Sources	<u>75,000</u>	<u>62,194</u>	<u>62,194</u>	<u>-</u>
Net Change in Fund Balance	(2,699,077)	(4,419,341)	(1,307,366)	3,111,975
Fund Balance at Beginning of Year	29,945,929	29,945,929	29,945,929	-
Prior Year Encumbrances Appropriated	<u>775,517</u>	<u>775,517</u>	<u>775,517</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 28,022,369</u>	<u>\$ 26,302,105</u>	<u>\$ 29,414,080</u>	<u>\$ 3,111,975</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, 2012**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>				
Property Taxes	\$ 13,255,000	\$ 13,255,000	\$ 13,220,224	\$ (34,776)
Intergovernmental	23,204,310	22,636,437	22,856,752	220,315
Other	1,236,000	1,095,758	1,107,045	11,287
<b>Total Revenues</b>	<b>37,695,310</b>	<b>36,987,195</b>	<b>37,184,021</b>	<b>196,826</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Human Services	41,229,826	40,077,849	39,717,118	360,731
<b>Debt Service:</b>				
Principal Retirement	10,740	6,114	6,114	-
Interest and Fiscal Charges	-	1,716	1,716	-
<b>Total Expenditures</b>	<b>41,240,566</b>	<b>40,085,679</b>	<b>39,724,948</b>	<b>360,731</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(3,545,256)</b>	<b>(3,098,484)</b>	<b>(2,540,927)</b>	<b>557,557</b>
<b>Other Financing Sources:</b>				
Other Financing Sources	1,952,300	509,986	815,771	305,785
Transfers - In	980,235	973,672	973,672	-
<b>Total Other Financing Sources</b>	<b>2,932,535</b>	<b>1,483,658</b>	<b>1,789,443</b>	<b>305,785</b>
<b>Net Change in Fund Balance</b>	<b>(612,721)</b>	<b>(1,614,826)</b>	<b>(751,484)</b>	<b>863,342</b>
Fund Balance at Beginning of Year	6,856,703	6,856,703	6,856,703	-
Prior Year Encumbrances Appropriated	386,564	386,564	386,564	-
<b>Fund Balance at End of Year</b>	<b>\$ 6,630,546</b>	<b>\$ 5,628,441</b>	<b>\$ 6,491,783</b>	<b>\$ 863,342</b>

See accompanying notes to the basic financial statements

**Butler County, Ohio**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual (Budget Basis)**  
**Mental Health Fund**  
**For the Year Ended December 31, 2012**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Property Taxes	\$ 8,685,808	\$ 8,410,808	\$ 8,284,486	\$ (126,322)
Charges for Services	50,000	50,000	69,520	19,520
Intergovernmental	12,711,881	12,226,412	12,242,437	16,025
Other	-	124,000	142,284	18,284
Total Revenues	<u>21,447,689</u>	<u>20,811,220</u>	<u>20,738,727</u>	<u>(72,493)</u>
Expenditures:				
Current:				
Health	<u>23,693,265</u>	<u>23,857,494</u>	<u>22,115,937</u>	<u>1,741,557</u>
Excess of Revenues Over (Under) Expenditures	<u>(2,245,576)</u>	<u>(3,046,274)</u>	<u>(1,377,210)</u>	<u>1,669,064</u>
Other Financing Sources:				
Other Financing Sources	<u>-</u>	<u>361,469</u>	<u>455,794</u>	<u>94,325</u>
Net Change in Fund Balance	(2,245,576)	(2,684,805)	(921,416)	1,763,389
Fund Balance at Beginning of Year	12,899,144	12,899,144	12,899,144	-
Prior Year Encumbrances Appropriated	23,662	23,662	23,662	-
Fund Balance at End of Year	<u>\$ 10,677,230</u>	<u>\$ 10,238,001</u>	<u>\$ 12,001,390</u>	<u>\$ 1,763,389</u>

See accompanying notes to the basic financial statements

**Butler County, Ohio**  
**Statement of Fund Net Position**  
**Proprietary Funds**  
**December 31, 2012**

	Enterprise Funds			Governmental Activities - Internal Service Funds
	Sewer	Water	Total	
<b>Assets</b>				
<b>Current Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 23,576,854	\$ 10,202,434	\$ 33,779,288	\$ 2,621,584
Cash and Cash Equivalents in Segregated Accounts	250	250	500	-
Receivables:				
Accounts	1,403,503	1,513,097	2,916,600	10,981
Special Assessments	727,451	414,064	1,141,515	-
Due from Other Funds	-	1,451	1,451	-
Prepaid Items	48,978	63,810	112,788	702
Materials and Supplies Inventory	54,797	57,425	112,222	-
<b>Total Current Assets</b>	<b>25,811,833</b>	<b>12,252,531</b>	<b>38,064,364</b>	<b>2,633,267</b>
<b>Noncurrent Assets</b>				
Non-Depreciable Capital Assets	33,082,786	6,258,436	39,341,222	-
Depreciable Capital Assets	159,567,879	128,190,024	287,757,903	-
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	4,000,000	2,135,490	6,135,490	-
<b>Total Noncurrent Assets</b>	<b>196,650,665</b>	<b>136,583,950</b>	<b>333,234,615</b>	<b>-</b>
<b>Total Assets</b>	<b>222,462,498</b>	<b>148,836,481</b>	<b>371,298,979</b>	<b>2,633,267</b>
<b>Deferred Outflows of Resources</b>				
Deferred Charges on Refunding	893,494	1,501,483	2,394,977	-
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accounts Payable	166,332	43,628	209,960	-
Contracts Payable	337,900	536,035	873,935	563
Accrued Wages and Benefits Payable	299,344	164,182	463,526	21,728
Due to Other Funds	4,348	95,246	99,594	-
Due to Other Governments	184,771	1,088,143	1,272,914	-
Accrued Interest Payable	224,698	246,858	471,556	-
General Obligation Bonds Payable	43,219	684,751	727,970	-
Revenue Bonds Payable	3,062,470	1,370,000	4,432,470	-
Judgement Bonds Payable	-	1,435,000	1,435,000	-
Loans Payable	96,306	511,058	607,364	-
Capital Leases Payable	1,414	867	2,281	-
Claims Payable	-	-	-	742,940
Compensated Absences Payable	164,778	116,659	281,437	16,337
<b>Total Current Liabilities</b>	<b>4,585,580</b>	<b>6,292,427</b>	<b>10,878,007</b>	<b>781,568</b>
<b>Noncurrent Liabilities</b>				
Refundable Deposits	-	135,485	135,485	-
Claims Payable	-	-	-	2,035,117
Compensated Absences Payable	279,523	264,057	543,580	40,333
General Obligation Bonds Payable	3,499,456	4,618,290	8,117,746	-
Revenue Bonds Payable	31,785,943	18,294,413	50,080,356	-
Judgement Bonds Payable	-	25,952,066	25,952,066	-
Loans Payable	8,400,010	9,830,820	18,230,830	-
Capital Leases Payable	5,081	3,113	8,194	-
<b>Total Noncurrent Liabilities</b>	<b>43,970,013</b>	<b>59,098,244</b>	<b>103,068,257</b>	<b>2,075,450</b>
<b>Total Liabilities</b>	<b>48,555,593</b>	<b>65,390,671</b>	<b>113,946,264</b>	<b>2,857,018</b>
<b>Net Position</b>				
Invested in Capital Assets, Net of Related Debt	146,654,310	73,255,990	219,910,300	-
Restricted for:				
Replacement and Improvement	4,000,000	2,000,000	6,000,000	-
Unrestricted (Deficit)	24,146,089	9,691,303	33,837,392	(223,751)
<b>Total Net Position (Deficit)</b>	<b>\$ 174,800,399</b>	<b>\$ 84,947,293</b>	<b>\$ 259,747,692</b>	<b>\$ (223,751)</b>

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, 2012**

	Enterprise Funds			Governmental Activities - Internal Service Funds
	Sewer	Water	Total	
Operating Revenues:				
Charges for Services	\$ 18,833,608	\$ 20,824,694	\$ 39,658,302	\$ 16,722,181
Other Operating Revenues	243,984	92,430	336,414	-
<b>Total Operating Revenues</b>	<b>19,077,592</b>	<b>20,917,124</b>	<b>39,994,716</b>	<b>16,722,181</b>
Operating Expenses:				
Personal Services	5,794,322	3,240,198	9,034,520	396,159
Contractual Services	2,793,038	12,048,452	14,841,490	14,451,786
Claims and Judgments	-	-	-	429,612
Materials and Supplies	1,438,549	451,107	1,889,656	21,175
Depreciation and Amortization Expense	9,820,829	6,510,422	16,331,251	-
Other	384,365	380,868	765,233	630
<b>Total Operating Expenses</b>	<b>20,231,103</b>	<b>22,631,047</b>	<b>42,862,150</b>	<b>15,299,362</b>
<b>Operating Income (Loss)</b>	<b>(1,153,511)</b>	<b>(1,713,923)</b>	<b>(2,867,434)</b>	<b>1,422,819</b>
Non-Operating Revenues (Expenses)				
Other Non-Operating Revenues	119,749	181,199	300,948	34,145
Gain on Disposal Of Fixed Assets	-	14,079	14,079	-
Interest	1,419	-	1,419	-
Other Non-Operating Expenses	(73,803)	(405,408)	(479,211)	-
Interest and Fiscal Charges	(2,778,743)	(3,446,553)	(6,225,296)	-
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(2,731,378)</b>	<b>(3,656,683)</b>	<b>(6,388,061)</b>	<b>34,145</b>
<b>Income (Loss) Before Contributions and Transfers</b>	<b>(3,884,889)</b>	<b>(5,370,606)</b>	<b>(9,255,495)</b>	<b>1,456,964</b>
Capital Contributions	4,322,012	2,769,877	7,091,889	-
Transfers In	-	2,805	2,805	-
<b>Change in Net Position</b>	<b>437,123</b>	<b>(2,597,924)</b>	<b>(2,160,801)</b>	<b>1,456,964</b>
<b>Net Position (Deficit) at Beginning of Year - Restated (see Note 3)</b>	<b>174,363,276</b>	<b>87,545,217</b>	<b>261,908,493</b>	<b>(1,680,715)</b>
<b>Net Position (Deficit) at End of Year</b>	<b>\$ 174,800,399</b>	<b>\$ 84,947,293</b>	<b>\$ 259,747,692</b>	<b>\$ (223,751)</b>

See accompanying notes to the basic financial statements

**Butler County**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2012**

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Sewer	Water	Totals	
<u>Increase (Decrease) in Cash and Cash Equivalents:</u>				
<u>Cash Flows from Operating Activities:</u>				
Cash Received from Customers	\$ 18,707,261	\$ 21,138,518	\$ 39,845,779	\$ -
Cash Paid to Suppliers	(5,408,773)	(11,728,226)	(17,136,999)	(15,254,314)
Cash Paid to Employees	(5,753,354)	(3,231,484)	(8,984,838)	(394,762)
Cash Received from Interfund Services Provided	-	-	-	16,722,181
Other Operating Revenues	243,984	92,430	336,414	-
Other Operating Expenses	(385,019)	(380,806)	(765,825)	-
Other Non-Operating Revenues	119,749	180,095	299,844	34,145
Cash Paid for Claims	-	-	-	(686,868)
Net Cash Provided by Operating Activities	<u>7,523,848</u>	<u>6,070,527</u>	<u>13,594,375</u>	<u>420,382</u>
<u>Cash Flows from Noncapital Financing Activities:</u>				
Operating Transfers-in from Other Funds	-	2,805	2,805	-
<u>Cash Flows from Capital and Related Financing Activities:</u>				
Net Proceeds from Sale of Refunding Bonds	-	4,210,000	4,210,000	-
Premium from Refunding Bonds	-	178,585	178,585	-
Proceeds from Loans	6,136,396	394,206	6,530,602	-
Principal Paid on Loans	(93,662)	(484,215)	(577,877)	-
Interest Paid on Loans	(63,275)	(146,793)	(210,068)	-
Interest Paid on General Obligation Bonds	(208,266)	(305,676)	(513,942)	-
Principal Paid on General Obligation Bonds	(2,282,521)	(1,090,940)	(3,373,461)	-
Interest and Fiscal Charges on Revenue Bonds	(1,612,572)	(416,488)	(2,029,060)	-
Principal Paid on Revenue Bonds	(1,490,270)	(1,320,000)	(2,810,270)	-
Interest Paid on Judgement Bonds	-	(1,840,626)	(1,840,626)	-
Principal Paid on Judgement Bonds	-	(1,300,000)	(1,300,000)	-
Interest Paid on Capital Leases	(487)	(298)	(785)	-
Principal Paid on Capital Leases	(1,207)	(740)	(1,947)	-
Payment to Refunded Bond Escrow Agent	-	(4,325,303)	(4,325,303)	-
Acquisition and Construction of Capital Assets	(18,199,897)	(3,337,207)	(21,537,104)	-
Cash Received from Sale of Capital Assets	-	14,079	14,079	-
Cash Received from Special Assessments	62,891	57,376	120,267	-
Capital Contributions by Other Governments - Capital Grants	-	400,937	400,937	-
Capital Contributions by Customers	3,477,323	1,518,623	4,995,946	-
Net Cash Used for Capital and Related Financing Activities	<u>(14,275,547)</u>	<u>(7,794,480)</u>	<u>(22,070,027)</u>	<u>-</u>
<u>Cash Flows from Investing Activities:</u>				
Interest and Dividends on Investments	1,419	-	1,419	-
Net Increase (Decrease) in Cash and Cash Equivalents	(6,750,280)	(1,721,148)	(8,471,428)	420,382
Cash and Cash Equivalents at Beginning of Year	<u>34,327,384</u>	<u>14,059,322</u>	<u>48,386,706</u>	<u>2,201,202</u>
Cash and Cash Equivalents at End of Year	<u>\$ 27,577,104</u>	<u>\$ 12,338,174</u>	<u>\$ 39,915,278</u>	<u>\$ 2,621,584</u>

(continued)

**Butler County**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2012 (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)	\$ (1,153,511)	\$ (1,713,923)	\$ (2,867,434)	\$ 1,422,819
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation and Amortization	9,820,829	6,510,422	16,331,251	-
Other Non-Operating Revenues	119,749	180,095	299,844	34,145
<u>Changes in Assets and Liabilities:</u>				
(Increase) Decrease in Accounts Receivable	(126,347)	312,654	186,307	-
Decrease in Due from Other Funds	-	1,170	1,170	-
Decrease in Prepaid Items	-	-	-	458
Increase in Accrued Wages and Benefits Payable	40,844	8,578	49,422	1,384
Decrease in Accounts Payable	(40,171)	(37,877)	(78,048)	(400)
Increase (Decrease) in Contracts Payable	(286,976)	415,907	128,931	345
Decrease in Retainage Payable	(957,079)	-	(957,079)	-
Increase in Compensated Absences Payable	124	136	260	13
Increase (Decrease) in Due to Other Funds	(378)	91,710	91,332	-
Increase (Decrease) in Due to Other Governments	106,764	301,655	408,419	(781,126)
Decrease in Claims Payable	-	-	-	(257,256)
Total Adjustments	8,677,359	7,784,450	16,461,809	(1,002,437)
Net Cash Provided by Operating Activities	\$ 7,523,848	\$ 6,070,527	\$ 13,594,375	\$ 420,382

Non-Cash capital and related financing activities:

Capital Contributions from Customers of \$40,014 for the Sewer Fund

Capital Contributions from Customers of \$6,361 for the Water Fund

Developers during the year donated \$594,170 of sewer lines to the Sewer fund.

Developers during the year donated \$652,506 of water lines to the Water fund.

Inception of capital leases during the year of \$7,702 in the Sewer fund and \$4,720 in the Water fund.

See accompanying notes to the basic financial statements

**Butler County, Ohio**  
**Statement of Fiduciary Assets and Liabilities**  
**Agency Funds**  
**December 31, 2012**

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	<u>Total</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 25,402,634
Cash and Cash Equivalents in Segregated Accounts	4,399,213
Property Taxes Receivable	424,032,166
Revenue in Lieu of Taxes Receivable	39,075,344
Special Assessments Receivable	13,072,365
Due from Other Governments	<u>11,549,390</u>
 Total Assets	 <u><u>517,531,112</u></u>
Liabilities	
Undistributed Monies	14,756,419
Deposits Held and Due to Others	362,839
Due to Other Governments	502,392,514
Loans Payable	<u>19,340</u>
 Total Liabilities	 <u><u>\$ 517,531,112</u></u>

See accompanying notes to the basic financial statements

BUTLER COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012

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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 that the financial statements of the County are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the County. For Butler County, this includes the Board of Developmental Disabilities, the Job and Family Services/Children Services Agency, the Board of Mental Health, the Alcohol and Drug Addiction Services Board, the Veterans Service Board, the Board of Elections and all departments and activities that are directly operated by the elected County officials.

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

Component Unit

The component unit column in the combined financial statements identifies the financial data of the County's component unit, Butler County Land Reutilization Corporation. It is reported separately to emphasize that it is 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 Revised Code 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. In addition, the Butler County Delinquent Tax Assessment Collection Fund was the sole contributor of dollars to the corporation in 2012, making it fiscally dependent on the county. The Component unit column of the financial statements identifies the financial data of the discretely presented component unit. It is reported separately to emphasize that it is legally separate from the County. Separately issued financial statements can be obtained from the Butler County Treasurer, 315 High Street, 10<sup>th</sup> floor, Hamilton, Ohio 45011. Disclosures can be found in Note 23.



BUTLER COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012

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NOTE 1 – REPORTING ENTITY (continued)

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

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

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

Butler County Emergency Management Agency

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

Regional Transit Authority (RTA)

The County Commissioners are responsible for appointing the board of directors of the RTA; however, the County Commissioners cannot influence the RTA's operations, nor does the RTA represent a potential financial benefit or burden to the County. Although the County does serve as the taxing authority and may issue tax related debt on behalf of the RTA, its role is limited to a ministerial function.

Butler County General Health District

The Board of Health is elected by a District Advisory Council comprised of a 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.

BUTLER COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012

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NOTE 1 – REPORTING ENTITY (continued)

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.

Twelfth District Court of Appeals

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

Butler/Clermont/Warren Workforce Policy Board (Area 12)

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

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

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 generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principals. The 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.

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.

BUTLER COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 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.

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

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.

Mental Health – This fund accounts for and reports the countywide tax levy along with various federal, state and local funds restricted to provide mental health services to all citizens of Butler County.

BUTLER COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 to other departments or agencies of the County on a cost-reimbursement basis. The County's internal service funds report on health insurance programs for medical, dental and vision coverage, and workers compensation.

Fiduciary Funds

The County's only fiduciary funds are agency funds. Agency funds are used to report resources held by the County in a purely custodial capacity. The County's agency funds are primarily established to account for the collection and distribution of various taxes, receipts and fees to other local governments and to account for funds of the County Emergency Management Agency, General Health District, Soil and Water Conservation District, Metroparks, Twelfth District Court of Appeals, Workforce Investment Area Twelve, and the Community-Based Correctional Facility.

MEASUREMENT FOCUS

Government-Wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the County are included on the statement of net 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 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.

BUTLER COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Like the government-wide statements, all proprietary fund types are accounted for using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. 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.

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. 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.

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

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

Payments in Lieu of Taxes

The County has entered into several Tax Increment Financing Agreements with developers. In order to encourage improvements, companies and home owners were granted a 100 percent, 30 year exemption from paying any property taxes on the new construction; however, payments in lieu of taxes are made to the County in an amount equal to the real property taxes that otherwise would have been due in that current year. Payments in lieu of taxes are collected through the real estate tax collection cycle. These payments are being used to finance public infrastructure improvements. Additional payments are made to Fairfield City School District, 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 the modified accrual basis. While on the modified accrual basis, the revenue has been reported as deferred inflows – unavailable revenue. On a full accrual basis, the portion of collections relating to delinquencies will be reported as Payments in Lieu of Taxes revenue.

BUTLER COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 position 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 include a deferred charge on refunding. 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.

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 position 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 property taxes and revenue in lieu of taxes. Property taxes and revenue in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2012, but which were levied to finance fiscal year 2013 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. 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, delinquent payment in lieu of taxes, sales taxes, special assessments, due from other governments, charges for services, interest revenue, other and loans. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

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 2012, investments were limited to certificates of deposit, a U.S. Treasury Note, Fifth Third Institutional Government Money Market Mutual Fund, Federal Farm Credit Bank Bonds, Federal Home Loan Bank Bonds, Federal Home Loan Mortgage Corporation Bonds and Federal National Mortgage Association Bonds. Investments are reported at fair value, which is based on quoted market prices, with the exception of certificates of deposit, which are reported at cost. The fair value of the mutual funds is determined by the fund's December 31, 2012, share price. NOTE 6 provides a detailed disclosure regarding cash, cash equivalents and investments held by the County.

Interest earned on investments is distributed to the General Fund, except as stipulated by the Ohio Constitution or State statute. Interest revenue credited to the General Fund during 2012 amounted to \$1,597,927, which includes \$1,507,679 assigned from other County funds.

BUTLER COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 also found on the fund financial statements in the developmental disabilities major fund.

Inventories and Prepaid Items

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

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

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

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

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

BUTLER COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 are recorded at historical cost or estimated historical cost, if purchased or constructed.

Donated capital assets are recorded at estimated fair market value at the date of donation. For certain assets estimates were calculated by indexing estimated current costs back to the year of acquisition. The costs of normal maintenance and repairs that do not add to the value of the asset, or do not materially extend the useful life of the asset are not capitalized.

All reported capital assets except for land 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:

<u>Description</u>	<u>Useful Lives</u>
Land and Building Improvements	10 - 60 years
Furniture, Fixtures and Equipment	3 - 30 years
Vehicles	7 - 10 years
Water Right Contracts	20 years
Water and Sewer Mains	40 years

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

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

The County documents that the eligible infrastructure assets are being maintained at a level equal to or above the condition level established by the County. Condition appraisals are performed every 3 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.



BUTLER COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capitalization of Interest

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

Compensated Absences

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

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

Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. All payables, accrued liabilities, and long-term obligations payable from the proprietary funds are reported on the 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. Bonds, loans, and capital leases that will be paid from governmental funds are recognized as a liability in the fund financial statements when payment is due.

Fund Balance

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 long term loans receivable, prepaid items, materials and supplies inventory, and interfund loans.

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 non major governments or imposed by law through constitutional provisions.

BUTLER COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 take the same type of action (resolution) it employed to commit these amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically 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 2013 appropriations exceeding estimated resources and 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.

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 position Net Investments 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.

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.

BUTLER COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions of Capital

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

Internal Activity

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

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures 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.

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

BUTLER COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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).

BUTLER COUNTY, OHIO  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

	Net Change in Fund Balance			
	General	Developmental Disabilities	Job and Family Services/Children	
			Services	Mental Health
GAAP Basis	\$ (3,628,751)	\$ (2,668,438)	\$ (484,113)	\$ (506,232)
Revenue Accruals	6,151,662	(225,351)	196,768	541,995
Expenditure Accruals	(3,028,706)	2,461,100	(147,758)	(854,553)
Encumbrances	(1,805,587)	(874,677)	(316,381)	(102,626)
2011 Increase in Fair Value of Investments	(509,947)	-	-	-
2012 Decrease in Fair Value of Investments	480,171	-	-	-
Advances	15,312	-	-	-
Budget Basis	\$ (2,325,846)	\$ (1,307,366)	\$ (751,484)	\$ (921,416)

NOTE 3 – RESTATEMENT OF FUND BALANCE/NET POSITION

Changes in Accounting Principles

For 2012, the County has implemented Governmental Accounting Standard Board (GASB) Statement No. 60, "Accounting and Financial Reporting for Service Concession Arrangements," Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989, FASB and AICPA Pronouncements," Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position," Statement No. 64, "Derivative Instruments: Application of Hedge Accounting Termination Provisions – an amendment of GASB Statement No. 53" Statement No. 65, "Items Previously Reported as Assets and Liabilities," and Statement No. 66, "Technical Corrections—2012—an amendment of GASB Statements No. 10 and No. 62"

GASB Statement No. 60 improves financial reporting by addressing issues related to service concession arrangements, which are a type of public-private or public-public partnership. The implementation of this statement did not result in any change in the County's financial statements.

GASB Statement No. 62 incorporates into GASB's authoritative literature certain FASB and AICPA pronouncements issued on or before November 30, 1989. The implementation of this statement did not result in any change in the County's financial statements.

GASB Statement No. 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related note disclosures. These changes were incorporated in the County's 2012 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 64 clarifies whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider. This Statement sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied. The implementation of this statement did not result in any change in the County's financial statements.

BUTLER COUNTY, OHIO  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 3 – RESTATEMENT OF FUND BALANCE/NET POSITION

GASB Statement No. 65 properly classifies certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or recognizes certain items that were previously reported as assets and liabilities as outflows of resources (expenses or expenditures) or inflows of resources (revenues). These changes were incorporated in the County's 2012 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 66 resolves conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting and thereby enhance the usefulness of the financial reports. The implementation of this statement did not result in any change in the County's financial statements.

In 2012, the County determined that the GSC Parking Facility should be presented as a Governmental Fund rather than Enterprise. The classification change was due to the fact that the GSC Parking Facility did not meet the criteria for a mandatory enterprise fund and projected revenues will not be sufficient to cover long term maintenance and repairs. The change in fund classification had the following effect on the fund balance and net position as they were previously reported.

Governmental Funds - Restatement		Enterprise Fund - Restatement	
	Non Major Governmental Funds		GSC Parking Facility
Fund Balance at December 31, 2011	\$ 40,697,413	Net Position at December 31, 2011	\$ 66,222
Equity in Pooled Cash and Cash Equivalents	77,885	Equity in Pooled Cash and Cash Equivalents	(77,885)
Cash and Cash Equivalents in Segregated Accounts	100	Cash and Cash Equivalents in Segregated Accounts	(100)
Accounts Receivable	142	Accounts Receivable	(142)
Accounts Payable	(140)	Accounts Payable	140
Accrued Wages and Benefits	(3,073)	Accrued Wages and Benefits	3,073
Contracts Payable	(4,500)	Contracts Payable	4,500
Adjusted Fund Balance at December 31, 2011	<u>\$ 40,767,827</u>	Compensated Absences	4,192
		Adjusted Net Position at December 31, 2011	<u>\$ -</u>

Statement of Net Position - Restatement

	Governmental Activities	Business-Type Activities
Net Position at December 31, 2011	\$ 444,877,058	\$261,974,715
Equity in Pooled Cash and Cash Equivalents	77,885	(77,885)
Cash and Cash Equivalents in Segregated Accounts	100	(100)
Accounts Receivable	142	(142)
Accounts Payable	(140)	140
Accrued Wages and Benefits	(3,073)	3,073
Contracts Payable	(4,500)	4,500
Due within One Year	(1,091)	1,091
Due in More than One Year	(3,101)	3,101
Adjusted Net Position at December 31, 2011	<u>\$ 444,943,280</u>	<u>\$261,908,493</u>

BUTLER COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 4- FUND BALANCE

The fund balance for all governmental funds are now 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 below:

Fund Balances	General	Developmental Disabilities	Job and Family / Children Services	Mental Health	Non Major Governmental Funds	Total
<b>Nonspendable</b>						
Prepaid Items	\$ 594,255	\$ 899	\$ 65,050	\$ 768,841	\$ 284,388	\$ 1,713,433
Materials and Supplies	64,198	4,534	27,131	1,692	751,187	848,742
Loans Receivable	257,388	-	-	-	622,267	879,655
Interfund Loans	152,243	-	-	-	-	152,243
Developmental Disabilities Trust	-	-	-	-	761,305	761,305
<b>Total Nonspendable</b>	<b>1,068,084</b>	<b>5,433</b>	<b>92,181</b>	<b>770,533</b>	<b>2,419,147</b>	<b>4,355,378</b>
<b>Restricted for</b>						
Developmental Disabilities	-	30,810,314	-	-	90,658	30,900,972
Job and Family/Children Services	-	-	4,748,445	-	-	4,748,445
Mental Health	-	-	-	11,725,299	-	11,725,299
Elderly Services	-	-	-	-	13,976,026	13,976,026
Motor Vehicle	-	-	-	-	8,194,153	8,194,153
All Other Public Works	-	-	-	-	11,092,918	11,092,918
Residential Incentive Districts and Tax Incemental Financings	-	-	-	-	6,291,006	6,291,006
Other Purposes	-	-	-	-	18,876,226	18,876,226
<b>Total Restricted</b>	<b>-</b>	<b>30,810,314</b>	<b>4,748,445</b>	<b>11,725,299</b>	<b>58,520,987</b>	<b>105,805,045</b>
<b>Committed</b>						
Debt Service Payments	-	-	-	-	3,244	3,244
Other Purposes	85,102	-	-	-	-	85,102
<b>Total Committed</b>	<b>85,102</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,244</b>	<b>88,346</b>
<b>Assigned</b>						
Other Purposes	2,995,397	-	-	-	-	2,995,397
<b>Unassigned (Deficit)</b>	<b>8,571,886</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(17,537,514)</b>	<b>(8,965,628)</b>
<b>Total Fund Balance</b>	<b>\$ 12,720,469</b>	<b>\$ 30,815,747</b>	<b>\$ 4,840,626</b>	<b>\$ 12,495,832</b>	<b>\$ 43,405,864</b>	<b>\$ 104,278,538</b>

NOTE 5- ACCOUNTABILITY

At year-end, the Technology, Other Capital Improvements, Road Improvements, and the Buildings Construction and Renovation non-major capital projects funds had deficit fund balances of \$2,372,432, \$444,551, \$3,185,349 and \$11,535,182, respectfully. The Workers' Compensation fund had negative net position of \$982,043.

The deficits in the Technology, Other Capital Improvements, Road Improvements, and Buildings Construction and Renovation funds arise from the issuance of short-term bond anticipation notes, which are used to finance the projects until bonds are issued. These deficits will be alleviated when the bonds are issued or when the notes are paid.

The Workers' Compensation deficit was due to a reduction in revenue in 2011. The County chose to change billing methodologies for workers compensation from an annual billing to bi-weekly billing which caused three months of revenues to be collected from the County funds instead of twelve. Beginning in 2012, the revenue collection returned to a twelve month collection cycle which will reduce the net position deficit. Management will continue to monitor this fund and adjust rates as needed.

BUTLER COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012

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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 as active, are classified as inactive. Inactive monies may be deposited or invested in the following securities provided a written investment policy has been filed with the Ohio Auditor of State:

1. United States Treasury notes, bills, bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States; or any book entry zero-coupon United States treasury security that is a direct obligation of the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Time certificates of deposit or savings or deposit accounts, including but not limited to, passbook accounts;
4. Bonds and other obligations of the State of Ohio or its political subdivisions;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations;
6. The State Treasurer's investment pool (STAROhio);
7. Securities lending agreements in which the County lends securities and the eligible institution agrees to exchange similar securities, or cash, equal value for equal value;
8. Not more than twenty-five percent of the County's average portfolio is in one of the following:
  - a. Commercial paper notes in entities incorporated under the laws of Ohio or any other State that have assets exceeding five hundred million dollars, provided the notes are rated at the time of purchase in the highest classification established by two nationally recognized standard rating services, mature within two hundred seventy days after purchase, and the aggregate value does not exceed ten percent of the aggregate value of the outstanding commercial paper of the issuing corporation;
  - b. Bankers acceptances of banks that are insured by the federal deposit insurance corporation, provided the obligations are eligible for purchase by the federal reserve system and mature within one hundred eighty days after purchase;
9. Up to fifteen percent of the County's total average portfolio is in notes issued by corporations that are incorporated under the laws of the United States and that are operating within the United States, or by depository institutions that are doing business under authority granted by the United States or any state and that are operating within the United States, provided the notes are rated in the second highest or higher category by at least two nationally recognized standard rating services at the time of purchase and mature within two years from the date of purchase;



BUTLER COUNTY, OHIO  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 6– DEPOSITS AND INVESTMENTS (continued)

10. No-load money market mutual funds rated in the highest category at the time of purchase by at least one nationally recognized standard rating service consisting exclusively of obligations guaranteed by the United States, securities issued by a federal government agency or instrumentality, and/or highly rated commercial paper; and
11. A portion of the County's average portfolio in debt interests rated at the time of purchase in the three highest categories by two nationally recognized standard rating services and issued by foreign nations diplomatically recognized by the United States government.

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

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

INVESTMENTS

As of December 31, 2012, the County had the following investments:

Investment Type	Fair Value	Investment Maturities (in Years)		
		Less Than 1	1 - 2	3 - 4
Fifth Third Institutional Gov Money Market Fund	\$ 577,968	\$ 577,968	\$ -	\$ -
U.S. Treasury Note	2,000,460	-	2,000,460	-
Federal Farm Credit Bank Bonds	45,709,925	4,068,805	26,591,520	15,049,600
Federal Home Loan Bank Bonds	14,537,355	4,516,535	7,011,990	3,008,830
Federal Home Loan Mortgage Corporation Bonds	24,031,101	-	17,304,198	6,726,903
Federal National Mortgage Association Bonds	59,406,157	4,776,520	15,552,055	39,077,582
Total Investments	<u>\$ 146,262,966</u>	<u>\$ 13,939,828</u>	<u>\$ 68,460,223</u>	<u>\$ 63,862,915</u>

Interest rate risk arises because fixed-income securities will increase or decrease in market value as interest rates fluctuate during the life of such securities. If held to maturity, fixed income securities, owned by Butler 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 Butler County consist of the Fifth Third Institutional Government Money Market Mutual Fund, Federal Farm Credit Bank Bonds, Federal Home Loan Bank Bonds, Federal Home Loan Mortgage Corporation Bonds and Federal National Mortgage Association Bonds. All issues are currently rated Aa1 by Moody's. The County's policy limits investments to those authorized by the State statute.

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

Money Market Mutual Fund	\$ 577,968	N/A
U.S. Treasury Note	2,000,460	N/A
Federal Farm Credit Banks Bonds	45,709,925	31.24%
Federal Home Loan Banks Bonds	14,537,355	9.94%
Federal Home Loan Mortgage Corporation Bonds	24,031,101	16.43%
Federal National Mortgage Association Bonds	59,406,157	40.62%

BUTLER COUNTY, OHIO  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
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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 2012 for real and public utility property taxes represents collections of 2011 taxes.

2012 real property taxes are levied after October 1, 2012, on the assessed value as of January 1, 2012, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2012 real property taxes are collected in and intended to finance 2013.

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. 2012 public utility property taxes which became a lien December 31, 2011, are levied after October 1, 2012, and are collected in 2013 with real property taxes.

The full tax rate for all County operations for the year ended December 31, 2012, was \$9.72 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2012 property tax receipts were based are as follows:

Category	Assessed Value
Real Property	\$ 7,064,432,230
Public Utility Personal Property	436,885,180
Total	<u>\$ 7,501,317,410</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. In addition to the 1.92 mills, voted levies in the amount of 7.80 mills have been approved for the Developmental Disabilities Board, Mental Health Board, Children Services Agency, and Senior Citizens Services. A summary of voted levies follows:

Purpose	Voter Levy Date	Authorized Rate	Rate Levied for			Final Levy Year
			Current Year R/A	C/I	1.00	
Developmental Disabilities Board	2004	1.00	0.97	1.00	Continuing	
Developmental Disabilities Board	2000	2.00	1.65	2.00	Continuing	
Mental Health Board	1985	0.50	0.24	0.32	2014	
Mental Health Board	2006	1.00	1.00	1.00	2015	
Children Services Agency	2008	2.00	2.00	2.00	2012	
Senior Citizens	2005	1.30	1.30	1.30	2014	
Total		<u>7.80</u>	<u>7.16</u>	<u>7.62</u>		

BUTLER COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012

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NOTE 7– PROPERTY TAXES (continued)

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 agency 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, 2012, and for which there is an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2012 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.

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 2012, \$29,951,357 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, 2012, consisted of taxes, accounts including unpaid utilities, payments in lieu of taxes, intergovernmental receivables arising from grants, entitlements, and shared revenues, accrued interest, special assessments, loans, and interfund receivables. Loans receivable represent General Fund advances to agency funds and low-interest loans for development projects and home improvements granted to eligible County residents and businesses under the Federal Community Development Block Grant Program. The Block Grant loans bear interest at annual rates between two and five percent. These loans are to be repaid over periods ranging from two to five years. The 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 are considered collectible in full, including 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, 2012 totaled \$218,612. The following are receivables expected to be collected in more than one year: Special Assessments \$8,765,433 and Loans Receivable \$720,908.

