

BUTLER COUNTY, OHIO

SINGLE AUDIT

**FOR THE YEAR ENDED
DECEMBER 31, 2024**



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Board of County Commissioners
Butler County
315 High Street 6th Floor
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, 2024 through December 31, 2024. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

KEITH FABER
Ohio Auditor of State

A handwritten signature in black ink that reads "Tiffany L. Ridenbaugh".

Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

November 07, 2025

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BUTLER COUNTY, OHIO

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Independent Auditor's Report

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

To the Members of the Board of County Commissioners:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Butler County, Ohio, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise Butler County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Butler County, as of December 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, Mental Health and Addiction Recovery Services Board Fund, Development Disabilities Fund, Job and Family Services/Children Services Agency Fund, Residential Incentive Districts and Tax Incremental Financings Fund, and County ARPA Relief Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of Butler County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 3 to the financial statements, Butler County restated beginning net position as a result of a change in accounting principle by implementing GASB Statement No. 101, "Compensated Absences". Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 18, 2025 on our consideration of Butler County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Butler County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Butler County's internal control over financial reporting and compliance.

Julian & Grube, Inc.

Julian & Grube, Inc.
July 18, 2025

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BUTLER COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Unaudited)

Management's Discussion and Analysis offers an introspective look at the finances of Butler County for the year ended December 31, 2024 and provides a readable overview of the County's financial performance. In addition to the information presented here, readers are encouraged to review the County's financial statements for a more complete picture.

Financial Highlights

Key financial highlights for 2024 are as follows:

- Property tax values rose an average of 37 percent across the County in 2023. To help alleviate the impact of this increase on County taxpayers, in November 2023 the Butler County Board of Commissioners voted to temporarily reduce inside real estate tax millage from 1.92 mills to 1.48 mills for tax year 2023 to be collected in 2024. Beginning in tax year 2024, inside real estate tax millage returned to 1.92 mills. Consequently, the County's property tax receivable increase significantly.
- The County disbursed several million dollars in federal American Rescue Plan Act (ARPA) grant funding to various local entities for a variety of projects. Per ARPA guidelines, these projects help offset various negative impacts of the global COVID-19 pandemic. More information about these projects is provided later in this discussion and analysis.
- There was an overall increase in governmental funds' ending balance in 2024. This was primarily due to an increase in General Fund cash and property taxes receivable. The increase in General Fund cash was due to an excess of revenues over expenditures. The increase in property taxes receivable was due to the change in millage discussed above.
- Revenue in the County's business-type activities increased in 2024 due to increased charges for services revenue. This revenue growth was the result of higher customer rates for water and sewer services.
- At year end, Butler County had a total of \$45.2 million in outstanding long-term debt (excluding leases payable), a substantial decrease from the previous year. This decrease is due to scheduled maturity payments.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

Governmental Activities

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

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

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

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

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

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

Public Works – Intergovernmental – activities associated with maintaining roads in Butler County where the County is using local or grant funds to improve township or state-owned roads and a utility booster pumping station owned by the City of Hamilton.

Health – activities aimed at serving the public health, including activities provided by the Board of Developmental Disabilities and the Mental Health and Addiction Recovery 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 Elderly Services Levy, Veterans Service Commission, Children Services Agency, Child Support Enforcement Agency, and the Department of Job and Family Services.

Human Services – Intergovernmental – funding agreements associated with the creation of an advanced manufacturing center, affordable housing, food pantries, and a senior transportation vehicle where the County is using grant funds to improve assets owned by Miami University, the City of Oxford, and various local townships.

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

Conservation and Recreation – Intergovernmental – funding agreements related to accelerating the County's travel industry, conserving and maintaining county lands, and installing playgrounds and bike lanes where the County is using grant funds to improve land owned by the City of Fairfield and various local townships.

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

Business-Type Activities

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

Statement of Net Position

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

BUTLER COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Unaudited)

Statement of Activities

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

Generally, private sector goals are to generate income or simply, maximize revenues. Therefore, private sector operating statements present revenues first. Expenses, which reduce revenue maximization, are presented next as a deduction against those revenues. Public sector goals are different in that servicing the needs of the citizens, or spending, drive the financial activities. Thus, the Statement of Activities presents expenses before revenues, emphasizing that service activities dictate the level of resources required to be generated.

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

The Statement of Activities classifies the County's operations as either governmental or business-type service activities. These activities are reported in a format that allows the reader to see the extent to which each activity is supported, or self-financed, by program revenues or which draw from the general resources of the County. This makes the statement useful in assessing the level of self-sufficiency of the various governmental or business-type activities versus management established performance benchmarks.

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

Fund Financial Statements

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

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

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

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

Butler County maintains numerous individual governmental funds, the following of which are considered major funds: General, Mental Health and Addiction Recovery Services Board, Developmental Disabilities, Job and Family Services/Children Services Agency, Residential Incentive Districts and Tax Increment Financings, and County ARPA Relief Fund. The basic governmental fund financial statements begin on page 18 of this report.

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

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

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

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

Notes to the Financial Statements

The notes to the financial statements are an integral part of the basic financial statements, providing additional important disclosures necessary for a complete understanding of the financial data reported in the government-wide and fund financial statements. The notes to the financial statements begin on page 37 of this report.

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

New Accounting Pronouncements

For 2024, the County implemented GASB Statement No. 101 *Compensated Absences*. The County also implemented GASB Statement No. 100 *Accounting Changes and Error Corrections*, which does not require Management Discussion and Analysis information for years prior to periods presented in the basic financial statements to be restated for changes in accounting principle. The implementation of GASB 101 resulted in recognizing an additional compensated absences liabilities of \$21,821,797 in governmental activities and \$1,709,009 in business-type activities at January 1, 2024. These amounts also impacted beginning net position for the cumulative effect of additional compensated absences expense. See Note 3 for more information.

Government-Wide Financial Analysis

The County's total net position increased significantly in 2024 amidst dramatic changes in deferred outflows of resources for pension and OPEB and net pension liability. The net pension liability (NPL) is the largest single liability reported by the County at December 31, 2024, and is reported pursuant to GASB Statement 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27*. The County has also adopted GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the County's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability, and the net OPEB liability to the reported net position and subtracting the net pension asset and deferred outflows related to pension and OPEB.

BUTLER COUNTY, OHIO
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 FOR THE YEAR ENDED DECEMBER 31, 2024
 (Unaudited)

Table 1
 Net Position

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets						
Current and Other Assets	\$ 606,405,913	\$ 577,134,812	\$ 128,393,095	\$ 113,536,169	\$ 734,799,008	\$ 690,670,981
Capital Assets, Net	407,459,425	401,026,323	280,000,983	284,856,822	687,460,408	685,883,145
Total Assets	1,013,865,338	978,161,135	408,394,078	398,392,991	1,422,259,416	1,376,554,126
Deferred Outflows of Resources						
Deferred Charges on Refunding	33,883	38,119	-	35,468	33,883	73,587
Pension	48,115,446	71,917,415	3,211,129	4,798,829	51,326,575	76,716,244
OPEB	4,617,102	11,024,546	307,806	734,968	4,924,908	11,759,514
Total Deferred Outflows of Resources	52,766,431	82,980,080	3,518,935	5,569,265	56,285,366	88,549,345
Liabilities						
Current and Other Liabilities	30,386,208	55,084,558	3,983,298	3,875,448	34,369,506	58,960,006
Long-Term Liabilities:						
Due Within One Year	13,172,734	9,075,151	5,892,926	5,894,516	19,065,660	14,969,667
Due in More than One Year	55,182,545	44,173,393	24,353,772	28,503,710	79,536,317	72,677,103
Net Pension Liability	152,312,098	173,016,362	10,154,140	11,534,423	162,466,238	184,550,785
Net OPEB Liability	-	3,643,277	-	242,883	-	3,886,160
Total Liabilities	251,053,585	284,992,741	44,384,136	50,050,980	295,437,721	335,043,721
Deferred Inflows of Resources						
Deferred Charge on Refunding	4,421	17,216	-	-	4,421	17,216
Property Taxes	85,445,114	78,455,653	-	-	85,445,114	78,455,653
Payment In Lieu of Taxes	15,049,246	13,953,803	-	-	15,049,246	13,953,803
Pension	2,069,614	4,645,662	138,060	309,826	2,207,674	4,955,488
OPEB	2,966,851	1,227,916	197,790	81,862	3,164,641	1,309,778
Leases	8,302,826	8,467,182	-	-	8,302,826	8,467,182
Total Deferred Inflows of Resources	113,838,072	106,767,432	335,850	391,688	114,173,922	107,159,120
Net Position						
Net Investment in Capital Assets	402,896,671	396,470,113	250,849,391	250,510,649	653,746,062	646,980,762
Restricted	216,764,240	216,351,620	5,749,642	5,523,340	222,513,882	221,874,960
Unrestricted (Deficit)	82,079,201	56,559,309	110,593,994	97,485,599	192,673,195	154,044,908
Total Net Position	\$ 701,740,112	\$ 669,381,042	\$ 367,193,027	\$ 353,519,588	\$ 1,068,933,139	\$ 1,022,900,630

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

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

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

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its

BUTLER COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
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(Unaudited)

contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan as against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

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

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

As shown on Table 1, the County, and most notably governmental activities, saw significant decreases in both deferred outflows of resources for pension and OPEB at December 31, 2024. However, these decreases were largely offset by dramatic decreases in net pension and OPEB liability. Consequently, these items had less impact on the County's total net position, which increased significantly in 2024, than did the activity that occurred within current and other assets and current and other liabilities, which are discussed below.

New Accounting Pronouncements

Table 2 separately reflects the restatement for changes in accounting principles related to the implementation of GASB Statement No. 101, *Compensated Absences*. GASB Statement No. 100, *Accounting Changes and Error Corrections* does not require Management Discussion and Analysis information for years prior to periods presented in the basic financial statements to be restated for changes in accounting principle. The 2023 information does not reflect activity related to the additional compensated absences expenses required under GASB 101, *Compensated Absences*. See Note 3 for more information.

Governmental Activities: Total governmental net position saw notable growth in 2024 namely due to significant increases in current and other assets and decreases in current and other liabilities. The large increase in assets was primarily due to a substantial increase in equity in pooled cash and cash equivalents as well as a significant increase in property taxes receivable. As Table 2 demonstrates, governmental revenues, while lower than 2023, continued to outpace governmental expenditures. This allowed governmental pooled cash to grow significantly in 2024. The reason for the increase in property tax receivable was discussed in the Financial Highlights section of this analysis.

The County's current and other liabilities fell substantially in 2024, as can be seen on Table 1. Expenditure activity in the County's ARPA fund was the driving force of this change, as it ultimately led to a considerable reduction in the County's unearned revenue liability related to previously unspent ARPA funding. The County expended several million dollars of this funding in 2024, leading to a dramatic decrease in the cash balance of the ARPA Relief fund. As this cash balance declines, so does the associated liability.

The most significant 2024 ARPA expense was a \$14 million subgrant to Miami University for the acquisition and renovation of VORA Technology Park in Hamilton, which is reported on Table 2 under Human Services – Intergovernmental. The property will be used to establish the Butler County Advanced Manufacturing Center which will offer education, training, and workforce development programs. The County also made a \$1 million contribution towards this project from the General Fund. Other significant ARPA projects include approximately \$5 million in paving projects for various local entities, a \$3 million subgrant to the City of Hamilton for the construction of a utility booster pumping station and two hydropneumatic water tanks, and a \$2 million subgrant to the City of Middletown for the renovation and expansion of the Sonny Hill Community Center. There were also various subgrants for infrastructure and asset improvements as well as community service programs such as a senior transportation vehicle, affordable housing projects, and food pantry funding.

BUTLER COUNTY, OHIO
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 FOR THE YEAR ENDED DECEMBER 31, 2024
 (Unaudited)

Table 2
 Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues						
Program Revenues:						
Charges for Services	\$58,803,222	\$64,342,580	\$51,489,656	\$45,804,467	\$110,292,878	\$110,147,047
Operating Grants, Contributions and Interest	96,750,151	104,296,760	-	-	96,750,151	104,296,760
Capital Grants, Contributions and Interest	21,951,187	28,296,573	13,049,162	14,470,402	35,000,349	42,766,975
Program Revenues Subtotal	177,504,560	196,935,913	64,538,818	60,274,869	\$242,043,378	\$257,210,782
General Revenues:						
Property Taxes	71,798,253	71,850,156	-	-	71,798,253	71,850,156
Sales Taxes	60,766,463	59,175,250	-	-	60,766,463	59,175,250
Local Taxes	7,679,947	7,557,570	-	-	7,679,947	7,557,570
Payment in Lieu of Taxes	13,824,194	13,783,849	-	-	13,824,194	13,783,849
Grants and Entitlements Not Restricted to Specific Programs	10,677,232	12,405,440	-	-	10,677,232	12,405,440
Investment Earnings	26,531,581	25,575,835	-	-	26,531,581	25,575,835
Gifts and Donations	-	838,119	-	-	-	838,119
Other	4,044,757	3,949,306	245,948	537,783	4,290,705	4,487,089
General Revenues Subtotal	195,322,427	195,135,525	245,948	537,783	195,568,375	195,673,308
Total Revenues	\$372,826,987	\$392,071,438	\$64,784,766	\$60,812,652	\$437,611,753	\$452,884,090
Program Expenses						
General Government:						
Legislative & Executive	\$ 43,149,181	\$ 38,448,389	\$ -	\$ -	\$ 43,149,181	\$ 38,448,389
Legislative & Executive - Intergovernmental	6,769,409	5,682,978	-	-	6,769,409	5,682,978
Judicial	20,762,066	21,508,384	-	-	20,762,066	21,508,384
Public Safety	71,511,550	75,828,078	-	-	71,511,550	75,828,078
Public Works	28,662,735	24,295,720	-	-	28,662,735	24,295,720
Public Works - Intergovernmental	8,444,295	17,653,601	-	-	8,444,295	17,653,601
Health	52,913,848	48,138,578	-	-	52,913,848	48,138,578
Health - Intergovernmental	-	150,000	-	-	-	150,000
Human Services	65,806,525	68,256,649	-	-	65,806,525	68,256,649
Human Services - Intergovernmental	15,450,000	8,500,000	-	-	15,450,000	8,500,000
Conservation & Recreation	2,733,094	2,639,541	-	-	2,733,094	2,639,541
Conservation & Recreation - Intergovernmental	2,050,000	2,950,000	-	-	2,050,000	2,950,000
Interest	393,417	460,279	-	-	393,417	460,279
Sewer	-	26,063,256	23,837,530	26,063,256	23,837,530	
Water	-	23,339,062	22,955,197	23,339,062	22,955,197	
Total Expenses	\$ 318,646,120	\$ 314,512,197	\$ 49,402,318	\$ 46,792,727	\$ 368,048,438	\$ 361,304,924
Change in Net Position	54,180,867	77,559,241	15,382,448	14,019,925	69,563,315	91,579,166
Net Position at Beginning of Year as Previously Reported	669,381,042	591,821,801	353,519,588	339,499,663	1,022,900,630	931,321,464
Restatement - Change in Accounting Principle	(21,821,797)	-	(1,709,009)	-	(23,530,806)	-
Restated Net Position Beginning of Year	647,559,245	591,821,801	351,810,579	339,499,663	999,369,824	931,321,464
Net Position at End of Year	\$ 701,740,112	\$ 669,381,042	\$ 367,193,027	\$ 353,519,588	\$ 1,068,933,139	\$ 1,022,900,630

BUTLER COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Unaudited)

Business-Type Activities: The County's water and sewer operations constitute the business-type activities presented on Tables 1 and 2. In 2024, the total net position for these funds increased as revenue not only increased but also continued to exceed expenses. As was seen in the governmental funds, this excess of revenues over expenses led to overall growth in the funds' pooled cash and cash equivalents, thereby leading to an increase in total assets.

The funds' liabilities for due in more than one year and net pension liability decreased substantially. Reductions in due in more than one year can be attributed to scheduled maturity payments, more information on which can be found in Note 16. The reduction in net pension liability was discussed earlier in this analysis.

Fund Analysis

As mentioned earlier in this discussion, 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 assist in demonstrating fiscal accountability. Thus, fund balances provide a snapshot of what resources are available at year-end for near-term spending, and the analysis of changes to fund balances over time assists in evaluating the degree to which a specific program, or a group of activities, is "living within its means."

At year-end the governmental funds' combined ending fund balance was higher than the same balance one year ago. The County's General Fund, which makes up almost half of the combined fund balance, saw the greatest change, and therefore had the biggest impact in 2024. The largest increase was in Legislative and Executive, which was partially due to litigation costs and increased personal service costs. The \$1.0 million General Fund contribution toward the construction of the Butler County Advanced Manufacturing Center, which was discussed earlier in this analysis, was another contributing factor, as were increased expenses related to the County's Health Aging grant. This grant helps individuals aged 60 and older live healthier lives and maintain their independence and is administered by the Council on Aging. Other notable activity in the General Fund included a \$15 million transfer to the County's Capital Project fund. This transfer was responsible for the substantial increase in other finance uses. Despite this hefty transfer, the General Fund balance increased considerably in 2024.

The Mental Health and Addiction Recovery Services Board Fund continues to be reported as a major fund as it receives a significant amount of property taxes, grant, and additional funding. This funding is used for mental health issues and addiction recovery services. In 2024, this grant funding fell slightly, leading to a decrease in total revenue activity for the year. Expenditure activity increased slightly as well resulting in an overall decrease in fund balance.

The most notable activity for the County's Developmental Disabilities Fund was increased health expenditures which led to an overall decrease in the fund's balance in 2024. These higher expenditures were due to significant increases in contract services expenses and personal costs.

The Job and Family Services/Children Services Agency Fund's ending balance increased in 2024. There was little change in the fund's revenues for 2024, although expenditures did increase slightly amid rising costs for client services.

The Residential Incentive Districts and Tax Incremental Financings Fund's ending balance increased considerably in 2024. This was because revenues remained relatively stable while expenditures fell. The most notable change in expenditures occurred in public works, which decreased due to the completion of the Liberty Way and State Route 129 improvement project.

The County ARPA Relief Fund's ending balance decreased in 2024. Considerable expense activity occurred in the fund throughout the year, which has been previously described. With the exception of a few relatively minor infrastructure improvement projects, the assets related to ARPA subgrant projects are not owned by the County. Therefore, they are listed as intergovernmental expenditures.

BUTLER COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Unaudited)

Proprietary Funds: The proprietary funds financial statements provide the same information as seen in the government-wide financial statements, only in more detail. A summary of financial activity occurring in the Sewer and Water Enterprise Funds follows.

Sewer Fund: The Sewer Fund's operating revenues surpassed operating expenses in 2024, resulting in an overall operating gain for the year. This is mainly due to a significant increase in charges for services which was due to an increase in customer rates. Contract services increased as a result of additional expenses related to studies for various replacement and improvement projects and a master plan update. All other operating expenses remained relatively the same. As a result, the fund's net position at the end of the year was higher than last year.

Water Fund: The Water Fund's operating revenues in 2024 were noticeably higher than amounts reported in 2023, thanks to increased customer rates for water services. Operating expenses remained relatively the same, allowing revenues to exceed expenses for the year. Subsequently, the fund's net position at the end of the year was higher than last year.

General Fund Budget Analysis

The County's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of receipts, disbursements, and encumbrances. The General Fund's final 2024 appropriation budget was \$135.4 million, excluding other financing sources. The highest budgeted expenses continue to be for Public Safety and Legislative and Executive expenditures. These categories also saw the most significant increases from original budget amounts to final budget amounts. Budget increases were primarily due to increased building maintenance and boarding of prisoner costs and higher than anticipated technology support costs. Increased grant expenses related to the Health Aging grant, as well as the \$1.0 million General Fund contribution toward the construction of the Butler County Advanced Manufacturing Center, both of which were discussed earlier in this analysis, also contributed to the final budget increases.