BUTLER COUNTY, OHIO  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2012

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NOTE 9– RECEIVABLES (continued)

A summary of intergovernmental receivables follows:

Governmental Activities:	Amount
Public Assistance	\$ 5,219,098
Property Tax Rollbacks	3,951,489
Motor Vehicle License Tax	3,366,755
IV-E Administration and Training	2,145,426
Undivided Local Government	1,957,231
Casino Tax	1,887,123
Return of TIF Revenue from TID	1,783,367
Road Project Reimbursement	1,697,574
Cover Over/Under Incentives (FFP)	1,677,316
Boarding of Prisoners	1,266,105
Gasoline Tax	1,148,009
Neighborhood Stabilization	938,000
Title XIX	937,985
State Subsidy	780,566
Local Public Agencies (LPA) Grant	715,078
Community Corrections 403 Grant	685,646
Foster Care Maintenance	634,494
Prison Diversion	611,548
State Child Protective Allocation	580,421
Workforce Development Allocation	531,317
Reclaim Ohio Youth Services	494,486
Policing Services	474,550
Medicaid	438,635
Community Development Block Grant	433,000
HOME Grant	420,000
All Other	406,557
Twelfth District Court of Appeals	405,773
Shelter Plus Care	358,469
Federal Per Capita Treatment	314,578
Indigent Attorney Reimbursement	278,000
Women's Federal	250,757
Ohio Public Works Commission	221,387
State Per Capita Treatment	179,608
SWORTC Grant	151,287
Block Base Grant	109,912
Adolescent Room & Board	107,212
Federal Per Capita Prevention	102,271
Election Expenses	101,353
Probation Improvement and Incentive Grant	93,450
Jail Diversion	77,686
CHAFFEE Grant	61,127
Court Fines and Fees	54,211
Young Adult Alcohol Prevention	52,191
CANSAFE Grant	50,184
Total Governmental Activities	<u>\$ 38,151,232</u>
Agency Activities	Amount
Local Government	\$ 9,625,099
Motor Vehicle License Tax	910,400
Gasoline Tax	840,929
Permissive Tax	171,641
All Other	1,321
Total Agency Activities	<u>\$ 11,549,390</u>

BUTLER COUNTY, OHIO  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 10– CAPITAL ASSETS

Primary government capital asset activity for the year ended December 31, 2012, was as follows:

	Balance At 12/31/2011	Additions	Deletions	Balance At 12/31/2012
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land and Easements	\$ 17,402,689	\$ -	\$ -	\$ 17,402,689
Infrastructure:				
Roads	164,630,120	645,511	-	165,275,631
Bridges	59,850,164	257,171	-	60,107,335
Culverts	8,584,665	116,214	-	8,700,879
Construction in Progress	1,670,664	6,941,902	(2,493,355)	6,119,211
Total Capital Assets, Not Being Depreciated	<u>252,138,302</u>	<u>7,960,798</u>	<u>(2,493,355)</u>	<u>257,605,745</u>
Depreciable Capital Assets:				
Land Improvements	9,243,444	1,277,676	-	10,521,120
Buildings and Improvements	127,228,809	1,469,261	(953,530)	127,744,540
Furniture, Fixtures and Equipment	77,112,633	533,601	(201,071)	77,445,163
Vehicles	7,138,856	740,269	(123,764)	7,755,361
Total Depreciable Capital Assets	<u>220,723,742</u>	<u>4,020,807</u>	<u>(1,278,365)</u>	<u>223,466,184</u>
Total Capital Assets At Historical Cost	<u>472,862,044</u>	<u>11,981,605</u>	<u>(3,771,720)</u>	<u>481,071,929</u>
Less Accumulated Depreciation:				
Land Improvements	(2,486,141)	(283,686)	-	(2,769,827)
Buildings and Improvements	(49,396,786)	(3,900,223)	949,630	(52,347,379)
Furniture, Fixtures and Equipment	(29,624,376)	(3,633,146)	159,032	(33,098,490)
Vehicles	(4,544,722)	(595,077)	114,788	(5,025,011)
Total Accumulated Depreciation	<u>(86,052,025)</u>	<u>(8,412,132)</u>	<u>1,223,450</u>	<u>(93,240,707)</u>
Total Depreciable Capital Assets, Net	<u>134,671,717</u>	<u>(4,391,325)</u>	<u>(54,915)</u>	<u>130,225,477</u>
Total Governmental Activities Capital Assets, Net	<u>\$ 386,810,019</u>	<u>\$ 3,569,473</u>	<u>\$ (2,548,270)</u>	<u>\$ 387,831,222</u>

Depreciation expense was charged to governmental functions as follows:

<u>General Government:</u>	
Legislative and Executive	\$ 2,229,726
Judicial	458,015
Public Safety	3,839,335
Public Works	931,254
Health	723,276
Human Services	230,526
Total Depreciation Expense	<u>\$ 8,412,132</u>

BUTLER COUNTY, OHIO  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 10– CAPITAL ASSETS (continued)

Business Type capital asset activity for the year ended December 31, 2012, was as follows:

	Balance At			Balance
	12/31/2011	Additions	Deletions	12/31/2012
Business Type Activities				
Capital Assets Not Being Depreciated				
Land	\$ 1,544,056	\$ -	\$ -	\$ 1,544,056
Construction in Progress	21,616,941	21,473,401	(5,293,176)	37,797,166
Total Capital Assets Not Being Depreciated	23,160,997	21,473,401	(5,293,176)	39,341,222
Depreciable Capital Assets:				
Land Improvements	2,894,752	-	-	2,894,752
Building and Improvements	79,774,509	-	(1,078,343)	78,696,166
Furniture, Fixtures and Equipment	78,043,533	996,931	(526,260)	78,514,204
Vehicles	1,337,360	38,163	(21,900)	1,353,623
Water Rights	38,896,324	-	-	38,896,324
Water and Sewer Main	310,331,315	5,580,883	(56,961)	315,855,237
Total Depreciable Capital Assets	511,277,793	6,615,977	(1,683,464)	516,210,306
Total Capital Assets At Historical Cost	534,438,790	28,089,378	(6,976,640)	555,551,528
Less Accumulated Depreciation for:				
Land Improvements	(1,431,156)	(147,941)	-	(1,579,097)
Building and Improvements	(29,910,844)	(2,363,903)	643,989	(31,630,758)
Furniture, Fixtures and Equipment	(48,237,379)	(3,820,631)	526,260	(51,531,750)
Vehicles	(1,043,763)	(98,480)	21,900	(1,120,343)
Water Rights	(16,739,980)	(1,955,568)	-	(18,695,548)
Water and Sewer Main	(115,962,283)	(7,944,728)	12,104	(123,894,907)
Total Accumulated Depreciation	(213,325,405)	(16,331,251)	1,204,253	(228,452,403)
Total Depreciable Capital Assets, Net	297,952,388	(9,715,274)	(479,211)	287,757,903
Total Business Activities Capital Assets, Net	\$ 321,113,385	\$ 11,758,127	\$ (5,772,387)	\$ 327,099,125

Additions to business-type capital assets being depreciated include \$1,246,676 in assets donated by property developers, \$46,375 in capital contributions from customers and \$12,422 in capital leases.

BUTLER COUNTY, OHIO  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2012

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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 2012 the County contracted with County Risk Sharing Authority Inc. (CORSA) (a risk-sharing pool - see NOTE 21) for liability, property, and crime damage. Coverage provided by the pool is as follows:

<u>Category</u>	<u>Amount (Each Occurrence)</u>
Property Coverage:	
Flood	\$ 100,000,000
Earthquake	100,000,000
Liability Coverage:	
Automobile Liability	6,000,000
Uninsured Motorist	250,000
General Liability	6,000,000
Stop Gap Liability	1,000,000
Law Enforcement Liability	6,000,000
Errors and Omissions Liability	6,000,000
Medical Professional Liability	6,000,000
Crime:	
Employee Dishonesty/Faithful Performance	1,000,000
Money and Securities (Inside)	1,000,000
Money and Securities (Outside)	1,000,000
Money Orders and Counterfeit Currency	1,000,000
Depositor's Forgery	1,000,000
Boiler and Machinery	100,000,000
Business Interruption	1,000,000
Deductible:	
General, Law Enforcement and Public Officials	25,000
Property Damange loss/claim and/or occurrence	5,000

Settled claims have not exceeded coverage in any of the last three years. The County had no decrease in coverage in 2012.

The County has workers' compensation coverage for all employees, which are accounted for in a self-insurance internal service fund. The claims liability reported in the workers' compensation internal service fund at December 31, 2012, is 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.

The historical changes in claims payable (based on 12/31/12 maximum premium) during years December 31, 2011 and 2012 are as follows:

	<u>Beginning Balance</u>	<u>Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Ending Balance</u>
2011	\$ 3,180,739	\$ 499,916	\$ 645,342	\$ 3,035,313
2012	3,035,313	429,612	686,868	2,778,057

BUTLER COUNTY, OHIO  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2012

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NOTE 12- LEASES

Operating Leases

The County leases equipment and buildings for County services under non-cancelable operating leases. The total costs in 2012 were \$827,686 in the governmental funds. The future minimum lease payments for these leases are as follows:

Year	Amount
2013	\$ 444,868
2014	321,234
2015	215,007
2016	151,587
2017	155,262
2018 - 2022	284,945
2023 - 2025	63,000
	<u>\$ 1,635,903</u>

Capital Leases

In prior years, the County has entered into capital leases to finance various County purchases. Capital lease payments have been reclassified and are reflected as debt service expenditures in the basic financial statements for the governmental funds as well as Enterprise funds. These expenditures are reported as program expenditures or principal and interest in the budgetary statements.

General capital assets consisting of vehicles, software and equipment have been capitalized in the amount of \$6,630,581. Enterprise funds acquired capital leases in 2012 for copiers that have been capitalized in the amount of \$14,906. This amount represents the present value of the minimum lease payments at the time of acquisition. Principal payments in 2012 totaled \$447,241 in the governmental funds and \$1,947 in enterprise funds.

Capital Assets	Net Book Value	Net Book Value
	Governmental Funds	Enterprise Funds
Furniture, Fixtures, and Equipment	\$ 4,739,741	\$ 14,906
Vehicles	1,890,840	-
Less: Accumulated depreciation	(3,369,883)	-
Total Net Book Value	<u>\$ 3,260,698</u>	<u>\$ 14,906</u>

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2012:

Year	Governmental	Business Type
2013	\$ 23,119	\$ 2,981
2014	22,466	2,981
2015	20,728	2,981
2016	9,448	2,981
2017	787	249
Total	<u>76,548</u>	<u>12,173</u>
Less Interest	<u>(6,022)</u>	<u>(1,698)</u>
Total Present Value Lease Payments	<u>\$ 70,526</u>	<u>\$ 10,475</u>



BUTLER COUNTY, OHIO  
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NOTE 13– DEFINED BENEFIT PENSION PLANS

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Plan Description – The County participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost-of-living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.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 statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units and 18.1 percent of covered payroll for law enforcement and public safety employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10 percent of covered payroll for members in state and local divisions, 12 percent for law enforcement, and public safety members. For the year ended December 31, 2012, members in state and local divisions contributed 10 percent of covered payroll while public safety and law enforcement members contributed 11.5 percent and 12.1 percent, respectively. Effective January 1, 2013, the member contribution rates for public safety and law enforcement increased to 12 percent and 12.6 percent, respectively. 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 Pension Plan. For 2012, member and employer contribution rates were consistent across all three plans.

The County's 2012 contribution rate was 14.0 percent, except for those plan members in law enforcement or public safety, for whom the City's contribution was 18.10 percent of covered payroll. The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. The portion of employer contribution allocated to health care for members in the Traditional Plan was 4.00 percent for 2012. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05 percent for 2012. Employer contribution rates are actuarially determined.

The County's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2012, 2011, and 2010 were \$10,537,525, \$12,391,971, and \$8,191,126, respectively. For 2012, 89.49 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2011 and 2010. Contributions to the Member-Directed Plan for 2012 were \$293,067 made by the County and \$209,334 made by plan members.

STATE TEACHERS RETIREMENT SYSTEM OF OHIO (STRS OHIO)

Plan Description – The County participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement plans. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad Street, Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio website at [www.strsoh.org](http://www.strsoh.org).

BUTLER COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012

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NOTE 13 – DEFINED BENEFIT PENSION PLANS (continued)

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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

Funding Policy – For the fiscal year ended June 30, 2012, plan members were required to contribute 10 percent of their annual covered salaries. The County was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2011, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The County's required contributions for pension obligations to STRS Ohio for the fiscal years ended December 31, 2012, 2011, and 2010 were \$513,505, \$133,140, and \$125,135, respectively; 98.49 percent has been contributed for year 2012 with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2011 and 2010. Contributions were not made to the DC and Combined plans for 2012.

NOTE 14 – POST-EMPLOYMENT BENEFITS

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Plan Description – 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 plan for qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage. The plan includes a medical plan, a prescription drug program and Medicare Part B premium reimbursement.

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

BUTLER COUNTY, OHIO  
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NOTE 14 – POST-EMPLOYMENT BENEFITS (continued)

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/investments/cafr.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 post-employment health care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). The Ohio Revised Code provides the statutory authority requiring public employers fund post-employment health care through contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2012, state and local employers contributed at a rate of 14.0 percent of covered payroll, and public safety and law enforcement employers contributed at 18.10 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code.

Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 4.0 percent for 2012. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05 percent for 2012. Effective January 1, 2013, the portion of employer contributions allocated to healthcare was lowered to 1 percent for both plans, as recommended by the OPERS Actuary.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment health care plan.

The County's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2012, 2011, and 2010 were \$4,499,905, \$4,447,692, and \$4,363,746, respectively. For 2012, 89.49 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2011 and 2010.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

STATE TEACHERS RETIREMENT SYSTEM OF OHIO (STRS OHIO)

Plan Description – The County contributes to the cost-sharing multiple-employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio.

BUTLER COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012

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NOTE 14 – POST-EMPLOYMENT BENEFITS (continued)

Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which may be obtained by visiting [www.strsoh.org](http://www.strsoh.org) or by calling (888) 227-7877.

Funding Policy – Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions.

For 2012, STRS Ohio allocated employer contributions equal to one percent of covered payroll to the Health Care Stabilization Fund. The County's contributions for health care for the years ended December 31, 2012, 2011, and 2010 were \$7,890, \$9,604, and \$9,626, respectively; 99 percent has been contributed for 2012 with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2011 and 2010.

NOTE 15– OTHER EMPLOYEE BENEFITS

COMPENSATED ABSENCES

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

HEALTH CARE BENEFITS

The County has elected to provide employee medical/surgical benefits through the County Employee Benefits Consortium of Ohio, Inc. (CEBCO). Dental insurance is provided to all employees as a function of the health care plan through Dental Care Plus. Butler County Developmental Disabilities has chosen to provide employee medical/surgical benefits along with dental insurance through the Butler Health Plan (BHP).

During 2012, the County participated with the CEBCO (an insurance purchasing pool – see NOTE 21). CEBCO charges a fixed premium per month per enrolled employee. The premiums, along with an administrative charge, are paid into the Health Insurance internal service fund by the participating County funds and, in turn, the premiums are paid to CEBCO. Premiums charged by CEBCO are based upon the County's claims experience. In addition, Developmental Disabilities participated with the BHP (an insurance purchasing pool – see NOTE 21). BHP charges a fixed premium per month per enrolled employee along with an administrative charge paid directly from the Developmental Disabilities fund.

BUTLER COUNTY, OHIO  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2012

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NOTE 16 – PRIOR YEAR DEFEASANCE OF REVENUE 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, 2012, the bonds listed were unmatured and unpaid.

Refunded Bond Issues	Original Issue	Unmatured and Unpaid at 12/31/12
Fairfield Liberty Sewer District Number 2		
Dated April 1, 1968	\$ 525,000	\$ 15,000
Water Revenue		
Dated April 1, 1996	14,075,000	8,945,000
Sewer		
Dated June 1, 1996	16,645,000	8,500,000
Sewer		
Dated October 1, 1997	1,485,000	835,000
Sales Tax Revenue Bonds		
Dated 1997	23,810,000	13,210,000
Government Services Center		
Dated 1997	7,375,000	4,075,000
Sewer		
Dated June 1, 1998	5,490,000	4,390,000
Sewer		
Dated March 1, 1999	12,790,000	12,790,000
Mulhauser Road		
Dated October 1, 2000	6,860,000	3,000,000
Lakota Drive		
Dated October 1, 2000	395,000	185,000
Union Centre Phase 2		
Dated October 1, 2000	1,045,000	545,000
Water Judgement Bonds		
Dated July 23, 2002	35,030,000	26,885,000
Adult Detention Facility		
Dated October 1, 2002	29,875,000	18,086,250
Fiber Optic Ring		
Dated October 1, 2002	2,745,000	1,788,750

BUTLER COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 17- LONG-TERM OBLIGATIONS

A schedule of changes in bonds and other long-term obligations of the governmental activities of the County during 2012 were as follows:

Debt Issue	Balance as of 12/31/11	Increases	Decreases	Balance as of 12/31/12	Due Within One Year
General Obligation Bonds					
2002 1.43-5.25% \$29,875,000					
Adult Detention Facility	\$ 8,785,000	\$ -	\$ 8,785,000	\$ -	\$ -
Premium on Debt Issued	636,737	-	636,737	-	-
2002 1.43-5.25% \$2,745,000					
Fiber Optic Ring	805,000	-	130,000	675,000	135,000
Premium on Debt Issued	58,669	-	6,519	52,150	-
2004 2.00-4.75% \$19,255,000					
Various Purpose	11,740,000	-	1,200,000	10,540,000	1,230,000
Premium on Debt Issued	188,698	-	23,186	165,512	-
2006 3.75-5.00% \$17,500,000					
Various Purpose	13,230,000	-	975,000	12,255,000	1,015,000
Premium on Debt Issued	428,874	-	28,591	400,283	-
2007 4.00-5.25% \$12,305,000					
Various Purpose	12,000,000	-	25,000	11,975,000	25,000
Premium on Debt Issued	437,980	-	48,665	389,315	-
2009 2.38-6.50% \$1,935,000					
By-Pass 4	1,935,000	-	30,000	1,905,000	45,000
Premium on Debt Issued	30,433	-	1,691	28,742	-
2010 2.00-5.00% \$1,870,000					
Airport Improvement	1,835,000	-	45,000	1,790,000	50,000
Discount on Debt Issued	(21,004)	-	(1,167)	(19,837)	-
2010 2.00-4.25% \$9,540,000					
Various Purpose	9,340,000	-	205,000	9,135,000	210,000
Premium on Debt Issued	16,983	-	894	16,089	-
Discount on Debt Issued	(26,337)	-	(1,386)	(24,951)	-
2010 2.25-5.00% \$7,200,000					
Various Purpose	7,200,000	-	-	7,200,000	-
Premium on Debt Issued	590,995	-	73,874	517,121	-
2012 1.00-5.00% \$7,100,000					
Adult Detention Facility	-	7,100,000	-	7,100,000	1,445,000
Premium on Debt Issued	-	879,574	79,961	799,613	-
<b>Total General Obligation Bonds</b>	<b>\$ 69,212,028</b>	<b>\$ 7,979,574</b>	<b>\$ 12,292,565</b>	<b>\$ 64,899,037</b>	<b>\$ 4,155,000</b>

BUTLER COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 17 - LONG-TERM OBLIGATIONS (continued)

Debt Issue	Balance as of 12/31/11	Increases	Decreases	Balance as of 12/31/12	Due Within One Year
<b>Sales Tax Bonds</b>					
2005 3.00-5.00% \$29,365,000 Government Service Center Premium on Debt Issued	\$ 11,230,000 616,178	\$ - -	\$ 2,070,000 123,236	\$ 9,160,000 492,942	\$ 2,125,000 -
<b>Total Sales Tax Bonds</b>	<b>11,846,178</b>	<b>-</b>	<b>2,193,236</b>	<b>9,652,942</b>	<b>2,125,000</b>
<b>Special Assessment Bonds</b>					
2001 2.40-5.10% \$3,045,000 Union Center Phase I and III	1,835,000	-	1,835,000	-	-
2005 4.125% \$1,144,000 Venice Gardens Sewer	1,066,230	-	14,900	1,051,330	15,510
2007 4.00-5.00% \$4,790,000 Various Purpose	4,180,000	-	500,000	3,680,000	520,000
2008 3.00-5.50% \$3,315,000 Various Purpose Premium on Debt Issued	3,015,000 71,183	- -	125,000 4,187	2,890,000 66,996	130,000 -
2012 1.00-4.00% \$1,785,000 2001 Union Ctr I and III Premium on Debt Issued	- -	1,785,000 100,416	145,000 10,041	1,640,000 90,375	165,000 -
<b>Total Special Assessment Bonds</b>	<b>10,167,413</b>	<b>1,885,416</b>	<b>2,634,128</b>	<b>9,418,701</b>	<b>830,510</b>
<b>Long-Term Loans</b>					
1995 2.00% \$1,811,520 OPWC Mulhauser Rd.	337,119	-	93,935	243,184	95,824
2005 0.00% \$789,748 OPWC Cincinnati Dayton Rd.	513,335	-	39,487	473,848	39,487
2007 4.00-4.50% \$661,420 Mulhauser and Allen Rd.	264,568	-	132,284	132,284	132,284
2009 0.00% \$329,549 OPWC Tylersville Rd.	288,356	-	16,477	271,879	16,477
2009 0.00% \$157,188 OPWC Hamilton Eaton Slip	145,399	-	7,859	137,540	7,859
2010 0.00% \$305,000 OPWC Reily Millville Slip Phase I	289,750	-	15,250	274,500	15,250
2010 0.00% \$416,498 OPWC Reily Millville Slip Phase II	365,799	50,699	13,883	402,615	27,767
2011 0.00% \$348,950 OPWC Trenton and Busenbark Rd.	348,950	-	8,724	340,226	17,448
<b>Total Long-Term Loans</b>	<b>\$ 2,553,276</b>	<b>\$ 50,699</b>	<b>\$ 327,899</b>	<b>\$ 2,276,076</b>	<b>\$ 352,396</b>

BUTLER COUNTY, OHIO  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 17 - LONG-TERM OBLIGATIONS (continued)

Debt Issue	Balance as of 12/31/11	Increases	Decreases	Balance as of 12/31/12	Due Within One Year
Other Long-Term Obligations					
Capital Leases	\$ 439,631	\$ 78,136	\$ 447,241	\$ 70,526	\$ 20,333
Claims Payable	3,035,313	429,612	686,868	2,778,057	742,940
Compensated Absences Payable	7,823,525	5,115,475	5,354,147	7,584,853	2,750,463
Total Other Long-Term Obligations	<u>11,298,469</u>	<u>5,623,223</u>	<u>6,488,256</u>	<u>10,433,436</u>	<u>3,513,736</u>
Total Governmental Activities	<u>\$ 105,077,364</u>	<u>\$ 15,538,912</u>	<u>\$ 23,936,084</u>	<u>\$ 96,680,192</u>	<u>\$ 10,976,642</u>

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 from the General Fund using unvoted general property tax revenues.

In October 2002, the County issued \$32,620,000 in general obligation bonds to bond notes issued for the construction of the Adult Detention Facility and the Fiber Optic Ring. The bonds were issued for a twenty-year period, with final maturity in December 2022. In April 2007, the County issued \$12,305,000 in bonds to partially refund the 2002 bonds. In June 2012, the county issued \$13,095,000 in general obligation bonds, \$7,100,000 of these general obligation bonds were for the purpose of advance refunding \$7,385,000, the remaining portion of the 2002 general obligation bonds attributable to the Adult Detention Facility. The bonds were issued for an eleven-year period, with the final maturity in December 2022.

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

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

In September 2006, the County issued a \$17,500,000 various purpose general obligation bond for the purpose of bonding short-term bond anticipation notes for various construction projects. These projects included building expansions or renovations for Children Services, the Juvenile Detention Center, County Administration Building, Middletown Mall roof, a grand jury room and the building located at 301 South Third Street. Other projects bonded in this issue included the Symmes Road Extension, various computer hardware/software, and construction of the Metro Parks lodge and lake facility at the old Voice of America property. The bonds were issued for a twenty-year period, with the final maturity in December 2026.



BUTLER COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012

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NOTE 17 - LONG-TERM OBLIGATIONS (continued)

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

In November 2009, the County issued \$1,935,000 in general obligation bonds for the purpose of assisting the Transportation Improvement District in widening the State Route 4 Bypass. The bonds were issued for a twenty-year period, with a final maturity in December 2029.

In August 2010, the County issued \$1,870,000 in general obligation bonds for the construction and improvement of the Butler County Regional Airport. The bonds were issued for a twenty-year period, with a final maturity in December 2029.

In August 2010, the County issued \$9,540,000 in general obligation bonds to bond short-term bond anticipation notes. The \$9,540,000 in new bond proceeds along with existing Butler County funds were used to pay the bond anticipation notes that included the Yankee Road TIF Improvement, Cincinnati-Dayton Road TIF Improvement and the Cincinnati-Dayton Road Widening. The bonds were issued for a twenty five-year period, with a maturity in December 2034.

In September 2010, the County issued \$7,200,000 in general obligation bonds for the purpose of current refunding of the 2005 Sales Tax Bonds. The County used \$190,174 in trust accounts to assist in the refunding. The bonds were issued for a ten-year period, with a final maturity in December 2019.

In June 2012, the County issued \$13,095,000 in general obligation bonds for the purpose of advance refunding \$7,100,000, the remaining portion of the 2002 general obligation bonds, as well as current refunding \$1,785,000 of special assessment bonds issued in 2001, and advance refunding \$4,210,000 of water judgment bonds issued in 2002. The 2002 refunded portion of the general obligation bonds were issued for an eleven-year period, with the final maturity in December 2022.

The bonds were sold at a premium of \$1,158,574. Proceeds of \$12,198,410 were deposited into an irrevocable trust with an escrow agent to provide for all future debt service payments on the advance refunded portion of the various bonds (\$7,873,107 for governmental activities and \$4,325,303 for business type activities/enterprise fund). As a result, \$11,600,000 of these bonds are considered defeased and the liability for the refunded portion of these bonds has been removed from the county financial statements. As of December 31, 2012, \$10,270,000 of the bonds were not matured and unpaid.

The bond proceeds from the advance refunding resulted in a difference of \$75,413 between the net carrying amount of the debt and the acquisition price. The difference is reported in the accompanying financial statements as a decrease to bonds payable and was fully amortized in 2012. The County's total debt service payments increased \$147,164 as a result of the current refunding. The County also incurred an economic gain (difference between present values of the old and new debt service payments) of \$136,833.

SALES TAX BONDS

The sales tax bonds are payable solely through sales tax revenues generated by the County's three-quarters of one percent (.75%) permanent permissive sales tax. These bonds were issued to construct the County's Government Services Center. The County is under no obligation to have such sales tax revenues directly paid to the bond trustees as long as the County finances all principal and interest payments due on the bonds sixty days prior to their payment date. Therefore, all payments made on the sales tax bonds are to be paid using sales tax revenue.

In June 2005, the County issued a \$29,365,000 sales tax bonds for the purpose of advance refunding \$31,185,000 of existing bonds issued to construct the Government Services Center Building. The bonds were issued for a twelve-year period, with final maturity in December 2016.

In September 2010, the County issued a partial refunding of \$7,200,000 general obligation bonds for the \$22,795,000 of existing bonds outstanding from the 2005 issue.

The total interest and principal remaining on the bonds is \$10,332,500 payable through 2016. For the current year, principal and interest paid and sales tax revenues were \$2,605,625 and \$32,955,898 respectively.

BUTLER COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012

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NOTE 17 - LONG-TERM OBLIGATIONS (continued)

SPECIAL ASSESSMENT BONDS WITH GOVERNMENTAL COMMITMENT

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

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

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

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

In August 2008, the County issued \$3,315,000 in special assessment bonds for the purpose of bonding short-term bond anticipation notes for the University Pointe Landscaping and the Liberty Interchange (Cox Road Extension). The bonds were issued for a twenty-year period, with a final maturity in December 2028.

In June 2012, the County issued \$13,095,000 in general obligation bonds, \$1,785,000 for the purpose of current refunding \$1,835,000 of the 2001 special assessment bonds for phase one and three at Union Centre. Bonds were issued for a ten-year period with final maturity in December 2021.

The total interest and principal remaining on the bonds is \$12,891,759 payable through 2046. For the current year, principal and interest paid and special assessment revenues were \$1,252,939 and \$1,362,387 respectively.

LONG-TERM LOANS

In 1995, the County entered into a loan with the Ohio Public Works Commission (OPWC) for \$1,811,520 to make improvements to Mulhauser Road using proceeds from the loan. The loan was issued for twenty-years with a final payment in July 2015. The loan will be repaid from Motor Vehicle Fund revenues.

In 2005, the County entered into a loan with the Ohio Public Works Commission (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 due in July 2024. The loan will be repaid from Motor Vehicle Fund revenues.

In October 2006, Butler County entered into an agreement with West Chester Township and IKEA to expand the intersection at Muhlhauser and Allen Road to accommodate traffic flow needs due to the proposed IKEA store. In 2007, West Chester Township contributed \$749,522 for this intersection expansion. Butler County's portion of the obligation to West Chester Township in 2007 was \$374,761 for the project costs and \$286,659 in 2009, totaling \$661,420. The loan will be repaid from General Fund revenues.

In 2009, the County entered into a loan with the Ohio Public Works Commission (OPWC) for \$329,549 for the widening of Tylersville Road between Cincinnati Dayton 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 into a loan with the 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 has 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.

BUTLER COUNTY, OHIO  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
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NOTE 17 - LONG-TERM OBLIGATIONS (continued)

In 2010, the County entered into a loan with the Ohio Public Works Commission (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 due in 2030. The loan will be repaid from Motor Vehicle Fund revenues.

In 2010, The County entered into a loan with OPWC for phase two of the restoration of the Reily Millville Road Slip not to exceed \$416,498. In 2012, the County received \$50,699 in loan proceeds. 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 into a loan with OPWC not to exceed \$382,840 for the construction of new left turns lanes on Trenton 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 revenues.

OTHER PAYABLES

Capital leases are fiber optic cables and a voice recording system for Job and Family Services/Children Services Agency, copiers for the Public Defender, a caravan and lawn mower for the Care Facility, and a shelving unit for Domestic Relations.

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

Compensated absences liability will be paid from the General Fund, Developmental Disabilities, Job and Family Services/Children Services Agency, Child Support Enforcement, All Other Legislative and Executive, Health Insurance, and the Workers Compensation Funds.

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

Year	General Obligation Bonds		Sales Tax Bonds	
	Principal	Interest	Principal	Interest
2013	\$ 4,155,000	\$ 2,616,350	\$ 2,125,000	\$ 458,000
2014	4,350,000	2,504,316	2,235,000	351,750
2015	4,415,000	2,375,094	2,345,000	240,000
2016	4,630,000	2,176,906	2,455,000	122,750
2017	6,010,000	1,952,375	-	-
2018-2022	26,450,000	6,131,325	-	-
2023-2027	8,845,000	1,874,888	-	-
2028-2032	3,210,000	429,538	-	-
2033-2036	510,000	32,725	-	-
Total	\$ 62,575,000	\$ 20,093,517	\$ 9,160,000	\$ 1,172,500

Year	Special Assessment Bonds		Loans	
	Principal	Interest	Principal	Interest
2013	\$ 830,510	\$ 477,712	\$ 352,396	\$ 16,858
2014	856,150	443,330	222,038	10,340
2015	896,820	400,926	173,897	2,461
2016	932,510	351,913	124,288	495
2017	973,230	304,790	124,288	-
2018-2022	2,568,090	892,075	621,442	-
2023-2027	1,211,180	423,690	489,095	-
2028-2032	409,440	153,979	168,632	-
2033-2037	189,020	105,362	-	-
2038-2042	231,370	63,023	-	-
2043-2045	163,010	13,629	-	-
Total	\$ 9,261,330	\$ 3,630,429	\$ 2,276,076	\$ 30,154

BUTLER COUNTY, OHIO  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 17 - LONG-TERM OBLIGATIONS (continued)

Changes in long-term obligations reported in the business-type activities of the County during 2012 were as follows:

Debt Issue	Balance as of 12/31/11	Increases	Decreases	Balance as of 12/31/12	Due Within One Year
<b>General Obligation Bonds</b>					
2005 4.125% \$600,000 Venice Gardens Sewer	\$ 559,210	\$ -	\$ 7,810	\$ 551,400	\$ 8,140
2006 4.375% \$3,200,000 USDA New Miami Sewer	3,031,890	-	38,170	2,993,720	39,830
2007 4.25% \$1,117,500 USDA Vehicle and Equipment	242,481	-	242,481	-	-
2009 4.25% \$4,610,000 1998 Sewer Revenue Premium on Debt Issued	1,185,000 13,592	- -	1,185,000 13,592	- -	- -
2009 2.00-4.00% \$10,695,000 1999 Water and Sewer Revenue Premium on Debt Issued	7,080,000 162,708	- -	1,900,000 42,112	5,180,000 120,596	680,000 -
	<u>12,274,881</u>	<u>-</u>	<u>3,429,165</u>	<u>8,845,716</u>	<u>727,970</u>
<b>Water Judgement Bonds</b>					
2002 1.55-5.25% \$35,030,000 Water Judgement Premium on Debt Issued	4,215,000 77,396	- -	4,215,000 77,396	- -	- -
2007 4.00-5.25% \$24,135,000 Water Judgement Premium on Debt Issued	23,680,000 884,168	- -	15,000 221,041	23,665,000 663,127	15,000 -
2012 1.00-4.00% \$4,210,000 Water Judgement Premium on Debt Issued	- -	4,210,000 178,585	1,285,000 44,646	2,925,000 133,939	1,420,000 -
Total Water Judgement Bonds	<u>28,856,564</u>	<u>4,388,585</u>	<u>5,858,083</u>	<u>27,387,066</u>	<u>1,435,000</u>
<b>Revenue Bonds</b>					
2004 3.20-5.10% \$19,620,000 Sewer Premium on Debt Issued	13,220,000 14,534	- -	1,000,000 1,118	12,220,000 13,416	1,000,000 -
2005 3.000-5.125% \$13,235,000 Water Premium on Debt Issued	8,745,000 403,131	- -	700,000 39,330	8,045,000 363,801	725,000 -
2005 3.00-5.00% \$19,575,000 Sewer Premium on Debt Issued	18,175,000 1,256,441	- -	440,000 104,704	17,735,000 1,151,737	2,010,000 -

BUTLER COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 17 - LONG-TERM OBLIGATIONS (continued)

Debt Issue	Balance as of 12/31/11	Increases	Decreases	Balance as of 12/31/12	Due Within One Year
2005 3.50-5.00% \$14,850,000					
Water	11,540,000	-	620,000	10,920,000	645,000
Premium on Debt Issued	361,428	-	25,816	335,612	-
2006 4.375-4.375% \$4,000,000					
USDA Sewer	3,778,530	-	50,270	3,728,260	52,470
<b>Total Revenue Bonds</b>	<b>57,494,064</b>	<b>-</b>	<b>2,981,238</b>	<b>54,512,826</b>	<b>4,432,470</b>
<b>Long-Term Loans</b>					
2005 4.19% \$4,634,892					
Cincinnati Waterworks	3,592,502	-	195,839	3,396,663	204,205
2006 0.00% \$710,200					
OPWC Cast Iron Watermain	613,261	-	35,044	578,217	35,044
2006 0.00% \$874,581					
OPWC Watermain Improvements	721,529	-	43,729	677,800	43,729
2009 0.00% \$470,318					
OPWC Cast Iron Watermain	454,641	-	15,677	438,964	15,677
2009 3.52% \$3,158,694					
OWDA Polybutylene Water Line	3,103,623	-	113,067	2,990,556	117,082
2009 3.42% \$849,987					
OWDA Shaker Creek Sewer	788,518	-	32,334	756,184	33,449
2009 3.42% \$1,153,728					
OWDA Big Monroe Sewer	1,069,487	-	44,312	1,025,175	45,841
2009 2.65% \$1,587,221 (ARRA)					
OWDA LeSourdsville Sewer	93,617	-	-	93,617	-
2010 0.00% \$2,466,203 (ARRA)					
OWDA Liberty-Fairfield Water Tank	1,346,331	-	70,859	1,275,472	70,859
2010 0.00% \$510,468					
OPWC Sharon Creek Sewer	501,960	-	17,016	484,944	17,016
2010 0.00% \$600,000					
OPWC Cast Iron Watermain	600,000	-	10,000	590,000	20,000
2011 3.71% \$35,500,000	-	6,136,396	-	6,136,396	-
OWDA LeSourdsville Phase 2					
2011 0.00% \$201,000	-	133,866	-	133,866	4,462
OPWC West Chester Road Water Main Replacement					
2011 0.00% \$580,000	-	260,340	-	260,340	-
OPWC Polybutylene Service					
<b>Total Long-Term Loans</b>	<b>\$ 12,885,469</b>	<b>\$ 6,530,602</b>	<b>\$ 577,877</b>	<b>\$ 18,838,194</b>	<b>\$ 607,364</b>

BUTLER COUNTY, OHIO  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 17 - LONG-TERM OBLIGATIONS (continued)

Debt Issue	Balance as of 12/31/11	Increases	Decreases	Balance as of 12/31/12	Due Within One Year
Other Long-Term Obligations					
Capital Leases	\$ -	\$ 12,422	\$ 1,947	\$ 10,475	\$ 2,281
Compensated Absences	824,757	526,111	525,851	825,017	281,437
Total Other Long-Term Obligations	<u>\$ 824,757</u>	<u>\$ 538,533</u>	<u>\$ 527,798</u>	<u>\$ 835,492</u>	<u>\$ 283,718</u>
Total Business-Type Activities	<u>\$ 112,335,735</u>	<u>\$11,457,720</u>	<u>\$ 13,374,161</u>	<u>\$ 110,419,294</u>	<u>\$ 7,486,522</u>

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

In September 2006, the County issued a \$3,200,000 general obligation bond for the purpose of bonding short-term bond anticipation notes for the New Miami Sewer Improvement project. These bonds are registered with the United States Department of Agriculture Rural Development (USDA). The bonds were issued for a forty-year period, with maximum maturity in August 2046.

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

In February 2009, the County issued \$4,610,000 in general obligation bonds for the purpose of current refunding \$6,970,000 of the 1998 Sewer Revenue Bonds. The County used \$2,543,324 in trust accounts to assist in the refunding. The bonds were issued for a four-year period, with a final maturity in December 2012.

In November 2009, the County issued \$10,695,000 in general obligation bonds for the purpose of current refunding \$10,245,000 of the 1999 Water Revenue bonds and \$5,605,000 of the 1999 Sewer Revenue Bonds. The County used \$2,971,790 in trust accounts to assist in the refunding. The bonds were issued for a ten-year period, with a final maturity in December 2019.

WATER JUDGMENT BONDS

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

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

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

BUTLER COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012

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NOTE 17 - LONG-TERM OBLIGATIONS (continued)

In June 2012, the County issued \$13,095,000 in general obligation bonds, \$4,210,000 of this in water judgment bonds for the purpose of advance refunding \$4,215,000 of the 2002 water judgment bonds. The judgment bonds were issued for a four-year period with final maturity in December 2015.

REVENUE BONDS

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

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

In March 2005, the County issued a \$13,235,000 Water Revenue bond for the purpose of advance refunding \$14,075,000 of existing 1996 Water bonds. The bonds were issued for a seventeen year period, with final maturity in December 2021.

In June 2005 the County issued a \$19,575,000 Sewer Revenue bond for the purpose of partially advance refunding \$1,485,000 of existing 1997, \$5,490,000 of existing 1998, and \$12,790,000 of existing 1999 Sewer bonds. The bonds were issued for an eighteen year period, with final maturity in December 2023.

In June 2005, the County issued a \$14,850,000 Water Revenue bond for the purpose of bonding \$8,400,000 in bond anticipation notes and to issue a new Water bond for \$6,450,000 for various water system replacement and improvements within the County. The bonds were issued for a twenty-year period, with final maturity in December 2025.

In 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.

The County has pledged future revenues, net of operating expenses, to repay Revenue Bonds, Cincinnati Waterworks Loans, OPWC, and OWDA loans in the Water fund. The debt is payable solely from net revenues and are payable through 2042. Annual Principal and Interest payments on debt are expected to require 47% of net revenues. The total principal and interest remaining to be paid on the bonds and loans is \$37,484,703. Of this total \$25,038,463 is for the revenue bonds, \$4,397,121 for the Cincinnati Waterworks, \$2,679,186 for the OPWC loans, and \$5,369,933 for OWDA loans.