Capital Asset and Debt Administration

Capital Assets

Capital assets include County owned land and easements, land improvements, buildings and improvements, furniture, fixtures and equipment, vehicles, intangible right to use leases for buildings, infrastructure, water rights, water and sewer mains, and construction in progress. Butler County's investment in capital assets for governmental and business-type activities was \$687.5 million as of December 31, 2024. Table 3 contains a summary of capital assets at year-end as compared to assets owned by the County at December 31, 2024. Readers should refer to Note 10 for further information and additional capital asset disclosure.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Land and Easements	\$ 20,420,673	\$ 20,420,673	\$ 1,544,056	\$ 1,544,056	\$ 21,964,729	\$ 21,964,729
Land Improvements	9,200,085	6,770,817	181,927	228,272	9,382,012	6,999,089
Buildings and Improvements	36,000,557	37,798,408	55,924,511	59,252,129	91,925,068	97,050,537
Furniture, Fixtures and Equipment	27,515,966	29,152,968	26,075,632	27,484,284	53,591,598	56,637,252
Vehicles	5,023,921	4,922,277	1,861,490	1,180,616	6,885,411	6,102,893
Right to Use Lease - Buildings	1,151,001	1,061,088	-	-	1,151,001	1,061,088
Infrastructure	302,279,896	287,526,354	-	-	302,279,896	287,526,354
Water Rights	-	-	215,030	430,063	215,030	430,063
Water and Sewer Mains	-	-	188,518,298	187,666,120	188,518,298	187,666,120
Construction in Progress	5,867,326	13,373,738	5,680,039	7,071,282	11,547,365	20,445,020
Total	\$ 407,459,425	\$ 401,026,323	\$ 280,000,983	\$ 284,856,822	\$ 687,460,408	\$ 685,883,145

BUTLER COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Unaudited)

Infrastructure Assets

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

Long-Term Debt

Butler County's total outstanding long-term debt decreased significantly in 2024, as Table 4 illustrates. This was the result of scheduled maturity payments made throughout the year. At year-end, the County had a total of \$46.4 million in outstanding long-term debt, excluding premiums and discounts. Long-term debt related to governmental activities is backed by the full faith and credit of Butler County. This includes special assessment bonds, for which the County is liable if the property owners subject to the related assessment default. Long-term debt related to business-type activities is secured by specified revenue sources, such as revenue from the County's water and sewer funds or motor vehicle fund. Additional information about the County's debt and other long-term obligations can be found in Note 16.

Moody's Investors Service upgraded Butler County to its highest level, Aaa, in late 2019. Butler County continued to maintain this rating in 2024. Butler County's general obligation bond issues are rated at Aa1 and the sales tax bonds at Aa2 by Moody's Investors Services. The water and sewer district currently maintains a credit rating of Aa3 from Moody's.

Table 4
Butler County Outstanding Long-Term Debt

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2024	2023	2024	2023	2024	2023
General Obligation Bonds	\$ 13,805,000	\$ 15,732,000	\$ 2,810,470	\$ 2,886,960	\$ 16,615,470	\$ 18,618,960
Special Assessment debt with						
Governmental Commitment	1,756,590	1,985,780	-	-	1,756,590	1,985,780
Long-term Loans	471,764	596,054	16,358,403	18,169,817	16,830,167	18,765,871
Revenue Bonds	1,185,000	1,320,000	3,892,640	5,281,680	5,077,640	6,601,680
Water Judgment Bonds	-	-	4,915,000	7,190,000	4,915,000	7,190,000
Leases Payable	1,194,541	1,087,917	-	-	1,194,541	1,087,917
Total	\$ 18,412,895	\$ 20,721,751	\$ 27,976,513	\$ 33,528,457	\$ 46,389,408	\$ 54,250,208

Requests for Information

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.

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Butler County, Ohio
Statement of Net Position
December 31, 2024

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 407,835,241	\$ 120,564,383	\$ 528,399,624	\$ 8,747,534
Cash and Cash Equivalents:				
In Segregated Accounts	2,809,571	500	2,810,071	-
With Fiscal Agents	6,415,962	-	6,415,962	929,644
Accounts Receivable	5,333,702	6,853,912	12,187,614	416,610
Assessed Valuation Charges Receivable	-	-	-	11,870
Facility Charges Receivable	-	-	-	102,314
Due from Other Governments	42,664,320	41,128	42,705,448	18,299,586
Accrued Interest Receivable	2,589,006	-	2,589,006	-
Prepaid Items	2,827,065	99,352	2,926,417	38,624
Internal Balances	420	(420)	-	-
Materials and Supplies Inventory	1,094,930	136,261	1,231,191	-
Property Taxes Receivable	86,891,250	-	86,891,250	-
Sales Tax Receivable	9,947,830	-	9,947,830	-
Premissive Motor Vehicle Receivable	442,255	-	442,255	-
Other Local Taxes Receivable	378,537	-	378,537	-
Payments in Lieu of Taxes Receivable	15,224,690	-	15,224,690	-
Loans Receivable	497,671	-	497,671	-
Lease Receivable	8,302,826	-	8,302,826	-
Special Assessments Receivable	6,406,052	248,337	6,654,389	-
Assets Held for Resale	-	-	-	200
Net Pension Asset	1,576,952	105,131	1,682,083	-
Net OPEB Asset	5,167,633	344,511	5,512,144	-
Capital Assets:				
Nondepreciable Capital Assets	328,567,895	7,224,095	335,791,990	2,333,662
Depreciable Capital Assets, net	78,891,530	272,776,888	351,668,418	33,530,679
Total Assets	<u>1,013,865,338</u>	<u>408,394,078</u>	<u>1,422,259,416</u>	<u>64,410,723</u>
Deferred Outflows of Resources				
Deferred Charge on Refunding	33,883	-	33,883	1,054,691
Pension	48,115,446	3,211,129	51,326,575	-
OPEB	4,617,102	307,806	4,924,908	-
Total Deferred Outflows of Resources	<u>52,766,431</u>	<u>3,518,935</u>	<u>56,285,366</u>	<u>1,054,691</u>
Liabilities				
Accounts Payable	1,013,922	900,053	1,913,975	261,560
Contracts Payable	10,289,552	1,276,400	11,565,952	-
Accrued Wages and Benefits	5,894,538	348,328	6,242,866	30,652
Employee Benefits Payable	741,969	35,898	777,867	-
Due to Other Governments	2,490,895	1,065,694	3,556,589	1,562,658
Matured Bonds Payable	13,250	-	13,250	-
Matured Interest Payable	5,543	-	5,543	-
Accrued Interest Payable	42,501	315,071	357,572	210,461
Compensated Time Payable	2,333,307	41,854	2,375,161	-
Claims Payable	525,129	-	525,129	-
Refundable Advance	-	-	-	293,014
Unearned Revenue	7,035,602	-	7,035,602	-
Long-Term Liabilities:				
Due Within One Year	13,172,734	5,892,926	19,065,660	1,024,869
Due In More Than One Year:				
Net Pension Liability	152,312,098	10,154,140	162,466,238	-
Other Amounts	55,182,545	24,353,772	79,536,317	48,503,204
Total Liabilities	<u>251,053,585</u>	<u>44,384,136</u>	<u>295,437,721</u>	<u>51,886,418</u>
Deferred Inflows of Resources				
Deferred Gain on Refunding	4,421	-	4,421	-
Property Taxes not Levied to Finance Current Year Operations	85,445,114	-	85,445,114	-
Payment in Lieu of Taxes not Intended to Finance Current Year Operations	15,049,246	-	15,049,246	-
Pension	2,069,614	138,060	2,207,674	-
OPEB	2,966,851	197,790	3,164,641	-
Leases	8,302,826	-	8,302,826	-
Total Deferred Inflows of Resources	<u>113,838,072</u>	<u>335,850</u>	<u>114,173,922</u>	<u>-</u>
Net Position				
Net Investment in Capital Assets	402,896,671	250,849,391	653,746,062	7,633,383
Restricted for:				
Capital Outlay	995,150	-	995,150	-
Debt Service	3,365,760	-	3,365,760	-
Replacement and Improvement	-	5,300,000	5,300,000	-
Mental Health and Addiction Recovery Services	23,690,293	-	23,690,293	-
Developmental Disabilities	34,613,367	-	34,613,367	-
Nonexpendable	922,114	-	922,114	-
Job and Family/Children Services Agency	41,829,906	-	41,829,906	-
Residential Incentive Districts and Tax Incremental Financings	9,780,090	-	9,780,090	-
Elderly Services Levy	5,165,661	-	5,165,661	-
Motor Vehicle	21,429,522	-	21,429,522	-
All Other Judicial	5,981,683	-	5,981,683	-
All Other Public Safety	7,683,266	-	7,683,266	-
All Other Public Works	27,043,303	-	27,043,303	-
All Other Health	8,582,480	-	8,582,480	-
Child Support Enforcement	8,988,018	-	8,988,018	-
Pension Plans	6,744,585	449,642	7,194,227	-
Other Purposes	9,949,042	-	9,949,042	331,770
Unrestricted	<u>82,079,201</u>	<u>110,593,994</u>	<u>192,673,195</u>	<u>5,613,843</u>
Total Net Position	<u>\$ 701,740,112</u>	<u>\$ 367,193,027</u>	<u>\$ 1,068,933,139</u>	<u>\$ 13,578,996</u>

See accompanying notes to the basic financial statements

Butler County, Ohio
Statement of Activities
For the Year Ended December 31, 2024

				Program Revenues
	Expenses	Charges for Services	Operating Grants, Contributions, and Interest	Program Revenues
				Program Revenues
Governmental Activities				
General Government:				
Legislative and Executive	\$ 43,149,181	\$ 24,099,817	\$ 580,999	
Legislative and Executive - Intergovernmental	6,769,409	-	-	
Judicial	20,762,066	6,459,046	4,127,894	
Public Safety	71,511,550	18,817,381	7,860,903	
Public Works	28,662,735	3,775,167	5,322,229	
Public Works - Intergovernmental	8,444,295	-	7,599,527	
Health	52,913,848	1,848,763	16,191,191	
Human Services	65,806,525	3,775,328	38,165,268	
Human Services - Intergovernmental	15,450,000	-	15,020,824	
Conservation and Recreation	2,733,094	27,720	-	
Conservation and Recreation - Intergovernmental	2,050,000	-	1,881,316	
Interest	393,417	-	-	
Total Governmental Activities	318,646,120	58,803,222	96,750,151	
Business-Type Activities				
Sewer	26,063,256	25,391,886	-	
Water	23,339,062	26,097,770	-	
Total Business-Type Activities	49,402,318	51,489,656	-	
Total Primary Government	\$ 368,048,438	\$ 110,292,878	\$ 96,750,151	
Component Units	\$ 6,555,888	\$ 1,983,702	\$ 3,351,254	

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

Change in Net Position

Net Position at Beginning of Year
as Previously Reported

Change in Accounting Principle (See Note 3)

Restated Net Position at Beginning of Year

Net Position at End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Position Primary Government					
Capital Grants, Contributions, and Interest	Governmental Activities	Business-Type Activities	Total	Component Units	
\$ -	\$ (18,468,365)	\$ -	\$ (18,468,365)	\$ -	
-	(6,769,409)	-	(6,769,409)	-	
-	(10,175,126)	-	(10,175,126)	-	
-	(44,833,266)	-	(44,833,266)	-	
20,370,096	804,757	-	804,757	-	
1,581,091	736,323	-	736,323	-	
-	(34,873,894)	-	(34,873,894)	-	
-	(23,865,929)	-	(23,865,929)	-	
-	(429,176)	-	(429,176)	-	
-	(2,705,374)	-	(2,705,374)	-	
-	(168,684)	-	(168,684)	-	
-	(393,417)	-	(393,417)	-	
21,951,187	(141,141,560)	-	(141,141,560)	-	
7,921,627	-	7,250,257	7,250,257	-	
5,127,535	-	7,886,243	7,886,243	-	
13,049,162	-	15,136,500	15,136,500	-	
\$ 35,000,349	(141,141,560)	15,136,500	(126,005,060)	-	
\$ -	-	-	-	-	(1,220,932)
17,533,382	-	17,533,382	-		
9,495,077	-	9,495,077	-		
20,449,326	-	20,449,326	-		
14,739,680	-	14,739,680	-		
9,580,788	-	9,580,788	-		
60,766,463	-	60,766,463	-		
7,679,947	-	7,679,947	-		
13,824,194	-	13,824,194	-		
10,677,232	-	10,677,232	-		
26,531,581	-	26,531,581	-		
4,044,757	245,948	4,290,705	1,543,092		
195,322,427	245,948	195,568,375	1,543,092		
54,180,867	15,382,448	69,563,315	322,160		
669,381,042	353,519,588	1,022,900,630	13,256,836		
(21,821,797)	(1,709,009)	(23,530,806)	-		
647,559,245	351,810,579	999,369,824	13,256,836		
\$ 701,740,112	\$ 367,193,027	\$ 1,068,933,139	\$ 13,578,996		

Butler County, Ohio

Balance Sheet

Governmental Funds

December 31, 2024

	General	Mental Health and Addiction Recovery Services Board	Developmental Disabilities	Job and Family Services/Children Services Agency
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 169,232,416	\$ 21,415,795	\$ 30,888,679	\$ 35,356,892
Cash and Cash Equivalents:				
In Segregated Accounts	1,159,158	-	-	-
With Fiscal Agents	-	-	3,948,114	-
Receivables:				
Property Taxes	25,367,566	10,789,684	23,198,443	16,692,892
Sales Taxes	9,947,830	-	-	-
Permissive Motor Vehicle License Taxes	-	-	-	-
Other Local Taxes	-	-	-	-
Payments in Lieu of Taxes	-	-	-	-
Accounts	173,170	-	-	-
Due from Other Governments	8,025,813	3,125,472	3,444,853	11,849,167
Accrued Interest	2,589,006	-	-	-
Special Assessments	-	-	-	-
Loans	-	-	-	-
Leases	1,599,323	-	-	-
Due from Other Funds	482,184	-	4,295	1,720
Prepaid Items	1,240,928	88,876	65,956	93,582
Materials and Supplies Inventory	73,593	1,206	9,862	9,339
Advances to Other Funds	801,830	-	-	-
Restricted Cash and Cash Equivalents	2,825,040	-	-	-
Total Assets	\$ 223,517,857	\$ 35,421,033	\$ 61,560,202	\$ 64,003,592
Liabilities				
Accounts Payable	\$ 733,302	\$ 4,290	\$ 31,364	\$ 40,924
Contracts Payable	1,980,814	684,744	219,387	2,010,824
Accrued Wages and Benefits Payable	3,366,698	91,123	621,760	640,339
Employee Benefits Payable	464,401	12,371	66,293	84,274
Due to Other Funds	6,422	-	-	43,131
Due to Other Governments	817,183	19,895	326,995	113,866
Advances from Other Funds	-	-	-	-
Unearned Revenue	-	-	-	-
Matured Bonds Payable	-	-	-	-
Matured Interest Payable	-	-	-	-
Total Liabilities	7,368,820	812,423	1,265,799	2,933,358
Deferred Inflows of Resources				
Property Taxes not Levied to Finance the Current Year Operations	25,081,909	10,566,515	22,752,105	16,395,333
Payment in Lieu of Taxes not Levied to Finance the Current Year Operations	-	-	-	-
Leases	1,599,323	-	-	-
Unavailable Revenue	13,410,406	2,409,438	3,891,191	11,388,288
Total Deferred Inflows of Resources	40,091,638	12,975,953	26,643,296	27,783,621
Fund Balances				
Nonspendable	4,941,391	90,082	75,818	102,921
Restricted	-	21,542,575	33,575,289	33,183,692
Assigned	6,953,258	-	-	-
Unassigned	164,162,750	-	-	-
Total Fund Balances	176,057,399	21,632,657	33,651,107	33,286,613
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 223,517,857	\$ 35,421,033	\$ 61,560,202	\$ 64,003,592

See accompanying notes to the basic financial statements

Residential Incentive Districts and Tax Incremental Financings	County ARPA Relief Fund	Non Major Governmental Funds	Total Governmental Funds
\$ 10,144,602	\$ 8,078,839	\$ 113,373,248	\$ 388,490,471
-	-	1,650,413	2,809,571
2,467,848	-	-	6,415,962
-	-	10,842,665	86,891,250
-	-	-	9,947,830
-	-	442,255	442,255
-	-	378,537	378,537
15,224,690	-	-	15,224,690
-	-	5,160,532	5,333,702
363,585	-	15,855,430	42,664,320
-	-	-	2,589,006
-	-	6,406,052	6,406,052
-	-	497,671	497,671
-	-	6,703,503	8,302,826
-	-	32,709	520,908
-	-	512,979	2,002,321
-	-	1,000,930	1,094,930
-	-	-	801,830
-	-	-	2,825,040
<u>\$ 28,200,725</u>	<u>\$ 8,078,839</u>	<u>\$ 162,856,924</u>	<u>\$ 583,639,172</u>

\$ -	\$ -	\$ 203,973	\$ 1,013,853
-	-	5,393,008	10,288,777
-	-	1,168,786	5,888,706
-	-	114,230	741,569
-	-	466,640	516,193
903,541	-	308,905	2,490,385
-	-	751,830	751,830
-	7,035,602	-	7,035,602
-	-	13,250	13,250
-	-	5,543	5,543
<u>903,541</u>	<u>7,035,602</u>	<u>8,426,165</u>	<u>28,745,708</u>

-	-	10,649,252	85,445,114
15,049,246	-	-	15,049,246
-	-	6,703,503	8,302,826
<u>363,585</u>	<u>-</u>	<u>24,636,718</u>	<u>56,099,626</u>
<u>15,412,831</u>	<u>-</u>	<u>41,989,473</u>	<u>164,896,812</u>

-	-	2,392,509	7,602,721
11,884,353	1,043,237	80,895,910	182,125,056
-	-	29,253,073	36,206,331
-	-	(100,206)	164,062,544

11,884,353	1,043,237	112,441,286	389,996,652
<u>\$ 28,200,725</u>	<u>\$ 8,078,839</u>	<u>\$ 162,856,924</u>	<u>\$ 583,639,172</u>

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Butler County, Ohio
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2024

Total Governmental Fund Balances \$ 389,996,652

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. 407,459,425

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. 16,751,234

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	1,446,136
Other Local Taxes	47,043
Sales Taxes	4,954,244
Special Assessments	6,406,052
Due From Other Governments	35,019,861
Charges for Services	244,913
Licenses and Permits	97,081
Fines and Forfeitures	4,928,779
Investment Earnings	2,547,368
Other	408,149
<hr/>	
Total	56,099,626

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

Deferred Charge on Refunding - Outflows	33,883
Deferred Gain on Refunding - Inflows	(4,421)
<hr/>	
	29,462

The net pension/OPEB liabilities (asset) are not due and payable in the current period; therefore, the liabilities (asset) and related deferred inflows/outflows are not reported in governmental funds:

Net Pension Asset	1,576,952
Net OPEB Asset	5,167,633
Deferred Outflows - Pension	48,115,446
Deferred Outflows - OPEB	4,617,102
Deferred Inflows - Pension	(2,069,614)
Deferred Inflows - OPEB	(2,966,851)
<hr/>	
Net Pension Liability	(152,312,098)
<hr/>	
	(97,871,430)

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	(42,501)
Bonds	(16,763,342)
Loans	(471,764)
Long Term Contracts Payable	(18,900,866)
Lease Payable	(1,194,541)
Compensated Absences	(31,018,542)
Compensated Time Payable	(2,333,301)
<hr/>	
Total	(70,724,857)
<hr/>	
Net Position of Governmental Activities	\$701,740,112
<hr/>	

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, 2024

	General	Mental Health and Addiction Recovery Services Board	Developmental Disabilities	Job and Family Services/Children Services Agency
Revenues				
Property Taxes	\$ 17,596,881	\$ 9,625,783	\$ 20,710,737	\$ 14,913,954
Sales Taxes	60,649,881	-	-	-
Permissive Motor Vehicle License Taxes	-	-	-	-
Other Local Taxes	-	-	-	-
Charges for Services	28,748,860	83,196	9,184	-
Licenses and Permits	3,101,722	-	-	-
Fines and Forfeitures	2,066,761	-	-	-
Intergovernmental	17,032,754	7,177,675	9,628,290	29,411,026
Special Assessments	-	-	-	-
Payments in Lieu of Taxes	-	-	-	-
Investment Earnings and Other Interest	21,782,789	-	-	-
Lease Revenue	12,242	-	-	-
Lease Interest	40,558	-	-	-
Other	2,587,803	1,766	34,062	331,640
Total Revenues	153,620,251	16,888,420	30,382,273	44,656,620
Expenditures				
Current:				
General Government:				
Legislative and Executive	39,317,218	-	-	-
Legislative and Executive - Intergovernmental	-	-	-	-
Judicial	18,343,946	-	-	-
Public Safety	55,205,522	-	-	-
Public Works	243,479	-	-	-
Public Works - Intergovernmental	-	-	-	-
Health	357,400	18,030,273	33,975,703	-
Human Services	2,525,514	-	-	41,350,059
Human Services - Intergovernmental	-	-	-	-
Conservation and Recreation	520,000	-	-	-
Conservation and Recreation - Intergovernmental	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal Retirement	277,854	-	-	175,604
Interest	21,045	-	-	6,113
Total Expenditures	116,811,978	18,030,273	33,975,703	41,531,776
Excess of Revenues Over (Under) Expenditures	36,808,273	(1,141,853)	(3,593,430)	3,124,844
Other Financing Sources (Uses):				
Inception of Lease	560,080	-	-	-
Transfers - In	-	224,993	-	802,913
Transfers - Out	(16,082,540)	-	-	-
Total Other Financing Sources (Uses)	(15,522,460)	224,993	-	802,913
Net Change in Fund Balance	21,285,813	(916,860)	(3,593,430)	3,927,757
Fund Balances at Beginning of Year	154,771,586	22,549,517	37,244,537	29,358,856
Fund Balances at End of Year	\$ 176,057,399	\$ 21,632,657	\$ 33,651,107	\$ 33,286,613