Principal and interest paid for the current year and total net revenues were \$2,366,496 and \$6,104,992 respectively. Principal and interest paid for the current year for Revenue Bonds was \$2,256,825, \$342,633 for the Cincinnati Waterworks loan, \$60,721 for the OPWC loans, and \$363,047 for the 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 net revenues and are payable through 2045. Annual Principal and interest payments on debt are expected to require 33% of net revenues. The total principal and interest remaining to be paid on the bonds and loans is \$55,960,337. Of this total \$44,247,161 is for the revenue bonds, \$484,945 for the OPWC loans, and \$11,228,231 for the OWDA loans.

Principal and interest paid for the current year and total net revenues were \$3,259,779 and \$12,192,006 respectively. Principal and interest paid for the current year for Revenue Bonds was \$3,102,917, \$17,016 for the OPWC loan, and \$146,864 for the OWDA loans.

BUTLER COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012

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NOTE 17 - LONG-TERM OBLIGATIONS (continued)

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. The balance owed to the City of Cincinnati at December 31, 2012 as a result of this project is \$3,396,663. This amount has been recorded on the County's books as a long-term liability in the Water Enterprise Fund.

In 2006, the County entered into a loan with the Ohio Public Works Commission (OPWC) for \$710,200 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 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 Ohio Public Works Commission (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) 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 2009, the County entered into a loan with Ohio Water Development Authority (OWDA) 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 Ohio Water Development Authority (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 Ohio Water Development Authority (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 Ohio Water Development Authority (OWDA) 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 insuring that pressures are not drawn below acceptable levels. In 2011, the County received an additional \$190,622 of loan proceeds to complete the project. 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 Ohio Public Works Commission (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.



BUTLER COUNTY, OHIO  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 17 - LONG-TERM OBLIGATIONS (continued)

In 2010, the County entered into a loan with Ohio Public Works Commission (OPWC) for \$600,000 to replace over 15,000 feet of failing cast iron water mains 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 Ohio Water Development Authority (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. In 2012, the County received \$6,136,396 of loan proceeds. The loan was issued for twenty-years with the final payment due in 2034. The loan will be repaid by Sewer Fund revenues.

In 2011, the County entered into a loan with Ohio Public Works Commission (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. In 2012, the County received \$133,866 of loan proceeds. 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 Ohio Public Works Commission (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. In 2012, the County received \$260,340 of loan proceeds. The loan was issued for thirty-years with the final payment due thirty years after completion of the project. The loan will be repaid by Water Fund revenues.

OTHER PAYABLES

Capital leases are copiers for Water and Sewer.

Compensated absences liability will be paid from Water and Sewer enterprise funds.

Annual debt service requirements to maturity for general obligation bonds, judgement bonds, revenue bonds and loans for all business type activities are as follows:

Year	General Obligation Bonds		Judgement Bonds	
	Principal	Interest	Principal	Interest
2013	\$ 727,970	\$ 323,971	\$ 1,435,000	\$ 1,210,650
2014	740,040	306,592	2,955,000	1,195,850
2015	762,210	287,174	15,000	1,123,350
2016	784,480	263,612	1,590,000	1,062,400
2017	816,840	233,876	1,670,000	982,900
2018-2022	1,933,310	780,336	9,575,000	3,695,600
2023-2027	399,720	608,719	9,350,000	1,258,688
2028-2032	494,180	514,264	-	-
2033-2037	610,950	397,478	-	-
2038-2042	755,360	253,078	-	-
2043-2046	700,060	75,805	-	-
Total	\$ 8,725,120	\$ 4,044,905	\$ 26,590,000	\$ 10,529,438

Year	Revenue Bonds		Loans	
	Principal	Interest	Principal	Interest
2013	\$ 4,432,470	\$ 2,448,048	\$ 607,364	\$ 303,306
2014	4,654,770	2,258,078	839,039	515,824
2015	4,882,170	2,055,461	872,050	491,550
2016	5,064,660	1,832,772	897,262	466,338
2017	5,482,280	1,584,712	923,449	440,151
2018-2022	20,644,710	4,220,903	5,046,945	1,771,057
2023-2027	4,839,390	1,004,687	5,097,334	979,568
2028-2032	544,300	533,619	3,520,508	342,922
2033-2037	674,250	403,670	754,600	11,875
2038-2042	835,230	242,694	262,287	-
2043-2047	594,030	52,720	17,356	-
Total	\$ 52,648,260	\$ 16,637,364	\$ 18,838,194	\$ 5,322,591

BUTLER COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012

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NOTE 17 - LONG-TERM OBLIGATIONS (continued)

MULTIFAMILY HOUSING

The County has served as the issuer of Multifamily Housing bonds. The proceeds were used to acquire, construct, improve, and equip multifamily housing. The Multifamily Housing revenue bonds do not constitute a general obligation, debt or bonded indebtedness of the County. Neither is the full faith and credit or taxing power of the County pledged to make repayment. The amount of revenue bonds outstanding at December 31, 2012 was \$106,325,000.

INDUSTRIAL DEVELOPMENT REVENUE BONDS

The County has issued industrial development revenue bonds (in the aggregate outstanding principal amount of \$4,000,000 at December 31, 2012) for facilities used by private corporations or other entities. The County is not obligated in any way to pay debt charges on the bonds from any of its funds, and therefore they have been excluded entirely from the County's debt presentation. There has not been and is not any condition of default under the bonds or the related financing documents.

HOSPITAL REVENUE BONDS

The County has served as the issuer of hospital revenue bonds. The proceeds were used to acquire, construct, improve, and equip hospital facilities. The hospital revenue bonds do not constitute a general obligation, debt or bonded indebtedness of the County. Neither is the full faith and credit or taxing power of the County pledged to make repayment. The amount of revenue bonds outstanding at December 31, 2012 was \$482,015,000.

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, 2012 was \$47,325,000.

LEGAL DEBT MARGIN

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

The effects of the debt limitations described above at December 31, 2012 are an overall debt margin of \$141,867,179 and unvoted debt margin of \$30,847,418.

BUTLER COUNTY, OHIO  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 18– SHORT-TERM OBLIGATIONS

A summary of the short-term bond anticipation notes for all governmental funds are as follows:

Fund Type	Balance			Balance 12/31/12
	12/31/11	Increase	Decrease	
<b>Capital Projects</b>				
0.65% Courts Remodeling and Expansion	\$ 2,000,000	\$ 1,950,000	\$ 2,000,000	\$ 1,950,000
0.65% Courts Remodeling Project	510,000	315,000	510,000	315,000
0.65% Courts Remodeling Project	910,000	865,000	910,000	865,000
1.50% Fiber Optic Ring II	2,515,000	2,375,000	2,515,000	2,375,000
0.65% Hutsenpiller Hamilton Mason TIF	2,785,000	2,795,000	2,785,000	2,795,000
0.65% Old Jail Rehabilitation	1,015,000	990,000	1,015,000	990,000
0.65% Princeton Road Admin Building	7,735,000	7,520,000	7,735,000	7,520,000
0.65% Juvenile Justice Center Roof	415,000	270,000	415,000	270,000
0.65% Sheriff Vehicles	935,000	450,000	935,000	450,000
<b>Total Governmental Funds</b>	<b>\$ 18,820,000</b>	<b>\$ 17,530,000</b>	<b>\$ 18,820,000</b>	<b>\$ 17,530,000</b>

The notes are issued in anticipation of long-term bond financing and will be refinanced until such bonds are issued. They are backed by the full faith and credit of the County and will mature within one year. The liability for the notes is presented in the fund that received the note proceeds. \$243,815 are unspent proceeds.

NOTE 19– INTERFUND BALANCES AND ACTIVITY

Transfers In/Transfers Out activity for 2012, consisted of the following:

Transfers To	Transfers From		
	General	Non Major Governmental	Total
General	\$ -	\$ 1,000,000	\$ 1,000,000
Job and Family Services / Children Services Agency	973,672	-	973,672
Non Major Governmental	9,087,007	1,470,962	10,557,969
Water	2,805	-	2,805
<b>Total</b>	<b>\$ 10,063,484</b>	<b>\$ 2,470,962</b>	<b>\$ 12,534,446</b>

BUTLER COUNTY, OHIO  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 19– INTERFUND BALANCES AND ACTIVITY (continued)

Due From/Due To balances at December 31, 2012 consist of the following individual fund receivables and payables:

Due To (Payable)	Due From (Receivable)			
	General	Non Major Governmental	Water	Total
General	\$ -	\$ 19,992	\$ -	\$ 19,992
Developmental Disabilities Job and Family Services / Children Services Agency	826	1,088	347	2,261
Non Major Governmental	15,363	109,638	-	125,001
Sewer	172,273	47,453	-	219,726
Water	1,012	2,232	1,104	4,348
Total	1,011	94,235	-	95,246
	<u>\$ 190,485</u>	<u>\$ 274,638</u>	<u>\$ 1,451</u>	<u>\$ 466,574</u>

Advances From/Advances To balances at December 31, 2012 consist of the following individual fund receivables and payables:

Advances To	Advances From
Non Major Governmental Funds	General
	<u>\$152,243</u>

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. In addition, the general fund received transfers in during 2012 from a surplus declaration from the clerk of courts title fund.

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 balance of \$152,243 due to the General Fund for advances to Non Major Governmental Funds results from cash flow issues in those funds. The amounts reported as Due From/Due to Other Funds are expected to be repaid within one year; the advances are not.

NOTE 20– CONTINGENT LIABILITIES

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

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

BUTLER COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012

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NOTE 21 –JOINTLY GOVERNED ORGANIZATIONS/RISK SHARING POOL/INSURANCE PURCHASING POOL/RELATED ORGANIZATIONS

BUTLER COUNTY EMERGENCY MANAGEMENT AGENCY

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

The Agency is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit to or burden on the County. In 2012, the County contributed \$80,000. Complete financial statements can be obtained from the Emergency Management Agency, 315 High St. Hamilton, OH 45011.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY

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

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.

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.

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.

BUTLER COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012

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

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 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 2012, Butler County contributed \$15,000 to the Council. Financial information for the Southwest Ohio Council of Governments may be obtained at 1910 Fairgrove Avenue Suite E, Hamilton Ohio 45011.

COUNTY RISK SHARING AUTHORITY (CORSA)

The County Risk Sharing Authority (CORSA) is a risk sharing pool made up of sixty-two 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 2012 was \$1,116,823.

BUTLER HEALTH PLAN

Butler County Board of Developmental Disabilities participates in the Butler Health Plan (BHP), an insurance purchasing pool, formed to provide affordable and desirable dental, life, medical and other disability group insurance for member employees, eligible dependents and designated beneficiaries. The Health Plan is comprised of various public employers. The Board of Trustees consist of seven members which are representatives of participating schools and joint vocational districts that are elected by the majority vote of the board.

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

The County purchases commercial health care insurance from the County Employee Benefits Consortium of Ohio, Inc. (CEBCO), an Ohio not-for-profit corporation, and insurance purchasing pool with membership open to Ohio political subdivisions, to collectively pool resources to purchase employee benefits. The entire risk of loss transfers to the commercial insurance carrier.

The business and affairs of the consortium are governed by a board comprised of representatives of counties that participate in the program. Two thirds of the directors are County Commissioners of the member Counties and one third are employees of member Counties. Each member of the consortium is entitled to one vote. At all times one director is required to be a member of the board of directors of the County Commissioners Association of Ohio and another is required to be a board member of the County Risk Sharing Authority, Inc.

BUTLER COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012

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

REGIONAL TRANSIT AUTHORITY (RTA)

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

BUTLER COUNTY CONVENTION AND VISITOR BUREAU

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

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

BUTLER COUNTY PORT AUTHORITY

On July 29, 2004, the Butler County Commissioners established the Butler County Port Authority to undertake various projects that would create or preserve jobs and employment opportunities within the County. The Butler County Port Authority is a related organization of the County. The Port Authority Board consists of 7 voting members of which 4 members must have businesses or places of employment within Butler County. The remaining 3 members of the board need not possess either of the preceding qualifications. The President of the Butler County Transportation Improvement District (BCTID) shall serve as an ex officio member of the Port Authority Board without voting privileges. The Agency is not accumulating significant financial resources or experiencing financial stress which would cause additional financial benefit to or burden on the County. Financial Information for the Butler County Port Authority may be obtained at 315 High Street, Hamilton, OH 45011.

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. Financial information for the Metroparks of Butler County may be obtained at 2051 Timberman Road, Hamilton, OH 45013.

BUTLER COUNTY, OHIO  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2012

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NOTE 22– CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

The County has several outstanding contracts for construction and professional services. The following amounts remain on these contracts as of December 31, 2012.

Project	Outstanding Balance
W. Rogers Construction	11,546,282
Water and Sewer Services	2,488,008
ESI Electrical	1,795,386
Frebco	669,220
Hazen and Sawyer	\$ 458,164
PCS Technology	172,894
Adleta	108,055
Total	<u>\$ 17,238,009</u>

NOTE 23 – COMPONENT UNIT

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Butler County Land Reutilization Corporation (Land Bank) is presented following the provisions of NCGA Statement No 1, “Governmental Accounting and Financial Reporting Principals”, as modified by subsequent NCGA and GASB pronouncements.

Basis of Presentation

The Land Bank is accounted for using a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities are included on the statement of net position. The Land Bank uses the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized at the time they are incurred.

Deposits and Investments

At fiscal year end, the carrying amount of the Land Bank’s deposits was \$1,875 and the bank balance was \$1,875. The entire bank balance was covered by federal depository insurance. The Land Bank has not investments at year end. There are not significant statutory restrictions regarding the deposit and investment of funds by the not-for-profit corporation.



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Butler County, Ohio  
 Required Supplementary Information  
 Condition Assessment of the County's Infrastructure  
 Reported Using the Modified Approach as Outlined in GASB 34  
 For The Year Ended December 31, 2012

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 2011, 2008, and 2007. 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 numerical rating to each road, or section thereof, based on the following criteria: age of pavement, date of last surface maintenance, traffic flow and volume, traffic type and availability of funds. The physical condition rating is determined by a committee of experts from the County Engineer's Office based on the criteria below:

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

It is the County policy that at least 90% of the roadways will have a rating of 3 (Fair) or higher. The County Engineer's Office has implemented a system whereby the total mileage of the roadway in the County will be re-paved on a 12-year rotational basis. Historical data has shown that with yearly inspection and maintenance, the average road of the County will be maintained at a usable level for a 12-year period. Each roadway in the County will be assessed 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 2011, 2008, and 2007:*

Road Condition	2011		2008		2007	
	Road Miles	% of Total	Road Miles	% of Total	Road Miles	% of Total
<i>Fair or Better</i>	241	90%	263	96%	256	96%
<i>Less than Fair</i>	26	10%	12	4%	12	4%
<i>Total</i>	267	100%	275	100%	268	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, 2012

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

Year	Budgeted Expenditures	Actual Expenditures	Difference
2012	\$4,816,346	\$4,781,073	\$35,273
2011	4,306,251	3,462,529	843,722
2010	2,413,314	1,965,281	448,033
2009	2,755,258	2,626,854	128,404
2008	2,747,701	2,402,175	345,526
2007	12,148,485	3,873,674	8,274,811

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, 2012

It is the County policy to maintain the bridge system in the County where 85% of the structures have a general appraisal summary of 5 (Fair) condition or higher. *The following is a summary of the conditional assessment for bridges as of December 31 for 2011, 2008, and 2007:*

Bridge Condition	2011		2008		2007	
	Number of Bridges	% of Total	Number of Bridges	% of Total	Number of Bridges	% of Total
Fair or Better	374	94%	357	90%	345	92%
Less than Fair	25	6%	38	10 %	31	8%
Total	399	100%	395	100%	376	100%

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

Year	Budgeted Expenditures	Actual Expenditures	Difference
2012	\$1,661,825	\$1,661,825	0
2011	2,345,182	1,885,692	459,491
2010	4,789,750	4,334,282	455,468
2009	6,672,617	5,310,974	1,361,643
2008	8,232,687	7,300,786	931,901
2007	3,253,089	2,891,296	361,793

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.

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, 2012

It is the goal of the Butler County Engineer to maintain 75% of culverts in a condition of 2-Fair or better. *The following is a summary of the conditional assessment for culverts as of December 31 for 2011, 2008, and 2007:*

<i>Culvert Condition</i>	<i>2011</i>		<i>2008</i>		<i>2007</i>	
	<i>Number of Culverts</i>	<i>% of Total</i>	<i>Number of Culverts</i>	<i>% of Total</i>	<i>Number of Culverts</i>	<i>% of Total</i>
<i>Fair or Better</i>	834	82%	836	79%	855	80%
<i>Less than Fair</i>	189	18%	226	21%	217	20%
<i>Total</i>	1023	100%	1062	100%	1072	100%

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

<i>Year</i>	<i>Budgeted Expenditures</i>	<i>Actual Expenditures</i>	<i>Difference</i>
2012	\$135,804	115,804	\$20000
2011	188,159	151,293	36,866
2010	228,718	94,784	133,934
2009	204,160	121,563	82,597
2008	152,429	83,107	69,322
2007	249,236	188,099	61,137

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## Combining Statements and Individual Fund Schedules

## Combining Statements – Non-major Governmental Funds

### Non-major Special Revenue Funds

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

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

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

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

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

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

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

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

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

County Care Facility – To account for the collection of Medicaid and fees from residents' families for the operation of the County Home.

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

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

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

Residential Incentive Districts and Tax Incremental Financings (RIDS and TIFS) – To account for Residential Incentive Districts and Tax Incremental Financing revenues collected through the real estate tax collection process. This fund is used to hold the dollars until payments are required to be made.

(Continued)



## Combining Statements – Non-major Governmental Funds (Continued)

### Non-major Capital Project Funds

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

Technology – To account for the financing and related cost of County technology activities.

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

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

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

### Non-major Bond Retirement

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

### Non-major Permanent Fund

The Developmental Disabilities Permanent Fund is used to account for nonspendable gifts and investment earnings that are donor restricted to assist individuals with developmental disabilities.

**Butler County, Ohio**  
**Combining Balance Sheet**  
**Non-major Governmental Funds**  
**December 31, 2012**

	Non-major Special Revenue Funds	Non-major Capital Projects Funds	Non-major Bond Retirement Fund	Non-major Permanent Fund	Total Non-major Governmental Funds
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$ 59,091,091	\$ 530,810	\$ 1,198,659	\$ 851,963	\$ 61,672,523
Cash and Cash Equivalents:					
In Segregated Accounts	3,540	-	-	-	3,540
Receivables:					
Property Taxes	8,708,581	-	-	-	8,708,581
Other Local Taxes	244,914	-	-	-	244,914
Payments in Lieu of Taxes	7,907,854	-	-	-	7,907,854
Accounts	591,102	-	-	-	591,102
Due from Other Governments	17,140,873	388,673	-	-	17,529,546
Special Assessments	1,683,749	-	7,996,087	-	9,679,836
Loans	622,267	-	-	-	622,267
Due from Other Funds	274,638	-	-	-	274,638
Prepaid Items	284,388	-	-	-	284,388
Materials and Supplies Inventory	751,187	-	-	-	751,187
<b>Total Assets</b>	<b>97,304,184</b>	<b>919,483</b>	<b>9,194,746</b>	<b>851,963</b>	<b>108,270,376</b>
<b>Liabilities</b>					
Accounts Payable	397,099	-	-	-	397,099
Contracts Payable	3,361,459	509,468	-	-	3,870,927
Accrued Wages and Benefits Payable	1,633,635	-	-	-	1,633,635
Matured Compensated Absences Payable	9,440	-	-	-	9,440
Due to Other Funds	216,200	-	3,526	-	219,726
Due to Other Governments	249,666	-	-	-	249,666
Advances from Other Funds	136,864	-	15,379	-	152,243
Matured Bonds Payable	-	-	13,250	-	13,250
Matured Interest Payable	-	-	5,543	-	5,543
Accrued Interest Payable	-	31,856	-	-	31,856
Notes Payable	-	17,530,000	-	-	17,530,000
<b>Total Liabilities</b>	<b>6,004,363</b>	<b>18,071,324</b>	<b>37,698</b>	<b>-</b>	<b>24,113,385</b>
<b>Deferred Inflows of Resources</b>					
Property Taxes not Levied to Finance the Current Year Operations	8,268,823	-	-	-	8,268,823
Payment in Lieu of Taxes not Levied to Finance the Current Year Operations	7,612,136	-	-	-	7,612,136
Unavailable Revenue	16,488,408	385,673	7,996,087	-	24,870,168
<b>Total Deferred Inflows of Resources</b>	<b>32,369,367</b>	<b>385,673</b>	<b>7,996,087</b>	<b>-</b>	<b>40,751,127</b>
<b>Fund Balances</b>					
Nonspendable	1,657,842	-	-	761,305	2,419,147
Restricted	57,272,612	-	1,157,717	90,658	58,520,987
Committed	-	-	3,244	-	3,244
Unassigned (Deficit)	-	(17,537,514)	-	-	(17,537,514)
<b>Total Fund Balances (Deficit)</b>	<b>58,930,454</b>	<b>(17,537,514)</b>	<b>1,160,961</b>	<b>851,963</b>	<b>43,405,864</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 97,304,184</b>	<b>\$ 919,483</b>	<b>\$ 9,194,746</b>	<b>\$ 851,963</b>	<b>\$ 108,270,376</b>

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**Butler County, Ohio**  
**Combining Balance Sheet**  
**Non-major Special Revenue Funds**  
**December 31, 2012**

	Real Estate Assessment	All Other Legislative and Executive	All Other Judicial	All Other Public Safety	Motor Vehicle
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$ 3,543,965	\$ 3,336,078	\$ 2,724,811	\$ 5,100,991	\$7,592,447
Cash and Cash Equivalents:					
In Segregated Accounts	-	2,400	-	290	150
Receivables:					
Property Taxes	-	-	-	-	-
Other Local Taxes	-	-	-	-	244,914
Payments in Lieu of Taxes	-	-	-	-	-
Accounts	-	152,281	101,716	37,642	46,204
Due from Other Governments	-	7,687	8,135	2,451,412	6,769,241
Special Assessments	-	-	-	-	197,772
Loans	-	-	-	-	-
Due from Other Funds	-	-	-	155,245	92,004
Prepaid Items	21,968	67,414	113,840	8,912	7,675
Materials and Supplies Inventory	7,277	10,918	5,737	38,358	673,721
<b>Total Assets</b>	<b>3,573,210</b>	<b>3,576,778</b>	<b>2,954,239</b>	<b>7,792,850</b>	<b>15,624,128</b>
<b>Liabilities:</b>					
Accounts Payable	729	42,579	16,180	140,424	68,774
Contracts Payable	14,346	18,137	5,230	303,751	364,999
Accrued Wages and Benefits Payable	84,000	114,411	82,949	511,940	280,388
Matured Compensated Absences Payable	-	-	-	9,068	330
Due to Other Funds	-	-	-	38,604	7,421
Due to Other Governments	-	-	-	-	4,104
Advances from Other Funds	-	-	6,000	22,539	-
<b>Total Liabilities</b>	<b>99,075</b>	<b>175,127</b>	<b>110,359</b>	<b>1,026,326</b>	<b>726,016</b>
<b>Deferred Inflows of Resources</b>					
Property Taxes not Levied to Finance the Current Year Operations	-	-	-	-	-
Payment in Lieu of Taxes not Levied to Finance Current Year Operations	-	-	-	-	-
Unavailable Revenue	-	-	-	1,742,322	6,022,563
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,742,322</b>	<b>6,022,563</b>
<b>Fund Balances</b>					
Nonspendable	29,245	78,332	119,577	47,270	681,396
Restricted	3,444,890	3,323,319	2,724,303	4,976,932	8,194,153
<b>Total Fund Balances</b>	<b>3,474,135</b>	<b>3,401,651</b>	<b>2,843,880</b>	<b>5,024,202</b>	<b>8,875,549</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 3,573,210</b>	<b>\$ 3,576,778</b>	<b>\$ 2,954,239</b>	<b>\$ 7,792,850</b>	<b>\$ 15,624,128</b>

All Other Public Works	Child Support Enforcement	Alcohol and Drug Addiction	County Care Facility	Elderly Services Levy	All Other Human Services
\$ 11,090,419	\$ 1,952,781	\$ 1,104,650	\$ 462,676	\$ 15,763,538	\$ 79,373
100	200	-	400	-	-
-	-	-	-	8,708,581	-
-	-	-	-	-	-
-	-	-	-	-	-
76,912	99,491	4,000	72,856	-	-
2,149,488	1,781,063	1,132,963	436,461	565,499	55,557
1,485,977	-	-	-	-	-
622,267	-	-	-	-	-
-	1,195	-	26,194	-	-
42,535	6,848	6,775	8,421	-	-
8,004	3,655	861	2,656	-	-
<u>15,475,702</u>	<u>3,845,233</u>	<u>2,249,249</u>	<u>1,009,664</u>	<u>25,037,618</u>	<u>134,930</u>
1,565	2,107	11,686	110,044	-	3,011
72,370	8,918	701,190	77,744	1,782,512	779
65,245	178,248	29,115	270,142	5,000	12,197
42	-	-	-	-	-
56,550	110,068	140	782	-	2,635
193,601	10,029	15,000	26,932	-	-
1,700	-	61,000	-	-	45,625
<u>391,073</u>	<u>309,370</u>	<u>818,131</u>	<u>485,644</u>	<u>1,787,512</u>	<u>64,247</u>
-	-	-	-	8,268,823	-
-	-	-	-	-	-
3,318,905	1,479,316	805,124	836	1,005,257	35,000
<u>3,318,905</u>	<u>1,479,316</u>	<u>805,124</u>	<u>836</u>	<u>9,274,080</u>	<u>35,000</u>
672,806	10,503	7,636	11,077	-	-
<u>11,092,918</u>	<u>2,046,044</u>	<u>618,358</u>	<u>512,107</u>	<u>13,976,026</u>	<u>35,683</u>
<u>11,765,724</u>	<u>2,056,547</u>	<u>625,994</u>	<u>523,184</u>	<u>13,976,026</u>	<u>35,683</u>
<u>\$ 15,475,702</u>	<u>\$ 3,845,233</u>	<u>\$ 2,249,249</u>	<u>\$ 1,009,664</u>	<u>\$ 25,037,618</u>	<u>\$ 134,930</u>

(Continued)

**Butler County, Ohio**  
**Combining Balance Sheet**  
**Non-major Special Revenue Funds (Continued)**  
**December 31, 2012**

	All Other Conservation and Recreation	Residential Incentive Districts and Tax Incremental Financings	Total Non-major Special Revenue Funds
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 36,873	\$ 6,302,489	\$ 59,091,091
Cash and Cash Equivalents:			
In Segregated Accounts	-	-	3,540
Receivables:			
Property Taxes	-	-	8,708,581
Other Local Taxes	-	-	244,914
Payments in Lieu of Taxes	-	7,907,854	7,907,854
Accounts	-	-	591,102
Due from Other Governments	-	1,783,367	17,140,873
Special Assessments	-	-	1,683,749
Loans	-	-	622,267
Due from Other Funds	-	-	274,638
Prepaid Items	-	-	284,388
Materials and Supplies Inventory	-	-	751,187
<b>Total Assets</b>	<u>36,873</u>	<u>15,993,710</u>	<u>97,304,184</u>
<b>Liabilities:</b>			
Accounts Payable	-	-	397,099
Contracts Payable	-	11,483	3,361,459
Accrued Wages and Benefits Payable	-	-	1,633,635
Matured Compensated Absences Payable	-	-	9,440
Due to Other Funds	-	-	216,200
Due to Other Governments	-	-	249,666
Advances from Other Funds	-	-	136,864
<b>Total Liabilities</b>	<u>-</u>	<u>11,483</u>	<u>6,004,363</u>
<b>Deferred Inflows of Resources</b>			
Property Taxes not Levied to Finance the Current Year Operations	-	-	8,268,823
Payment in Lieu of Taxes not Levied to Finance Current Year Operations	-	7,612,136	7,612,136
Unavailable Revenue	-	2,079,085	16,488,408
<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>9,691,221</u>	<u>32,369,367</u>
<b>Fund Balances</b>			
Nonspendable	-	-	1,657,842
Restricted	36,873	6,291,006	57,272,612
<b>Total Fund Balances</b>	<u>36,873</u>	<u>6,291,006</u>	<u>58,930,454</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 36,873</u>	<u>\$ 15,993,710</u>	<u>\$ 97,304,184</u>

Butler County, Ohio  
Combining Balance Sheet  
Non-major Capital Projects Funds  
December 31, 2012

	Technology	Other Capital Improvements	Road Improvements	Buildings Construction and Renovations	Total Non-major Capital Projects Funds
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$ 9,068	\$ 3,202	\$ -	\$ 518,540	\$ 530,810
Due from Other Governments	-	3,000	385,673	-	388,673
<b>Total Assets</b>	<b>9,068</b>	<b>6,202</b>	<b>385,673</b>	<b>518,540</b>	<b>919,483</b>
<b>Liabilities</b>					
Contracts Payable	-	-	385,673	123,795	509,468
Accrued Interest Payable	6,500	753	4,676	19,927	31,856
Notes Payable	2,375,000	450,000	2,795,000	11,910,000	17,530,000
<b>Total Liabilities</b>	<b>2,381,500</b>	<b>450,753</b>	<b>3,185,349</b>	<b>12,053,722</b>	<b>18,071,324</b>
<b>Deferred Inflows of Resources</b>					
Unavailable Revenue	-	-	385,673	-	385,673
<b>Fund Balances</b>					
Unassigned (Deficit)	(2,372,432)	(444,551)	(3,185,349)	(11,535,182)	(17,537,514)
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 9,068</b>	<b>\$ 6,202</b>	<b>\$ 385,673</b>	<b>\$ 518,540</b>	<b>\$ 919,483</b>

**Butler County, Ohio**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-major Governmental Funds**  
**For the Year Ended December 31, 2012**

	Non-major Special Revenue Funds	Non-major Capital Projects Funds	Non-major Bond Retirement Fund	Non-major Permanent Fund	Total Non-major Governmental Funds
Revenues					
Property Taxes	\$ 8,664,355	\$ -	\$ -	\$ -	\$ 8,664,355
Other Local Taxes	2,479,528	-	-	-	2,479,528
Charges for Services	19,850,261	172,381	-	-	20,022,642
Licenses and Permits	674,007	-	-	-	674,007
Fines and Forfeitures	943,453	-	-	-	943,453
Intergovernmental	39,103,932	6,817,497	-	-	45,921,429
Special Assessments	1,602,525	-	934,900	-	2,537,425
Payments in Lieu of Taxes	7,446,940	-	-	-	7,446,940
Investment Earnings	45,304	-	427,487	3,659	476,450
Other	89,763	132,670	49,002	-	271,435
<b>Total Revenues</b>	<b>80,900,068</b>	<b>7,122,548</b>	<b>1,411,389</b>	<b>3,659</b>	<b>89,437,664</b>
Expenditures					
Current:					
General Government:					
Legislative and Executive	5,969,845	-	-	-	5,969,845
Judicial	2,204,007	-	-	-	2,204,007
Public Safety	11,662,768	-	-	-	11,662,768
Public Works	22,943,049	2,632,214	-	-	25,575,263
Health	5,665,329	-	-	-	5,665,329
Human Services	23,174,358	-	-	-	23,174,358
Intergovernmental	4,665,872	-	-	-	4,665,872
Capital Outlay	-	5,041,559	-	-	5,041,559
Debt Service:					
Principal Retirement	196,049	-	8,700,605	-	8,896,654
Interest and Fiscal Charges	6,275	164,107	3,962,105	-	4,132,487
<b>Total Expenditures</b>	<b>76,487,552</b>	<b>7,837,880</b>	<b>12,662,710</b>	<b>-</b>	<b>96,988,142</b>
Excess of Revenues Over (Under) Expenditures	4,412,516	(715,332)	(11,251,321)	3,659	(7,550,478)
Other Financing Sources (Uses):					
Premium on Debt Issued	-	-	979,990	-	979,990
Proceeds from Sale of Capital Assets	21,594	-	-	-	21,594
Refunding Bonds Issued	-	-	8,885,000	-	8,885,000
Inception of Capital Lease	37,332	-	-	-	37,332
Proceeds of Loans	50,699	-	-	-	50,699
Payment to Refunded Bond Escrow Agent	-	-	(7,873,107)	-	(7,873,107)
Transfers - In	167,698	1,185,970	9,204,301	-	10,557,969
Transfers - Out	(2,470,962)	-	-	-	(2,470,962)
<b>Total Other Financing Sources (Uses)</b>	<b>(2,193,639)</b>	<b>1,185,970</b>	<b>11,196,184</b>	<b>-</b>	<b>10,188,515</b>
Net Change in Fund Balances	2,218,877	470,638	(55,137)	3,659	2,638,037
Fund Balances (Deficit) at Beginning of Year - Restated (See Note 3)	56,711,577	(18,008,152)	1,216,098	848,304	40,767,827
Fund Balances (Deficit) at End of Year	\$ 58,930,454	\$ (17,537,514)	\$ 1,160,961	\$ 851,963	\$ 43,405,864



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**Butler County, Ohio**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**Non-major Special Revenue Funds**  
**For the Year Ended December 31, 2012**

	Real Estate Assessment	All Other Legislative and Executive	All Other Judicial	All Other Public Safety	Motor Vehicle
Revenues					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Other Local Taxes	-	-	-	-	2,479,528
Charges for Services	3,852,806	3,814,230	2,508,248	4,750,935	232,932
Licenses and Permits	-	-	-	665,077	-
Fines and Forfeitures	-	589,990	66,794	40,887	245,782
Intergovernmental	-	-	525	5,472,218	11,341,028
Special Assessments	-	-	-	-	-
Payments in Lieu of Taxes	-	-	-	-	-
Interest	-	9,197	475	-	25,550
Other	-	8,147	6	2,903	32,235
Total Revenues	<u>3,852,806</u>	<u>4,421,564</u>	<u>2,576,048</u>	<u>10,932,020</u>	<u>14,357,055</u>
Expenditures					
Current:					
General Government:					
Legislative and Executive	2,645,689	3,324,156	-	-	-
Judicial	-	-	2,204,007	-	-
Public Safety	-	-	-	11,662,768	-
Public Works	-	-	-	-	17,386,026
Health	-	-	-	-	-
Human Services	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Debt Service:					
Principal Retirement	-	-	-	-	195,617
Interest and Fiscal Charges	-	-	-	-	6,275
Total Expenditures	<u>2,645,689</u>	<u>3,324,156</u>	<u>2,204,007</u>	<u>11,662,768</u>	<u>17,587,918</u>
Excess of Revenues Over (Under) Expenditures	<u>1,207,117</u>	<u>1,097,408</u>	<u>372,041</u>	<u>(730,748)</u>	<u>(3,230,863)</u>
Other Financing Sources (Uses)					
Proceeds from Sale of Capital Assets	-	-	-	-	21,594
Inception of Capital Lease	-	-	-	-	-
Proceeds of Loans	-	-	-	-	50,699
Transfers - In	-	-	-	9,168	-
Transfers - Out	-	(1,000,000)	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(1,000,000)</u>	<u>-</u>	<u>9,168</u>	<u>72,293</u>
Net Change in Fund Balance	1,207,117	97,408	372,041	(721,580)	(3,158,570)
Fund Balances at Beginning of Year - Restated (see Note 3)	<u>2,267,018</u>	<u>3,304,243</u>	<u>2,471,839</u>	<u>5,745,782</u>	<u>12,034,119</u>
Fund Balances at End of Year	<u>\$ 3,474,135</u>	<u>\$ 3,401,651</u>	<u>\$ 2,843,880</u>	<u>\$ 5,024,202</u>	<u>\$ 8,875,549</u>

All Other Public Works	Child Support Enforcement	Alcohol and Drug Addiction	County Care Facility	Elderly Services Levy	All Other Human Services
\$ -	\$ -	\$ -	\$ -	\$8,664,355	\$ -
-	-	-	-	-	-
1,251,725	1,241,741	98,174	2,085,022	-	-
600	-	-	-	-	-
-	-	-	-	-	-
3,629,933	3,763,339	5,151,024	4,718,806	1,594,781	215,489
1,602,525	-	-	-	-	-
-	-	-	-	-	-
10,082	-	-	-	-	-
7,465	1,775	28,216	9,016	-	-
<u>6,502,330</u>	<u>5,006,855</u>	<u>5,277,414</u>	<u>6,812,844</u>	<u>10,259,136</u>	<u>215,489</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
5,557,023	-	-	-	-	-
-	-	5,665,329	-	-	-
-	4,461,195	-	7,124,427	11,331,689	257,047
-	-	-	-	-	-
-	-	-	432	-	-
-	-	-	-	-	-
<u>5,557,023</u>	<u>4,461,195</u>	<u>5,665,329</u>	<u>7,124,859</u>	<u>11,331,689</u>	<u>257,047</u>
<u>945,307</u>	<u>545,660</u>	<u>(387,915)</u>	<u>(312,015)</u>	<u>(1,072,553)</u>	<u>(41,558)</u>
-	-	-	-	-	-
-	-	-	37,332	-	-
-	-	-	-	-	-
-	-	110,000	-	-	48,530
-	-	-	-	-	-
-	-	<u>110,000</u>	<u>37,332</u>	-	<u>48,530</u>
945,307	545,660	(277,915)	(274,683)	(1,072,553)	6,972
<u>10,820,417</u>	<u>1,510,887</u>	<u>903,909</u>	<u>797,867</u>	<u>15,048,579</u>	<u>28,711</u>
<u>\$ 11,765,724</u>	<u>\$ 2,056,547</u>	<u>\$ 625,994</u>	<u>\$ 523,184</u>	<u>\$ 13,976,026</u>	<u>\$ 35,683</u>

(Continued)

**Butler County, Ohio**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**Non-major Special Revenue Funds**  
**For the Year Ended December 31, 2012 (Continued)**

	All Other Conservation and Recreation	Residential Incentive Districts and Tax Incremental Financings	Total Non-major Special Revenue Funds
Revenues			
Property Taxes	\$ -	\$ -	\$ 8,664,355
Other Local Taxes	-	-	2,479,528
Charges for Services	14,448	-	19,850,261
Licenses and Permits	8,330	-	674,007
Fines and Forfeitures	-	-	943,453
Intergovernmental	-	3,216,789	39,103,932
Special Assessments	-	-	1,602,525
Payments in Lieu of Taxes	-	7,446,940	7,446,940
Interest	-	-	45,304
Other	-	-	89,763
Total Revenues	<u>22,778</u>	<u>10,663,729</u>	<u>80,900,068</u>
Expenditures			
Current:			
General Government			
Legislative and Executive	-	-	5,969,845
Judicial	-	-	2,204,007
Public Safety	-	-	11,662,768
Public Works	-	-	22,943,049
Health	-	-	5,665,329
Human Services	-	-	23,174,358
Intergovernmental	-	4,665,872	4,665,872
Debt Service:			
Principal Retirement	-	-	196,049
Interest and Fiscal Charges	-	-	6,275
Total Expenditures	<u>-</u>	<u>4,665,872</u>	<u>76,487,552</u>
Excess of Revenues Over (Under) Expenditures	<u>22,778</u>	<u>5,997,857</u>	<u>4,412,516</u>
Other Financing Sources (Uses)			
Proceeds from Sale of Capital Assets	-	-	21,594
Inception of Capital Lease	-	-	37,332
Proceeds of Loans	-	-	50,699
Transfers - In	-	-	167,698
Transfers - Out	-	(1,470,962)	(2,470,962)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(1,470,962)</u>	<u>(2,193,639)</u>
Net Change in Fund Balance	22,778	4,526,895	2,218,877
Fund Balances at Beginning of Year - Restated (see Note 3)	<u>14,095</u>	<u>1,764,111</u>	<u>56,711,577</u>
Fund Balances at End of Year	<u>\$ 36,873</u>	<u>\$ 6,291,006</u>	<u>\$ 58,930,454</u>