See accompanying notes to the basic financial statements

Residential Incentive Districts and Tax Incremental Financings	County ARPA Relief Fund	Non Major Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 9,694,066	\$ 72,541,421
			60,649,881
		5,505,736	5,505,736
		2,369,807	2,369,807
		19,174,198	48,015,438
		991,256	4,092,978
		3,488,514	5,555,275
	24,754,159	40,264,539	128,268,443
		2,077,532	2,077,532
13,824,194	-	-	13,824,194
91,210	1,043,237	1,066,977	23,984,213
		152,114	164,356
		60,833	101,391
		970,906	3,926,177
13,915,404	25,797,396	85,816,478	371,076,842

-	186,196	4,583,093	44,086,507
6,769,409	-	-	6,769,409
-	3,079,262	21,423,208	
-	14,757,950	69,963,472	
400,399	861,087	31,877,629	33,382,594
1,655,474	8,202,734	292,694	10,150,902
-	5,000	52,368,376	
-	21,930,684	65,806,257	
-	15,450,000	-	15,450,000
-	2,208,446	2,728,446	
-	2,050,000	-	2,050,000
-	3,924,555	3,924,555	
-	2,415,478	2,868,936	
-	448,865	476,023	
8,825,282	26,750,017	85,523,656	331,448,685
5,090,122	(952,621)	292,822	39,628,157

-	-	-	560,080
-	17,748,216	18,776,122	
(2,129,405)	(564,177)	(18,776,122)	
(2,129,405)	17,184,039	560,080	
2,960,717	(952,621)	17,476,861	40,188,237
8,923,636	1,995,858	94,964,425	349,808,415
\$ 11,884,353	\$ 1,043,237	\$ 112,441,286	\$ 389,996,652

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, 2024

Net Change in Fund Balances - Total Governmental Funds \$40,188,237

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	16,777,034
Current Year Depreciation	(9,179,886)
	7,597,148

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	(1,164,046)
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Because some revenues will not be collected for several months after the County's year end, they are not considered "available" revenues and are deferred in the governmental funds.

Delinquent Property Taxes	(743,168)
Sales Taxes	116,582
Due From Other Governments	1,110,127
Other Local Taxes	(195,596)
Special Assessments	(212,477)
Charges for Services	(445,129)
License and Permits	(5,850)
Fines and Forfeitures	(438,901)
Investment Earnings	2,547,368
Other	17,189
	1,750,145

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

(560,080)

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	2,062,000
Special assessment principal retirement	229,190
Lease payable retirement	453,456
Loan principal retirement	124,290
	2,868,936

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

Accrued Interest	6,493
Amortization of Gain/Loss on Refunding	8,559
Amortization of Bond Premiums	67,554
Total	82,606

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.

Pension	14,297,859
OPEB	150,352
Total	14,448,211

Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability (asset) are reported as pension expense in the statement of activities.

Pension	(14,506,425)
OPEB	514,179
Total	(13,992,246)

Some items reported in the statement of activities do not require the expenditures in governmental funds. These activities consist of:

Compensated Absences	1,811,278
Compensated Time Payable	(2,333,301)
Judgement Payable	824,556
Long Term Contracts Payable	1,306,208
	1,608,741

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.

1,353,215

Change in Net Position of Governmental Activities \$54,180,867

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, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Property Taxes	\$ 18,004,000	\$ 18,004,000	\$ 17,490,411	\$ (513,589)
Sales Taxes	51,000,000	51,000,000	60,034,304	9,034,304
Charges for Services	27,582,023	27,582,023	28,403,731	821,708
Licenses and Permits	2,530,050	2,530,050	3,101,722	571,672
Fines and Forfeitures	953,800	953,800	1,039,197	85,397
Intergovernmental	14,252,850	15,106,851	17,067,123	1,960,272
Investment Earnings	6,000,000	6,000,000	15,435,857	9,435,857
Other	1,985,050	1,743,050	2,684,422	941,372
Total Revenues	122,307,773	122,919,774	145,256,767	22,336,993
Expenditures:				
Current:				
General Government:				
Legislative and Executive	40,383,224	50,693,679	46,509,356	4,184,323
Judicial	19,603,491	20,199,613	18,743,729	1,455,884
Public Safety	54,400,531	58,861,800	57,501,699	1,360,101
Public Works	246,728	246,748	242,413	4,335
Health	806,000	806,000	806,000	-
Human Services	3,658,478	3,758,900	2,716,632	1,042,268
Conservation and Recreation	567,500	567,500	562,500	5,000
Debt Service:				
Principal Retirement	277,854	277,854	277,854	-
Interest and Fiscal Charges	21,045	21,045	21,045	-
Total Expenditures	119,964,851	135,433,139	127,381,228	8,051,911
Excess of Revenues Over (Under) Expenditures	2,342,922	(12,513,365)	17,875,539	30,388,904
Other Financing Sources (Uses):				
Other Financing Sources	2,786,000	2,786,000	3,411,678	625,678
Advances - In	402,540	402,540	114,323	(288,217)
Advances - Out	(102,948)	(102,948)	(633,000)	(530,052)
Transfers - Out	(7,650,000)	(16,262,656)	(16,082,540)	180,116
Total Other Financing Sources (Uses)	(4,564,408)	(13,177,064)	(13,189,539)	(12,475)
Net Change in Fund Balance	(2,221,486)	(25,690,429)	4,686,000	30,376,429
Fund Balance at Beginning of Year	154,863,775	154,863,775	154,863,775	-
Prior Year Encumbrances Appropriated	6,953,258	6,953,258	6,953,258	-
Fund Balance at End of Year	\$ 159,595,547	\$ 136,126,604	\$ 166,503,033	\$ 30,376,429

See accompanying notes to the basic financial statements.

Butler County, Ohio
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual (Budget Basis)
Mental Health and Addiction Recovery Services Board Fund
For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Property Taxes	\$ 9,509,800	\$ 9,509,800	\$ 9,634,411	\$ 124,611
Charges for Services	85,200	85,200	83,196	(2,004)
Intergovernmental	8,089,473	7,058,827	6,988,865	(69,962)
Other	9,000	9,000	4,740	(4,260)
Total Revenues	17,693,473	16,662,827	16,711,212	48,385
Expenditures:				
Current:				
Health	20,438,614	21,163,997	19,608,387	1,555,610
Excess of Revenues Over (Under) Expenditures	(2,745,141)	(4,501,170)	(2,897,175)	1,603,995
Other Financing Sources (Uses):				
Other Financing Sources	90,000	90,000	114,552	24,552
Transfers - In	110,000	110,000	224,993	114,993
Total Other Financing Sources (Uses)	200,000	200,000	339,545	139,545
Net Change in Fund Balance	(2,545,141)	(4,301,170)	(2,557,630)	1,743,540
Fund Balance at Beginning of Year	20,855,040	20,855,040	20,855,040	-
Prior Year Encumbrances Appropriated	1,247,267	1,247,267	1,247,267	-
Fund Balance at End of Year	\$ 19,557,166	\$ 17,801,137	\$ 19,544,677	\$ 1,743,540

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, 2024**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Property Taxes	\$ 20,472,384	\$ 20,472,384	\$ 20,729,384	\$ 257,000
Charges for Services	9,000	9,000	9,184	184
Intergovernmental	7,701,602	7,670,837	9,812,197	2,141,360
Other	-	-	53,258	53,258
Total Revenues	28,182,986	28,152,221	30,604,023	2,451,802
Expenditures:				
Current:				
Health	35,268,305	36,607,551	35,070,352	1,537,199
Excess of Revenues Over (Under) Expenditures	(7,085,319)	(8,455,330)	(4,466,329)	3,989,001
Other Financing Sources (Uses):				
Other Financing Sources	50,000	50,000	63,168	13,168
Net Change in Fund Balance	(7,035,319)	(8,405,330)	(4,403,161)	4,002,169
Fund Balance at Beginning of Year	32,612,293	32,612,293	32,612,293	-
Prior Year Encumbrances Appropriated	1,415,095	1,415,095	1,415,095	-
Fund Balance at End of Year	\$ 26,992,069	\$ 25,622,058	\$ 29,624,227	\$ 4,002,169

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, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Property Taxes	\$ 14,645,000	\$ 14,645,000	\$ 14,927,682	\$ 282,682
Intergovernmental	34,274,443	28,334,385	30,523,016	2,188,631
Other	458,320	458,320	357,247	(101,073)
Total Revenues	49,377,763	43,437,705	45,807,945	2,370,240
Expenditures:				
Current:				
Human Services	51,585,262	53,685,385	46,078,528	7,606,857
Conservation and Recreation				-
Debt Service:				
Principal Retirement	175,604	175,604	175,604	-
Interest and Fiscal Charges	6,113	6,113	6,113	-
Total Expenditures	51,766,979	53,867,102	46,260,245	7,606,857
Excess of Revenues Over (Under) Expenditures	(2,389,216)	(10,429,397)	(452,300)	9,977,097
Other Financing Sources (Uses):				
Other Financing Sources	414,224	414,224	219,229	(194,995)
Transfers - In	799,751	799,751	802,913	3,162
Total Other Financing Sources (Uses)	1,213,975	1,213,975	1,022,142	(191,833)
Net Change in Fund Balance	(1,175,241)	(9,215,422)	569,842	9,785,264
Fund Balance at Beginning of Year	24,917,215	24,917,215	24,917,215	-
Prior Year Encumbrances Appropriated	5,133,083	5,133,083	5,133,083	-
Fund Balance at End of Year	\$ 28,875,057	\$ 20,834,876	\$ 30,620,140	\$ 9,785,264

See accompanying notes to the basic financial statements

Butler County, Ohio**Statement of Revenues, Expenditures, and****Changes in Fund Balances - Budget and Actual (Budget Basis)****Residential Incentive Districts and Tax Incremental Financings Fund****For the Year Ended December 31, 2024**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Payments in Lieu of Taxes	\$ 13,548,724	\$ 13,127,295	\$ 13,739,187	\$ 611,892
Expenditures:				
Current:				
Public Works	400,399	400,399	400,399	-
Legislative and Executive - Intergovernmental	5,797,426	8,589,232	6,775,784	1,813,448
Public Works - Intergovernmental	6,498,275	6,498,275	6,498,275	-
Total Expenditures	12,696,100	15,487,906	13,674,458	1,813,448
Excess of Revenues Over (Under) Expenditures	852,624	(2,360,611)	64,729	2,425,340
Other Financing Sources (Uses):				
Other Financing Sources	1,917,494	1,699,542	1,621,834	(77,708)
Transfers - Out	(3,306,088)	(3,132,804)	(2,129,405)	1,003,399
Total Other Financing Sources (Uses)	(1,388,594)	(1,433,262)	(507,571)	925,691
Net Change in Fund Balance	(535,970)	(3,793,873)	(442,842)	3,351,031
Fund Balance at Beginning of Year	7,403,822	7,403,822	7,403,822	-
Prior Year Encumbrances Appropriated	623,882	623,882	623,882	-
Fund Balance at End of Year	<u>\$ 7,491,734</u>	<u>\$ 4,233,831</u>	<u>\$ 7,584,862</u>	<u>\$ 3,351,031</u>

See accompanying notes to the basic financial statements

Butler County, Ohio**Statement of Revenues, Expenditures, and****Changes in Fund Balances - Budget and Actual (Budget Basis)****County ARPA Relief Fund****For the Year Ended December 31, 2024**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Investment Earnings	\$ 1,500,000	\$ 998,387	\$ 1,043,237	\$ 44,850
Expenditures:				
Current:				
General Government:				
Legislative and Executive	98,000	207,496	186,196	21,300
Public Safety	37,372	2,000,000	2,000,000	-
Public Works	1,450,000	1,456,660	1,392,595	64,065
Public Works - Intergovernmental	9,850,127	10,483,569	8,266,799	2,216,770
Human Services - Intergovernmental	23,995,134	20,463,151	15,450,000	5,013,151
Conservation and Recreation - Intergovernmental	2,818,913	2,638,937	2,050,000	588,937
Total Expenditures	<u>38,249,546</u>	<u>37,249,813</u>	<u>29,345,590</u>	<u>7,904,223</u>
Excess of Revenues Over (Under) Expenditures	(36,749,546)	(36,251,426)	(28,302,353)	7,949,073
Net Change in Fund Balance	(36,749,546)	(36,251,426)	(28,302,353)	7,949,073
Fund Balance at Beginning of Year	27,614,672	27,614,672	27,614,670	-
Prior Year Encumbrances Appropriated	8,702,457	8,702,457	8,702,457	-
Fund Balance at End of Year	<u>\$ (432,417)</u>	<u>\$ 65,703</u>	<u>\$ 8,014,774</u>	<u>\$ 7,949,073</u>

See accompanying notes to the basic financial statements

Butler County, Ohio
Statement of Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2024

	Enterprise Funds			Governmental Activities - Internal Service Funds
	Sewer	Water	Total	
Assets				
Current Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 74,992,555	\$ 40,271,828	\$ 115,264,383	\$ 16,519,730
Cash and Cash Equivalents in Segregated Accounts	250	250	500	-
Cash and Cash Equivalents with Fiscal Agent	-	-	-	-
Accounts Receivable	3,291,918	3,561,994	6,853,912	-
Due from Other Governments	41,128	-	41,128	-
Special Assessments	232,426	15,911	248,337	-
Due from Other Funds	34	34	68	-
Prepaid Items	65,145	34,207	99,352	824,744
Materials and Supplies Inventory	130,818	5,443	136,261	-
Total Current Assets	78,754,274	43,889,667	122,643,941	17,344,474
Noncurrent Assets				
Non-Depreciable Capital Assets	5,059,394	2,164,701	7,224,095	-
Depreciable Capital Assets	168,853,132	103,923,756	272,776,888	-
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	4,000,000	1,300,000	5,300,000	-
Net Pension Asset	70,085	35,046	105,131	-
Net OPEB Asset	229,674	114,837	344,511	-
Total Noncurrent Assets	178,212,285	107,538,340	285,750,625	-
Total Assets	256,966,559	151,428,007	408,394,566	17,344,474
Deferred Outflows of Resources				
Pension	2,141,901	1,069,228	3,211,129	-
OPEB	205,204	102,602	307,806	-
Total Deferred Outflows of Resources	2,347,105	1,171,830	3,518,935	-
Liabilities				
Current Liabilities				
Accounts Payable	749,229	150,824	900,053	69
Contracts Payable	884,841	391,559	1,276,400	775
Accrued Wages and Benefits Payable	247,716	100,612	348,328	5,832
Employee Benefits Payable	27,562	8,336	35,898	400
Due to Other Funds	195	293	488	4,295
Due to Other Governments	198,141	867,553	1,065,694	510
Accrued Interest Payable	266,645	48,426	315,071	-
General Obligation Bonds Payable	79,800	-	79,800	-
Revenue Bonds Payable	87,720	970,000	1,057,720	-
Judgement Bonds Payable	-	2,395,000	2,395,000	-
Loans Payable	1,077,881	768,135	1,846,016	-
Compensated Time Payable	31,098	10,756	41,854	6
Claims Payable	-	-	-	525,129
Compensated Absences Payable	385,010	129,380	514,390	2,126
Total Current Liabilities	4,035,838	5,840,874	9,876,712	539,142
Noncurrent Liabilities				
Advances from Other Funds	-	-	-	50,000
Compensated Absences Payable	1,185,431	457,583	1,643,014	4,098
General Obligation Bonds Payable	2,730,670	-	2,730,670	-
Revenue Bonds Payable	2,834,920	112,781	2,947,701	-
Judgement Bonds Payable	-	2,520,000	2,520,000	-
Loans Payable	10,331,869	4,180,518	14,512,387	-
Capital Leases Payable	-	-	-	-
Net Pension Liability	6,769,425	3,384,715	10,154,140	-
Total Noncurrent Liabilities	23,852,315	10,655,597	34,507,912	54,098
Total Liabilities	27,888,153	16,496,471	44,384,624	593,240
Deferred Inflows of Resources				
Pension	92,071	45,989	138,060	-
OPEB	131,860	65,930	197,790	-
Total Deferred Inflows of Resources	223,931	111,919	335,850	-
Net Position				
Net Investment in Capital Assets	156,016,851	94,832,540	250,849,391	-
Restricted for:				
Replacement and Improvement	4,000,000	1,300,000	5,300,000	-
Pension and OPEB	299,759	149,883	449,642	-
Unrestricted	70,884,970	39,709,024	110,593,994	16,751,234
Total Net Position	\$ 231,201,580	\$ 135,991,447	\$ 367,193,027	\$ 16,751,234

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, 2024

	Enterprise Funds			Governmental Activities - Internal Service Funds
	Sewer	Water	Total	
Operating Revenues:				
Charges for Services	\$ 25,391,886	\$ 26,097,770	\$ 51,489,656	\$ 25,688,138
Other Operating Revenues	78,134	9,556	87,690	209,292
Total Operating Revenues	25,470,020	26,107,326	51,577,346	25,897,430
Operating Expenses:				
Personal Services	5,961,788	2,310,268	8,272,056	93,834
Contractual Services	6,124,983	12,932,214	19,057,197	22,741,998
Claims and Judgments	-	-	-	1,736,584
Materials and Supplies	2,049,210	789,694	2,838,904	1,749
Depreciation and Amortization Expense	10,720,766	6,466,362	17,187,128	-
Other	521,742	384,146	905,888	-
Total Operating Expenses	25,378,489	22,882,684	48,261,173	24,574,165
Operating Income (Loss)	91,531	3,224,642	3,316,173	1,323,265
Non-Operating Revenues (Expenses)				
Other Non-Operating Revenues	78,648	79,610	158,258	35,476
Investment Earnings	-	-	-	9,801
Other Non-Operating Expenses	(79,419)	(14,552)	(93,971)	(15,327)
Interest	(605,348)	(441,826)	(1,047,174)	-
Total Non-Operating Revenues (Expenses)	(606,119)	(376,768)	(982,887)	29,950
Income (Loss) Before Contributions	(514,588)	2,847,874	2,333,286	1,353,215
Capital Contributions	7,921,627	5,127,535	13,049,162	-
Change in Net Position	7,407,039	7,975,409	15,382,448	1,353,215
Net Position at Beginning of Year as Previously Reported	225,027,468	128,492,120	353,519,588	15,397,292
Change in Accounting Principal (See Note 3)	(1,232,927)	(476,082)	(1,709,009)	727
Restated Net Position at Beginning of Year	223,794,541	128,016,038	351,810,579	15,398,019
Net Position at End of Year	\$ 231,201,580	\$ 135,991,447	\$ 367,193,027	\$ 16,751,234

See accompanying notes to the basic financial statements

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Butler County
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2024