**Butler County, Ohio**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-major Capital Projects Funds**  
**For the Year Ended December 31, 2012**

	Technology	Other Capital Improvements	Road Improvements	Buildings Construction and Renovations	Total Non-major Capital Projects Funds
<b>Revenues</b>					
Charges for Services	\$ 172,381	\$ -	\$ -	\$ -	\$ 172,381
Intergovernmental	-	1,022,126	5,795,371	-	6,817,497
Other	-	32,670	-	100,000	132,670
<b>Total Revenues</b>	<b>172,381</b>	<b>1,054,796</b>	<b>5,795,371</b>	<b>100,000</b>	<b>7,122,548</b>
<b>Expenditures</b>					
<b>Current:</b>					
Public Works	-	-	2,597,817	34,397	2,632,214
Capital Outlay	323,322	1,002,290	3,583,227	132,720	5,041,559
<b>Debt Service:</b>					
Interest and Fiscal Charges	30,612	5,278	23,973	104,244	164,107
<b>Total Expenditures</b>	<b>353,934</b>	<b>1,007,568</b>	<b>6,205,017</b>	<b>271,361</b>	<b>7,837,880</b>
Excess of Revenues Over (Under) Expenditures	(181,553)	47,228	(409,646)	(171,361)	(715,332)
<b>Other Financing Sources (Uses):</b>					
Transfers-In	333,437	339,917	15,028	497,588	1,185,970
<b>Net Change in Fund Balances</b>	<b>151,884</b>	<b>387,145</b>	<b>(394,618)</b>	<b>326,227</b>	<b>470,638</b>
Fund Balances (Deficit) at Beginning of Year	(2,524,316)	(831,696)	(2,790,731)	(11,861,409)	(18,008,152)
<b>Fund Balances (Deficit) at End of Year</b>	<b>\$ (2,372,432)</b>	<b>\$ (444,551)</b>	<b>\$ (3,185,349)</b>	<b>\$ (11,535,182)</b>	<b>\$ (17,537,514)</b>

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## Internal Service Funds

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

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

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

**Butler County, Ohio**  
**Combining Statement of Fund Net Position**  
**Internal Service Funds**  
**December 31, 2012**

	Health Insurance	Workers' Compensation	Total
<b>Assets</b>			
<b>Current Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 764,884	\$ 1,856,700	\$ 2,621,584
Receivables:			
Accounts	10,981	-	10,981
Prepaid Items	-	702	702
<b>Total Assets</b>	<b>775,865</b>	<b>1,857,402</b>	<b>2,633,267</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Contracts Payable	563	-	563
Accrued Wages and Benefits Payable	6,448	15,280	21,728
Claims Payable	-	742,940	742,940
Compensated Absences Payable	3,344	12,993	16,337
<b>Total Current Liabilities</b>	<b>10,355</b>	<b>771,213</b>	<b>781,568</b>
<b>Non-Current Liabilities</b>			
Claims Payable	-	2,035,117	2,035,117
Compensated Absences Payable	7,218	33,115	40,333
<b>Total Non-Current Liabilities</b>	<b>7,218</b>	<b>2,068,232</b>	<b>2,075,450</b>
<b>Total Liabilities</b>	<b>17,573</b>	<b>2,839,445</b>	<b>2,857,018</b>
<b>Total Net Position (Deficit)</b>	<b>\$ 758,292</b>	<b>\$ (982,043)</b>	<b>\$ (223,751)</b>



**Butler County, Ohio**  
**Combining Statement of Revenues,**  
**Expenses and Changes in Fund Net Position**  
**Internal Service Funds**  
**For the Year Ended December 31, 2012**

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	Health Insurance	Workers' Compensation	Total
Operating Revenues			
Charges for Services	\$ 14,702,191	\$ 2,019,990	\$ 16,722,181
Operating Expenses			
Personal Services	134,577	261,582	396,159
Contractual Services	14,446,385	5,401	14,451,786
Claims and Judgments	-	429,612	429,612
Materials and Supplies	20,272	903	21,175
Other	630	-	630
Total Operating Expenses	14,601,864	697,498	15,299,362
Operating Income (Loss)	100,327	1,322,492	1,422,819
Other Non-Operating Revenues	33,405	740	34,145
Change in Net Position	133,732	1,323,232	1,456,964
Net Position (Deficit) at Beginning of Year	624,560	(2,305,275)	(1,680,715)
Net Position (Deficit) at End of Year	\$ 758,292	\$ (982,043)	\$ (223,751)

**Butler County**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended December 31, 2012**

	Health Insurance	Workers' Compensation	Total
<u>Increase (Decrease) in Cash and Cash Equivalents:</u>			
<u>Cash Flows from Operating Activities:</u>			
Cash Paid to Suppliers	\$ (14,466,484)	\$ (787,830)	\$ (15,254,314)
Cash Paid to Employees	(133,789)	(260,973)	(394,762)
Cash Received from Interfund Services Provided	14,702,191	2,019,990	16,722,181
Other Non-Operating Revenues	33,405	740	34,145
Cash Paid for Claims	-	(686,868)	(686,868)
Net Cash Provided by (Used for) Operating Activities	<u>135,323</u>	<u>285,059</u>	<u>420,382</u>
Net Increase (Decrease) in Cash and Cash Equivalents	135,323	285,059	420,382
Cash and Cash Equivalents at Beginning of Year	<u>629,561</u>	<u>1,571,641</u>	<u>2,201,202</u>
Cash and Cash Equivalents at End of Year	<u>\$ 764,884</u>	<u>\$ 1,856,700</u>	<u>\$ 2,621,584</u>
<u>Reconciliation of Operating Income to Net</u>			
<u>Cash Provided by (Used For) Operating Activities:</u>			
Operating Income	<u>\$ 100,327</u>	<u>\$ 1,322,492</u>	<u>\$ 1,422,819</u>
<u>Adjustments to Reconcile Operating (Loss) to Net Cash</u>			
<u>Provided by (Used For) Operating Activities:</u>			
Other Non-Operating Revenues	33,405	740	34,145
<u>Changes in Assets and Liabilities:</u>			
Decrease in Prepaid Items	458	-	458
Increase in Accrued Wages and Benefits Payable	785	599	1,384
Decrease in Accounts Payable	-	(400)	(400)
Increase in Contracts Payable	345	-	345
Increase in Compensated Absences Payable	3	10	13
Decrease in Due to Other Governments	-	(781,126)	(781,126)
Decrease in Claims Payable	-	(257,256)	(257,256)
Total Adjustments	<u>34,996</u>	<u>(1,037,433)</u>	<u>(1,002,437)</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ 135,323</u>	<u>\$ 285,059</u>	<u>\$ 420,382</u>

## Agency Funds

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

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

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

**Butler County, Ohio**  
**Combining Statement of Fiduciary Assets and Liabilities**  
**Agency Funds**  
**December 31, 2012**

	Undivided Tax	All Other Agency	Total
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 14,736,143	\$ 10,666,491	\$ 25,402,634
Cash and Cash Equivalents in Segregated Accounts	-	4,399,213	4,399,213
Property Taxes Receivable	424,032,166	-	424,032,166
Revenue in Lieu of Taxes Receivable	39,075,344	-	39,075,344
Special Assessments Receivable	13,072,365	-	13,072,365
Due from Other Governments	11,351,952	197,438	11,549,390
<b>Total Assets</b>	<b><u>502,267,970</u></b>	<b><u>15,263,142</u></b>	<b><u>517,531,112</u></b>
<b>Liabilities</b>			
Undistributed Monies	-	14,756,419	14,756,419
Deposits Held and Due to Others	-	362,839	362,839
Due to Other Governments	502,267,970	124,544	502,392,514
Loans Payable	-	19,340	19,340
<b>Total Liabilities</b>	<b><u>\$ 502,267,970</u></b>	<b><u>\$ 15,263,142</u></b>	<b><u>\$ 517,531,112</u></b>

**Butler County, Ohio**  
**Combining Statement of Changes in Assets and Liabilities**  
**All Agency Funds**  
**For the Year Ended December 31, 2012**

	Beginning Balance 12/31/11	Additions	Deductions	Ending Balance 12/31/12
<b>Undivided Tax Fund</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 17,555,953	\$ 489,529,657	\$ 492,349,467	\$ 14,736,143
Cash and Cash Equivalents				
In Segregated Accounts	13,751	-	13,751	-
Due from Other Funds	-	29,773	29,773	-
Property Taxes Receivable	429,225,354	424,032,166	429,225,354	424,032,166
Revenue in Lieu of Taxes Receivable	36,110,896	39,075,344	36,110,896	39,075,344
Special Assessments Receivable	14,092,212	12,519,951	13,539,798	13,072,365
Due from Other Governments	12,126,922	11,351,952	12,126,922	11,351,952
<b>Total Assets</b>	<b>509,125,088</b>	<b>976,538,843</b>	<b>983,395,961</b>	<b>502,267,970</b>
<b>Liabilities</b>				
Due to Other Governments	509,125,088	485,019,844	491,876,962	502,267,970
<b>All Other Agency Fund</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	10,605,750	136,548,602	136,487,861	10,666,491
Cash and Cash Equivalents				
In Segregated Accounts	3,719,439	693,834	14,060	4,399,213
Accrued Interest Receivable	379	-	379	-
Due from Other Funds	-	19,223	19,223	-
Due from Other Governments	229,473	197,438	229,473	197,438
<b>Total Assets</b>	<b>14,555,041</b>	<b>137,459,097</b>	<b>136,750,996</b>	<b>15,263,142</b>
<b>Liabilities</b>				
Undistributed Monies	14,135,637	1,229,445	608,663	14,756,419
Deposits Held and Due to Others	283,275	321,329	241,765	362,839
Due to Other Funds	-	39,711,917	39,711,917	-
Due to Other Governments	125,815	-	1,271	124,544
Loans Payable	10,314	19,310	10,284	19,340
<b>Total Liabilities</b>	<b>\$ 14,555,041</b>	<b>\$ 41,282,001</b>	<b>\$ 40,573,900</b>	<b>\$ 15,263,142</b>

(Continued)

**Butler County, Ohio**  
**Combining Statement of Changes in Assets and Liabilities**  
**All Agency Funds**  
**For the Year Ended December 31, 2012 (Continued)**

	Beginning Balance 12/31/11	Additions	Deductions	Ending Balance 12/31/12
Total - All Funds				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 28,161,703	\$ 626,078,259	\$ 628,837,328	\$25,402,634
Cash and Cash Equivalents				
In Segregated Accounts	3,733,190	693,834	27,811	4,399,213
Accrued Interest Receivable	379	-	379	-
Due from Other Funds	-	48,996	48,996	-
Property Taxes Receivable	429,225,354	424,032,166	429,225,354	424,032,166
Revenue in Lieu of Taxes Receivable	36,110,896	39,075,344	36,110,896	39,075,344
Special Assessments Receivable	14,092,212	12,519,951	13,539,798	13,072,365
Due from Other Governments	12,356,395	11,549,390	12,356,395	11,549,390
<b>Total Assets</b>	<b>523,680,129</b>	<b>1,113,997,940</b>	<b>1,120,146,957</b>	<b>517,531,112</b>
Liabilities				
Undistributed Monies	14,135,637	1,229,445	608,663	14,756,419
Deposits Held and Due to Others	283,275	321,329	241,765	362,839
Due to Other Funds	-	39,711,917	39,711,917	-
Due to Other Governments	509,250,903	485,019,844	491,878,233	502,392,514
Loans Payable	10,314	19,310	10,284	19,340
<b>Total Liabilities</b>	<b>\$ 523,680,129</b>	<b>\$ 526,301,845</b>	<b>\$ 532,450,862</b>	<b>\$ 517,531,112</b>

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**Butler County, Ohio**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance-Budget and Actual**  
**General Fund**  
**Budget Basis**  
**For the Year Ended December 31, 2012**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>				
Property Taxes	\$ 12,316,000	\$ 12,617,000	\$ 12,695,297	\$ 78,297
Sales Taxes	31,110,000	32,309,000	32,309,959	959
Charges for Services	18,515,989	16,716,839	16,790,934	74,095
Licenses and Permits	30,774	1,474,475	1,540,980	66,505
Fines and Forfeitures	1,434,250	1,266,250	1,267,169	919
Intergovernmental	7,443,600	7,373,049	7,541,206	168,157
Interest	2,200,000	1,770,000	2,032,565	262,565
Other	918,337	676,643	732,844	56,201
<b>Total Revenues</b>	<b>73,968,950</b>	<b>74,203,256</b>	<b>74,910,954</b>	<b>707,698</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General Government:</b>				
<b>Legislative and Executive</b>				
<b>Information Services</b>				
Personal Services	1,396,074	1,369,742	1,347,982	21,760
Materials and Supplies	6,000	207,845	207,410	435
Contractual Services	1,008,502	667,984	665,189	2,795
<b>Total Information Services</b>	<b>2,410,576</b>	<b>2,245,571</b>	<b>2,220,581</b>	<b>24,990</b>
<b>Audit Services</b>				
Contractual Services	119,000	151,678	151,678	-
<b>Auditor</b>				
Personal Services	1,104,298	1,073,798	1,066,389	7,409
Materials and Supplies	13,100	39,788	34,183	5,605
Contractual Services	91,450	111,155	110,299	856
Capital Outlay	-	27,125	27,125	-
Other	1,200	290	-	290
<b>Total Auditor</b>	<b>1,210,048</b>	<b>1,252,156</b>	<b>1,237,996</b>	<b>14,160</b>
<b>Commissioners</b>				
Personal Services	965,713	1,004,206	1,001,568	2,638
Materials and Supplies	11,816	13,647	13,445	202
Contractual Services	21,046	17,956	11,656	6,300
Other	30,050	103,267	103,267	-
<b>Total Commissioners</b>	<b>1,028,625</b>	<b>1,139,076</b>	<b>1,129,936</b>	<b>9,140</b>
<b>Department of Development</b>				
Personal Services	898,645	874,435	868,576	5,859
Materials and Supplies	5,450	5,896	5,844	52
Contractual Services	157,642	167,448	163,316	4,132
Other	900	900	900	-
<b>Total Department of Development</b>	<b>1,062,637</b>	<b>1,048,679</b>	<b>1,038,636</b>	<b>10,043</b>
<b>Mailroom</b>				
Personal Services	87,787	88,171	88,155	16
Materials and Supplies	538,124	543,363	539,863	3,500
<b>Total Mailroom</b>	<b>\$ 625,911</b>	<b>\$ 631,534</b>	<b>\$ 628,018</b>	<b>\$ 3,516</b>

(continued)



**Butler County, Ohio**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance-Budget and Actual**  
**General Fund (continued)**  
**Budget Basis**  
**For the Year Ended December 31, 2012**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Maintenance				
Personal Services	\$ 197,318	\$ 201,347	\$ 201,328	\$ 19
Materials and Supplies	56,872	133,124	120,575	12,549
Contractual Services	1,786,355	1,809,062	1,779,622	29,440
Capital Outlay	-	20,344	20,344	-
Total Maintenance	2,040,545	2,163,877	2,121,869	42,008
Records Center				
Personal Services	250,365	252,544	252,527	17
Materials and Supplies	3,000	3,582	3,525	57
Contractual Services	32,450	29,507	29,474	33
Total Records Center	285,815	285,633	285,526	107
Insurance, Pension and Taxes				
Contractual Services	1,218,718	1,407,797	1,399,156	8,641
Other	690,971	737,721	726,550	11,171
Total Insurance, Pension and Taxes	1,909,689	2,145,518	2,125,706	19,812
Commissioners-Other				
Contractual Services	491,979	620,210	615,696	4,514
Other	4,000	4,380	4,380	-
Total Commissioners-Other	495,979	624,590	620,076	4,514
Board of Elections				
Personal Services	1,898,105	2,599,913	2,576,219	23,694
Materials and Supplies	302,771	412,473	304,246	108,227
Contractual Services	310,553	542,568	491,374	51,194
Capital Outlay	-	40,686	40,686	-
Other	-	255	255	-
Total Board of Elections	2,511,429	3,595,895	3,412,780	183,115
Prosecuting Attorney				
Personal Services	3,328,195	3,330,367	3,328,652	1,715
Materials and Supplies	34,300	34,615	34,202	413
Contractual Services	52,394	46,490	38,289	8,201
Other	39,159	39,159	39,159	-
Total Prosecuting Attorney	3,454,048	3,450,631	3,440,302	10,329
CSEA Prosecutor				
Personal Services	305,843	303,843	290,578	13,265
Materials and Supplies	1,800	1,800	1,792	8
Contractual Services	22,880	28,747	27,310	1,437
Total CSEA Prosecutor	330,523	334,390	319,680	14,710
Public Defender Area Courts				
Personal Services	196,684	197,373	197,265	108
Materials and Supplies	869	1,897	1,897	-
Contractual Services	-	230	230	-
Total Public Defender Area Courts	197,553	199,500	199,392	108
Public Defender Common Pleas				
Personal Services	737,631	739,159	739,047	112
Materials and Supplies	3,261	2,921	2,921	-
Total Public Defender Common Pleas	\$ 740,892	\$ 742,080	\$ 741,968	\$ 112

(continued)

**Butler County, Ohio**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance-Budget and Actual**  
**General Fund (continued)**  
**Budget Basis**  
**For the Year Ended December 31, 2012**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Public Defender Municipal				
Personal Services	\$ 536,612	\$ 534,817	\$ 533,141	\$ 1,676
Materials and Supplies	2,372	4,428	3,994	434
Total Public Defender Municipal	<u>538,984.00</u>	<u>539,245</u>	<u>537,135</u>	<u>2,110</u>
Recorder				
Personal Services	717,941	722,232	722,097	135
Materials and Supplies	1,980	1,680	1,638	42
Contractual Services	6,325	8,075	7,959	116
Total Recorder	<u>726,246</u>	<u>731,987</u>	<u>731,694</u>	<u>293</u>
Treasurer				
Personal Services	619,273	618,273	605,780	12,493
Materials and Supplies	2,051	467	467	-
Contractual Services	70,162	70,134	70,134	-
Total Treasurer	<u>691,486</u>	<u>688,874</u>	<u>676,381</u>	<u>12,493</u>
Unclaimed Monies				
Other	5,000	42,676	42,658	18
Total General Government:				
Legislative and Executive	<u>20,384,986</u>	<u>22,013,590</u>	<u>21,662,012</u>	<u>351,578</u>
General Government:				
Judicial				
Area Courts				
Personal Services	950,957	977,742	964,826	12,916
Materials and Supplies	19,980	24,348	24,345	3
Contractual Services	71,365	72,491	70,984	1,507
Total Area Courts	<u>1,042,302</u>	<u>1,074,581</u>	<u>1,060,155</u>	<u>14,426</u>
Clerk of Courts				
Personal Services	1,394,131	1,488,069	1,428,881	59,188
Materials and Supplies	354,237	343,173	343,059	114
Contractual Services	9,800	53,340	39,303	14,037
Total Clerk of Courts	<u>1,758,168</u>	<u>1,884,582</u>	<u>1,811,243</u>	<u>73,339</u>
Common Pleas Court				
Personal Services	1,664,050	1,653,550	1,640,122	13,428
Materials and Supplies	23,000	29,597	21,244	8,353
Contractual Services	466,000	503,923	413,486	90,437
Total Common Pleas Court	<u>2,153,050</u>	<u>2,187,070</u>	<u>2,074,852</u>	<u>112,218</u>
Court Services				
Personal Services	363,802	344,302	318,524	25,778
Contractual Services	600	600	-	600
Total Court Services	<u>\$ 364,402</u>	<u>\$ 344,902</u>	<u>\$ 318,524</u>	<u>\$ 26,378</u>

(continued)

**Butler County, Ohio**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance-Budget and Actual**  
**General Fund (continued)**  
**Budget Basis**  
**For the Year Ended December 31, 2012**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Domestic Relations Court				
Personal Services	\$ 1,254,770	\$ 1,254,770	\$ 1,185,134	\$ 69,636
Materials and Supplies	11,690	24,590	24,582	8
Contractual Services	114,059	102,338	98,712	3,626
Other	545	545	220	325
Total Domestic Relations Court	<u>1,381,064</u>	<u>1,382,243</u>	<u>1,308,648</u>	<u>73,595</u>
Parenting Education				
Contractual Services	52,235	55,700	51,110	4,590
Juvenile Court				
Personal Services	2,274,867	2,266,367	2,240,298	26,069
Materials and Supplies	33,000	94,527	91,845	2,682
Contractual Services	1,543,680	1,642,822	1,481,218	161,604
Other	600	-	-	-
Total Juvenile Court	<u>3,852,147</u>	<u>4,003,716</u>	<u>3,813,361</u>	<u>190,355</u>
Probate Court				
Personal Services	636,091	634,991	612,532	22,459
Materials and Supplies	17,369	17,436	16,835	601
Contractual Services	20,183	22,083	20,096	1,987
Total Probate Court	<u>673,643</u>	<u>674,510</u>	<u>649,463</u>	<u>25,047</u>
Court of Appeals				
Personal Services	9,487	9,487	9,097	390
Materials and Supplies	18,625	48,207	46,847	1,360
Contractual Services	529,031	522,550	501,505	21,045
Other	300	300	-	300
Total Court of Appeals	<u>557,443</u>	<u>580,544</u>	<u>557,449</u>	<u>23,095</u>
Municipal Courts				
Personal Services	388,184	404,257	393,344	10,913
Contractual Services	34,000	42,175	41,351	824
Total Municipal Courts	<u>422,184</u>	<u>446,432</u>	<u>434,695</u>	<u>11,737</u>
Total General Government:				
Judicial	<u>12,256,638</u>	<u>12,634,280</u>	<u>12,079,500</u>	<u>554,780</u>
Public Safety				
Adult Probation				
Personal Services	1,437,078	1,437,078	1,399,355	37,723
Materials and Supplies	78,000	78,040	36,226	41,814
Contractual Services	464,804	484,992	443,478	41,514
Total Adult Probation	<u>\$ 1,979,882</u>	<u>\$ 2,000,110</u>	<u>\$ 1,879,059</u>	<u>\$ 121,051</u>

(continued)

**Butler County, Ohio**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance-Budget and Actual**  
**General Fund (continued)**  
**Budget Basis**  
**For the Year Ended December 31, 2012**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
General Communications Sales Tax				
Materials and Supplies	\$ 21,000	\$ 182,249	\$ 176,325	\$ 5,924
Contractual Services	2,326,600	2,264,682	2,258,647	6,035
Capital Outlay	-	76,610	76,610	-
Total General Communications Sales Tax	<u>2,347,600</u>	<u>2,523,541</u>	<u>2,511,582</u>	<u>11,959</u>
Coroner				
Personal Services	642,937	544,380	520,772	23,608
Materials and Supplies	7,600	5,198	5,030	168
Contractual Services	7,763	7,262	7,213	49
Total Coroner	<u>658,300</u>	<u>556,840</u>	<u>533,015</u>	<u>23,825</u>
Coroner's Morgue				
Materials and Supplies	20,500	22,390	20,936	1,454
Contractual Services	327,383	328,396	321,519	6,877
Total Coroner's Morgue	<u>347,883</u>	<u>350,786</u>	<u>342,455</u>	<u>8,331</u>
Juvenile Facilities				
Personal Services	1,716,988	1,710,988	1,682,234	28,754
Materials and Supplies	123,100	183,417	175,663	7,754
Contractual Services	188,780	174,441	169,551	4,890
Total Juvenile Facilities	<u>2,028,868</u>	<u>2,068,846</u>	<u>2,027,448</u>	<u>41,398</u>
Sheriff's Academy				
Materials and Supplies	10,911	10,701	10,669	32
Contractual Services	21,268	23,388	23,356	32
Total Sheriff's Academy	<u>32,179</u>	<u>34,089</u>	<u>34,025</u>	<u>64</u>
Sheriff's Resolutions				
Personal Services	151,951	151,951	117,172	34,779
Materials and Supplies	531,900	695,411	695,345	66
Contractual Services	3,242,900	3,223,567	3,213,077	10,490
Capital Outlay	-	66,911	66,911	-
Total Sheriff's Resolutions	<u>3,926,751</u>	<u>4,137,840</u>	<u>4,092,505</u>	<u>45,335</u>
Sheriff				
Personal Services	18,101,889	18,083,733	17,885,850	197,883
Materials and Supplies	530,108	682,962	681,937	1,025
Contractual Services	522,699	483,525	475,516	8,009
Other	187,105	264,268	264,240	28
Total Sheriff	<u>\$ 19,341,801</u>	<u>\$ 19,514,488</u>	<u>\$ 19,307,543</u>	<u>\$ 206,945</u>

(continued)

Butler County, Ohio  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance-Budget and Actual  
General Fund (continued)  
Budget Basis  
For the Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Paramedics				
Personal Services	\$ 885,736	\$ 889,382	\$ 888,565	\$ 817
Materials and Supplies	-	437,126	408,436	28,690
Contractual Services	632,000	302,987	302,987	-
Total Paramedics	1,517,736	1,629,495	1,599,988	29,507
E911 Dispatch				
Personal Services	1,364,831	1,433,400	1,432,341	1,059
Materials and Supplies	7,920	32,870	32,840	30
Contractual Services	700	2,700	2,000	700
Other	1,500	2,472	2,472	-
Total Paramedics	1,374,951	1,471,442	1,469,653	1,789
Total Public Safety	33,555,951	34,287,477	33,797,273	490,204
Public Works				
Solid Waste Landfill				
Contractual Services	13,500	13,500	13,500	-
Engineers-Plat Room				
Personal Services	161,689	157,160	155,329	1,831
Total Public Works	175,189	170,660	168,829	1,831
Health				
Other-Health				
Contractual Service	780,849	780,849	780,849	-
Registration Vital Statistics				
Other	3,638	3,639	3,639	-
Total Health	784,487	784,488	784,488	-
Human Services				
Veterans Memorial				
Materials and Supplies	-	3,600	3,580	20
Contractual Services	10,000	10,475	10,446	29
Total Veterans Memorial	10,000	14,075	14,026	49
Veterans Services				
Personal Services	741,423	743,923	740,235	3,688
Materials and Supplies	17,320	24,816	22,007	2,809
Contractual Services	551,200	544,492	518,707	25,785
Capital Outlay	-	23,000	23,000	-
Total Veterans Services	1,309,943	1,336,231	1,303,949	32,282
Total Human Services	\$ 1,319,943	\$ 1,350,306	\$ 1,317,975	\$ 32,331

(continued)

**Butler County, Ohio**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance-Budget and Actual**  
**General Fund (continued)**  
**Budget Basis**  
**For the Year Ended December 31, 2012**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Conservation and Recreation				
Agricultural				
Contractual Services	\$ 1,003	\$ 209	\$ 209	\$ -
Other	345,977	345,977	345,977	-
Total Agricultural	346,980	346,186	346,186	-
Emergency Management				
Other	100,000	80,000	80,000	-
Total Conservation and Recreation	446,980	426,186	426,186	-
Debt Service:				
Principal Retirement	624,332	624,735	624,735	-
Interest and Fiscal Charges	21,687	21,962	21,962	-
Total Debt Service	646,019	646,697	646,697	-
Total Expenditures	69,570,193	72,313,684	70,882,960	1,430,724
Excess of Revenues Over Expenditures	4,398,757	1,889,572	4,027,994	2,138,422
Other Financing Sources (Uses):				
Other Financing Sources	2,106,500	2,530,500	2,694,332	163,832
Advances - In	129,972	471,666	473,722	2,056
Advances - Out	-	(458,410)	(458,410)	-
Transfers - In	500,000	1,000,000	1,000,000	-
Transfers - Out	(10,042,927)	(10,146,929)	(10,063,484)	83,445
Total Other Financing Sources (Uses)	(7,306,455)	(6,603,173)	(6,353,840)	249,333
Net Change in Fund Balance	(2,907,698)	(4,713,601)	(2,325,846)	2,387,755
Fund Balance at Beginning of Year	9,016,462	9,016,462	9,016,462	-
Prior Year Encumbrances Appropriated	1,888,809	1,888,809	1,888,809	-
Fund Balance at End of Year	\$ 7,997,573	\$ 6,191,670	\$ 8,579,425	\$ 2,387,755

**Butler County, Ohio**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance-Budget and Actual**  
**Developmental Disabilities-Special Revenue Fund**  
**Budget Basis**  
**For the Year Ended December 31, 2012**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Property Taxes	\$ 17,558,331	\$ 17,558,331	\$ 18,050,900	\$ 492,569
Charges for Services	65,000	142,086	142,086	-
Intergovernmental	9,661,079	9,987,494	9,990,041	2,547
Other	43,500	67,806	67,812	6
Total Revenues	<u>27,327,910</u>	<u>27,755,717</u>	<u>28,250,839</u>	<u>495,122</u>
Expenditures:				
Current:				
Health				
Developmental Disabilities				
Personal Services	14,394,987	15,674,987	15,560,599	114,388
Materials and Supplies	1,035,000	922,866	703,520	219,346
Contractual Services	14,067,000	15,026,749	12,818,489	2,208,260
Capital Outlay	600,000	601,475	528,716	72,759
Other	5,000	11,175	9,075	2,100
Total Expenditures	<u>30,101,987</u>	<u>32,237,252</u>	<u>29,620,399</u>	<u>2,616,853</u>
Excess of Revenues Over (Under) Expenditures	(2,774,077)	(4,481,535)	(1,369,560)	3,111,975
Other Financing Sources :				
Other Financing Sources	75,000	62,194	62,194	-
Net Change in Fund Balance	(2,699,077)	(4,419,341)	(1,307,366)	3,111,975
Fund Balance at Beginning of Year	29,945,929	29,945,929	29,945,929	-
Prior Year Encumbrances Appropriated	775,517	775,517	775,517	-
Fund Balance at End of Year	<u>\$ 28,022,369</u>	<u>\$ 26,302,105</u>	<u>\$ 29,414,080</u>	<u>\$ 3,111,975</u>

**Butler County, Ohio**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance-Budget and Actual**  
**Job and Family Services/Children Services Agency-Special Revenue Fund**  
**Budget Basis**  
**For the Year Ended December 31, 2012**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Property Taxes	\$ 13,255,000	\$ 13,255,000	\$ 13,220,224	\$ (34,776)
Intergovernmental	23,204,310	22,636,437	22,856,752	220,315
Other	1,236,000	1,095,758	1,107,045	11,287
Total Revenues	<u>37,695,310</u>	<u>36,987,195</u>	<u>37,184,021</u>	<u>196,826</u>
Expenditures:				
Current:				
Human Services				
Job and Family/Children Services				
Personal Services	16,529,907	16,278,561	16,275,571	2,990
Materials and Supplies	319,150	316,785	294,903	21,882
Contractual Services	21,440,088	21,903,343	21,576,354	326,989
Capital Outlay	33,320	31,884	31,884	-
Other	2,907,361	1,547,276	1,538,406	8,870
Total Human Services	<u>41,229,826</u>	<u>40,077,849</u>	<u>39,717,118</u>	<u>360,731</u>
Debt Service:				
Principal Retirement	10,740	6,114	6,114	-
Interest and Fiscal Charges	-	1,716	1,716	-
Total Debt Service	<u>10,740</u>	<u>7,830</u>	<u>7,830</u>	<u>-</u>
Total Expenditures	<u>41,240,566</u>	<u>40,085,679</u>	<u>39,724,948</u>	<u>360,731</u>
Excess of Revenues Over (Under) Expenditures	<u>(3,545,256)</u>	<u>(3,098,484)</u>	<u>(2,540,927)</u>	<u>557,557</u>
Other Financing Sources:				
Other Financing Sources	1,952,300	509,986	815,771	305,785
Transfers - In	980,235	973,672	973,672	-
Total Other Financing Sources	<u>2,932,535</u>	<u>1,483,658</u>	<u>1,789,443</u>	<u>305,785</u>
Net Change in Fund Balance	(612,721)	(1,614,826)	(751,484)	863,342
Fund Balance at Beginning of Year	6,856,703	6,856,703	6,856,703	-
Prior Year Encumbrances Appropriated	386,564	386,564	386,564	-
Fund Balance at End of Year	<u>\$ 6,630,546</u>	<u>\$ 5,628,441</u>	<u>\$ 6,491,783</u>	<u>\$ 863,342</u>



**Butler County, Ohio**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance-Budget and Actual**  
**Mental Health-Special Revenue Fund**  
**Budget Basis**  
**For the Year Ended December 31, 2012**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Property Taxes	\$ 8,685,808	\$ 8,410,808	\$ 8,284,486	\$ (126,322)
Charges for Services	50,000	50,000	69,520	19,520
Intergovernmental	12,711,881	12,226,412	12,242,437	16,025
Other	-	124,000	142,284	18,284
Total Revenues	<u>21,447,689</u>	<u>20,811,220</u>	<u>20,738,727</u>	<u>(72,493)</u>
Expenditures:				
Current:				
Health				
Mental Health				
Personal Services	870,352	1,002,906	897,452	105,454
Materials and Supplies	34,000	34,861	20,308	14,553
Contractual Services	22,788,913	22,819,727	21,198,177	1,621,550
Total Expenditures	<u>23,693,265</u>	<u>23,857,494</u>	<u>22,115,937</u>	<u>1,741,557</u>
Excess of Revenues Over (Under) Expenditures	(2,245,576)	(3,046,274)	(1,377,210)	1,669,064
Other Financing Sources:				
Other Financing Sources	<u>-</u>	<u>361,469</u>	<u>455,794</u>	<u>94,325</u>
Net Change in Fund Balance	(2,245,576)	(2,684,805)	(921,416)	1,763,389
Fund Balance at Beginning of Year	12,899,144	12,899,144	12,899,144	-
Prior Year Encumbrances Appropriated	23,662	23,662	23,662	-
Fund Balance at End of Year	<u>\$ 10,677,230</u>	<u>\$ 10,238,001</u>	<u>\$ 12,001,390</u>	<u>\$ 1,763,389</u>

**Butler County, Ohio**  
**Schedule of Revenues, Expenses, and**  
**Changes in Fund Equity-Budget and Actual**  
**Sewer-Enterprise Fund**  
**Budget Basis**  
**For the Year Ended December 31, 2012**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>				
Charges for Services	\$ 17,822,170	\$ 18,402,170	\$ 18,707,261	\$ 305,091
Contributed Capital	2,635,099	3,415,099	3,477,323	62,224
Special Assessments	35,000	35,000	62,891	27,891
Interest Income	-	1,400	1,419	19
Other Non-Operating Revenues	102,000	134,500	119,749	(14,751)
Other Operating Revenues	361,560	342,660	243,984	(98,676)
Proceeds from Loans	-	6,136,396	6,136,396	-
<b>Total Revenues</b>	<u>20,955,829</u>	<u>28,467,225</u>	<u>28,749,023</u>	<u>281,798</u>
<b>Expenses:</b>				
Personal Services	5,785,303	5,813,508	5,753,354	60,154
Contractual Services	12,729,776	24,286,674	23,267,125	1,019,549
Materials and Supplies	1,515,873	1,776,339	1,554,457	221,882
Other Operating Expenses	600,132	427,215	398,011	29,204
Capital Outlay	212,460	212,460	18,272	194,188
<b>Debt Service:</b>				
Principal Retirement	3,972,015	3,893,332	3,867,660	25,672
Interest and Fiscal Charges	1,992,729	1,916,604	1,884,600	32,004
<b>Total Expenses</b>	<u>26,808,288</u>	<u>38,326,132</u>	<u>36,743,479</u>	<u>1,582,653</u>
Excess of Revenues Over (Under) Expenses	(5,852,459)	(9,858,907)	(7,994,456)	1,864,451
Transfer - Out	<u>(2,519,570)</u>	<u>(2,519,570)</u>	-	<u>2,519,570</u>
Net Change in Fund Equity	(8,372,029)	(12,378,477)	(7,994,456)	4,384,021
Fund Equity at Beginning of Year	31,168,188	31,168,188	31,168,188	-
Prior Year Encumbrances Appropriated	3,158,944	3,158,944	3,158,944	-
<b>Fund Equity at End of Year</b>	<u>\$ 25,955,103</u>	<u>\$ 21,948,655</u>	<u>\$ 26,332,676</u>	<u>\$ 4,384,021</u>

**Butler County, Ohio**  
**Schedule of Revenues, Expenses, and**  
**Changes in Fund Equity-Budget and Actual**  
**Water-Enterprise Fund**  
**Budget Basis**  
**For the Year Ended December 31, 2012**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Charges for Services	\$ 20,556,888	\$ 20,931,888	\$ 21,138,518	\$ 206,630
Contributed Capital	1,117,630	1,920,667	1,919,560	(1,107)
Special Assessments	30,000	57,000	57,376	376
Other Non-Operating Revenues	180,100	166,021	180,095	14,074
Other Operating Revenues	98,012	98,012	92,430	(5,582)
Premium on Debt Issued	-	178,585	178,585	-
Proceeds from Sale of Capital Assets	-	14,079	14,079	-
Refunding Bonds Issued	-	4,207,908	4,210,000	2,092
Proceeds from Loans	-	394,106	394,206	100
Total Revenues	<u>21,982,630</u>	<u>27,968,266</u>	<u>28,184,849</u>	<u>216,583</u>
Expenses:				
Personal Services	3,459,874	3,268,396	3,231,484	36,912
Contractual Services	14,314,154	16,534,153	15,964,907	569,246
Materials and Supplies	670,909	697,498	546,993	150,505
Other Operating Expenses	516,445	502,822	392,912	109,910
Capital Outlay	12,540	12,540	11,197	1,343
Debt Service:				
Principal Retirement	4,265,498	4,311,605	4,212,588	99,017
Interest and Fiscal Charges	2,691,330	2,766,694	2,721,741	44,953
Payment to Refunding Escrow Agent	-	4,325,303	4,325,303	-
Total Expenses	<u>25,930,750</u>	<u>32,419,011</u>	<u>31,407,125</u>	<u>1,011,886</u>
Excess of Revenues Over (Under) Expenses	<u>(3,948,120)</u>	<u>(4,450,745)</u>	<u>(3,222,276)</u>	<u>1,228,469</u>
Transfers - In	813,000	2,965	2,805	(160)
Transfer - Out	(813,000)	(983,000)	-	983,000
	<u>-</u>	<u>(980,035)</u>	<u>2,805</u>	<u>982,840</u>
Net Change in Fund Equity	(3,948,120)	(5,430,780)	(3,219,471)	2,211,309
Fund Equity at Beginning of Year	12,383,713	12,383,713	12,383,713	-
Prior Year Encumbrances Appropriated	1,675,356	1,675,356	1,675,356	-
Fund Equity at End of Year	<u>\$ 10,110,949</u>	<u>\$ 8,628,289</u>	<u>\$ 10,839,598</u>	<u>\$ 2,211,309</u>

**Butler County, Ohio**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance-Budget and Actual**  
**Real Estate Assessment-Special Revenue Fund**  
**Budget Basis**  
**For the Year Ended December 31, 2012**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Charges for Services	\$ 3,109,020	\$ 3,809,020	\$ 3,852,806	\$ 43,786
Expenditures:				
Current:				
General Government:				
Legislative and Executive				
Real Estate Assessment				
Personal Services	1,598,074	1,637,237	1,632,734	4,503
Materials and Supplies	71,200	231,024	218,397	12,627
Contractual Services	576,000	1,093,949	798,000	295,949
Capital Outlay	-	34,000	32,363	1,637
Total Expenditures	<u>2,245,274</u>	<u>2,996,210</u>	<u>2,681,494</u>	<u>314,716</u>
Excess of Revenues Over Expenditures	863,746	812,810	1,171,312	358,502
Other Financing Sources:				
Other Financing Sources	<u>-</u>	<u>-</u>	<u>661</u>	<u>661</u>
Net Change in Fund Balance	863,746	812,810	1,171,973	359,163
Fund Balance at Beginning of Year	2,081,334	2,081,334	2,081,334	-
Prior Year Encumbrances Appropriated	<u>226,798</u>	<u>226,798</u>	<u>226,798</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 3,171,878</u>	<u>\$ 3,120,942</u>	<u>\$ 3,480,105</u>	<u>\$ 359,163</u>

**Butler County, Ohio**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance-Budget and Actual**  
**All Other Legislative and Executive-Special Revenue Fund**  
**Budget Basis**  
**For the Year Ended December 31, 2012**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Charges for Services	\$ 3,392,255	\$ 3,822,295	\$ 3,966,511	\$ 144,216
Fines and Forfeitures	727,450	636,624	636,624	-
Interest	8,038	8,038	9,197	1,159
Other	-	8,147	8,147	-
Total Revenues	<u>4,127,743</u>	<u>4,475,104</u>	<u>4,620,479</u>	<u>145,375</u>
Expenditures:				
Current:				
General Government:				
Legislative and Executive				
Other Legislative and Executive				
Personal Services	2,407,438	2,396,866	2,280,268	116,598
Materials and Supplies	691,203	738,791	534,923	203,868
Contractual Services	758,865	805,818	551,009	254,809
Other	3,000	7,740	2,555	5,185
Total Expenditures	<u>3,860,506</u>	<u>3,949,215</u>	<u>3,368,755</u>	<u>580,460</u>
Excess of Revenues Over Expenditures	<u>267,237</u>	<u>525,889</u>	<u>1,251,724</u>	<u>725,835</u>
Other Financing Sources (Uses):				
Other Financing Sources	-	1,108	1,163	55
Transfers - Out	-	(1,000,000)	(1,000,000)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(998,892)</u>	<u>(998,837)</u>	<u>55</u>
Net Change in Fund Balance	267,237	(473,003)	252,887	725,890
Fund Balance at Beginning of Year	2,933,979	2,933,979	2,933,979	-
Prior Year Encumbrances Appropriated	73,913	73,913	73,913	-
Fund Balance at End of Year	<u>\$ 3,275,129</u>	<u>\$ 2,534,889</u>	<u>\$ 3,260,779</u>	<u>\$ 725,890</u>

**Butler County, Ohio**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance-Budget and Actual**  
**All Other Judicial-Special Revenue Fund**  
**Budget Basis**  
**For the Year Ended December 31, 2012**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Charges for Services	\$ 2,245,117	\$ 2,585,261	\$ 2,689,380	\$ 104,119
Fines and Forfeitures	49,904	72,215	72,250	35
Intergovernmental	950	282	525	243
Interest	475	475	475	-
Other	-	-	6	6
<b>Total Revenues</b>	<b>2,296,446</b>	<b>2,658,233</b>	<b>2,762,636</b>	<b>104,403</b>
Expenditures:				
Current:				
General Government:				
Judicial				
Other Judicial				
Personal Services	1,656,260	1,704,683	1,533,909	170,774
Materials and Supplies	74,515	155,548	107,877	47,671
Contractual Services	651,070	817,307	523,940	293,367
Other	125,000	125,000	100,000	25,000
<b>Total Expenditures</b>	<b>2,506,845</b>	<b>2,802,538</b>	<b>2,265,726</b>	<b>536,812</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(210,399)</b>	<b>(144,305)</b>	<b>496,910</b>	<b>641,215</b>
Other Financing Sources (Uses):				
Advances - In	-	20,000	20,000	-
Advances - Out	-	(17,306)	(14,000)	3,306
Other Financing Sources	-	-	40	40
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>2,694</b>	<b>6,040</b>	<b>3,346</b>
<b>Net Change in Fund Balance</b>	<b>(210,399)</b>	<b>(141,611)</b>	<b>502,950</b>	<b>644,561</b>
Fund Balance at Beginning of Year	2,136,711	2,136,711	2,136,711	-
Prior Year Encumbrances Appropriated	54,402	54,402	54,402	-
<b>Fund Balance at End of Year</b>	<b>\$ 1,980,714</b>	<b>\$ 2,049,502</b>	<b>\$ 2,694,063</b>	<b>\$ 644,561</b>

**Butler County, Ohio**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance-Budget and Actual**  
**All Other Public Safety-Special Revenue Fund**  
**Budget Basis**  
**For the Year Ended December 31, 2012**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Charges for Services	\$ 4,334,561	\$ 4,740,603	\$ 4,819,064	\$ 78,461
Licenses and Permits	647,600	633,550	665,077	31,527
Fines and Forfeitures	39,100	42,150	43,747	1,597
Intergovernmental	4,548,773	5,485,129	5,503,140	18,011
Other	50	1,052	2,903	1,851
Total Revenues	<u>9,570,084</u>	<u>10,902,484</u>	<u>11,033,931</u>	<u>131,447</u>
Expenditures:				
Current:				
Public Safety				
Other Public Safety				
Personal Services	7,606,320	8,657,767	8,097,663	560,104
Materials and Supplies	1,094,083	1,517,684	1,389,102	128,582
Contractual Services	897,679	1,396,280	1,250,702	145,578
Capital Outlay	155,000	1,444,820	1,165,907	278,913
Other	235,596	230,567	225,858	4,709
Total Expenditures	<u>9,988,678</u>	<u>13,247,118</u>	<u>12,129,232</u>	<u>1,117,886</u>
Excess of Revenues Over (Under) Expenditures	<u>(418,594)</u>	<u>(2,344,634)</u>	<u>(1,095,301)</u>	<u>1,249,333</u>
Other Financing Sources (Uses):				
Other Financing Sources	36,000	237,000	249,829	12,829
Advances - In	-	13,000	13,000	-
Advances - Out	-	(50,226)	(31,489)	18,737
Transfers - In	8,052	9,168	9,168	-
Transfers - Out	(22,933)	(1,444)	-	1,444
Total Other Financing Sources (Uses)	<u>21,119</u>	<u>207,498</u>	<u>240,508</u>	<u>33,010</u>
Net Change in Fund Balance	(397,475)	(2,137,136)	(854,793)	1,282,343
Fund Balance at Beginning of Year	5,057,356	5,057,356	5,057,356	-
Prior Year Encumbrances Appropriated	355,201	355,201	355,201	-
Fund Balance at End of Year	<u>\$ 5,015,082</u>	<u>\$ 3,275,421</u>	<u>\$ 4,557,764</u>	<u>\$ 1,282,343</u>

**Butler County, Ohio**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance-Budget and Actual**  
**Motor Vehicle-Special Revenue Fund**  
**Budget Basis**  
**For the Year Ended December 31, 2012**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Other Local Taxes	\$ 2,460,000	\$ 2,460,000	\$ 2,495,595	\$ 35,595
Charges for Services	326,000	318,248	318,248	-
Fines and Forfeitures	229,000	255,561	255,561	-
Intergovernmental	12,729,713	10,874,093	11,082,103	208,010
Interest	12,000	12,000	25,550	13,550
Other	150,000	32,235	32,235	-
Total Revenues	<u>15,906,713</u>	<u>13,952,137</u>	<u>14,209,292</u>	<u>257,155</u>
Expenditures:				
Current:				
Public Works				
Motor Vehicle				
Personal Services	6,079,479	6,079,479	5,530,184	549,295
Materials and Supplies	2,219,450	2,192,912	1,685,506	507,406
Contractual Services	12,383,525	13,888,745	10,270,504	3,618,241
Capital Outlay	390,000	545,700	482,643	63,057
Other	215,000	173,376	26,525	146,851
Total Public Works	<u>21,287,454</u>	<u>22,880,212</u>	<u>17,995,362</u>	<u>4,884,850</u>
Debt Service:				
Principal Retirement	219,332	219,332	195,617	23,715
Interest and Fiscal Charges	7,668	7,668	6,275	1,393
Total Debt Service	<u>227,000</u>	<u>227,000</u>	<u>201,892</u>	<u>25,108</u>
Total Expenditures	<u>21,514,454</u>	<u>23,107,212</u>	<u>18,197,254</u>	<u>4,909,958</u>
Excess of Revenue Over (Under) Expenditures	<u>(5,607,741)</u>	<u>(9,155,075)</u>	<u>(3,987,962)</u>	<u>5,167,113</u>
Other Financing Sources:				
Proceeds from Sale of Capital Assets	-	21,594	21,594	-
Proceeds of Loans	-	-	50,699	50,699
Other Financing Sources	5,000	101,982	51,355	(50,627)
Total Other Financing Sources	<u>5,000</u>	<u>123,576</u>	<u>123,648</u>	<u>72</u>
Net Change in Fund Balance	(5,602,741)	(9,031,499)	(3,864,314)	5,167,185
Fund Balance at Beginning of Year	10,138,548	10,138,548	10,138,548	-
Prior Year Encumbrances Appropriated	525,758	525,758	525,758	-
Fund Balance at End of Year	<u>\$ 5,061,565</u>	<u>\$ 1,632,807</u>	<u>\$ 6,799,992</u>	<u>\$ 5,167,185</u>



**Butler County, Ohio**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance-Budget and Actual**  
**All Other Public Works-Special Revenue Fund**  
**Budget Basis**  
**For the Year Ended December 31, 2012**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Charges for Services	\$ 1,199,400	\$ 1,182,712	\$ 1,251,725	\$ 69,013
Licenses and Permits	600	600	600	-
Intergovernmental	4,429,048	3,554,984	3,568,869	13,885
Special Assessments	1,582,000	1,594,500	1,602,525	8,025
Interest	11,364	10,082	10,082	-
Other	74,748	94,530	100,248	5,718
Total Revenues	<u>7,297,160</u>	<u>6,437,408</u>	<u>6,534,049</u>	<u>96,641</u>
Expenditures:				
Current:				
Public Works				
Other Public Works				
Personal Services	1,298,265	1,310,694	1,243,394	67,300
Materials and Supplies	114,609	122,314	65,707	56,607
Contractual Services	5,753,670	5,869,142	4,690,260	1,178,882
Capital Outlay	15,000	15,000	-	15,000
Other	240,795	173,327	160,378	12,949
Total Public Works	<u>7,422,339</u>	<u>7,490,477</u>	<u>6,159,739</u>	<u>1,330,738</u>
Total Expenditures	<u>7,422,339</u>	<u>7,490,477</u>	<u>6,159,739</u>	<u>1,330,738</u>
Excess of Revenues Over (Under) Expenditures	<u>(125,179)</u>	<u>(1,053,069)</u>	<u>374,310</u>	<u>1,427,379</u>
Other Financing Sources (Uses):				
Other Financing Sources	14,000	15,000	23,107	8,107
Advances - Out	-	(86,692)	(86,692)	-
Advances - In	50,000	87,257	87,257	-
Total Other Financing Sources (Uses)	<u>64,000</u>	<u>15,565</u>	<u>23,672</u>	<u>8,107</u>
Net Change in Fund Balance	(61,179)	(1,037,504)	397,982	1,435,486
Fund Balance at Beginning of Year	10,442,324	10,442,324	10,442,324	-
Prior Year Encumbrances Appropriated	176,083	176,083	176,083	-
Fund Balance at End of Year	<u>\$ 10,557,228</u>	<u>\$ 9,580,903</u>	<u>\$ 11,016,389</u>	<u>\$ 1,435,486</u>

**Butler County, Ohio**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance-Budget and Actual**  
**Child Support Enforcement-Special Revenue Fund**  
**Budget Basis**  
**For the Year Ended December 31, 2012**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Charges for Services	\$ 1,170,000	\$ 1,170,000	\$ 1,243,076	\$ 73,076
Intergovernmental	4,110,800	3,645,800	3,918,161	272,361
Other	-	-	580	580
Total Revenues	<u>5,280,800</u>	<u>4,815,800</u>	<u>5,161,817</u>	<u>346,017</u>
Expenditures:				
Current:				
Human Services				
Child Support Enforcement				
Personal Services	3,725,833	3,725,833	3,457,830	268,003
Materials and Supplies	133,730	134,789	100,184	34,605
Contractual Services	1,325,457	1,325,457	998,855	326,602
Other	101,000	101,000	23,027	77,973
Total Expenditures	<u>5,286,020</u>	<u>5,287,079</u>	<u>4,579,896</u>	<u>707,183</u>
Excess of Revenues Over (Under) Expenditures	(5,220)	(471,279)	581,921	1,053,200
Other Financing Sources:				
Other Financing Sources	<u>8,200</u>	<u>8,200</u>	<u>14,224</u>	<u>6,024</u>
Net Change in Fund Balance	2,980	(463,079)	596,145	1,059,224
Fund Balance at Beginning of Year	1,270,550	1,270,550	1,270,550	-
Prior Year Encumbrances Appropriated	1,059	1,059	1,059	-
Fund Balance at End of Year	<u>\$ 1,274,589</u>	<u>\$ 808,530</u>	<u>\$ 1,867,754</u>	<u>\$ 1,059,224</u>

**Butler County, Ohio**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance-Budget and Actual**  
**Alcohol and Drug Addiction-Special Revenue Fund**  
**Budget Basis**  
**For the Year Ended December 31, 2012**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Charges for Services	\$ 105,096	\$ 98,174	\$ 98,174	\$ -
Intergovernmental	5,041,426	4,960,262	4,988,528	28,266
Other	10,000	-	28,216	28,216
Total Revenues	<u>5,156,522</u>	<u>5,058,436</u>	<u>5,114,918</u>	<u>56,482</u>
Expenditures:				
Current:				
Health				
Alcohol and Drug Addiction				
Personal Services	592,092	566,655	549,762	16,893
Materials and Supplies	32,950	18,532	16,423	2,109
Contractual Services	4,828,734	4,937,709	4,911,149	26,560
Other	2,000	86	86	-
Total Expenditures	<u>5,455,776</u>	<u>5,522,982</u>	<u>5,477,420</u>	<u>45,562</u>
Excess of Revenues Over (Under) Expenditures	<u>(299,254)</u>	<u>(464,546)</u>	<u>(362,502)</u>	<u>102,044</u>
Other Financing Sources:				
Other Financing Sources	-	11,935	12,496	561
Transfers - In	110,000	110,000	110,000	-
Total Other Financing Sources	<u>110,000</u>	<u>121,935</u>	<u>122,496</u>	<u>561</u>
Net Change in Fund Balance	(189,254)	(342,611)	(240,006)	102,605
Fund Balance at Beginning of Year	1,129,978	1,129,978	1,129,978	-
Prior Year Encumbrances Appropriated	127,521	127,521	127,521	-
Fund Balance at End of Year	<u>\$ 1,068,245</u>	<u>\$ 914,888</u>	<u>\$ 1,017,493</u>	<u>\$ 102,605</u>

**Butler County, Ohio**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance-Budget and Actual**  
**County Care Facility-Special Revenue Fund**  
**Budget Basis**  
**For the Year Ended December 31, 2012**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Charges for Services	\$ 1,950,000	\$ 2,054,884	\$ 2,064,428	\$ 9,544
Intergovernmental	5,080,000	4,591,462	4,605,499	14,037
Other	-	8,000	8,040	40
Total Revenues	<u>7,030,000</u>	<u>6,654,346</u>	<u>6,677,967</u>	<u>23,621</u>
Expenditures:				
Current:				
Human Services				
County Care Facility				
Personal Services	5,065,002	5,306,033	5,295,854	10,179
Materials and Supplies	994,195	1,014,454	974,277	40,177
Contractual Services	648,236	684,096	653,872	30,224
Capital Outlay	15,000	-	-	-
Other	236,194	289,125	283,574	5,551
Total Expenditures	<u>6,958,627</u>	<u>7,293,708</u>	<u>7,207,577</u>	<u>86,131</u>
Excess of Revenues Over (Under) Expenditures	71,373	(639,362)	(529,610)	109,752
Other Financing Sources:				
Other Financing Sources	<u>62,496</u>	<u>47,281</u>	<u>47,281</u>	<u>-</u>
Net Change in Fund Balance	133,869	(592,081)	(482,329)	109,752
Fund Balance at Beginning of Year	546,815	546,815	546,815	-
Prior Year Encumbrances Appropriated	153,080	153,080	153,080	-
Fund Balance at End of Year	<u>\$ 833,764</u>	<u>\$ 107,814</u>	<u>\$ 217,566</u>	<u>\$ 109,752</u>

**Butler County, Ohio**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance-Budget and Actual**  
**Elderly Services Levy-Special Revenue Fund**  
**Budget Basis**  
**For the Year Ended December 31, 2012**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Property Taxes	\$ 8,765,939	\$ 8,595,939	\$ 8,593,148	\$ (2,791)
Intergovernmental	1,118,315	1,588,315	1,594,781	6,466
Total Revenues	<u>9,884,254</u>	<u>10,184,254</u>	<u>10,187,929</u>	<u>3,675</u>
Expenditures:				
Current:				
Human Services				
Elderly Services Levy				
Personal Services	255,316	230,316	27,316	203,000
Materials and Supplies	5,000	10,000	5,645	4,355
Contractual Services	12,036,800	12,427,294	11,702,170	725,124
Total Expenditures	<u>12,297,116</u>	<u>12,667,610</u>	<u>11,735,131</u>	<u>932,479</u>
Net Change in Fund Balance	(2,412,862)	(2,483,356)	(1,547,202)	936,154
Fund Balance at Beginning of Year	15,537,532	15,537,532	15,537,532	-
Prior Year Encumbrances Appropriated	220,997	220,997	220,997	-
Fund Balance at End of Year	<u>\$ 13,345,667</u>	<u>\$ 13,275,173</u>	<u>\$ 14,211,327</u>	<u>\$ 936,154</u>

**Butler County, Ohio**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance-Budget and Actual**  
**All Other Human Services-Special Revenue Fund**  
**Budget Basis**  
**For the Year Ended December 31, 2012**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Intergovernmental	\$ 173,792	\$ 175,893	\$ 201,564	\$ 25,671
Expenditures:				
Current:				
Human Services				
Other Human Services				
Personal Services	168,419	257,197	245,929	11,268
Materials and Supplies	2,980	2,500	2,500	-
Contractual Services	5,198	10,816	6,033	4,783
Other	-	485	485	-
Total Expenditures	<u>176,597</u>	<u>270,998</u>	<u>254,947</u>	<u>16,051</u>
Excess of Revenues Over (Under) Expenditures	<u>(2,805)</u>	<u>(95,105)</u>	<u>(53,383)</u>	<u>41,722</u>
Other Financing Sources (Uses):				
Advances - In	-	58,800	76,125	17,325
Advances - Out	-	(36,617)	(28,418)	8,199
Transfers - In	47,687	62,930	48,530	(14,400)
Transfers - Out	(5,000)	-	-	-
Total Other Financing Sources (Uses)	<u>42,687</u>	<u>85,113</u>	<u>96,237</u>	<u>11,124</u>
Net Change in Fund Balance	39,882	(9,992)	42,854	52,846
Fund Balance at Beginning of Year	32,455	32,455	32,455	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance at End of Year	<u>\$ 72,337</u>	<u>\$ 22,463</u>	<u>\$ 75,309</u>	<u>\$ 52,846</u>

**Butler County, Ohio**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance-Budget and Actual**  
**All Other Conservation and Recreation-Special Revenue Fund**  
**Budget Basis**  
**For the Year Ended December 31, 2012**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Charges for Services	\$ 5,804	\$ 5,804	\$ 14,448	\$ 8,644
Licences and Permits	8,000	8,000	8,330	330
Total Revenues	<u>13,804</u>	<u>13,804</u>	<u>22,778</u>	<u>8,974</u>
Expenditures:				
Current:				
Conversation and Recreation				
Contractual Services	<u>13,000</u>	<u>14,095</u>	<u>-</u>	<u>14,095</u>
Net Change in Fund Balance	804	(291)	22,778	23,069
Fund Balance at Beginning of Year	14,095	14,095	14,095	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance at End of Year	<u>\$ 14,899</u>	<u>\$ 13,804</u>	<u>\$ 36,873</u>	<u>\$ 23,069</u>

**Butler County, Ohio**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance-Budget and Actual**  
**Residential Incentive Districts and Tax Incremental Financings-Special Revenue Fund**  
**Budget Basis**  
**For the Year Ended December 31, 2012**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Intergovernmental	-	3,494,000	3,216,789	(277,211)
Payments in Lieu of Taxes	\$ 7,075,212	\$ 7,055,175	\$ 7,446,940	\$ 391,765
Total Revenues	<u>7,075,212</u>	<u>10,549,175</u>	<u>10,663,729</u>	<u>114,554</u>
Expenditures:				
Current:				
Other Capital Improvements				
Contractual Services	5,311,805	5,410,749	4,665,872	744,877
Excess of Revenues Over Expenditures	<u>1,763,407</u>	<u>5,138,426</u>	<u>5,997,857</u>	<u>859,431</u>
Other Financing Uses:				
Transfers - Out	(1,623,358)	(1,559,577)	(1,470,962)	88,615
Net Change in Fund Balance	140,049	3,578,849	4,526,895	948,046
Fund Balance at Beginning of Year	1,764,111	1,764,111	1,764,111	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance at End of Year	<u>\$ 1,904,160</u>	<u>\$ 5,342,960</u>	<u>\$ 6,291,006</u>	<u>\$ 948,046</u>



**Butler County, Ohio**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance-Budget and Actual**  
**Technology-Capital Projects Fund**  
**Budget Basis**  
**For the Year Ended December 31, 2012**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Charges for Services	\$ -	\$ 172,381	\$ 172,381	\$ -
Expenditures:				
Capital Outlay				
Technology				
Contractual Services	-	307,100	306,950	150
Materials and Supplies	-	21,209	16,372	4,837
Debt Service:				
Principal Retirement	2,524,348	2,515,000	2,515,000	-
Interest and Fiscal Charges	53,162	37,509	33,428	4,081
Total Expenditures	<u>2,577,510</u>	<u>2,880,818</u>	<u>2,871,750</u>	<u>9,068</u>
Excess of Revenues Over (Under) Expenditures	<u>(2,577,510)</u>	<u>(2,708,437)</u>	<u>(2,699,369)</u>	<u>9,068</u>
Other Financing Sources:				
Notes Issued	2,400,000	2,375,000	2,375,000	-
Transfers - In	177,510	333,437	333,437	-
Total Other Financing Sources	<u>2,577,510</u>	<u>2,708,437</u>	<u>2,708,437</u>	<u>-</u>
Net Change in Fund Balance	-	-	9,068	9,068
Fund Balance at Beginning of Year	-	-	-	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,068</u>	<u>\$ 9,068</u>

**Butler County, Ohio**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance-Budget and Actual**  
**Other Capital Improvements - Capital Projects Fund**  
**Budget Basis**  
**For the Year Ended December 31, 2012**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Intergovernmental	\$ 1,186,653	\$ 1,022,126	\$ 1,022,126	\$ -
Other	-	32,670	32,670	-
Total Revenues	<u>1,186,653</u>	<u>1,054,796</u>	<u>1,054,796</u>	<u>-</u>
Expenditures:				
Other Capital Improvement				
Contractual Services	1,186,653	1,169,951	1,169,951	-
Capital Outlay	-	1,500	1,500	-
Total Other Capital Improvements	<u>1,186,653</u>	<u>1,171,451</u>	<u>1,171,451</u>	<u>-</u>
Debt Service:				
Principal Retirement	935,000	935,000	935,000	-
Interest and Fiscal Charges	8,565	9,649	6,449	3,200
Total Debt Service Expenditures	<u>943,565</u>	<u>944,649</u>	<u>941,449</u>	<u>3,200</u>
Total Expenditures	<u>2,130,218</u>	<u>2,116,100</u>	<u>2,112,900</u>	<u>3,200</u>
Excess of Revenues Over (Under) Expenditures	<u>(943,565)</u>	<u>(1,061,304)</u>	<u>(1,058,104)</u>	<u>3,200</u>
Other Financing Sources (Uses):				
Notes Issued	598,915	450,000	450,000	-
Advances - In	-	243,123	243,123	-
Advances - Out	-	(313,123)	(313,123)	-
Transfers - In	344,650	339,917	339,917	-
Total Other Financing Sources (Uses)	<u>943,565</u>	<u>719,917</u>	<u>719,917</u>	<u>-</u>
Net Change in Fund Balance	-	(341,387)	(338,187)	3,200
Fund Balance at Beginning of Year	193,563	193,563	193,563	-
Prior Year Encumbrances Appropriated	147,826	147,826	147,826	-
Fund Balance at End of Year	<u>\$ 341,389</u>	<u>\$ 2</u>	<u>\$ 3,202</u>	<u>\$ 3,200</u>

**Butler County, Ohio**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance-Budget and Actual**  
**Road Improvements-Capital Projects Fund**  
**Budget Basis**  
**For the Year Ended December 31, 2012**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Intergovernmental	\$ -	\$ 5,795,371	\$ 5,795,371	\$ -
Expenditures:				
Road Improvement				
Contractual Services	-	5,795,371	5,795,371	-
Debt Service:				
Principal Retirement	2,813,709	2,785,000	2,785,000	-
Interest and Fiscal Charges	30,136	25,028	25,028	-
Total Debt Service Expenditures	2,843,845	2,810,028	2,810,028	-
Total Expenditures	2,843,845	8,605,399	8,605,399	-
Excess of Revenues Under Expenditures	(2,843,845)	(2,810,028)	(2,810,028)	-
Other Financing Sources:				
Notes Issued	2,750,000	2,795,000	2,795,000	-
Transfers - In	93,845	15,028	15,028	-
Total Other Financing Sources	2,843,845	2,810,028	2,810,028	-
Net Change in Fund Balance	-	-	-	-
Fund Balance at Beginning of Year	-	-	-	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance at End of Year	\$ -	\$ -	\$ -	\$ -

**Butler County, Ohio**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance-Budget and Actual**  
**Buildings Construction and Renovations-Capital Projects Fund**  
**Budget Basis**  
**For the Year Ended December 31, 2012**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Other	\$ 100,000	\$ 100,000	\$ 100,000	\$ -
Expenditures:				
Capital Outlay				
Buildings Construction and Renovations				
Contractual Services	400,000	433,544	393,322	40,222
Debt Service:				
Principal Retirement	12,381,617	12,585,000	12,585,000	-
Interest and Fiscal Charges	133,958	125,514	110,216	15,298
Total Debt Service	12,515,575	12,710,514	12,695,216	15,298
Total Expenditures	12,915,575	13,144,058	13,088,538	55,520
Excess of Revenues Over (Under) Expenditures	(12,815,575)	(13,044,058)	(12,988,538)	55,520
Other Financing Sources:				
Notes Issued	11,940,000	11,907,814	11,910,000	2,186
Transfers - In	475,575	497,588	497,588	-
Total Other Financing Sources	12,415,575	12,405,402	12,407,588	2,186
Net Change in Fund Balance	(400,000)	(638,656)	(580,950)	57,706
Fund Balance at Beginning of Year	749,491	749,491	749,491	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance at End of Year	\$ 349,491	\$ 110,835	\$ 168,541	\$ 57,706

**Butler County, Ohio**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance-Budget and Actual**  
**Bond Retirement-Debt Service Fund**  
**Budget Basis**  
**For the Year Ended December 31, 2012**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Special Assessments	\$ 1,408,831	\$ 1,335,425	\$ 1,362,387	\$ 26,962
Other	-	49,002	49,002	-
Total Revenues	<u>1,408,831</u>	<u>1,384,427</u>	<u>1,411,389</u>	<u>26,962</u>
Debt Service:				
Principal Retirement	6,785,605	8,721,544	8,700,605	20,939
Interest and Fiscal Charges	3,826,694	3,963,664	3,962,105	1,559
Total Debt Service	<u>10,612,299</u>	<u>12,685,208</u>	<u>12,662,710</u>	<u>22,498</u>
Total Expenditures	<u>10,612,299</u>	<u>12,685,208</u>	<u>12,662,710</u>	<u>22,498</u>
Excess of Revenues Over (Under) Expenditures	<u>(9,203,468)</u>	<u>(11,300,781)</u>	<u>(11,251,321)</u>	<u>49,460</u>
Other Financing Sources:				
Advances - In	-	12,905	18,905	6,000
Refunding Bonds Issued	-	8,885,000	8,885,000	-
Premium on Debt Issued	-	979,990	979,990	-
Transfers - In	9,341,437	9,210,301	9,204,301	(6,000)
Payment to Refunded Bond Escrow Agent	-	(7,873,107)	(7,873,107)	-
Total Other Financing Sources	<u>9,341,437</u>	<u>11,215,089</u>	<u>11,215,089</u>	<u>-</u>
Net Change in Fund Balance	137,969	(85,692)	(36,232)	49,460
Fund Balance at Beginning of Year	1,234,894	1,234,894	1,234,894	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance at End of Year	<u>\$ 1,372,863</u>	<u>\$ 1,149,202</u>	<u>\$ 1,198,662</u>	<u>\$ 49,460</u>

**Butler County, Ohio**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance-Budget and Actual**  
**Developmental Disabilities Trust-Permanent Fund**  
**Budget Basis**  
**For the Year Ended December 31, 2012**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Interest	\$ 3,600	\$ 3,600	\$ 3,659	\$ 59
Expenditures:				
Health				
Materials and Supplies	60,000	60,000	-	60,000
Net Change in Fund Balance	(56,400)	(56,400)	3,659	60,059
Fund Balance at Beginning of Year	848,304	848,304	848,304	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance at End of Year	<u>\$ 791,904</u>	<u>\$ 791,904</u>	<u>\$ 851,963</u>	<u>\$ 60,059</u>

**Butler County, Ohio**  
**Schedule of Revenues, Expenses, and**  
**Changes in Fund Equity-Budget and Actual**  
**Health Insurance-Internal Service Fund**  
**Budget Basis**  
**For the Year Ended December 31, 2012**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Charges for Services	\$ 16,551,611	\$ 14,702,191	\$ 14,702,191	\$ -
Other Non-Operating Revenues	-	33,405	33,405	-
Total Revenues	<u>16,551,611</u>	<u>14,735,596</u>	<u>14,735,596</u>	<u>-</u>
Expenses:				
Personal Services	132,464	133,881	133,789	92
Contractual Services	16,456,296	15,204,813	14,459,340	745,473
Materials and Supplies	2,550	25,831	22,284	3,547
Other	-	630	630	-
Total Expenses	<u>16,591,310</u>	<u>15,365,155</u>	<u>14,616,043</u>	<u>749,112</u>
Net Change in Fund Balance	(39,699)	(629,559)	119,553	749,112
Fund Equity at Beginning of Year	407,387	407,387	407,387	-
Prior Year Encumbrances Appropriated	222,174	222,174	222,174	-
Fund Equity at End of Year	<u>\$ 589,862</u>	<u>\$ 2</u>	<u>\$ 749,114</u>	<u>\$ 749,112</u>

**Butler County, Ohio**  
**Schedule of Revenues, Expenses, and**  
**Changes in Fund Equity-Budget and Actual**  
**Workers' Compensation Benefit-Internal Service Fund**  
**Budget Basis**  
**For the Year Ended December 31, 2012**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Charges for Services	\$ 2,130,045	\$ 2,018,801	\$ 2,019,990	\$ 1,189
Other Non Operating Revenues	-	40,725	44,342	3,617
Total Revenues	<u>2,130,045</u>	<u>2,059,526</u>	<u>2,064,332</u>	<u>4,806</u>
Expenses:				
Personal Services	258,908	262,451	260,973	1,478
Materials and Supplies	-	903	903	-
Contractual Services	982,780	978,812	830,529	148,283
Claims and Judgments	706,000	706,000	686,868	19,132
Total Expenses	<u>1,947,688</u>	<u>1,948,166</u>	<u>1,779,273</u>	<u>168,893</u>
Net Change in Fund Equity	182,357	111,360	285,059	173,699
Fund Equity at Beginning of Year	1,571,641	1,571,641	1,571,641	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Equity at End of Year	<u>\$ 1,753,998</u>	<u>\$ 1,683,001</u>	<u>\$ 1,856,700</u>	<u>\$ 173,699</u>



## Statistical Section

## Statistical Section

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

<b><u>Contents</u></b>	<b><u>Page(s)</u></b>
<b>Financial Trends</b>	<b>149-155</b>
These schedules contain trend information to help the reader understand how the County's financial position has changed over time.	
<b>Revenue Capacity</b>	<b>156-166</b>
These schedules contain information to help the reader understand and assess the factors affecting the County's ability to generate its most significant local revenue source, the property tax.	
<b>Debt Capacity</b>	<b>167-171</b>
These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	
<b>Economic and Demographic Information</b>	<b>172-173</b>
These schedules offer economic and demographic indicators to help the reader understand the environment within which the County's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	
<b>Operating Information</b>	<b>174-180</b>
These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.	

### **Sources:**

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The County implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.