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds	
	Sewer	Water	Totals		
Increase (Decrease) in Cash and Cash Equivalents:					
Cash Flows from Operating Activities:					
Cash Received from Customers	\$ 25,486,478	\$ 26,144,804	\$ 51,631,282	\$ -	
Cash Received from Other Operating Sources				209,292	
Cash Paid to Suppliers	(7,380,953)	(14,456,726)	(21,837,679)	(22,872,234)	
Cash Paid to Employees	(6,121,493)	(2,375,029)	(8,496,522)	(87,480)	
Cash Received from Interfund Services Provided				25,692,433	
Other Operating Revenues	78,134	9,556	87,690	-	
Other Operating Expenses	(521,742)	(384,146)	(905,888)	-	
Other Non-Operating Revenues	87,489	83,263	170,752	85,577	
Other Non-Operating Expenses				(250,787)	
Cash Paid for Claims				(1,868,717)	
Net Cash Provided by Operating Activities	<u>11,627,913</u>	<u>9,021,722</u>	<u>20,649,635</u>	<u>908,084</u>	
Cash Flows from Capital and Related Financing Activities:					
Principal Paid on Loans	(1,039,979)	(771,435)	(1,811,414)	-	
Interest Paid on Loans	(356,603)	(62,405)	(419,008)	-	
Interest Paid on General Obligation Bonds	(125,202)	-	(125,202)	-	
Principal Paid on General Obligation Bonds	(76,490)	-	(76,490)	-	
Interest Paid on Revenue Bonds	(145,142)	(96,750)	(241,892)	-	
Principal Paid on Revenue Bonds	(424,040)	(965,000)	(1,389,040)	-	
Interest Paid on Judgement Bonds	-	(377,475)	(377,475)	-	
Principal Paid on Judgement Bonds	-	(2,275,000)	(2,275,000)	-	
Acquisition and Construction of Capital Assets	(3,261,425)	(4,106,761)	(7,368,186)	-	
Cash Received from Special Assessments	13,124	2,466	15,590	-	
Capital Contributions by Customers	<u>4,901,469</u>	<u>3,216,625</u>	<u>8,118,094</u>	<u>-</u>	
Net Cash Used for Capital and Related Financing Activities	<u>(514,288)</u>	<u>(5,435,735)</u>	<u>(5,950,023)</u>	<u>-</u>	
Cash Flows from Investing Activities:					
Interest and Dividends on Investments	-	-	-	9,801	
Net Increase(decrease) in Cash and Cash Equivalents	11,113,625	3,585,987	14,699,612	917,885	
Cash and Cash Equivalents at Beginning of Year	<u>67,879,180</u>	<u>37,986,091</u>	<u>105,865,271</u>	<u>15,601,845</u>	
Cash and Cash Equivalents at End of Year	<u>\$ 78,992,805</u>	<u>\$ 41,572,078</u>	<u>\$ 120,564,883</u>	<u>\$ 16,519,730</u>	

(continued)

Butler County
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2024 (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)	\$ 91,531	\$ 3,224,642	\$ 3,316,173	\$ 1,323,265
Adjustments to Reconcile Operating Income (Loss) to Net Cash				
<u>Provided by Operating Activities:</u>				
Depreciation and Amortization	10,720,766	6,466,362	17,187,128	-
Other Non-Operating Revenues	78,648	79,610	158,258	35,476
Other Non-Operating Expenses	(79,419)	(14,552)	(93,971)	(15,327)
<u>(Increase)Decrease in Assets</u>				
Accounts Receivable	94,626	47,068	141,694	-
Due from Other Governments	(41,128)	146,080	104,952	-
Due from Other Funds	8,807	3,619	12,426	101
Materials and Supplies Inventory	(485)	7,200	6,715	-
Interfund Receivable	-	-	-	(4,295)
Prepaid Items	-	-	-	(140,535)
Net Pension Asset	6,145	3,072	9,217	-
Net OPEB Asset	42,966	21,484	64,450	-
Deferred Outflows Pension	758,886	378,990	1,137,876	-
Deferred Outflows OPEB	249,511	124,757	374,268	-
<u>Increase(Decrease) in Liabilities</u>				
Accounts Payable	317,438	48,339	365,777	(47)
Contracts Payable	501,471	(167,893)	333,578	(396)
Accrued Wages and Benefits Payable	5,829	10,979	16,808	2,508
Compensated Absences Payable	(134,576)	(61,233)	(195,809)	4,204
Compensated Time Payable	31,098	10,756	41,854	6
Due to Other Funds	(157)	(234)	(391)	(218,674)
Due to Other Governments	71,370	(762,412)	(691,042)	(210)
Payroll Withholdings	(18,514)	(6,476)	(24,990)	(154)
Deferred Inflows Pension	(1,387,619)	(693,795)	(2,081,414)	-
Deferred Inflows OPEB	(322,014)	(161,008)	(483,022)	-
Net Pension Liability	632,733	316,367	949,100	-
Claims Payable	-	-	-	(132,133)
Advances from Other Funds	-	-	-	50,000
Total Adjustments	11,536,382	5,797,080	17,333,462	(419,476)
Net Cash Provided by Operating Activities	\$ 11,627,913	\$ 9,021,722	\$ 20,649,635	\$ 903,789

Non-Cash capital and related financing activities:

Capital Contributions from Customers of \$6,917 for the Sewer Fund

Capital Contributions from Customers of \$3,907 for the Water Fund

Developers donated \$2,912,267 of sewer lines to the Sewer fund during the year.

Developers donated \$2,050,836 of water lines to the Water fund during the year.

Sewer Fund has contracts payable for capital assets in the amount of \$752,815

Water Fund has contracts payable for capital assets in the amount of \$309,843

Sewer Fund has due from other governments receivable for capital assets in the amount of \$41,128.

See accompanying notes to the basic financial statements.

Butler County, Ohio
Statement of Fiduciary Net Position
Custodial Funds
December 31, 2024

	<u>Total</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 39,314,763
Cash and Cash Equivalents in Segregated Accounts	4,639,621
Property Taxes Receivable	528,757,553
Revenue in Lieu of Taxes Receivable	59,225,753
Special Assessments Receivable	72,341,731
Due from Other Governments	11,125,014
Total Assets	<u>715,404,435</u>
 Liabilities	
Accounts Payable and Other Liabilities	5,032,008
Due to Other Governments	<u>37,550,485</u>
Total Liabilities	<u>42,582,493</u>
 Deferred Inflows of Resources	
Property Taxes not Levied to Finance the Current Year Operations	519,662,275
Payment in Lieu of Taxes not Levied to Finance Current Year Operations	<u>59,225,753</u>
Total Deferred Inflows of Resources	<u>578,888,028</u>
 Net Position	
Restricted for Individuals, Organizations and Other Governments	<u>\$ 93,933,914</u>

See accompanying notes to the basic financial statements

Butler County, Ohio
Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended December 31, 2024

	Total
Additions	
Intergovernmental	\$ 31,727,313
Amounts Received as Fiscal Agent	17,670,583
Licenses, Permits and Fees for Other Governments	1,584,512
Fines and Forfeitures for Other Governments	129,952,730
Property Tax Collections for Other Governments	494,275,995
Payments in Lieu of Taxes Collections for Other Governments	67,276,925
Special Assessment Collections for Other Governments	11,012,898
Sheriff Sale Collections for Other Governments	9,130,471
Amounts Received for Others	209,112
Miscellaneous	1,750,435
Total Additions	764,590,974
 Deductions	
Distributions of State Funds to Other Governments	31,663,860
Fines and Forfeitures Distributions to Other Governments	330,969
Property Taxes Distributions for Other Governments	497,783,018
Payments in Lieu of Taxes Distributions for Other Governments	66,681,644
Special Assessment Distributions to Other Governments	12,387,170
Distributions to the State of Ohio	119,769,403
Distributions to Individuals	23,248,754
Distributions as Fiscal Agent	16,683,927
Miscellaneous	1,691,001
Total Deductions	770,239,746
 Change in Net Position	(5,648,772)
 Net Position Beginning of Year	99,582,686
 Net Position End of Year	\$ 93,933,914

See accompanying notes to the basic financial statements

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 1 – REPORTING ENTITY

REPORTING ENTITY

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

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

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

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

Discretely Presented Component Units

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

Butler County Land Reutilization Corporation

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

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

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

Liberty Community Authority

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

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

Butler County Finance Authority

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

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

Butler County Convention and Visitors Bureau

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

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

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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The County participates in the jointly governed organizations, the risk sharing pools, the insurance purchasing pool, and related organizations listed on the following page. These organizations are presented in Note 19 to the basic financial statements and are excluded from the accompanying financial statements except as noted.

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 (CORS)
Jefferson Health Plan
County Commissioners Association of Ohio Service Corporation (CCAOSC)
County Employee Benefit Consortium of Ohio (CEBCO)
Regional Transit Authority (RTA)
Metroparks of Butler County
Twelfth District Court of Appeals

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

Butler County General Health District

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

Butler County Soil and Water Conservation District

The Soil and Water Conservation District is statutorily created as a separate and distinct political subdivision of the state. The supervisors of the Soil and Water Conservation District are elected officials authorized to contract and sue on behalf of the District. The supervisors adopt their own budget, authorize District expenditures, and do not tax or issue debt.

Metroparks of Butler County

The District Commissioners are appointed by the Probate Judge of the County. The Commissioners adopt their own budget, authorize expenditures, hire and fire staff, and do not rely on the County to finance deficits. The County is not financially accountable for the District nor is the District fiscally dependent on the County. The District serves as its own taxing and debt issuance authority and is a related organization of the County.

Community-Based Correctional Facility

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

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Butler County have been prepared in conformity with the accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the County's accounting policies are described below.

BASIS OF PRESENTATION

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

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

Fund Accounting

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

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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Governmental Funds

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

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

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

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

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

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

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

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

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

Proprietary Funds

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

Enterprise Funds

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

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

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

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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Internal Service Funds

Internal service funds account for the financing of services provided by one department or agency for other departments or agencies of the County on a cost-reimbursement basis. The County's internal service funds report on health insurance programs for medical, dental, and vision coverage and workers compensation.

Fiduciary Funds

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

The County's only fiduciary funds are custodial funds. The County's custodial funds account for amounts collected and distributed on behalf of another government or organization. The County's custodial funds are primarily established to account for the collection and distribution of various taxes, receipts, and fees to other local governments and to account for funds of the General Health District, Soil and Water Conservation District, Metroparks, and the Community-Based Correctional Facility.

MEASUREMENT FOCUS

Government-Wide Financial Statements

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

Fund Financial Statements

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

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

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

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

BASIS OF ACCOUNTING

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

Revenues – Exchange and Non-Exchange Transactions

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that the sources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the County, available means expected to be received within 31 days of year-end.

Non-exchange transactions, in which the County receives value without directly giving equal value in return, includes sales tax, property taxes, payments in lieu of taxes, grants, entitlements and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the sale occurs (see Note 8). On an accrual basis, revenue from property taxes/revenue in lieu of taxes is recognized in the year for which the taxes are levied or would have been levied (see Note 7). Revenue from grants, entitlements, and donations are recognized in the year in which all eligibility requirements have been satisfied.

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

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

Unearned Revenue

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

Payments in Lieu of Taxes

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

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the County, deferred inflows of resources include deferred charge on refunding, property taxes, payments in Lieu of taxes, pension, OPEB, leases and unavailable revenue. Property taxes and payments in Lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2024, but which were levied to finance 2025 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. The deferred inflow for leases is related to leases receivable and is being recognized as a lease revenue in a systematic and rational manner over the term of the lease.