Butler County, Ohio  
Net Position by Component  
Last Ten Years  
(accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Governmental Activities:</b>										
Invested in Capital Assets, Net of Related Debt	\$ 273,113,179	\$ 274,568,990	\$ 284,893,107	\$ 290,996,712	\$ 303,847,268	\$ 309,737,672	\$ 311,399,939	\$ 313,384,171	\$ 312,402,885	\$ 319,654,234
Restricted	80,013,671	91,557,032	94,009,926	113,494,538	143,098,392	117,767,313	149,211,906	151,719,352	159,827,217	148,423,905
Unrestricted (Deficit)	(2,953,484)	(9,110,850)	(2,854,954)	8,438,851	18,544,219	(3,264,872)	(19,510,956)	(25,202,909)	(27,286,622)	(17,588,530)
Total Governmental Activities Net Position	350,173,366	357,015,192	376,048,079	412,930,101	465,489,879	424,240,113	441,100,889	439,900,614	444,943,280	450,489,609
<b>Business-type Activities:</b>										
Invested in Capital Assets, Net of Related Debt	147,192,603	175,845,751	203,448,271	218,544,211	220,104,614	206,941,720	204,061,114	208,564,765	213,941,106	219,910,300
Restricted	15,123,280	13,894,357	12,406,549	12,615,860	11,791,705	11,551,342	6,000,000	6,000,000	6,000,000	6,000,000
Unrestricted	39,070,468	30,939,460	35,131,712	32,779,386	38,024,420	50,594,713	55,953,474	50,135,882	41,967,387	33,837,392
Total Business-type Activities Net Position	201,386,351	220,679,568	250,986,532	263,939,457	269,920,739	269,087,775	266,014,588	264,700,647	261,908,493	259,747,692
<b>Primary Government:</b>										
Invested in Capital Assets, Net of Related Debt	420,305,782	450,414,741	488,341,378	509,540,923	523,951,882	516,679,392	515,461,053	521,948,936	526,343,991	539,564,534
Restricted	95,136,951	105,451,389	106,416,475	126,110,398	154,890,097	129,318,655	155,211,906	157,719,352	165,827,217	154,423,905
Unrestricted	36,116,984	21,828,630	32,276,758	41,218,237	56,568,639	47,329,841	36,442,518	24,932,973	14,880,565	16,248,862
Total Primary Government Net Position	\$ 551,559,717	\$ 577,694,760	\$ 627,034,611	\$ 676,869,568	\$ 735,410,618	\$ 693,327,888	\$ 707,115,477	\$ 704,601,261	\$ 706,851,773	\$ 710,237,301

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Program Revenues</b>										
Governmental Activities										
Charges for Services										
General Government:										
Legislative and Executive	\$ 26,064,981	\$ 39,481,913	\$ 26,096,369	\$ 25,539,301	\$ 25,761,198	\$ 18,925,412	\$ 16,307,020	\$ 16,543,882	\$ 17,354,615	\$ 18,451,250
Judicial	3,703,685	3,711,346	4,171,246	5,405,269	5,818,814	6,016,149	6,440,735	5,770,050	5,766,642	5,358,438
Public Safety	5,996,412	6,490,098	4,435,139	9,018,145	12,368,985	13,631,099	14,803,587	11,749,950	11,621,031	11,900,127
Public Works	2,175,913	10,026,807	10,382,866	7,095,760	767,323	3,025,891	2,407,770	2,030,311	4,328,654	3,600,994
Health	1,042,160	1,355,895	1,446,007	930,496	1,317,932	910,720	820,543	886,327	745,967	298,740
Human Services	1,945,316	1,946,389	1,928,863	2,336,047	2,448,406	3,160,525	3,076,694	3,076,694	3,717,823	3,326,763
Conservation and Recreation					26,784	40,890	13,620	14,800	14,095	22,778
Subtotal - Charges for Services	40,928,467	63,012,448	48,460,490	50,325,018	48,509,442	45,710,686	43,845,241	40,071,814	43,548,827	42,959,090
Operating Grants, Contributions and Interest										
General Government:										
Legislative and Executive	160,789	355,609	353,185	16,966	43,820	440,633	996,461	48,265	426,238	173,457
Judicial	1,182,707	1,020,690	1,186,715	1,246,084	986,906	1,230,555	1,682,162	1,182,265	1,284,349	1,350,570
Public Safety	6,721,740	6,671,901	7,086,662	7,661,085	7,087,851	4,309,488	5,306,196	5,066,305	6,205,311	6,064,411
Public Works	193,292	3,658,865	3,960,609	4,851,754	11,398,189	10,837,709	18,164,149	13,758,422	12,999,691	13,020,650
Health	30,579,700	29,222,174	30,622,659	36,549,354	32,777,452	31,433,888	36,860,053	36,458,047	39,240,707	27,027,523
Human Services	46,424,550	44,947,797	46,836,974	54,423,787	63,185,700	51,118,231	64,352,303	43,432,078	37,349,750	31,679,826
Subtotal - Operating Grants, Contributions and Interest	85,262,778	85,877,036	90,046,804	104,749,030	115,479,918	99,370,504	127,361,324	99,945,382	97,506,046	79,306,437
Capital Grants, Contributions and Interest										
General Government:										
Legislative and Executive	-	-	3,543,122	-	-	-	125,627	-	944,600	-
Judicial	-	-	89,041	-	-	-	-	-	-	-
Public Safety	301,836	20,272	-	1,244,826	-	15,785	-	25,000	66,163	-
Human Services	15,736,890	-	-	-	-	-	-	-	-	-
Public Works	-	13,337,057	16,317,031	11,062,312	6,785,122	13,920,646	8,999,202	5,748,244	5,315,428	11,367,854
Health	-	758,073	-	-	-	-	-	-	-	-
Subtotal - Capital Grants, Contributions and Interest	16,038,726	14,115,402	19,949,194	12,307,138	6,785,122	13,936,431	9,124,829	5,773,244	6,326,191	11,367,854
Total Government Activities Program Revenue	142,229,971	163,004,886	158,456,488	167,381,186	170,774,482	159,017,621	180,331,394	145,790,440	147,381,064	133,633,381
Business-Type Activities										
Charges for Services										
Sewer	16,484,896	17,330,204	17,547,243	18,988,269	20,980,896	21,299,055	18,346,224	18,181,460	17,513,151	18,833,608
Water	16,500,238	19,243,602	21,836,928	21,956,744	26,065,961	23,456,446	20,204,971	20,765,879	20,423,347	20,824,694
GSC Parking Facility	176,084	160,594	172,315	169,805	158,869	156,404	146,206	132,052	113,194	-
Capital Grants, Contributions, and Interest	21,624,175	26,867,947	34,706,212	22,321,495	14,010,237	6,595,488	8,295,657	8,540,416	5,962,256	7,091,889
Total Business-Type Activities Program Revenues	54,765,393	63,602,347	74,262,698	63,436,313	61,215,963	51,507,393	46,993,058	47,619,807	44,011,948	46,750,191
Total Primary Governmental Program Revenues	\$ 196,995,364	\$ 226,607,233	\$ 232,719,186	\$ 230,817,499	\$ 231,990,445	\$ 210,525,014	\$ 227,324,452	\$ 193,410,247	\$ 191,393,012	\$ 180,383,572

(Continued)

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

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Expenses</b>										
Governmental Activities										
General Government:										
Legislative and Executive	\$ 31,288,759	\$ 41,811,607	\$ 29,973,286	\$ 31,211,969	\$ 35,086,479	\$ 37,260,435	\$ 27,727,443	\$ 29,955,984	\$ 29,823,465	\$ 26,369,763
Judicial	12,834,297	13,961,424	15,310,560	15,952,302	16,766,093	16,978,319	17,732,020	16,189,897	14,869,492	13,545,194
Public Safety	36,659,180	39,076,252	39,391,890	44,865,490	51,218,782	48,709,320	46,897,900	41,154,980	44,980,435	47,294,271
Public Works	17,582,429	20,443,207	22,396,375	20,803,499	24,981,832	25,416,281	24,661,639	25,701,107	22,218,862	23,895,460
Health	46,285,012	47,785,590	47,524,463	56,672,547	54,781,525	62,270,201	58,320,120	62,355,137	68,349,134	58,682,052
Human Services	69,048,201	70,220,434	78,630,914	82,199,251	89,695,591	93,725,373	90,877,303	72,649,003	66,342,441	63,415,959
Conservation and Recreation	531,971	477,828	517,825	589,151	686,496	587,061	571,952	593,168	453,611	426,186
Other	-	-	-	-	-	-	-	11,860	-	-
Intergovernmental	-	-	-	-	-	5,572,290	4,780,375	4,710,532	7,839,719	4,665,872
Interest and Fiscal Charges	4,795,392	4,445,020	4,546,165	5,351,240	5,459,844	5,822,661	4,886,734	4,884,161	4,321,857	4,891,571
Total Governmental Activities Expenses	219,025,241	238,221,362	238,291,478	257,646,049	278,676,842	296,341,941	276,455,486	258,205,829	259,193,016	243,186,328
Business-type Activities										
Sewer	20,988,143	24,059,068	26,013,574	26,108,534	27,027,272	26,429,926	24,587,715	23,256,101	23,474,260	23,083,649
Water	21,173,288	22,957,096	28,528,100	25,975,558	29,630,418	28,946,953	26,323,570	26,275,587	24,153,925	26,483,008
GSC Parking Garage	80,760	162,505	167,163	170,220	162,063	82,346	220,725	91,310	91,195	-
Total Business-type Activities Expenses	42,242,171	47,178,669	54,708,837	52,254,312	56,819,753	53,459,225	51,132,010	49,622,988	47,719,380	49,566,657
Total Primary Government Expenses	261,267,412	285,400,031	293,000,315	309,900,361	335,496,595	349,801,166	327,587,496	307,828,827	306,913,396	292,752,985
<b>Net (Expense)/Revenue</b>										
Governmental Activities	(76,795,270)	(75,216,476)	(79,834,990)	(90,264,863)	(107,902,160)	(137,324,320)	(96,124,092)	(112,415,389)	(111,817,952)	(109,552,947)
Business-type Activities	12,523,222	16,423,678	19,553,861	11,182,001	4,396,210	(1,951,832)	(4,138,952)	(2,003,191)	(3,707,432)	(2,816,466)
Total Primary Government Net (Expense)/Revenue	(64,272,048)	(58,792,798)	(60,281,129)	(79,082,862)	(103,505,950)	(139,276,152)	(100,263,044)	(114,418,580)	(115,525,384)	(112,369,413)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Property Taxes Levied for:										
General Purposes	12,810,448	12,419,287	12,956,608	14,737,266	14,620,159	14,191,594	15,079,052	12,790,526	13,087,764	12,571,502
Health - Developmental Disabilities	14,890,749	14,765,474	18,467,802	20,014,999	19,665,938	19,073,043	19,323,359	17,194,685	17,754,189	17,833,937
Human Services - Children Services Agency	8,214,528	12,829,080	13,282,374	14,283,235	14,269,273	13,884,835	14,495,323	13,171,183	13,540,033	13,091,271
Health - Mental Health	1,959,018	1,920,227	1,995,109	2,239,541	9,343,505	9,023,904	8,240,166	8,284,372	8,540,022	8,173,776
Human Services - Elderly Services Levy	7,583,447	7,476,865	7,803,077	13,973,467	13,992,100	13,280,836	8,908,467	8,069,527	8,851,206	8,509,329
Animal Shelter	-	-	-	29,997	3,340,811	-	-	-	-	-
Sales Tax	17,182,889	18,414,113	22,607,425	40,662,394	41,317,071	33,408,493	31,843,586	30,225,506	30,779,103	32,955,898
Local Taxes	2,278,929	-	-	2,699,651	2,450,378	2,454,986	2,430,185	2,472,087	2,476,974	2,479,528
Payments in Lieu of Taxes (1)	-	-	-	93,487	3,620,542	4,438,718	3,981,481	6,129,462	9,911,360	7,529,320
Grants and Entitlements not Restricted to Specific Programs	9,966,355	11,232,408	11,954,539	6,276,571	7,659,749	7,664,080	6,603,883	8,370,821	6,771,385	8,122,035
Investment Earnings	651,296	1,732,069	4,921,808	10,119,758	14,879,642	10,362,722	3,875,844	3,380,884	2,889,678	2,066,480
Gain on Sale of Capital Assets	-	-	-	281,924	-	-	-	11,145	-	-
Other	2,771,852	2,412,759	4,847,763	3,277,088	5,238,068	3,707,444	4,278,573	2,679,825	2,192,682	1,769,005
Transfers	119,000	-	31,372	-	-	-	-	-	-	(2,805)
Total Governmental Activities	78,428,511	83,202,302	98,867,877	128,407,454	150,679,160	131,490,655	119,059,919	112,779,223	116,794,396	115,099,276

(Continued)

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Business-Type Activities:</b>										
Investment Earnings	\$ 77,142	\$ 276,589	\$ 781,251	\$ 635,202	\$ 462,058	\$ 125,300	\$ 468	\$ -	\$ -	\$ 1,419
Gain on Sale of Capital Assets	1,286,712	1,448,950	10,003,224	1,135,722	1,123,014	769,887	1,065,297	689,250	981,500	14,079
Other	(119,000)	-	(31,372)	-	-	-	-	-	-	637,362
Transfers	1,244,854	1,725,539	10,753,103	1,770,924	1,585,072	895,187	1,065,765	689,250	981,500	2,805
Total Business-Type Activities	79,673,365	84,927,841	109,620,980	130,178,378	152,264,232	132,385,842	120,125,684	113,468,473	(2,725,932)	655,665
Total Primary Government										(2,160,801)
<b>Change in Net Position</b>										
Governmental Activities	1,633,241	7,985,826	19,032,887	38,142,591	42,777,000	(5,833,665)	22,935,827	363,834	4,976,444	5,546,329
Business-type Activities	13,768,076	18,149,217	30,306,964	12,952,925	5,981,282	(1,056,645)	(3,073,187)	(1,313,941)	(2,725,932)	(2,160,801)
Total Primary Government Change in Net Position	\$ 15,401,317	\$ 26,135,043	\$ 49,339,851	\$ 51,095,516	\$ 48,758,282	\$ (6,890,310)	\$ 19,862,640	\$ (950,107)	\$ 2,250,512	\$ 3,385,528

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

	2003	2004	2005	2006	2007	2008	2009(1)	2010(1)	2011(1)	2012(1)
<b>General Fund</b>										
Reserved	\$ 3,637,460	\$ 4,216,411	\$ 1,912,847	\$ 7,520,543	\$ 8,048,067	\$ 11,396,642	\$ -	\$ -	\$ -	\$ -
Unreserved, Designated	-	-	-	17,729,295	16,953,260	8,409,077	-	-	-	-
Unreserved, Undesignated	10,013,728	6,957,053	8,715,587	5,262,983	13,287,018	11,656,994	-	-	-	-
Restatements	-	-	-	-	-	-	-	-	-	-
Nonspendable:										
Prepaid Items	-	-	-	-	-	-	454,547	454,547	594,255	594,255
Materials and Supplies Inventory	-	-	-	-	-	-	64,571	64,571	64,198	64,198
Loans Receivables	-	-	-	-	-	-	480,243	423,283	314,326	257,388
Advances to Other Funds	-	-	-	-	-	-	369,040	261,400	227,128	152,243
Long Term:										
Intergovernmental Receivables	-	-	-	-	-	-	4,265,000	4,075,000	-	-
Other Purposes	-	-	-	-	-	-	2,400,467	729,254	369,363	85,102
Assigned	-	-	-	-	-	-	273,326	796,556	1,888,807	2,995,397
Unassigned	-	-	-	-	-	-	12,889,189	10,831,199	12,891,143	8,571,886
<b>Total General Fund</b>	<b>13,651,188</b>	<b>11,173,464</b>	<b>10,628,434</b>	<b>30,512,821</b>	<b>38,288,345</b>	<b>31,462,713</b>	<b>21,196,383</b>	<b>17,635,437</b>	<b>16,349,220</b>	<b>12,720,469</b>
<b>All Other Governmental Funds</b>										
Reserved	5,870,249	10,462,267	10,488,074	8,520,627	8,496,349	13,340,880	-	-	-	-
Unreserved, Undesignated, (Deficit) Reported In:										
Special Revenue Funds	28,827,510	38,329,806	49,050,968	60,449,732	75,216,379	66,039,506	-	-	-	-
Debt Service Funds	7,056,879	9,394,492	9,860,557	10,274,042	10,709,381	1,742,251	-	-	-	-
Capital Projects Funds	(12,841,676)	(5,623,226)	(4,329,568)	(5,673,702)	(21,970,837)	(25,582,374)	-	-	-	-
Restatements	-	-	-	-	-	-	-	-	-	-
Nonspendable										
Prepaid Items	-	-	-	-	-	-	1,463,731	1,463,731	1,119,178	1,119,178
Materials and Supplies Inventory	-	-	-	-	-	-	674,546	646,318	780,362	784,544
Loans Receivables	-	-	-	-	-	-	320,966	320,966	700,214	622,267
Long Term:										
Developmental Disabilities Trust	-	-	-	-	-	-	761,517	761,305	761,305	761,305
Restricted for:										
Job and Family Services/Children Services	-	-	-	-	-	-	29,188,851	31,672,581	33,478,752	30,815,747
Developmental Disabilities	-	-	-	-	-	-	-	-	-	-
Agency	-	-	-	-	-	-	-	-	-	-
Mental Health	-	-	-	-	-	-	5,667,385	7,436,664	5,232,558	4,840,626
Elderly Services Levy	-	-	-	-	-	-	14,464,029	15,715,664	12,231,531	12,495,832
Motor Vehicle	-	-	-	-	-	-	16,199,270	15,733,274	15,048,579	13,976,026
All Other Public Works	-	-	-	-	-	-	7,403,582	7,741,238	11,352,723	8,875,549
Other Purposes	-	-	-	-	-	-	5,704,597	8,669,799	9,999,695	11,765,724
Committed	-	-	-	-	-	-	15,449,544	16,469,451	19,878,826	23,035,541
Unassigned (Deficit)	-	-	-	-	-	-	(27,655,793)	(17,964,933)	(18,008,152)	(17,537,514)
<b>Total All Other Governmental Funds</b>	<b>28,912,962</b>	<b>52,563,339</b>	<b>65,070,031</b>	<b>73,570,699</b>	<b>72,451,272</b>	<b>55,540,263</b>	<b>69,642,225</b>	<b>88,669,302</b>	<b>92,578,815</b>	<b>91,558,069</b>
<b>Total Governmental Funds</b>	<b>\$ 42,564,150</b>	<b>\$ 63,736,803</b>	<b>\$ 75,698,465</b>	<b>\$ 104,083,520</b>	<b>\$ 110,739,617</b>	<b>\$ 87,002,976</b>	<b>\$ 90,838,608</b>	<b>\$ 106,304,739</b>	<b>\$ 108,928,035</b>	<b>\$ 104,278,538</b>

Note 1: The change in fund balance accounts has occurred due to the implementation of GASB 54 for 2010, 2011 and 2012

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Revenues</b>										
Property Taxes	\$ 47,667,011	\$ 49,452,124	\$ 54,548,053	\$ 63,587,785	\$ 74,811,809	\$ 69,674,972	\$ 66,870,321	\$ 58,738,278	\$ 60,757,076	\$ 61,338,933
Sales Taxes (2)	17,071,061	18,226,392	21,013,937	40,557,333	41,256,564	34,238,835	29,479,864	29,665,211	33,161,633	29,951,357
Other Local Taxes (1)	-	-	-	-	2,450,378	2,454,986	2,430,185	2,472,087	2,476,974	2,479,528
Charges for Services	37,586,693	54,430,214	39,599,181	50,623,535	45,676,573	42,536,158	41,316,620	37,075,325	38,380,844	37,054,922
Licenses and Permits	395,704	625,484	576,368	578,800	528,432	741,296	690,948	775,503	2,128,229	2,214,987
Fines and Forfeitures	1,577,450	1,588,923	1,596,855	1,990,868	2,123,869	2,231,081	2,090,293	2,875,370	2,573,506	2,135,277
Intergovernmental	104,819,010	115,938,364	121,141,697	115,942,192	127,289,857	119,929,792	128,666,114	118,933,561	104,796,723	98,805,479
Special Assessments	1,796,964	3,437,822	4,069,049	4,769,460	3,797,896	2,578,575	2,586,571	2,578,775	2,521,458	2,537,425
Payments in Lieu of Taxes	-	102,604	98,044	93,487	3,371,248	4,063,662	3,981,481	5,952,578	9,874,906	7,446,940
Investment Earnings	2,320,112	2,042,232	4,753,193	9,875,014	14,863,587	10,371,186	4,190,583	3,485,998	3,063,178	2,074,377
Contributions and Donations	-	-	57,442	-	-	-	-	-	-	-
Other	2,476,504	2,152,051	4,733,899	3,324,541	5,238,068	4,312,857	4,343,465	2,747,025	2,229,039	1,834,969
<b>Total Revenues</b>	<b>215,710,509</b>	<b>247,996,210</b>	<b>252,187,718</b>	<b>291,343,015</b>	<b>321,408,281</b>	<b>293,133,400</b>	<b>286,646,445</b>	<b>265,289,711</b>	<b>261,963,566</b>	<b>247,874,194</b>
<b>Expenditures</b>										
Current:										
General Government:										
Legislative and Executive	27,389,325	39,470,890	32,422,732	28,864,871	33,006,531	34,806,814	25,460,279	27,443,929	27,459,038	24,937,200
Judicial	12,417,152	13,600,268	14,903,814	15,614,805	16,293,690	16,701,077	17,584,347	15,714,806	14,413,062	13,440,985
Public Safety	33,995,976	36,712,267	37,831,821	48,197,839	60,514,200	56,351,505	50,753,912	40,499,329	41,027,667	44,404,141
Public Works	16,723,691	21,793,001	24,075,562	22,258,619	30,092,525	26,885,234	25,174,244	26,508,452	23,817,489	25,751,081
Health	47,016,129	47,080,225	46,791,219	55,828,433	54,243,058	61,761,021	57,606,967	61,607,948	65,519,364	58,659,569
Human Services	68,945,768	69,795,718	78,182,733	82,122,458	89,324,671	93,732,570	91,078,866	72,220,003	66,298,451	63,706,610
Conservation and Recreation	531,971	477,828	517,825	589,151	686,496	587,061	571,952	593,168	453,611	426,186
Other	2,864,741	902,028	702,757	748,995	4,254,031	10,115,027	2,388,023	11,860	730,315	5,041,559
Intergovernmental	-	-	-	-	-	5,572,290	4,780,375	4,710,532	7,839,719	4,665,872
Debt Service:										
Principal Retirement	14,895,447	18,282,294	19,421,622	21,760,855	5,943,125	6,770,900	7,410,684	7,673,850	7,879,589	9,475,040
Interest and Fiscal Charges	4,892,067	4,801,820	4,463,136	5,735,766	5,454,896	5,730,483	4,996,253	4,560,525	4,405,341	4,154,955
Issuance Costs	-	156,127	555,185	245,108	210,797	60,948	65,618	292,023	-	-
Current Refunding	-	-	-	-	-	-	-	192,750	-	-
<b>Total Expenditures</b>	<b>229,672,267</b>	<b>253,072,466</b>	<b>259,868,406</b>	<b>281,966,900</b>	<b>300,024,020</b>	<b>319,074,930</b>	<b>287,871,520</b>	<b>262,029,175</b>	<b>259,843,646</b>	<b>254,663,198</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(13,961,758)</b>	<b>(5,076,256)</b>	<b>(7,680,688)</b>	<b>9,376,115</b>	<b>21,384,261</b>	<b>(25,941,530)</b>	<b>(1,225,075)</b>	<b>3,260,536</b>	<b>2,119,920</b>	<b>(6,789,004)</b>

(Continued)



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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Other Financing Sources (Uses)</b>										
General Obligation Bonds Issued	-	10,350,000	-	17,500,000	-	-	-	11,410,000	-	-
Premium on Debt Issued	192,695	470,259	2,042,726	578,718	960,332	83,744	30,433	682,746	-	979,990
Discount on Debt Issued	-	-	-	-	-	-	-	(49,894)	-	-
Proceeds from Sale of Capital Assets	-	-	-	-	118,942	-	-	19,064	35,754	21,594
Notes Issued	14,485,000	15,470,000	17,105,000	-	-	-	-	-	-	-
Refunding Bonds Issued	-	8,905,000	29,365,000	-	17,095,000	-	-	7,200,000	-	8,885,000
Special Assessment Bonds Issued	-	-	1,144,000	-	-	3,315,000	-	-	-	-
Proceeds of Loans	-	768,868	-	-	374,761	-	773,396	651,103	368,646	50,699
Accrued Interest Received on Debt Issued	-	11,851	-	-	-	-	-	-	-	-
Payment to Refund Bond Escrow Agent	-	(8,841,258)	32,908,080	-	(17,836,926)	-	-	(7,707,424)	-	(7,873,107)
Current Refunding										
Inception of Capital Lease	72,200	-	2,862,332	83,878	1,532,939	1,218,866	1,476,982	-	-	78,136
Transfers - In	6,242,489	6,100,441	7,071,258	7,928,785	2,803,627	3,089,344	3,211,274	11,362,283	11,983,359	12,531,641
Transfers - Out	(6,123,489)	(6,100,441)	(7,039,886)	(7,928,785)	(2,803,627)	(3,089,344)	(3,211,274)	(11,362,283)	(11,954,797)	(12,534,446)
Total Other Financing Sources	14,868,895	27,134,720	85,458,510	18,162,596	2,245,048	4,617,610	4,215,811	12,205,595	432,962	2,139,507
Prior Year Restatement of Fund Balance	(1,616,324)	(1,185,811)	-	-	(16,973,312)	(2,412,721)	844,896	-	-	-
<b>Net Change in Fund Balances</b>	<b>\$ (709,187)</b>	<b>\$ 20,872,653</b>	<b>\$ 77,777,822</b>	<b>\$ 27,538,711</b>	<b>\$ 6,655,997</b>	<b>\$ (23,736,641)</b>	<b>\$ 3,835,632</b>	<b>\$ 15,466,131</b>	<b>\$ 2,652,882</b>	<b>\$ (4,649,497)</b>
Debt Service as a Percentage of Noncapital Expenditures	8.79%	9.24%	9.53%	10.10%	4.12%	4.22%	4.49%	4.95%	4.92%	5.51%

\*Prior to 2007 Other Local Taxes was included with Property Taxes revenue.

\*\* .50 Sales Tax imposed in 2006 and in January 2008 .25 of the Sales Tax was removed.

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

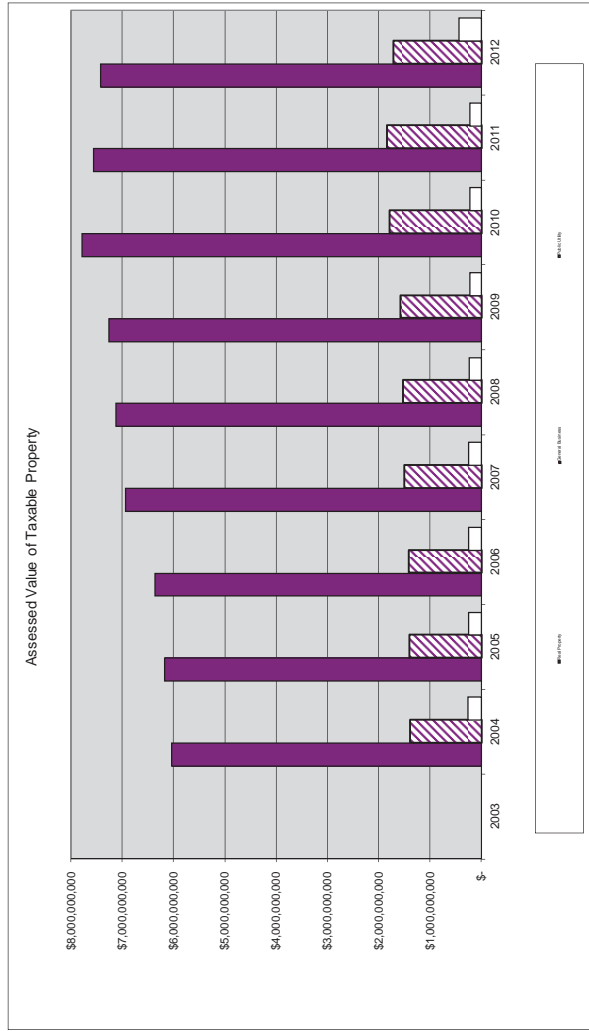
Collection Year	Real Property				Tangible Personal Property				Total				Weighted Average Tax Rate	
	Assessed Value		Estimated Actual Value		Assessed Value		Estimated Actual Value		Assessed Value		Estimated Actual Value			Ratio
	Residential/Agricultural	Commercial/Industrial/PU												
2003	\$ 4,636,038,390	\$ 1,405,199,000	\$ 17,266,392,543	\$ 724,768,577	\$ 3,151,167,726	\$ 258,535,610	\$ 293,788,193	\$ 7,026,539,577	\$ 20,711,348,462	33.93%	5.65			
2004	4,762,263,590	1,413,231,970	17,644,273,029	739,614,001	3,215,713,048	246,408,050	280,009,148	7,161,517,611	21,139,995,224	33.88%	7.32			
2005	4,842,502,150	1,420,219,660	18,179,205,171	744,780,872	3,238,177,704	251,886,670	286,234,852	7,359,389,352	21,703,617,728	33.91%	6.88			
2006	5,425,220,650	1,510,667,250	19,816,822,571	756,743,427	4,035,964,944	244,863,700	278,254,205	7,937,495,027	24,131,041,720	32.89%	8.65			
2007	5,595,932,480	1,530,799,300	20,356,376,514	604,188,591	4,833,508,728	236,656,000	268,927,272	7,985,576,371	25,458,812,514	31.29%	10.11			
2008	5,686,682,890	1,583,855,220	20,772,966,029	463,957,189	7,423,315,502	221,175,070	251,335,307	7,955,670,369	21,786,632,898	36.55%	9.57			
2009	5,993,230,710	1,803,864,330	22,277,414,400	15,192,330	151,923,300	224,151,810	254,717,966	8,036,439,180	22,684,055,666	35.43%	8.64			
2010	5,719,180,590	1,844,459,770	21,610,401,000	8,135,430	162,708,600	229,648,530	260,964,239	7,801,424,310	22,034,073,839	35.41%	8.93			
2011	5,713,922,440	1,720,761,670	21,241,954,600	-	-	431,183,570	489,981,330	7,865,867,680	21,731,935,930	36.19%	9.05			
2012	5,495,218,660	1,569,213,370	20,184,092,086	-	-	436,885,180	496,460,432	7,501,317,410	20,680,552,518	36.27%	9.19			

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

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. Personal property tax is assessed on all tangible personal property used in business in Ohio. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 86 percent for electric transmission and distribution property. General business tangible personal property is assessed at 25 percent for machinery and equipment and 23 percent for inventories. The general business tangible personal property tax is being phased out beginning in 2006. The listing percentage is 18.75% for 2006, 12.5% for 2007, 6.25% for 2008 and zero for 2009. Effective for 2009, telecommunications is the only remaining type of personal property tax. This will be phased out by 2011. The percentages for telecommunications are 10% for 2009, 5% for 2010 and zero for 2011.

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

Source: Butler County Auditor



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

Collection Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Unvoted Millage</b>										
Operating	1.920000	1.920000	1.920000	1.920000	1.920000	1.920000	1.920000	1.920000	1.920000	1.920000
Miami Conservancy	0.030000	0.020000	0.020000	0.020000	0.030000	0.030000	0.030000	0.025000	0.000000	0.000000
<b>Voted Millage - by levy</b>										
1976 Developmental Disabilities										
Residential/Agricultural Real	0.132031	0.131608	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Commercial/Industrial and Public Utility Real	0.212108	0.217192	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
General Business and Public Utility Personal	0.500000	0.500000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
1984 Developmental Disabilities										
Residential/Agricultural Real	0.223083	0.222369	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Commercial/Industrial and Public Utility Real	0.288360	0.295272	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
General Business and Public Utility Personal	0.500000	0.500000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
1986 Developmental Disabilities										
Residential/Agricultural Real	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Commercial/Industrial and Public Utility Real	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
General Business and Public Utility Personal	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
2000 Developmental Disabilities										
Residential/Agricultural Real	1.699012	1.693572	1.680580	1.574030	1.562380	1.557960	1.491100	1.571612	1.491100	1.647328
Commercial/Industrial and Public Utility Real	1.850980	1.895346	1.898520	1.866870	1.889570	1.879520	1.690228	1.771412	1.690230	2.000000
General Business and Public Utility Personal	2.000000	2.000000	2.000000	2.000000	2.000000	2.000000	2.000000	2.000000	2.000000	2.000000
2004 Mental Retardation Board										
Residential/Agricultural Real	0.000000	0.000000	0.992330	0.929410	0.922533	0.919930	0.880446	0.927985	0.880440	0.972693
Commercial/Industrial and Public Utility Real	0.000000	0.000000	1.000000	0.983330	0.995289	0.989994	0.890289	0.933051	0.890290	1.000000
General Business and Public Utility Personal	0.000000	0.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000
1985 Mental Health Board										
Residential/Agricultural Real	0.244832	0.244048	0.242180	0.226820	0.225140	0.224507	0.214873	0.226475	0.214873	0.237386
Commercial/Industrial and Public Utility Real	0.296278	0.303380	0.303890	0.298820	0.302460	0.300847	0.270548	0.283543	0.270548	0.322558
General Business and Public Utility Personal	0.500000	0.500000	0.500000	0.500000	0.500000	0.500000	0.500000	0.500000	0.500000	0.500000
2006 Mental Health Board										
Residential/Agricultural Real	0.000000	0.000000	0.000000	0.000000	0.992597	0.989791	0.947314	0.998464	0.947314	1.000000
Commercial/Industrial and Public Utility Real	0.000000	0.000000	0.000000	0.000000	1.000000	0.994679	0.894502	0.937466	0.894502	1.000000
General Business and Public Utility Personal	0.000000	0.000000	0.000000	0.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000
2006 Animal Shelter										
Residential/Agricultural Real	0.000000	0.000000	0.000000	0.000000	0.496298	0.000000	0.000000	0.000000	0.000000	0.000000
Commercial/Industrial and Public Utility Real	0.000000	0.000000	0.000000	0.000000	0.500000	0.000000	0.000000	0.000000	0.000000	0.000000
General Business and Public Utility Personal	0.000000	0.000000	0.000000	0.000000	0.500000	0.000000	0.000000	0.000000	0.000000	0.000000

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

Collection Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
1989 Childrens Services Agency										
Residential/Agricultural Real	1.033010	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Commercial/Industrial and Public Utility Real	1.290830	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
General Business and Public Utility Personal	2.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
2008 Childrens Services Agency										
Residential/Agricultural Real	0.000000	1.993596	1.978300	1.852870	1.839160	1.833960	1.910580	2.000000	2.000000	2.000000
Commercial/Industrial and Public Utility Real	0.000000	2.000000	2.000000	1.966660	1.990580	1.979990	1.800000	1.884962	1.943610	2.000000
General Business and Public Utility Personal	0.000000	2.000000	2.000000	2.000000	2.000000	2.000000	2.000000	2.000000	2.000000	2.000000
1996 Senior Citizens										
Residential/Agricultural Real	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Commercial/Industrial and Public Utility Real	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
General Business and Public Utility Personal	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
2001 Senior Citizens										
Residential/Agricultural Real	1.117552	1.113974	1.105428	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Commercial/Industrial and Public Utility Real	1.203137	1.231975	1.234037	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
General Business and Public Utility Personal	1.300000	1.300000	1.300000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
2005 Senior Citizens										
Residential/Agricultural Real	0.000000	0.000000	0.000000	1.873200	1.805933	1.854074	1.153429	1.215708	1.300000	1.300000
Commercial/Industrial and Public Utility Real	0.000000	0.000000	0.000000	1.966660	1.990580	1.979988	1.157376	1.212966	1.300000	1.300000
General Business and Public Utility Personal	0.000000	0.000000	0.000000	2.000000	2.000000	2.000000	1.300000	1.300000	1.300000	1.300000
<b>Total voted millage by type of property</b>										
Residential/Agricultural Real	4.449520	5.399167	5.998818	6.456330	7.897440	7.380220	6.601330	6.940244	7.291217	7.157407
Commercial/Industrial and Public Utility Real	5.141693	5.943165	6.436447	7.082340	8.668480	8.125020	6.701520	7.023400	7.030946	7.622558
General Business and Public Utility Personal	6.800000	6.800000	6.800000	7.500000	9.000000	8.500000	7.800000	7.800000	7.800000	7.800000
<b>Total millage by type of property</b>										
Residential/Agricultural Real	6.389510	7.339167	7.938818	8.396330	9.847440	9.330210	8.551330	8.885244	8.950946	9.077407
Commercial/Industrial and Public Utility Real	7.081700	7.883165	8.376447	9.022340	10.618480	10.075010	8.651517	8.968400	9.211217	9.542558
General Business and Public Utility Personal	8.750000	8.750000	8.740000	9.440000	10.950000	10.450000	9.750000	9.745000	9.720000	9.720000
<b>Rates by Taxing District</b>										
<b>Cities</b>										
Fairfield										
Residential/Agricultural Real	5.355407	5.357406	5.349340	5.022210	5.012060	5.005792	4.883836	5.103153	5.107734	5.233149
Commercial/Industrial and Public Utility Real	5.461680	5.527773	5.584060	5.374590	5.429240	5.422343	4.993511	5.227276	5.280825	5.633398
General Business and Public Utility Personal	5.940000	5.940000	5.940000	5.940000	5.940000	5.940000	5.940000	5.940000	5.940000	5.940000
Hamilton										
Residential/Agricultural Real	6.795640	6.799024	6.834730	6.694920	6.689172	6.688394	6.654314	6.739920	6.394930	6.512534
Commercial/Industrial and Public Utility Real	7.016720	7.066028	7.145890	7.090280	7.119230	7.141428	6.944668	7.038468	6.736200	6.810000
General Business and Public Utility Personal	7.120000	7.120000	7.160000	7.160000	7.160000	7.160000	7.160000	7.160000	6.810000	6.810000

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Collection Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Middletown</b>										
Residential/Agricultural Real	5.860000	5.880000	5.900000	5.900000	5.900000	5.900000	5.900000	5.900000	5.900000	5.900000
Commercial/Industrial and Public Utility Real	5.860000	5.880000	5.900000	5.900000	5.900000	5.900000	5.900000	5.900000	5.900000	5.900000
General Business and Public Utility Personal	5.860000	5.880000	5.900000	5.900000	5.900000	5.900000	5.900000	5.900000	5.900000	5.900000
<b>Monroe</b>										
Residential/Agricultural Real	5.789340	7.064290	6.987370	7.018950	6.181140	6.143540	5.922472	4.909746	4.906790	6.297308
Commercial/Industrial and Public Utility Real	8.214470	10.012546	10.003930	10.030010	8.519890	8.552396	8.071304	6.984608	7.160564	8.967780
General Business and Public Utility Personal	9.850000	11.170000	11.170000	11.170000	9.320000	9.320000	9.320000	8.000000	8.000000	9.320000
<b>Oxford</b>										
Residential/Agricultural Real	3.650000	3.650000	3.650000	3.650000	3.650000	3.650000	3.650000	3.650000	3.650000	3.650000
Commercial/Industrial and Public Utility Real	3.650000	3.650000	3.650000	3.650000	3.650000	3.650000	3.650000	3.650000	3.650000	3.650000
General Business and Public Utility Personal	3.650000	3.650000	3.650000	3.650000	3.650000	3.650000	3.650000	3.650000	3.650000	3.650000
<b>Trenton</b>										
Residential/Agricultural Real	4.401880	4.392710	3.240000	3.240000	3.240000	3.240000	3.240000	3.240000	3.240000	3.240000
Commercial/Industrial and Public Utility Real	4.432340	4.434132	3.240000	3.240000	3.240000	3.240000	3.240000	3.240000	3.240000	3.240000
General Business and Public Utility Personal	4.740000	4.740000	3.240000	3.240000	3.240000	3.240000	3.240000	3.240000	3.240000	3.240000
<b>Villages</b>										
<b>College Corner</b>										
Residential/Agricultural Real	5.500660	5.500662	5.500950	5.493570	5.492928	5.492701	4.817569	4.972263	11.968741	12.050696
Commercial/Industrial and Public Utility Real	6.793680	6.842042	6.842040	6.383660	6.383665	6.383665	6.254188	6.254188	13.254188	13.439252
General Business and Public Utility Personal	14.400000	14.400000	14.400000	14.400000	14.400000	14.400000	14.400000	14.400000	21.400000	21.400000
<b>Jacksonburg</b>										
Residential/Agricultural Real	2.000000	2.000000	2.000000	2.000000	2.000000	2.000000	2.000000	2.000000	2.000000	2.000000
Commercial/Industrial and Public Utility Real	2.000000	2.000000	2.000000	2.000000	2.000000	2.000000	2.000000	2.000000	2.000000	2.000000
General Business and Public Utility Personal	2.000000	2.000000	2.000000	2.000000	2.000000	2.000000	2.000000	2.000000	2.000000	2.000000
<b>Millville</b>										
Residential/Agricultural Real	2.300000	2.300000	2.300000	2.300000	2.300000	2.300000	2.300000	2.300000	5.300000	4.798710
Commercial/Industrial and Public Utility Real	2.300000	2.300000	2.300000	2.300000	2.300000	2.300000	2.300000	2.300000	5.300000	4.800000
General Business and Public Utility Personal	2.300000	2.300000	2.300000	2.300000	2.300000	2.300000	2.300000	2.300000	5.300000	4.800000
<b>New Miami</b>										
Residential/Agricultural Real	7.295260	7.302594	7.302590	7.054630	7.057468	3.300000	3.137033	6.733900	6.744869	6.899237
Commercial/Industrial and Public Utility Real	7.515880	7.515910	7.515910	7.173600	7.055503	3.300000	3.193293	6.797783	6.821690	7.407265
General Business and Public Utility Personal	8.300000	8.300000	8.300000	8.300000	8.300000	3.300000	3.300000	8.300000	8.300000	8.300000
<b>Sevensville</b>										
Residential/Agricultural Real	5.256997	5.158510	5.157520	7.054640	3.705286	3.706631	3.615387	2.730000	2.730000	2.730000
Commercial/Industrial and Public Utility Real	6.182690	6.082690	6.082690	7.179360	4.709944	4.709945	4.569314	2.730000	2.730000	2.730000
General Business and Public Utility Personal	6.820000	6.720000	6.720000	6.720000	5.420000	5.420000	5.420000	2.730000	2.730000	2.730000

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Collection Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Somerville</b>										
Residential/Agricultural Real	3.090000	3.090000	3.090000	3.090000	3.090000	3.090000	3.090000	3.090000	3.090000	3.090000
Commercial/Industrial and Public Utility Real	3.090000	3.090000	3.090000	3.090000	3.090000	3.090000	3.090000	3.090000	3.090000	3.090000
General Business and Public Utility Personal	3.090000	3.090000	3.090000	3.090000	3.090000	3.090000	3.090000	3.090000	3.090000	3.090000
<b>Townships</b>										
<b>Fairfield</b>										
Residential/Agricultural Real	6.008240	5.968270	5.938660	5.693140	5.634990	5.620972	5.400695	5.613072	5.617184	5.858677
Commercial/Industrial and Public Utility Real	6.167896	6.389860	5.169530	5.754300	6.075460	5.338238	5.566851	5.814574	5.739544	5.676597
General Business and Public Utility Personal	7.190000	7.190000	7.190000	7.190000	7.190000	7.190000	7.190000	7.190000	7.190000	7.190000
<b>Fairfield - Fire District</b>										
Residential/Agricultural Real	10.005530	9.931050	9.876160	9.423640	9.315810	9.289817	8.884015	-	-	-
Commercial/Industrial and Public Utility Real	10.258630	10.682240	8.370580	9.476440	10.081580	8.696778	9.130686	-	-	-
General Business and Public Utility Personal	12.190000	12.190000	12.190000	12.190000	12.190000	12.190000	12.190000	-	-	-
<b>Hanover</b>										
Residential/Agricultural Real	2.720000	2.720000	2.720000	2.720000	4.463410	4.457841	4.394456	4.470000	4.470000	4.470000
Commercial/Industrial and Public Utility Real	2.720000	2.720000	2.720000	2.720000	4.458660	4.459544	4.364491	4.463079	4.470000	4.470000
General Business and Public Utility Personal	2.720000	2.720000	2.720000	2.720000	4.470000	4.470000	4.470000	4.470000	4.470000	4.470000
<b>Liberty</b>										
Residential/Agricultural Real	8.609295	8.469390	8.298120	8.080190	9.072858	9.037356	8.883259	10.013705	10.558480	10.668367
Commercial/Industrial and Public Utility Real	8.814520	8.804170	8.515520	8.744240	9.765146	9.527537	8.767764	8.933331	10.171996	10.349200
General Business and Public Utility Personal	10.590000	10.590000	10.590000	10.590000	11.090000	11.090000	11.090000	11.090000	11.590000	11.590000
<b>Madison</b>										
Residential/Agricultural Real	1.671610	1.671460	1.670620	1.625840	1.626605	1.626586	1.621594	1.642768	3.643671	3.646562
Commercial/Industrial and Public Utility Real	1.838760	1.846680	1.869080	1.849530	1.852322	1.848355	1.808983	1.809461	3.818551	3.848440
General Business and Public Utility Personal	2.260000	2.260000	2.260000	2.260000	2.260000	2.260000	2.260000	2.260000	4.260000	4.260000
<b>Milford</b>										
Residential/Agricultural Real	4.485000	4.494770	4.494460	4.323200	6.325170	6.310499	5.947213	6.089780	6.093804	6.250048
Commercial/Industrial and Public Utility Real	4.996767	4.996770	4.996770	4.926520	6.887879	6.857308	6.338943	6.338946	6.389011	6.830722
General Business and Public Utility Personal	5.740000	5.740000	5.740000	5.740000	7.740000	7.740000	7.740000	7.740000	7.740000	7.740000
<b>Morgan</b>										
Residential/Agricultural Real	5.216150	5.467290	5.457310	5.126850	5.588967	5.584894	6.066668	6.183757	6.188990	6.911653
Commercial/Industrial and Public Utility Real	5.023250	5.298200	5.298200	5.230220	5.684251	5.684251	5.974980	6.124875	6.115224	6.922000
General Business and Public Utility Personal	5.720000	5.720000	5.720000	5.720000	5.720000	5.720000	6.220000	6.220000	6.220000	6.970000
<b>Oxford</b>										
Residential/Agricultural Real	5.201140	6.959040	6.952110	6.178240	6.172409	6.148158	5.761907	6.016532	6.031050	6.067536
Commercial/Industrial and Public Utility Real	6.488999	8.239000	8.239000	7.641700	6.480600	6.216652	3.556455	3.556455	3.590540	3.633912
General Business and Public Utility Personal	7.840000	9.590000	9.590000	9.590000	9.590000	9.590000	9.590000	9.590000	9.590000	9.590000

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<b>Reily</b>										
Residential/Agricultural Real	6.448920	7.390000	7.369150	7.052330	7.045005	7.042639	7.012669	7.202841	7.206026	7.063216
Commercial/Industrial and Public Utility Real	6.796020	7.390000	7.390000	7.327890	7.327889	7.327889	7.351738	7.291594	7.291594	7.390000
General Business and Public Utility Personal	7.390000	7.390000	7.390000	7.390000	7.390000	7.390000	7.390000	7.390000	7.390000	7.390000
<b>Ross</b>										
Residential/Agricultural Real	6.107200	6.079340	6.337140	6.002720	6.578420	6.567461	6.165227	6.316230	6.322609	6.438277
Commercial/Industrial and Public Utility Real	6.189170	6.212570	6.474850	6.226000	6.652570	6.644201	6.020518	6.123685	6.124436	6.305091
General Business and Public Utility Personal	6.720000	6.720000	6.720000	6.720000	6.720000	6.720000	6.720000	6.720000	6.720000	6.720000
<b>St Clair</b>										
Residential/Agricultural Real	3.695440	4.143910	4.468510	4.441450	4.445978	4.445095	4.158202	4.249082	4.253621	4.305582
Commercial/Industrial and Public Utility Real	3.860770	4.236340	4.466890	4.452910	4.444570	4.449051	4.419493	4.470000	4.470000	4.470000
General Business and Public Utility Personal	4.470000	4.470000	4.470000	4.470000	4.470000	4.470000	4.470000	4.470000	4.470000	4.470000
<b>Wayne</b>										
Residential/Agricultural Real	3.464180	3.464690	4.761640	4.601550	4.596910	3.456438	3.368540	4.729232	4.731047	4.732366
Commercial/Industrial and Public Utility Real	3.480590	3.477660	4.777660	4.812740	4.812741	3.550552	3.460201	4.770201	4.770201	4.787191
General Business and Public Utility Personal	3.580000	3.580000	4.880000	4.880000	4.880000	3.580000	3.580000	4.890000	4.890000	4.890000
<b>West Chester</b>										
Residential/Agricultural Real	11.298500	11.283004	11.205488	10.869220	13.298642	13.246766	12.602738	13.028126	14.419072	14.590000
Commercial/Industrial and Public Utility Real	12.019120	12.243240	12.034369	12.226040	14.429398	14.245764	12.696286	13.165746	14.262004	14.590000
General Business and Public Utility Personal	13.090000	13.090000	13.090000	13.090000	14.590000	14.590000	14.590000	14.590000	14.590000	14.590000
<b>Joint Vocational Schools</b>										
Butler County JVS										
Residential/Agricultural Real	1.930000	1.930000	1.930000	1.930000	1.930000	1.930000	1.930000	1.930000	1.930000	1.930000
Commercial/Industrial and Public Utility Real	1.930000	1.930000	1.930000	1.930000	1.930000	1.930000	1.930000	1.930000	1.930000	1.930000
General Business and Public Utility Personal	1.930000	1.930000	1.930000	1.930000	1.930000	1.930000	1.930000	1.930000	1.930000	1.930000
<b>Great oaks JVS</b>										
Residential/Agricultural Real	2.138850	2.115380	2.108827	2.000000	2.000000	2.000000	2.000000	2.015685	2.030848	2.199458
Commercial/Industrial and Public Utility Real	2.345050	2.365350	2.376635	2.236930	2.219364	2.210809	2.113835	2.138073	2.213681	2.407903
General Business and Public Utility Personal	2.700000	2.700000	2.700000	2.700000	2.700000	2.700000	2.700000	2.700000	2.700000	2.700000
<b>Miami Valley Tech JVS</b>										
Residential/Agricultural Real	2.306888	2.295850	2.275391	2.108440	2.098318	2.066068	2.039676	2.053296	2.053789	2.443774
Commercial/Industrial and Public Utility Real	2.332630	2.336540	2.348741	2.254050	2.259504	2.239154	2.165135	2.190694	2.219158	2.511325
General Business and Public Utility Personal	2.580000	2.580000	2.580000	2.580000	2.580000	2.580000	2.580000	2.580000	2.580000	2.580000
<b>Schools</b>										
Edgewood City										
Residential/Agricultural Real	30.276350	30.212360	30.039707	35.280720	35.280013	35.130009	32.630020	36.802972	35.715764	36.738135
Commercial/Industrial and Public Utility Real	33.406680	33.399660	33.389481	39.834270	39.807444	39.712012	36.101977	40.731181	40.172190	41.404253
General Business and Public Utility Personal	43.760000	43.760000	43.760000	50.640000	50.640000	50.490000	47.990000	50.990000	49.876000	50.435000

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<b>Fairfield City</b>										
Residential/Agricultural Real	27.057240	28.484670	33.238181	31.550480	31.401270	31.351328	28.714319	29.740269	29.842606	37.191046
Commercial/Industrial and Public Utility Real	30.285420	31.982800	36.817828	35.693840	36.141470	35.823366	31.666282	32.972128	33.336082	41.681090
General Business and Public Utility Personal	53.820000	53.820000	58.660000	58.600000	58.600000	58.600000	56.590000	56.520000	56.600000	63.100000
<b>Hamilton City</b>										
Residential/Agricultural Real	27.200020	27.437440	27.400021	27.200010	32.607930	32.607554	32.486564	33.681083	33.742977	35.218492
Commercial/Industrial and Public Utility Real	32.656640	33.392850	33.929301	32.967340	38.679349	38.964789	36.448336	37.690444	38.378912	41.591945
General Business and Public Utility Personal	48.010000	48.210000	48.210000	48.010000	53.420000	53.420000	53.310000	53.420000	53.420000	53.420000
<b>Lakota Local</b>										
Residential/Agricultural Real	34.206580	33.233840	32.928702	37.611330	37.012536	36.845748	35.757201	36.683458	37.227670	38.668826
Commercial/Industrial and Public Utility Real	36.610060	36.309440	35.710490	41.818480	41.906875	41.339911	37.509908	38.455457	40.307800	43.329024
General Business and Public Utility Personal	60.840000	60.040000	60.040000	65.640000	65.390000	65.390000	65.340000	65.340000	65.840000	65.840000
<b>Madison Local</b>										
Residential/Agricultural Real	29.300003	29.150010	29.100005	36.500020	36.537476	36.043960	36.350004	37.856213	38.142340	38.934774
Commercial/Industrial and Public Utility Real	29.300010	29.471050	30.352334	37.177640	37.291347	36.644537	36.350016	36.868837	37.472410	39.555174
General Business and Public Utility Personal	32.140000	31.990000	31.940000	39.340000	39.340000	38.850000	39.190000	39.690000	39.940000	40.540000
<b>Middletown City</b>										
Residential/Agricultural Real	30.390000	34.898720	34.893822	41.940000	41.940000	42.576939	42.861275	45.669670	45.716950	47.162000
Commercial/Industrial and Public Utility Real	30.390000	35.330440	35.836170	45.522610	42.201794	43.004439	42.560003	44.522186	44.917230	46.713362
General Business and Public Utility Personal	33.580000	38.080000	38.080000	45.130000	45.130000	45.750000	45.750000	47.000000	46.994000	47.162000
<b>Monroe Local</b>										
Residential/Agricultural Real	0.000000	37.250010	36.620008	36.890010	41.440008	40.850008	40.100008	38.934155	37.463740	40.137006
Commercial/Industrial and Public Utility Real	0.000000	38.326150	37.678024	38.012130	42.290586	41.780025	40.100008	38.206936	38.185060	40.762571
General Business and Public Utility Personal	0.000000	40.680000	40.050000	40.320000	44.870000	44.280000	43.530000	41.038000	39.580000	41.537000
<b>New Miami Local</b>										
Residential/Agricultural Real	24.255750	24.292197	24.295220	24.241560	24.241093	24.240991	24.174075	25.316237	25.393200	26.017594
Commercial/Industrial and Public Utility Real	24.305280	24.305310	24.302314	24.286610	24.277540	24.276447	24.227391	24.517561	24.549360	25.009944
General Business and Public Utility Personal	29.420000	29.420000	29.420000	29.420000	29.420000	29.420000	29.420000	29.570000	29.570000	29.570000
<b>Ross Local</b>										
Residential/Agricultural Real	28.942950	28.874050	28.647428	26.719950	26.700024	26.500011	26.180016	25.650243	25.379749	25.644102
Commercial/Industrial and Public Utility Real	31.110140	31.172610	31.125162	29.848490	29.874938	29.648716	26.882420	26.181202	26.004626	26.733007
General Business and Public Utility Personal	51.980000	51.980000	51.980000	51.730000	51.730000	51.530000	51.210000	50.030000	49.730000	49.730000



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(Continued)

Collection Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Talawanda City</b>										
Residential/Agricultural Real	24.244430	25.454270	25.371832	23.170020	23.170026	23.150032	27.820025	28.754159	28.733986	28.774471
Commercial/Industrial and Public Utility Real	25.215300	26.776220	26.868961	25.521640	25.638202	25.656717	28.002809	29.551230	30.583940	32.014534
General Business and Public Utility Personal	50.300000	51.490000	51.490000	51.470000	51.470000	51.450000	56.120000	56.170000	56.130000	56.130000
<b>Out-of-County School Districts</b>										
<b>College Corner Local</b>										
Residential/Agricultural Real	24.304880	24.322310	24.331136	24.376750	24.384300	24.383859	23.699491	24.161005	24.265730	25.944728
Commercial/Industrial and Public Utility Real	25.135070	25.236190	25.236190	24.764910	24.764910	24.764913	24.662707	24.662707	24.559660	27.111058
General Business and Public Utility Personal	32.100000	32.100000	32.100000	32.100000	32.100000	32.100000	32.100000	32.100000	32.100000	32.100000
<b>Mason Local</b>										
Residential/Agricultural Real	38.767620	37.956760	37.590621	43.747320	41.001409	42.491636	42.419539	45.489175	45.506050	45.524206
Commercial/Industrial and Public Utility Real	41.790580	42.854880	42.083885	48.179000	43.762300	45.158847	44.952516	43.980983	44.161320	45.012027
General Business and Public Utility Personal	72.610000	74.110000	74.110000	80.650000	81.760000	83.450000	83.450000	83.450000	83.450000	83.450000
<b>Northwest Local</b>										
Residential/Agricultural Real	26.892850	26.846691	26.802634	23.967400	23.823540	27.684315	28.158611	28.190966	28.258058	31.003183
Commercial/Industrial and Public Utility Real	30.137590	30.411120	30.765299	28.336620	27.989296	31.568016	31.648585	32.084438	32.804058	35.933239
General Business and Public Utility Personal	49.640000	49.640000	49.640000	49.640000	49.500000	53.390000	53.560000	53.570000	53.600000	54.220000
<b>Preble Shawnee Local</b>										
Residential/Agricultural Real	25.441300	22.990000	23.440863	23.398180	23.399192	23.399040	23.374305	23.374884	23.375830	23.096386
Commercial/Industrial and Public Utility Real	25.476799	22.990000	23.481721	23.440910	23.442185	23.442186	23.432161	23.432091	23.431880	23.180055
General Business and Public Utility Personal	25.490000	23.490000	23.490000	23.490000	23.490000	23.490000	23.490000	23.490000	23.490000	23.200000
<b>Princeton Local</b>										
Residential/Agricultural Real	22.936280	25.993380	25.977801	23.481060	23.423617	23.428671	23.534428	23.664862	25.193000	26.967911
Commercial/Industrial and Public Utility Real	28.039750	31.512040	31.901807	30.134730	30.370811	29.929559	29.123722	29.745365	33.112690	35.370055
General Business and Public Utility Personal	45.790000	49.030000	49.030000	49.030000	49.030000	49.030000	48.990000	48.990000	50.480000	50.830000
<b>Southwest Local</b>										
Residential/Agricultural Real	25.319130	25.121570	24.945052	24.468310	23.620010	23.620025	23.460014	23.350033	23.048470	24.018820
Commercial/Industrial and Public Utility Real	29.475797	29.226450	28.993897	27.081580	26.131420	26.080145	25.007211	24.917567	24.856550	25.295877
General Business and Public Utility Personal	47.440000	47.250000	47.080000	46.680000	45.300000	45.300000	45.140000	44.980000	44.680000	44.180000

The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue billed in that year.

Real property tax rates are reduced so that inflationary increases in value do not generate additional taxes.

Real property is reappraised every six years and property values are updated in the third year following each reappraisal.

Rates may only be raised by obtaining the approval of a majority of the voters at a public election.

Source: Butler County Auditor

**Butler County, Ohio**  
**Property Tax Levies and Collections (1)**  
**Last Ten Years**

Collection Year	Current Tax Levy	Current Tax Collections	Percent of Current Tax Collections to		Delinquent Tax Collections (2)	Total Tax Collections	Percent of Total Tax Collections to Current Tax Levy
			Current Tax Levy	Tax Levy			
2003	\$ 41,908,616	\$ 40,079,541	95.64	\$	1,288,439	\$ 41,367,980	98.71
2004	48,245,395	46,139,554	95.64		1,642,553	47,782,107	99.04
2005	53,335,484	51,293,478	96.17		1,741,707	53,035,185	99.44
2006	61,493,150	58,964,700	95.89		2,096,044	61,060,744	99.30
2007	80,547,889	74,545,921	92.55		2,937,556	77,483,477	96.20
2008	76,057,818	69,182,604	90.96		3,554,162	72,736,766	95.63
2009	69,043,097	64,983,254	94.12		2,629,019	67,612,273	97.93
2010	69,597,356	65,714,900	94.42		1,640,881	67,355,781	96.78
2011	71,186,424	67,414,921	94.70		2,638,007	70,052,928	98.41
2012	69,103,172	66,248,675	95.87		2,373,181	68,621,857	99.30

Source: Butler County Auditor

(1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental revenue

(2) The County does not identify delinquent tax collections by tax year

Note: Resources have not been externally restricted for the repayment of debt.

**Butler County, Ohio  
Principal Taxpayers  
Real Estate Tax  
2012 and 2004 (1)**

Name of Taxpayer	2012	
	Assessed Value	Percent of Real Property Assessed Value
Duke Realty Ohio	\$14,196,030	0.20 %
MillerCoors LLC	12,843,180	0.18
Meijer Stores LTD PRT	12,137,410	0.17
AK Steel Corporation	10,704,300	0.15
Boymel Sam TR	10,145,040	0.14
First Industrial LP	9,876,740	0.14
US Industrial REIT III Midwest	9,065,000	0.13
Dugan Financing LLC	8,297,030	0.12
DCT Port Union LLC	8,085,000	0.11
Cincinnati Lesaint Industrial	8,050,000	0.11
Totals	<u>\$103,399,730</u>	<u>1.46 %</u>
Total Assessed Valuation	<u>\$7,064,432,230</u>	
Name of Taxpayer	2004	
	Assessed Value	Percent of Real Property Assessed Value
MillerCoors LLC	\$20,291,150	0.33 %
Cincinnati Financial Insurance	15,927,450	0.26
AK Steel Corp.	15,491,330	0.25
Meijer Stores LTD PRT	12,868,540	0.21
Duke Realty LLC	11,404,400	0.18
First Industrial	9,471,120	0.15
Boymel Sam	9,142,420	0.15
Dugan Financiing	9,085,330	0.15
Ohio Casualty Insurance	6,952,730	0.11
Union Station of WestChester	6,072,500	0.10
.	<u>\$116,706,970</u>	<u>1.89 %</u>
Total Assessed Valuation	<u>\$6,175,495,560</u>	

**(1) The amounts presented represent the assessed values upon which 2012 and 2004 collections were based.**

**Source: Butler County Auditor**

**Butler County, Ohio  
Principal Taxpayers  
Public Utilities Personal Property Tax  
2012 and 2004(1)**

Name of Taxpayer	2012	
	Assessed Value	Percent of Public Utility Assessed Value
Duke Energy Ohio Inc.	\$ 167,604,760	38.35 %
Rockies Express Pipeline LLC	121,276,820	27.76
Duke Energy Indiana	42,247,550	9.67
Duke Energy Kentucky Inc	28,305,020	6.48
Butler Rural Electric	10,759,300	2.46
Texas Eastern Transmission Corp	6,442,940	1.47
Bank of America Leasing	4,054,850	0.93
Texas Gas Transmission LLC	3,337,820	0.76
Cincinnati Gas & Electric	2,858,770	0.65
Union Light Heat and Power	2,063,440	0.47
Glenwood Energy of Oxford	1,235,230	0.28
<b>Total</b>	<b>\$ 390,186,500</b>	<b>89.31 %</b>
<b>Total Assessed Valuation</b>	<b>\$436,885,180</b>	

Name of Taxpayer	2004	
	Assessed Value	Percent of Public Utility Assessed Value
Duke Energy Ohio	\$ 167,716,340	68.06%
Cincinnati Bell Telephone	32,381,190	13.14%
Ohio Bell Telephone Co.	9,069,280	3.68%
Butler Rural Electric	7,310,380	2.97%
Cincinnati Gas & Electric	5,590,810	2.27%
Norfolk Southern Combined	3,477,870	1.41%
Dayton Power & Light Co	2,434,350	0.99%
Verizon North	2,211,930	0.90%
Cincinnati Bell Wireless	1,714,770	0.70%
El Dorado Utilities	1,540,000	0.62%
<b>Total</b>	<b>\$ 233,446,920</b>	<b>94.74%</b>
<b>Total Assessed Valuation</b>	<b>\$ 246,408,050</b>	

**(1) The amounts presented represent the assessed values upon which 2012 and 2004 collections were based.**

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

**Source: Butler County Auditor**

**Butler County, Ohio**  
**Ratios of Outstanding Debt By Type**  
**Last Ten Years**

Year	Governmental Activities										Business-Type Activities										Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Sales Tax Bonds	Special Assessment Bonds	Loans Payable	Capital Leases	Long-Term Notes	Short-Term Notes (1)	General Obligation Bonds	Water Judgement Bonds	Revenue Bonds	Loans Payable	Capital Leases	Long-Term Notes	Short-Term Notes									
2003	47,535,289	24,890,000	12,748,000	1,024,945	133,800	14,485,000	-	691,770	35,470,652	89,520,000	-	4,830,000	27,765,000	259,094,456	2.43	758							
2004	58,404,314	23,810,000	9,981,000	1,972,576	104,283	15,470,000	18,655,000	465,172	35,198,885	89,614,650	371,750	8,400,000	9,250,000	271,697,630	2.46	788							
2005	49,038,755	28,445,588	10,510,000	1,802,025	2,810,544	17,105,000	15,140,000	838,574	34,747,118	98,674,880	4,610,110	-	7,500,000	271,222,594	2.36	778							
2006	64,630,026	27,749,172	10,003,310	1,627,870	1,999,412	-	21,460,000	3,793,870	34,110,351	97,204,913	5,209,474	-	-	267,788,398	2.23	757							
2007	61,605,330	26,532,756	9,466,643	1,824,765	2,532,262	-	34,643,000	4,656,680	32,976,751	91,499,366	5,883,636	-	-	271,621,189	2.16	758							
2008	58,488,514	24,751,340	12,305,218	1,643,071	2,512,592	-	30,463,000	4,630,087	31,904,658	85,567,039	5,696,103	-	-	257,971,622	2.01	715							
2009	57,022,131	22,909,924	11,658,332	2,119,417	2,704,140	-	30,113,000	18,205,306	30,677,565	60,427,852	8,422,166	-	-	244,259,833	1.95	673							
2010	72,648,168	13,267,896	10,930,900	2,488,072	1,461,478	-	17,735,000	15,117,345	29,405,472	58,026,745	12,476,489	-	-	233,557,575	1.81	634							
2011	68,653,423	11,290,746	10,167,413	2,553,276	439,631	-	18,820,000	11,908,086	28,083,379	55,543,608	12,885,469	-	-	220,345,031	1.63	596							
2012	64,899,037	9,652,942	9,418,701	2,276,076	70,526	-	17,530,000	8,845,716	27,387,066	54,512,826	18,838,194	10,475	-	213,441,559	1.57	576							

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

Source: Butler County Auditor

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

Year	General Obligation Bonds	Total Estimated Actual Value	Ratio of Net Bonded Debt to Estimated Actual Value	Net Bonded Debt per Capita
2003	\$ 48,227,059	\$ 20,711,348,462	0.23	141.11
2004	58,869,486	21,139,995,224	0.28	170.68
2005	49,877,329	21,703,617,728	0.23	143.15
2006	68,423,896	24,131,041,720	0.28	193.35
2007	66,262,010	25,458,812,514	0.26	185.03
2008	63,128,601	21,766,632,838	0.29	174.99
2009	75,227,437	22,684,055,666	0.33	207.13
2010	87,765,513	22,034,073,839	0.40	238.41
2011	80,561,509	21,731,935,930	0.37	217.73
2012	73,744,753	20,680,522,518	0.36	198.99

**Source: Butler County Auditor**

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Tax Valuation	\$ 7,026,539,577	\$ 7,161,517,611	\$ 7,359,389,352	\$ 7,937,495,027	\$ 7,965,576,371	\$ 7,955,670,369	\$ 8,036,439,180	\$ 7,801,424,310	\$ 7,865,867,660	\$ 7,501,317,410
Debt Limit (1)	\$ 179,163,489	\$ 177,537,940	\$ 182,484,734	\$ 196,937,376	\$ 197,639,409	\$ 197,391,759	\$ 199,410,980	\$ 193,535,608	\$ 195,146,692	\$ 186,032,935
Amount of Debt Applicable to Debt Limit	16,425,000	28,700,000	20,495,000	30,780,000	30,213,576	28,524,099	26,367,977	35,532,759	33,098,058	30,558,472
General Obligation Bonds	15,710,000	15,600,000	14,885,000	7,205,000	15,365,000	15,995,000	15,900,000	13,855,000	14,605,000	13,475,000
General Obligation Notes	-	-	-	137,346	458,768	403,310	529,136	396,852	264,588	132,284
General Obligation Loans	-	-	-	-	-	-	-	-	-	-
Amount of Debt Subject to Limit	\$ 32,135,000	\$ 44,300,000	\$ 35,380,000	\$ 38,122,346	\$ 46,027,344	\$ 44,922,409	\$ 42,797,113	\$ 49,784,611	\$ 47,967,626	\$ 44,165,756
Legal Debt Margin	\$ 147,028,489	\$ 133,237,940	\$ 147,104,734	\$ 158,815,030	\$ 151,612,065	\$ 152,469,350	\$ 156,613,867	\$ 143,750,997	\$ 147,179,066	\$ 141,867,179
Legal Debt Margin as a Percentage of the Debt Limit	82.06%	75.05%	80.61%	80.64%	76.71%	77.24%	78.54%	74.28%	75.42%	76.26%
Unvoted Debt Limit (2)	\$ 70,265,396	\$ 71,615,176	\$ 73,593,894	\$ 79,374,950	\$ 79,655,764	\$ 79,556,704	\$ 80,364,392	\$ 78,014,243	\$ 78,658,677	\$ 75,013,174
Amount of Debt Subject to Limit	32,898,000	44,300,000	35,380,000	38,122,346	46,027,344	44,922,409	42,797,113	49,784,611	47,967,626	44,165,756
Unvoted Legal Debt Margin	\$ 37,367,396	\$ 27,315,176	\$ 38,213,894	\$ 41,252,604	\$ 33,628,420	\$ 34,634,295	\$ 37,567,279	\$ 28,229,632	\$ 30,691,051	\$ 30,847,418
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	53.18%	38.14%	51.93%	51.97%	42.22%	43.53%	46.75%	36.19%	39.02%	41.12%

(1) Ohio Bond Law sets a limit calculated as follows:  
Three percent of the first \$100,000,000 of the tax valuation  
One and one-half percent of the next \$200,000,000 of the tax valuation  
Two and one-half percent of the amount of the tax valuation in excess of \$300,000,000

(2) Ohio Bond Law sets a limit of one percent of the tax valuation

(3) Information not available prior to 2002

Source: Butler County Auditor

**Butler County, Ohio  
Pledged Revenue Coverage  
Last Ten Years**

Sewer Pledged Revenue

Year	Operating Revenues	Less: Operating Expenses (1)	Net Operating Revenue	Capacity Fees	Non-Operating Revenue (Expenses) Other (2)	Net Non-Operating Rev (Exp) (3)	Net Available Revenue (4)	Debt Service (5)		Coverage	
								Principal (6)	Interest (6)		
2003	16,947,133	11,944,257	5,002,876	7,958,313	612,134	8,570,447	13,573,323	3,040,000	3,077,642	6,117,642	2.22
2004	17,778,094	13,209,048	4,569,046	9,014,420	2,798,802	11,813,222	16,382,268	2,785,000	2,725,944	5,510,944	2.97
2005	18,451,160	14,517,963	3,933,197	9,196,888	10,040,054	19,236,942	23,170,139	3,645,000	2,772,472	6,417,472	3.61
2006	19,238,592	14,220,210	5,018,382	5,654,267	560,847	6,215,114	11,233,496	3,800,000	1,752,062	5,552,062	2.02
2007	21,011,439	14,409,447	6,601,992	3,952,630	561,743	4,514,373	11,116,365	3,980,580	2,639,131	6,619,711	1.68
2008	21,385,170	12,766,850	8,618,320	3,388,044	141,025	3,529,069	12,147,389	4,132,360	2,486,488	6,618,848	1.84
2009	18,759,922	11,551,662	7,208,260	3,310,028	675,006	3,985,034	11,193,294	1,354,220	1,871,886	3,226,106	3.47
2010	18,311,915	10,339,223	7,972,692	2,779,677	75,781	2,855,458	10,828,150	1,475,687	1,779,554	3,255,241	3.33
2011	17,771,799	10,937,193	6,834,606	4,166,615	69,839	4,236,454	11,071,060	1,526,471	1,727,360	3,253,831	3.40
2012	19,077,592	10,410,274	8,667,318	3,477,323	47,365	3,524,688	12,192,006	1,583,932	1,675,847	3,259,779	3.74

Water Pledged Revenue

Year	Operating Revenues	Less: Operating Expenses (1)	Net Operating Revenue	Capacity Fees	Non-Operating Revenue (Expenses) Other (2)	Net Non-Operating Rev (Exp) (3)	Net Available Revenue (4)	Debt Service (5)		Coverage	
								Principal (6)	Interest (6)		
2003	16,675,326	14,266,723	2,408,603	3,368,055	1,318,859	4,686,914	7,095,517	1,215,000	1,459,589	2,674,589	2.65
2004	19,539,968	14,438,596	5,101,372	4,153,770	2,283,690	6,437,460	11,538,832	1,260,000	1,421,566	2,681,566	4.30
2005	22,029,345	18,879,165	3,150,180	4,629,241	9,158,934	13,788,175	16,938,355	1,485,000	1,370,366	2,855,366	5.93
2006	22,186,770	16,636,338	5,550,432	2,923,530	729,728	3,653,258	9,203,690	1,900,000	1,814,159	3,714,159	2.48
2007	26,395,879	20,168,090	6,227,789	2,265,660	660,300	2,925,960	9,153,749	2,113,882	1,900,573	4,014,455	2.28
2008	23,839,865	17,094,090	6,745,775	1,953,742	284,638	2,238,380	8,984,155	2,217,533	1,823,212	4,040,745	2.22
2009	20,468,437	16,456,494	4,011,943	1,688,432	534,571	2,223,003	6,234,946	1,195,000	1,064,913	2,259,913	2.76
2010	20,939,038	16,810,215	4,128,823	1,226,297	320,381	1,546,678	5,675,501	1,493,896	1,187,180	2,681,076	2.12
2011	20,567,888	14,807,125	5,760,763	1,211,259	320,770	1,532,029	7,292,792	1,683,197	1,191,859	2,875,056	2.54
2012	20,917,124	16,120,625	4,796,499	1,518,623	(210,130)	1,308,493	6,104,992	1,804,215	562,281	2,366,496	2.58

- (1) Operating expenses are shown exclusive of depreciation, per bond covenant.
- (2) Non-Operating Revenue (Expense) Other excludes capital grants, contributions, and transfers
- (3) Net non-operating Revenue (exp) are shown exclusive of interest and fiscal charges, per bond covenant.
- (4) Net Available Revenue includes Net Operating Revenue combined with Net Non-Operating Rev(exp).
- (5) Debt Service per bond redemption schedules for revenue bonds and loans.
- (6) Principal and Interest Expense shown are less amounts for current refunding bonds

Source: Butler County Auditor

(continued)



**Butler County, Ohio**  
**Pledged Revenue Coverage**  
**Last Ten Years**  
**(continued)**

Year	Sales Tax Revenue Bonds					Special Assessment Bonds						
	Sales Tax Revenues	Debt Service			Total Debt	Coverage	Special Assessment Collections	Debt Service			Total Debt	Coverage
		Principal	Interest					Principal	Interest			
2003	17,182,889	1,035,000	1,249,465	2,284,465	7.52	1,884,272	763,000	536,103	1,299,103	1.45		
2004	18,047,011	1,080,000	1,204,443	2,284,443	7.90	1,563,809	587,000	537,466	1,124,466	1.39		
2005	19,503,113	1,100,000	700,434	1,800,434	10.83	1,380,252	615,000	509,519	1,124,519	1.23		
2006	40,662,394	680,000	1,266,775	1,946,775	20.89	1,374,653	506,690	531,040	1,037,730	1.32		
2007	41,317,071	1,200,000	1,242,975	2,442,975	16.91	1,405,765	610,170	505,912	1,116,082	1.26		
2008	33,408,493	1,765,000	1,200,975	2,965,975	11.26	1,101,044	570,670	434,080	1,004,750	1.10		
2009	31,843,586	1,825,000	1,134,100	2,959,100	10.76	1,234,683	653,200	607,958	1,261,158	0.98		
2010	30,225,506	9,600,000	1,075,325	10,675,325	2.83	1,553,034	733,740	530,357	1,264,097	1.23		
2011	30,779,103	1,965,000	614,225	2,579,225	11.93	1,484,639	759,300	497,674	1,256,974	1.18		
2012	32,955,898	2,070,000	535,625	2,605,625	12.65	1,362,387	784,900	468,039	1,252,939	1.09		

**Source: Butler County Auditor**

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

Year	Population (1)	Total Personal Income	Per Capita Personal Income (3)	Unemployment Rate (2)
2003	341,766	\$ 10,677,111,606	31,241	5.4%
2004	344,914	11,050,699,646	32,039	5.4%
2005	348,425	11,491,404,925	32,981	5.3%
2006	353,888	12,034,315,328	34,006	5.6%
2007	358,116	12,561,634,932	35,077	5.1%
2008	360,775	12,811,481,025	35,511	5.9%
2009	363,184	12,534,206,208	34,512	9.3%
2010	368,130	12,935,351,940	35,138	9.3%
2011	369,999	12,585,955,000	36,590	8.6%
2012	370,589	13,559,851,510	36,590	7.1%

**Note 1: Bureau of Economic Analysis. The 2001 through 2009 and 2011 population is estimated. The 2010 population reflects data collected by the United States Census Bureau**

**Note 2: Unemployment figures are derived from Ohio Labor Market Information. These numbers are estimates and are prepared in cooperation with the Bureau of Labor Statistics, are determined by place of residence, and are not seasonally adjusted.**

**Note 3: (-) Bureau of Economic Analysis is source for per capita income 2009 -2011. 2012 data not available yet.**

**Butler County, Ohio  
Principal Employers  
2012-2003**

Employer	Nature of Business	2012		
		Number of Employees	Rank	Percentage of Total Employment
Miami University	Education	3,293	1	1.88 %
Cincinnati Financial Corp.	Financial	2,789	2	1.59
AK Steel	Steel Manufacturing	2,400	3	1.37
GE Aviation	Aerospace	2,000	4	1.14
Lakota Local School District	Education	1,827	5	1.04
Butler County Government	Government	1,717	6	0.98
Ohio Casualty Insurance Group	Insurance	1,300	7	0.74
Mercy Regional Hospital	Health Care	1,200	8	0.69
Hamilton City Schools	Education	1,095	9	0.63
Ft. Hamilton Hospital	Health Care	1,020	10	0.58
<b>Total</b>		<u>18,641</u>		<u>10.66</u> %
Total Employment within the County		<u>174,900</u>		

Employer	Nature of Business	2003		
		Number of Employees	Rank	Percentage of Total Employment
Miami University	<b>Education</b>	4,200	1	3.08 %
AK Steel Corp	<b>Steel Manufacturing</b>	3,900	2	2.86
Cincinnati Financial Corp.	<b>Financial</b>	2,861	3	2.10
Butler County Government	<b>Governmental</b>	2,000	4	1.47
Fairfield City School District	<b>Education</b>	1,740	5	1.28
Ft. Hamilton Hughes Memorial Hospital	<b>Medical Care</b>	1,600	6	1.17
Lakota Local School District	<b>Education</b>	1,600	7	1.17
Middletown Regional Hospital	<b>Medical Care</b>	1,470	8	1.08
Mercy Regional Hospital	<b>Medical Care</b>	1,407	9	1.03
Ohio Casualty	<b>Insurance</b>	1,356	10	0.99
<b>Total</b>		<u>22,134</u>		<u>16.23</u> %
Total Employment within the County		<u>136,387</u>		

**Source: Census Bureau  
Companies & Butler County Department of Development as of 12/31/11**

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>General Government</b>										
<b>Legislative and Executive</b>										
Auditor	16	19	21	22	21	18	16	14	11	13
Auditor Administration	-	-	-	-	-	-	5	6	4	3
Auditor Bureau of Motor Vehicles	12	10	10	11	9	8	-	-	-	-
Auditor Consumer Services	6	6	5	6	6	4	1	2	2	3
Auditor Dog and Kennel	2	2	2	2	2	2	1	1	1	1
Auditor Elected Official	1	1	1	1	1	1	1	1	1	1
Auditor GIS	-	-	-	-	-	6	5	4	2	2
Auditor Health Insurance	1	1	1	1	1	1	1	1	1	1
Auditor Information Services	36	38	34	21	21	1	1	1	1	1
Auditor Real Estate	49	36	31	35	38	33	28	26	22	26
Board of Elections	34	48	34	44	57	97	85	91	109	116
* Board of Elections Election Pay	-	-	-	-	-	-	1,735	2,672	3,071	4,121
Commissioners	12	11	12	11	12	11	9	10	11	11
Commissioners Criminal Justice Board	1	1	1	1	1	-	-	-	-	-
Commissioners Department of Development	24	25	27	26	25	23	16	12	11	11
Commissioners Dog and Kennel	4	4	4	4	5	5	5	5	4	4
Commissioners Elected Official	3	3	3	3	3	3	3	3	3	3
Commissioners Entitlement	4	4	4	5	5	6	6	6	7	6
Commissioners Information Services	-	-	-	-	-	25	23	19	19	19
Commissioners Mail Room	3	3	3	3	3	3	2	2	2	2
Commissioners Maintenance	7	7	6	6	6	7	6	4	5	5
Commissioners Parking Garage	5	5	4	3	3	3	3	3	3	2
Commissioners Records Center	8	11	11	12	12	9	4	3	4	3
Commissioners Regional Airport	1	1	1	1	1	1	1	1	1	1
Commissioners Tax Abatement	1	1	1	1	1	1	-	-	-	-
Prosecuting Attorney	50	49	47	52	52	55	54	51	53	52
Prosecuting Attorney CSEA	4	4	4	4	4	5	4	4	3	4
Prosecuting Attorney Domestic Violence	1	1	2	1	1	1	1	-	-	-
Prosecuting Attorney DTAC	5	5	6	6	6	6	7	6	7	6
Prosecuting Attorney Elected Official	1	1	1	1	1	1	1	1	1	1
Prosecuting Attorney Gun Control Grant	1	-	-	-	-	-	-	-	-	-
Prosecuting Attorney Juvenile VOCA	2	2	-	-	-	-	-	-	-	-
Prosecuting Attorney VOCA	1	1	3	3	3	3	3	3	3	3
Public Defender								6	38	42
Recorder	19	19	16	17	17	17	17	14	13	13
Recorder Elected Official	1	1	1	1	1	1	1	1	1	1
Treasurer	18	19	20	18	16	17	11	11	10	10
Treasurer DTAC	4	4	3	4	5	4	8	8	8	8
Treasurer Duplicate Bill	1	2	5	-	-	-	-	-	-	-
Treasurer Elected Official	1	1	1	1	1	1	1	1	1	1
Treasurer PPTax Collector	2	2	3	2	2	1	1	-	-	-
Treasurer Prepayment Interest	2	1	1	3	1	1	1	-	-	2
<b>Judicial</b>										
Area Courts	28	27	25	24	26	26	27	16	20	14
Area Courts Elected Official	3	3	3	3	3	4	4	4	3	3
Area Courts Special Projects	8	12	19	20	23	21	21	20	18	18
Clerk of Courts	35	38	46	50	46	43	39	36	41	36
Clerk of Courts Elected Official	1	1	1	1	1	1	1	1	1	1
Clerk of Courts Title	34	36	38	31	36	38	43	43	30	31
Common Pleas Asbestos Litigation	1	1	-	-	-	-	-	-	-	-
Common Pleas Court	22	20	23	29	29	31	31	29	30	25
Common Pleas Drug Court	7	7	7	8	8	8	7	7	6	6
Common Pleas Elected Official	7	7	6	6	7	7	7	7	7	7
Common Pleas General Division Special Projects	5	6	6	7	8	8	8	8	7	9
Common Pleas Jury Commission	2	2	2	2	2	2	2	2	2	2
Common Pleas Law Library	2	2	2	2	2	2	2	4	4	3
Domestic Relations Court	28	29	26	29	29	32	27	24	22	21
Domestic Relations Elected Official	2	3	2	2	2	2	2	2	3	1
Domestic Relations Special Projects	1	1	1	1	-	-	-	-	-	-
Juvenile Court	51	52	56	52	53	59	53	47	46	46
Juvenile Court Driver Improvement	-	-	-	1	1	-	-	-	-	-
Juvenile Court Elected Official	2	2	2	2	2	2	2	2	3	2
Juvenile Court Special Projects	-	-	-	-	1	2	2	2	2	2
Juvenile Detention	54	53	51	51	52	54	45	37	39	39
Juvenile Family Drug Court	-	-	-	1	2	-	-	-	-	-
Juvenile JAIBG Grant	3	2	-	-	-	-	-	-	-	-
Juvenile Reclaim Grant	21	18	19	26	26	26	21	22	24	23

**Butler County, Ohio**  
**County Government Employees by Function/Activity**  
**Last Ten Years**  
**(Continued)**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Judicial (Continued)</b>										
Juvenile Rehab	41	41	45	47	49	46	41	38	39	39
Juvenile Subsidy Grant	10	11	11	8	9	9	8	-	-	-
Municipal Court	26	26	28	32	36	39	39	40	42	41
Municipal Court Criminal Prosecutors	1	1	1	1	1	1	1	-	-	-
Municipal Court Elected Official	5	5	5	5	5	5	5	5	4	4
Probate Court	19	19	18	18	17	17	14	15	14	15
Probate Court Computer Fees	-	1	3	2	2	2	2	1	1	1
Probate Court Elected Official	1	1	1	1	1	1	1	1	1	1
<b>Public Safety</b>										
Adult Probation	37	37	37	35	34	33	34	32	32	38
Adult Probation ISP Grant	12	11	9	11	12	11	10	14	12	12
Adult Probation Misdemeanor	-	-	-	-	-	-	-	1	1	1
Adult Probation Services	-	3	3	1	4	8	8	5	4	4
Coroner	7	7	7	9	7	8	13	11	9	10
Coroner Elected Official	1	1	1	1	1	1	1	1	1	1
Coroner Lab and Morgue	3	3	2	2	2	2	2	1	1	1
Emergency Management	4	4	4	4	3	4	4	5	5	5
Sheriff	259	226	256	288	336	337	320	268	326	317
Sheriff Elected Official	1	1	1	1	1	1	1	1	1	1
Sheriff Paramedic	25	26	27	35	35	37	34	34	37	39
Sheriff Resolutions	38	38	-	-	-	-	-	-	-	-
Sheriff VOCA	1	1	1	1	1	1	3	2	2	1
Sheriffs Victim Assistance Program	1	1	1	1	1	1	1	1	1	1
<b>Public Works</b>										
Engineers	81	84	81	89	87	91	87	97	90	95
Engineers Elected Official	1	1	1	1	1	1	1	1	1	1
Engineers Plat Room	3	3	3	3	3	3	3	3	3	3
Water And Sewer	166	154	156	157	156	144	131	114	126	101
<b>Health</b>										
Alcohol and Drug Addiction	5	5	5	5	6	6	5	7	8	7
Board of Developmental Disabilities	350	360	319	302	297	256	243	233	242	221
Mental Health Board	9	10	9	8	10	10	10	8	9	8
<b>Human Services</b>										
Child Support Enforcement Agency	88	90	93	84	89	83	81	75	67	62
Children Services Board	145	173	184	197	205	183	177	176	172	154
County Care Facility	179	168	180	180	179	173	172	172	161	170
Job and Family Services	195	199	190	191	195	187	167	150	102	90
Job and Family Services SYEP	-	-	-	-	-	-	8	-	-	-
Veteran Services	11	9	9	10	10	10	10	10	11	10
Veteran Services Commissioners	5	4	5	5	4	5	5	5	5	5
<b>Internal Service</b>										
Commissioners Workers Compensation	3	3	4	5	4	4	3	3	3	3
<b>Agency</b>										
Court of Appeals - 12th District	20	19	23	22	22	26	25	25	24	24
Health Department	34	37	38	38	37	35	60	66	67	67
Metro Parks	13	15	15	27	29	42	36	34	52	53
Regional Transit Authority	11	10	12	13	12	17	-	-	-	-
Soil and Water Conservation	8	7	5	6	6	7	7	3	4	4
<b>Total</b>	<b>2,479</b>	<b>2,486</b>	<b>2,457</b>	<b>2,536</b>	<b>2,621</b>	<b>2,596</b>	<b>4,184</b>	<b>4,964</b>	<b>5,421</b>	<b>6,397</b>

\* Board of Elections Election Pay individuals began being treated as employees in 2009.  
Not included in employment numbers for Principal Employers

Note: Information prior to 2002 is not available

Source: Butler County Auditor

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>General Government</b>										
Legislative and Executive Commissioners	2,107	3,270	2,538	2,415	2,377	2,361	2,250	1,942	6,257	7,154
Number of resolutions	61	66	68	59	56	61	73	68	75	59
Number of meetings										
Auditor										
Number of exempt conveyances	6,636	6,304	6,318	5,618	5,261	5,128	4,885	4,622	4,525	4,798
Number of real estate transfers	11,202	11,358	11,799	10,284	8,497	6,525	6,181	5,678	5,708	6,694
Number of parcels billed	138,839	-	-	-	147,558	148,658	156,579	156,951	150,361	150,306
Number of appropriation checks issued	71,630	71,266	72,445	73,636	75,060	75,873	69,643	61,656	56,240	48,394
Number of payroll checks issued	21,522	20,738	17,909	15,953	12,693	15,702	13,051	11,050	8,410	6,130
Number of purchase orders issued	29,940	26,893	28,967	30,129	31,355	30,304	22,927	20,914	20,067	17,888
BMV										
Number of tags issued	65,562	68,294	68,842	64,279	62,552	60,583	-	-	-	-
Treasurer										
Number of parcels collected	138,734	140,504	152,470	151,239	159,465	151,189	144,157	151,806	144,727	147,151
Prosecuting Attorney										
Number of cases - criminal	1,951	2,258	2,380	2,411	2,485	2,456	2,138	2,064	2,379	2,373
Board of Elections										
Number of registered voters	207,675	238,022	230,873	232,187	238,219	262,380	236,598	240,541	227,868	239,993
Number of voters last general election	66,169	168,976	83,090	119,521	65,797	175,132	88,097	121,742	109,965	205,413
Percentage of register voters that voted	31.86	70.99	35.98	51.48	28.00	66.75	37.23	50.61	48	86
Recorder										
Number of deeds recorded	20,035	19,923	20,252	17,981	16,128	13,512	12,586	11,740	10,626	12,117
Number of mortgages recorded	49,791	34,447	32,709	27,392	21,965	15,827	18,425	16,459	13,914	17,010
Number of military discharges recorded	20	29	32	43	35	30	35	32	15	13
Community and Economic Development										
Number of projects	57	64	79	37	51	124	123	152	149	26
Number of jobs created	-	-	7	10	105	-	-	-	821	1,620
<b>Judicial</b>										
Common Pleas Court										
Number of civil cases filed	3,529	4,031	4,176	2,343	2,215	5,617	5,617	5,246	5,928	5,277
Number of criminal cases filed	2,538	3,008	3,391	4,787	5,022	2,244	2,137	2,064	2,451	2,054
Probate Court										

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Number of civil cases filed	41	36	52	50	47	54	41	39	43	56
Juvenile Court										
Number of civil cases filed	1,767	2,396	3,536	3,819	3,591	2,623	2,806	2,640	2,401	-
Number of criminal cases filed	6,274	4,502	4,540	4,778	4,914	4,886	3,905	3,533	3,055	-
Number of adjudged delinquent cases filed	4,540	2,959	2,739	2,757	2,582	2,216	1,913	1,706	1,446	-
Area Courts										
Number of civil cases filed	2,215	2,183	2,613	2,985	3,284	3,558	3,267	3,795	3,351	4,233
Number of criminal cases filed	27,117	22,683	24,021	25,552	25,569	21,097	20,264	18,475	17,814	19,276
Number of small claims cases filed	453	471	424	488	423	311	360	386	290	281
Clerk of Courts										
Number of civil cases filed	3,529	4,031	4,176	4,782	5,022	5,617	5,708	5,246	4,558	4,586
Number of criminal cases filed	1,951	2,256	2,374	2,343	2,215	2,244	2,138	2,064	2,151	2,063
Domestic Relations										
Number of divorce cases files	1,496	1,571	1,493	1,567	1,559	1,547	1,516	1,515	1,449	1,416
Number of motions files	1,737	3,902	4,139	4,153	12,499	19,794	17,106	10,206	9,748	10,023
Number of protective orders	1,186	1,282	1,365	1,584	1,482	1,555	1,781	1,573	1,269	1,084
<b>Public Safety</b>										
Sheriff										
Jail Operation										
Average daily jail census	692	748	734	974	1,056	1,045	956	921	890	854
Prisoners booked	10,265	10,537	10,592	14,948	16,145	15,801	13,513	13,973	13,642	12,805
Prisoners released	10,159	10,507	10,509	14,645	16,381	15,707	13,651	14,013	13,609	12,825
Out of county bed days used	1,681	1,477	-	-	4,320	3,564	4,254	23,105	8,035	2,575
Enforcement										
Number of incidents reported	5,972	6,052	5,568	7,593	9,464	9,524	7,986	5,888	6,961	7,195
Number of citations issued	6,351	7,318	5,724	5,452	5,812	5,967	3,460	2,173	2,987	3,074
Concealed Weapons Permit										
Number of permits issued	-	-	969	992	1,104	1,031	2,061	1,755	1,608	2,117
Adult Probation										
Offenders supervised	2,419	2,107	1,985	2,227	2,311	2,649	2,698	2,666	2,865	3,041
Coroner										

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Number of cases investigated	314	332	362	322	360	338	330	325	344	325
Number of autopsies performed	211	205	221	196	224	219	230	228	207	168
<b>Public Works</b>										
Engineer										
Miles of roads resurfaced	14	38	46	33	11	9	29	14	17	19
Number of bridges replaced/improved	12	9	6	4	28	10	4	7	8	10
Number of culverts built/replaced/improved	10	14	25	16	19	13	22	22	16	11
Building Department										
Number of permits issued	3,834	4,197	3,854	3,627	4,176	3,820	3,325	3,182	3,241	3,685
Number of inspections performed	29,914	29,674	31,427	25,127	19,302	15,642	11,292	10,237	10,245	10,539
Sewer District										
Average daily sewage treated	17	16	17	18	17	18	17	18	22	18
Number of tap-ins	1,570	1,653	1,863	1,443	1,055	535	518	378	383	432
Number of customers	35,287	36,854	38,293	41,448	40,444	41,573	42,338	42,720	43,272	42,773
Water District										
Average daily water distributed	11	11	13	12	13	13	12	13	12	13
Average daily water billed	43,206	50,676	57,883	58,529	69,388	63,914	57,296	57,707	57,777	-
Number of tap-ins	1,127	1,058	1,273	970	632	357	287	256	383	286
Number of customers	33,088	34,365	35,089	36,259	36,244	36,967	37,294	37,576	37,719	37,942
<b>Health</b>										
ADAS										
Average Client Count	1,449	1,671	2,033	1,352	2,168	1,204	1,270	1,290	1,207	1,197
Tx Episodes	2,755	2,304	2,033	2,238	2,235	1,804	1,651	1,699	1,690	1,308
BCDD										
Number of Children Served										
Early intervention program	437	530	669	750	870	1,026	1,099	1,100	1,100	1,077
Preschool	536	496	291	47	-	-	-	-	-	-
School age	426	552	582	617	400	446	440	483	464	372
Number of Adults Served										
Served directly	-	-	743	462	439	432	238	223	196	127
Served indirectly	-	-	-	218	274	270	290	326	364	457
Number Served in Residential	-	-	-	-	-	-	-	-	-	-
Supported living services	-	-	7	7	10	4	1	-	-	-
Individual options waiver	-	-	231	233	247	268	295	311	302	318



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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Level one waiver	-	-	98	196	179	216	280	324	359	371
ICFMR	-	-	202	196	190	167	146	146	146	158
Member receiving support coordination services	848	871	874	1,028	1,030	1,004	1,005	1,096	1,085	1,161
Member receiving family support services	371	496	451	465	533	552	716	688	731	731
<b>Mental Health</b>										
Average client count - intensive	2,251	2,062	2,070	2,214	2,230	2,694	2,830	3,187	3,493	-
Average client count - non-intensive	844	692	736	896	1,328	2,394	2,227	2,498	2,619	-
Average client count - early intervention	1,789	1,717	1,794	2,161	2,471	2,502	2,600	2,929	3,291	-
<b>Human Services</b>										
<b>Jobs and Family Services</b>										
Average client count - food stamps	18,974	21,866	23,781	25,767	26,652	29,798	39,380	46,176	48,758	48,346
Average client count - Medicaid	74,803	79,896	85,461	89,851	42,851	45,015	50,013	54,858	56,582	61,944
Average client count - day care	1,322	1,321	1,534	1,607	1,779	1,926	2,112	2,313	2,476	1,943
Average client count - WIA	532	583	582	413	434	567	712	652	937	634
Average client count - job placement	253	248	218	-	-	-	276	132	32	236
<b>Children's Services</b>										
Average client count - foster care	463	380	370	388	355	359	324	346	331	369
Average client count - adoption	67	55	55	40	36	39	51	52	98	48
<b>Child Support Enforcement Agency</b>										
Average number of active support orders	17,779	17,906	18,875	20,950	17,974	17,710	19,199	19,168	19,782	19,389
Percentage collected	72.5%	72.7%	72.8%	71.3%	71.3%	69.9%	69.0%	68.0%	69.25%	70.29%
<b>Veteran Services</b>										
Number of veterans and/or dependents served	4,451	8,847	12,850	12,195	10,508	17,568	15,877	13,327	11,002	10,611
Amount of benefits paid to county veterans	647,830	640,634	606,175	631,546	616,469	824,332	869,962	711,824	581,882	473,448
Community and Economic Development										

**Note: (-) Information not available.**

**Source: Butler County Auditor**

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

	2006	2007	2008	2009	2010	2011	2012
<b>General Government</b>							
<b>Legislative and Executive</b>							
Commissioners							
Administrative office space (sq. ft.)	9,480	9,480	9,480	9,480	9,480	9,480 *	9,480
Information Services							
Auditor							
Administrative office space	16,072	16,072	16,072	16,072	16,072	16,072	16,072
Treasurer							
Administrative office space	5,096	5,096	5,096	5,096	5,096	5,096	5,096
Prosecuting Attorney							
Administrative office space	16,320	16,320	16,320	16,320	16,320	16,320 *	16,320
Board of Elections							
Administrative office space	9,304	9,304	27,241	27,241	27,241	27,241 *	27,241
Voting machines	1,668	1,599	1,668	1,668	1,668	1,688 *	1,688
Recorder							
Administrative office space	8,728	8,728	8,728	8,728	8,728	8,728	8,728
Buildings and Grounds							
Administrative office space	600	600	600	600	600	600 *	600
<b>Judicial</b>							
Common Pleas Court							
Number of court rooms	7	7	7	7	7	7 *	7
Probate Court							
Number of court rooms	2	2	2	2	2	2 *	2
Juvenile Court							
Number of court rooms	7	7	7	7	7	8 *	8
Clerk of Courts							
Administrative office space	11,016	11,016	11,016	11,016	11,016	11,016 *	11,016
Domestic Relations							
Administrative office space	24,128	24,128	24,128	24,128	24,128	24,128 *	24,128
<b>Public Works</b>							
Engineer							
Centerline miles of roads	273	268	275	275	267	267 *	267
Number of bridges	371	376	395	396	401	399 *	399
Number of culverts	1,019	1,072	1,062	1,061	1,024	1,023 *	1,023
Number of traffic signs	7,252	7,513	7,697	7,607	7,601	7,530 *	7,530
Building Department							
Administrative office space	2,344	2,344	2,344	2,344	2,344	2,344 *	2,344
<b>Human Services</b>							
Jobs and Family Services							
Administrative office space	32,640	32,640	32,640	32,640	32,640	32,640 *	32,640
Child Support Enforcement Agency							
Administrative office space	16,320	16,320	16,320	16,320	16,320	16,320 *	16,320
Veteran Services							
Administrative office space	3,136	3,136	3,136	3,136	3,136	3,136 *	3,136
<b>Enterprise</b>							
Sewer District							
Number of treatment facilities	6	6	6	6	6	6 *	6
Number of pumping stations	34	34	34	30	30	30 *	30
Miles of sewer lines	811	720	731	733	725	739 *	739
Water District							
Number of pumping stations	5	5	5	5	5	5 *	5
Miles of water lines	674	606	617	616	591	617 *	617
Administrative office space					7275	7,275 *	7,275
<b>Public Safety</b>							
Sheriff							
Administrative office space	-	-	-	-	8500	8,500 *	8,500
Coroner							
Administrative office space	2550	2,550	2550	2550	2550	2,550 *	2,550

**Note: Information prior to 2006 not available.**

**(-) Information not available.**

**(\*) 2011 data used, 2012 not available**

**Source: Butler County Auditor**

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**BUTLER COUNTY, OHIO**

*SUPPLEMENTAL REPORTS*

FOR THE YEAR ENDED  
DECEMBER 31, 2012

**ROGER REYNOLDS, CPA, COUNTY AUDITOR**

**BUTLER COUNTY**

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**BUTLER COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through/ Entity Number	Federal CFDA Number	(A),(B) Cash Federal Disbursements
<b><u>U.S DEPARTMENT OF AGRICULTURE</u></b>			
<i>Passed Through Ohio Department of Education:</i>			
<b>Child Nutrition Cluster:</b>			
(C),(M) School Breakfast Program	065888-O5NP-2012/2011	10.553	\$ 40,892
(C),(M) National School Lunch Program	065888-LLN1-2012/2011	10.555	70,268
<b>Total Child Nutrition Cluster</b>			<u>111,160</u>
<i>Passed Through Ohio Department of Jobs &amp; Family Services:</i>			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	G-1213-11-0015	10.561	<u>978,833</u>
<b>Total U.S. Department of Agriculture</b>			<u><b>1,089,993</b></u>
<b><u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u></b>			
(N),(L) Community Development Block Grants/Entitlement Grants	N/A	14.218	<u>2,103,871</u>
(N) Shelter Plus Care	OH16C70-7001	14.238	174,748
(N) Shelter Plus Care	OH16C70-7052	14.238	114,912
(N) Shelter Plus Care	OH0159C5E070800	14.238	142,709
<b>Total Shelter Plus Care</b>			<u>432,369</u>
(N) Home Investment Partnerships Program	N/A	14.239	<u>872,444</u>
<b>Total U.S. Department of Housing and Urban Development</b>			<u><b>3,408,684</b></u>
<b><u>U.S. DEPARTMENT OF JUSTICE</u></b>			
(N) State Criminal Alien Assistance Program	N/A	16.606	<u>174,727</u>
(N) Bulletproof Vest Partnership Program	N/A	16.607	<u>1,778</u>
<b>Edward Byrne Memorial Justice Assistance Grant Cluster:</b>			
(E),(N) Edward Byrne Memorial Justice Assistance Grant Program	2009-DJ-BX-0730	16.738	65,037
(E),(N) Edward Byrne Memorial Justice Assistance Grant Program	2010-DJ-BX-0072	16.738	50,432
(E),(N) Edward Byrne Memorial Justice Assistance Grant Program	2011-DJ-BX-3411	16.738	62,871
(E),(N) ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) Program / Grants To Units Of Local Government, Recovery Act	2009-SB-B9-0321	16.804	108,830
<b>Total Edward Byrne Memorial Justice Assistance Grant Cluster</b>			<u>287,170</u>
<i>Passed Through Ohio Office of Criminal Justice Services:</i>			
(K) Project Safe Neighborhoods	N/A	16.609	<u>46,266</u>
Violence Against Women Formula Grants	2010-WF-VA5-8807	16.588	608
Violence Against Women Formula Grants	2011-WF-VA5-8807	16.588	53,992
<b>Total Violence Against Women Act</b>			<u>54,600</u>
Residential Substance Abuse Treatment for State Prisoners	2011-RS-SAT-127	16.593	<u>55,790</u>

(Continued)

**BUTLER COUNTY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**  
**(Continued)**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through/ Entity Number	Federal CFDA Number	(A),(B) Cash Federal Disbursements
<i>Passed Through Ohio Department of Youth Services:</i>			
Juvenile Accountability Block Grants	2010-JB-015-A025	16.523	21,967
<i>Passed Through Ohio Attorney General's Office:</i>			
Crime Victim Assistance	2011VADOME464	16.575	4,099
Crime Victim Assistance	2012SAGENE103	16.575	5,150
Crime Victim Assistance	2012VADOME464	16.575	31,275
Crime Victim Assistance	2012VAGENE103	16.575	59,527
Crime Victim Assistance	2013VAGENE103	16.575	29,122
<b>Total Crime Victim Assistance</b>			<b>129,173</b>
<b>Total U.S. Department of Justice</b>			<b>771,471</b>
<b><u>U.S. DEPARTMENT OF TRANSPORTATION/FEDERAL HIGHWAY ADMINISTRATION</u></b>			
<i>Passed Through Ohio Department of Transportation:</i>			
Highway Planning and Construction	PID 78073	20.205	166,113
Highway Planning and Construction	PID 81988	20.205	3,976,723
Highway Planning and Construction	PID 90189	20.205	56,886
Highway Planning and Construction	PID 90476	20.205	50,000
Highway Planning and Construction	PID 90897	20.205	174,450
<b>Total Highway Planning and Construction</b>			<b>4,424,172</b>
<b>Total U.S. Department of Transportation</b>			<b>4,424,172</b>
<b><u>U.S. DEPARTMENT OF LABOR</u></b>			
<i>Passed Through Ohio Department of Jobs &amp; Family Services:</i>			
<b>Employment Service Cluster:</b>			
(D),(K) Employment Service/Wagner-Peyser Funded Activities	N/A	17.207	24,454
(D),(K) Disabled Veterans' Outreach Program (DVOP)	N/A	17.801	6,207
(D),(K) Local Veterans' Employment Representative Program	N/A	17.804	530
<b>Total Employment Service Cluster</b>			<b>31,191</b>
<b>Workforce Investment Act Cluster:</b>			
(F),(K) Workforce Investment Act - Adult Program	N/A	17.258	182,826
(F),(K) Workforce Investment Act - Adult Administrative	N/A	17.258	64,229
<b>Total Workforce Investment Act - Adult Program</b>			<b>247,055</b>
(F),(K) Workforce Investment Act - Youth Activities	N/A	17.259	576,357
(F),(K) Workforce Investment Act - Youth Administrative	N/A	17.259	108,454
<b>Total Workforce Investment Act - Youth Activities</b>			<b>684,811</b>
(F),(K) ARRA - Workforce Investment Act - Dislocated Workers	N/A	17.260	8,137
(F),(K) Workforce Investment Act - Dislocated Worker Formula Grants	N/A	17.278	1,538,745
(F),(K) Workforce Investment Act - Dislocated Worker Formula Grants - Administrative	N/A	17.278	20,075
<b>Total Workforce Investment Act - Dislocated Workers Formula Grants</b>			<b>1,558,820</b>
<b>Total Workforce Investment Act Cluster</b>			<b>2,498,823</b>
<b>Total U.S. Department of Labor</b>			<b>2,530,014</b>

(Continued)

BUTLER COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2012  
(Continued)

	Federal Grantor/ Pass Through Grantor Program Title	Pass Through/ Entity Number	Federal CFDA Number	(A),(B) Cash Federal Disbursements
<b><u>U.S. DEPT. OF TRANSPORTATION / FEDERAL AVIATION ADMINISTRATION</u></b>				
(N)	Airport Improvement Program	N/A	20.106	127,342
	<b>Total U.S. Dept. of Transportation / Federal Aviation Administration</b>			<b>127,342</b>
<b><u>U.S. DEPT. OF ENERGY</u></b>				
(N)	ARRA - Energy Efficiency and Conservation Block Grant, Recovery Act	N/A	81.128	785,557
	<b>Total U.S. Department of Energy</b>			<b>785,557</b>
<b><u>U.S. DEPT. OF EDUCATION</u></b>				
(K)	<i>Passed Through Ohio Rehabilitation Services Commission:</i> Rehabilitation Services_Vocational Rehabilitation Grants to States	N/A	84.126	132,675
	<b>Total U.S. Department of Education</b>			<b>132,675</b>
<b><u>U.S. ELECTION ASSISTANCE COMMISSION</u></b>				
(K)	<i>Passed Through Ohio Secretary of State and Office:</i> Help America Vote Act Requirements Payments	N/A	90.401	33,732
	<b>Total U.S. Election Assistance Commission</b>			<b>33,732</b>
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>				
(N)	Enhance Safety of Children Affected by Substance Abuse	N/A	93.087	422,955
(N)	Drug-Free Communities Support Program Grants	N/A	93.276	207,681
(K)	<i>Passed Through Ohio Secretary of State and Office:</i> Voting Access for Individuals with Disabilities_Grants to States	N/A	93.617	24,664
(K)	<i>Passed Through Ohio Department of Mental Health:</i> Projects for Assistance in Transition from Homelessness (PATH)	N/A	93.150	90,090
(K)	Block Grants for Community Mental Health Services	N/A	93.958	226,836
	<i>Passed Through Ohio Department of Jobs &amp; Family Services:</i> Promoting Safe and Stable Families	G-1213-11-0015	93.556	171,067
	Temporary Assistance for Needy Families	G-1213-11-0015	93.558	2,677,934

(Continued)



**BUTLER COUNTY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**  
(Continued)

Federal Grantor/ Pass Through Grantor Program Title	Pass Through/ Entity Number	Federal CFDA Number	(A),(B) Cash Federal Disbursements
Child Support Enforcement	G-1213-11-0015	93.563	2,437,893
<b>Child Care and Development Block Grant Cluster:</b>			
(G) Child Care and Development Block Grant	G-1213-11-0015	93.575	173,323
(G) Child Care Mandatory and Matching funds of the Child Care and Development Fund	G-1213-11-0015	93.596	112,767
(G),(H),(K) Child Care Mandatory and Matching funds of the Child Care and Development Fund	N/A	93.596	29,412
<b>Total Child Care and Development Grant Cluster</b>			<u>315,502</u>
Stephanie Tubbs Jones Child Welfare Services Program	G-1213-11-0015	93.645	164,679
Foster Care_Title IV-E	G-1213-11-0015	93.658	5,777,825
Adoption Assistance	G-1213-11-0015	93.659	2,588,484
Chaffee Foster Care Independence Program	G-1213-11-0015	93.674	130,354
(H),(K) Social Services Block Grant	G-1213-11-0015	93.667	1,100,990
(I),(K) Social Services Block Grant	N/A	93.667	161,135
(I),(K) Social Services Block Grant	N/A	93.667	259,709
<b>Total Title XX Social Service Block Grant</b>			<u>1,521,834</u>
(I),(K),(J) Medical Assistance Program	G-1213-11-0015	93.778	1,486,131
(I),(K),(J) Medical Assistance Program	N/A	93.778	431,732
<b>Total Title XIX Medical Assistance Program</b>			<u>1,917,863</u>
Children's Health Insurance Program	G-1213-11-0015	93.767	1,663
(K) <u>Passed Through Ohio Department of Alcohol and Drug Addiction Services:</u> Substance Abuse and Mental Health Services_Projects of Regional and National Significance	N/A	93.243	140,713
(K) Block Grants for Prevention and Treatment of Substance Abuse	N/A	93.959	2,409,965
<b>Total U.S. Department of Health and Human Services</b>			<u>21,228,002</u>
<b>Total Federal Financial Assistance</b>			<u>\$ 34,531,642</u>

(Continued)

**BUTLER COUNTY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**  
**(Continued)**

**Notes to the Schedule of Expenditures of Federal Awards:**

- (A) This schedule was prepared on the cash basis of accounting.
- (B) Certain federal programs require that the County contribute non-federal funds (matching funds) to support the federally funded programs. The County has complied with the matching requirements. The expenditure of non-federal matching funds are not included on the schedule.
- (C) Included as part of the "Child Nutrition Cluster" in determining major programs.
- (D) Included as part of the "Employment Service Cluster" in determining major programs.
- (E) Included as part of the "Edward Byrne Memorial Justice Assistance Grant Cluster" in determining major programs.
- (F) Included as part of the "Workforce Investment Act Cluster" in determining major programs.
- (G) Included as part of the "Child Care and Development Grant Cluster" in determining major programs.
- (H) This portion of the program was passed through the Ohio Department of Mental Health.
- (I) This portion of the program was passed through the Ohio Department of Developmental Disabilities.
- (J) During the calendar year, the County Board of Developmental Disabilities received a refund for eFMAP (ARRA) funds for the Medicaid Program (CFDA #93.778) in the amount of \$1,225 from the Ohio Department of Developmental Disabilities. This refund was a correction to the eFMAP percentage for four billing cycles during July and August 2009. These receipts are not listed on the County's Schedule of Expenditures for Federal Awards since the underlying expenses occurred in prior reporting periods.
- During the calendar year, the County Board of Developmental Disabilities received notice of a liability owed to the Ohio Department of Disabilities for the Medicaid Program (CFDA #93.778) in the amount of \$1,620. The Cost Report liability was for settlement of the difference between the statewide payment rate and the rate calculated based upon actual expenditures for Medicaid services. This liability is not listed on the County's Schedule of Expenditures of Federal Award since the underlying expenses occurred in prior reporting periods and the liability was invoiced by the Ohio Department of Developmental Disabilities.
- (K) Pass-through number was unable to be obtained for this grant.
- (L) The County has established a revolving loan program to provide low-interest loans to businesses that are creating jobs and meet the other program requirements. The Federal Department of Housing and Urban Development (HUD) grants money for these loans to the County passed through the Ohio Department of Development. The initial loan of this money is recorded as a disbursement on the accompanying Schedule of Expenditures of Federal Awards (the Schedule). Loans repaid, including interest, are used to make additional loans. Such subsequent loans are subject to certain compliance requirements imposed by HUD, but are not included as disbursements on the Schedule.
- These loans are collateralized by mortgages on the property. At December 31, 2012, the gross amount of loans outstanding under this program was \$326,148.
- (M) Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first.
- (N) Grant was received directly from the federal agency.



**Julian & Grube, Inc.**  
*Serving Ohio Local Governments*

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

**Independent Auditor's Report on Internal Control over Financial Reporting and  
on Compliance and Other Matters Required by *Government Auditing Standards***

Butler County  
130 High Street  
Hamilton, Ohio 45011

To the Board of County Commissioners:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Butler County, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise Butler County's basic financial statements and have issued our report thereon dated June 24, 2013, wherein we noted as discussed in Note 3, Butler County adopted Governmental Accounting Standards Board Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities*, and reclassified the GSC parking facility fund from an enterprise fund to a nonmajor governmental fund.

***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered Butler County's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of Butler County's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Government's financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Board of Commissioners  
Butler County

***Compliance and Other Matters***

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

We also noted certain matters not requiring inclusion in this report that we reported to Butler County's management in a separate letter dated June 24, 2013.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of Butler County's internal control or on compliance. This report is an integral part of an audit performed under *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.  
June 24, 2013



**Julian & Grube, Inc.**  
*Serving Ohio Local Governments*

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

**Independent Auditor's Report on Compliance With Requirements Applicable  
to Each Major Federal Program and on Internal Control Over Compliance  
Required by OMB Circular A-133 and the Schedule of Expenditures  
of Federal Awards**

Butler County  
130 High Street  
Hamilton, Ohio 45011

To the Board of County Commissioners:

***Report on Compliance for Each Major Federal Program***

We have audited Butler County's compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of Butler County's major federal programs for the year ended December 31, 2012. The *Summary of Audit Results* in the accompanying schedule of findings identifies Butler County's major federal programs.

***Management's Responsibility***

Butler County's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to opine on Butler County's compliance for each of Butler County's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about Butler County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on Butler County's major programs. However, our audit does not provide a legal determination of Butler County's compliance.

***Opinion on Each Major Federal Program***

In our opinion, Butler County complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the year ended December 31, 2012.

Board of Commissioners  
Butler County

***Report on Internal Control Over Compliance***

Butler County's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered Butler County's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of Butler County's 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, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement 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 first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

We noted certain matters not involving federal compliance or internal control over federal compliance not requiring inclusion in this report, that we reported to Butler County's management in a separate letter dated June 24, 2013.

This report only describes the scope of our internal control compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.

***Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133***

We have also audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Butler County as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise Butler County's basic financial statements. We issued our unmodified report thereon dated June 24, 2013. Our opinion also explained that Butler County adopted *Governmental Accounting Standards No. 63 and 65* during the year as well as reclassified the GSC parking facility fund from an enterprise fund to a nonmajor governmental fund. We conducted our audit to opine on Butler County's basic financial statements. The accompanying schedule of expenditures of federal awards presents additional analysis required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements.

Board of Commissioners  
Butler County

We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.  
June 24, 2013

**BUTLER COUNTY**  
**SCHEDULE OF FINDINGS**  
**OMB CIRCULAR A-133 § .505**  
**DECEMBER 31, 2012**

<b>1. SUMMARY OF AUDITORS' RESULTS</b>		
<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unmodified
<i>(d)(1)(ii)</i>	<i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(ii)</i>	<i>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i>	No
<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 internal control weaknesses 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>	No
<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 §.510(a)?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Programs:</i>	CDBG - Entitlement Grants: CFDA # 14.218; Workforce Investment Act Cluster: CFDA # 17.258, 17.259, 17.260, 17.278; Highway Planning and Construction: CFDA #20.205; Temporary Assistance for Needy Families: CFDA # 93.558; Child Support Enforcement: CFDA # 93.563; Adoption Assistance: CFDA # 93.659; Social Services Block Grant: CFDA # 93.667; Medical Assistance Program: CFDA #93.778
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A:>\$1,035,949 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee?</i>	No



**BUTLER COUNTY**  
**SCHEDULE OF FINDINGS**  
***OMB CIRCULAR A-133 § .505***  
**DECEMBER 31, 2012**

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

None

**3. FINDINGS FOR FEDERAL AWARDS AND QUESTIONED COSTS**

None

**BUTLER COUNTY**

**STATUS OF PRIOR AUDIT FINDINGS  
OMB CIRCULAR A-133 § .505  
DECEMBER 31, 2012**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Fully Corrected?</b>	<b>Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:</b>
2011-BC-001	<u>Noncompliance/Significant Deficiency/Questioned Cost:</u> The County is required to identify all expenditures that are specifically for the performance of Federal Grant services and determine if the expenditure is allowable per 2 C.F.R. 225 Appendix A before expending money from a Federal Grant. Failure to properly identify allowable costs to the grant program may lead to monies having to be paid back to the federal program and/or having monies withheld from the federal program in the future.	Yes	N/A
2011-BC-002	<u>Noncompliance Findings:</u> 31 U.S.C. 7502(a)(1)(A) requires non-federal entities that expend \$500,000 or more in a year in Federal Awards shall have an annual Single or Program-Specific audit conducted for that year and filed with the Federal Audit Clearing House within nine months after year end. The County expended \$59,139,642 in federal awards in 2010, but did not file their reporting packet with the Federal Audit Clearinghouse until November 2011.	Yes	N/A



# Dave Yost • Auditor of State

## BUTLER COUNTY FINANCIAL CONDITION

### BUTLER COUNTY

#### CLERK'S CERTIFICATION

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

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
AUGUST 15, 2013