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

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 2024, investments were limited to STAR Ohio, money market mutual fund, commercial paper, corporate bonds and notes, municipal bonds, negotiable CD's, U.S. Treasury bonds and notes, Federal agency securities, and Private Export Funding Corporation. Except for STAR Ohio, the money market mutual fund, and commercial paper, investments are reported at fair value which is based on quoted market prices. The County's commercial paper is measured at amortized cost as it is a highly liquid debt instrument with a remaining maturity at the time of purchase of less than one year. Note 6 provides a detailed disclosure regarding cash, cash equivalents, and investments held by the County.

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

BUTLER COUNTY, OHIO
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STAR Ohio reserves the right to limit participant transactions to \$250 million per day. Transactions in all of a participant's accounts will be combined for this purpose. Twenty-four hours advance notice to STAR Ohio is appreciated for purchases or redemptions of \$100 million or more. For fiscal year 2024, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates.

Under existing Ohio statutes, all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Investment Earnings and Other Interest revenue credited to the general fund during 2024 amounted to \$21,782,789 which includes \$15,888,948 assigned from other County funds.

Statement of Cash Flows

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

Cash and Cash Equivalents in Segregated Accounts

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

Cash and Cash Equivalents with Fiscal Agents

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

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

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

Inventories and Prepaid Items

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

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

Interfund Transactions

On fund financial statements, receivables and payables arising between funds for goods provided or services rendered, are classified as "due from/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.

BUTLER COUNTY, OHIO
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Restricted Assets

Assets are reported as restricted when limitations on their use change in nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments or imposed by law through constitutional provisions. Restricted assets in the general fund includes unclaimed monies legally required to be maintained until the end of a three or five-year holding period.

Restricted equity in pooled cash and cash equivalents in enterprise funds consist of Replacement and Improvement (R&I) Funds held by the Department of Water and Sewer that are restricted by bond covenants. The covenants state that transfers must be made into the R&I Funds monthly from the Water and Sewer operating funds until the time that the minimum cash balance of \$1,300,000 in the Water Fund and \$4,000,000 in the Sewer Fund is achieved. These dollars may be used to pay for replacements and improvements to assets in the Water and Sewer systems. Restricted assets in the enterprise funds also represent amounts held in trust by the pension and OPEB plans for future benefits.

Capital Assets

Capital assets, which include intangible assets (e.g. water rights, easements and internally generated software) property, plant equipment and infrastructure assets (e.g. roads, bridges and culverts), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets used by the enterprise funds are also reported in the respective funds.

The County defines capital assets as assets with an initial individual cost of more than \$15,000 (amount not rounded) and an estimated useful life of one year or any asset with an estimated useful life in excess of ten years. Such assets (except for intangible right-to-use lease assets which are discussed below) are recorded at historical cost or estimated historical cost, if purchased or constructed.

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

All reported capital assets except for land and easements, construction in progress, and infrastructure are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the County's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

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

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

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

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

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

When using the modified approach, expenditures to extend the life of infrastructure assets are charged to expense, while expenditures for additions and improvements to infrastructure assets are capitalized.

Compensated Absences

For the County, compensated absences include leave for which employees may receive cash payments when the leave is used for time off or receive cash payments for unused leave upon termination of employment. These payments could occur during employment or upon termination of employment. Compensated absences generally do not have a set payment schedule. The County uses a first-in first-out flow assumption for compensated absences.

Liabilities should be recognized for leave that has not been used if the leave is attributable to services already rendered, the leave accumulates and is allowed to be carried over to subsequent years, and the leave is more likely than not to be used for time off or otherwise paid in cash. For the County, this leave includes sick and vacation time. However, the County also has certain compensated absences that are dependent upon the occurrence of sporadic events that affects a relatively small proportion of employees. A liability for these types of leave is recognized when the leave commences. For the County this type of leave includes personal leave and birthday leave. Holiday leave taken on a specific date, not at the discretion of the employee, is recognized as a liability when used. The liability for compensated absences includes salary related payments.

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is more likely than not that the employer will compensate the employees for the benefits through paid time off or will settle the benefits at separation. The County records a liability for all accumulated unused vacation time when earned for employees.

Liabilities for compensated absences are recognized in financial statements prepared using the economic resources measurement focus for leave that has not been used and leave that has been used but not yet paid or settled.

On governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent 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.

BUTLER COUNTY, OHIO
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Accrued Liabilities and Long-term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments, and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are normally due for payment during the current year. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits. Bonds, leases and long-term loans are recognized as a liability on the governmental fund financial statements when due.

Pensions/Other Postemployment Benefits (OPEB)

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

Fund Balance

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

Non-spendable- The non-spendable fund balance classification includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" includes items that are not expected to be converted to cash. Nonspendable fund balance in the general fund includes unclaimed monies legally required to be maintained until the end of a three or five-year holding period offset by any estimated liability for payments to claimants.

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

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

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

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

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

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net Investment in Capital Assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvements of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, laws or regulations of non-major governments. Restricted net position for unclaimed monies represents amounts required to be maintained until the end of a three or five-year holding period offset by any estimated liability for payments to claimants.

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

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

Operating Revenues and Expenses

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

Leases

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

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

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

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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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.

Settlement Monies

During 2021, Ohio reached an agreement with the three largest distributors of opioids. Subsequently, settlements have been reached with other distributors. As contingencies related to timing and measurement are resolved, a receivable will be reported in accompanying financial statements as a part of accounts receivable. As a participating subdivision, the County reported \$4,921,262 as a receivable related to opioid settlement monies in the OneOhio Special Revenue Fund in the accompanying financial statements. Collections of these settlement monies are expected to extend through 2038 with \$3,929,198 not expected to be collected within one year of the financial statements.

Internal Activity

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

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

Bond Premiums and Discounts

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

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

Estimates

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

Budgets

All funds, except custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the County Commissioners may appropriate.

The appropriations resolution is the County Commissioners' authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the County Commissioners. The legal level of control has been established by the County Commissioners at the fund, program, department, and object level.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

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

BUTLER COUNTY, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2024

	Net Change in Fund Balance						
	Mental Health and Addiction			Job and Family Services/Children		Residential Incentive Districts and County ARPA	
	General	Recovery Services	Developmental Disabilities	Services Agency	Tax Incremental Financing	Relief Fund	
GAAP Basis	\$ 21,285,813	\$ (916,860)	\$ (3,593,430)	\$ 3,927,757	\$ 2,960,717	\$ (952,621)	
Revenue Accruals	(125,266)	(80,737)	207,717	1,250,816	4,005,357	(24,754,159)	
Expenditure Accruals	(2,501,326)	50,602	(613,828)	(491,168)	(4,849,176)	(2,531,508)	
Encumbrances	(8,067,924)	(1,628,716)	(480,821)	(4,237,301)	-	(64,065)	
2023 Decrease in Fair Value of Investments	(10,867,939)	-	-	-	-	-	
2024 Increase in Fair Value of Investments	6,046,483	-	-	-	-	-	
2023 Custodial Fund Allocation	2,967,811	260,149	872,734	619,189	-	-	
2024 Custodial Fund Allocation	(3,532,975)	(242,068)	(795,533)	(499,451)	(2,559,740)	-	
Advances In	114,323	-	-	-	-	-	
Advances Out	(633,000)	-	-	-	-	-	
Budget Basis	\$ 4,686,000	\$ (2,557,630)	\$ (4,403,161)	\$ 569,842	\$ (442,842)	\$ (28,302,353)	

NOTE 3 – CHANGE IN ACCOUNTING PRINCIPALS, CHANGES TO OR WITHIN THE FINANCIAL REPORTING ENTITY AND RESTEMENT OF NET POSITION

Change in Accounting Principles

For 2024, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections*, and related guidance from GASB Implementation Guide No. 2023-1, *Implementation Guidance Update — 2023*. The County also implemented Question 5.1 from GASB Implementation Guide No. 2021-1, *Implementation Guidance Update — 2021* and GASB Statement No. 101, *Compensated Absences*.

GASB 100 will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision-useful, understandable, and comprehensive information for users about accounting changes and error corrections.

Question 5.1 from Implementation Guide 2021-1 addresses the collective significance of applying the capitalization threshold to individual items in a group of assets. The County reviewed its capital asset groupings and determined there were no asset groups where individually the assets were under the capitalization threshold yet were significant collectively.

The implementation of GASB Statement No. 100 and GASB Implementation Guides 2021-1 and 2023-1 did not have any effect on beginning net position/fund balance.

GASB 101 will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. In addition, the model can be applied consistently to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave. The effects of implementing the GASB pronouncement is shown on the table on the following page.

BUTLER COUNTY, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2024

Restatement of Net Position

For the County, GASB Statement No. 101 increased the compensated absences liability and the cumulative effects of compensated absence related expense on beginning net position as shown on the following table.

<u>Change in Accounting Principles</u>			
	12/31/2023 As Previously Reported	GASB 101	12/31/2023 As Restated
Government-Wide			
Governmental Activities	\$ 669,381,042	\$ (21,821,797)	\$ 647,559,245
Business-Type Activities	<u>353,519,588</u>	<u>(1,709,009)</u>	<u>\$ 351,810,579</u>
Total Primary Government	<u>\$1,022,900,630</u>	<u>\$ (23,530,806)</u>	<u>\$ 999,369,824</u>
Proprietary Funds			
Enterprise Funds:			
Sewer	225,027,468	(1,232,927)	223,794,541
Water	<u>128,492,120</u>	<u>(476,082)</u>	<u>128,016,038</u>
Total Business Type Activities	<u>353,519,588</u>	<u>(1,709,009)</u>	<u>351,810,579</u>
Internal Service Funds:			
Health Insurance	5,227,150	-	5,227,150
Workers Compensation	10,183,982	727	10,184,709
Jefferson Health Plan	(13,840)	-	(13,840)
Total Internal Service Funds	<u>\$ 15,397,292</u>	<u>\$ 727</u>	<u>\$ 15,398,019</u>

NOTE 4 – FUND BALANCE

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

BUTLER COUNTY, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
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Fund Balances	Residential Incentive Districts and Non-Major Governmental Funds									Total	
	Mental Health and Addiction			Job and Family / Children Services			Tax				
	General	Recovery Services Board	Developmental Disabilities	Agency	Incremental Financings	County ARPA Relief					
Nonspendable											
Prepaid Items	\$ 1,240,928	\$ 88,876	\$ 65,956	\$ 93,582	\$ -	\$ -	\$ 512,979	\$ 2,002,321			
Materials and Supplies	73,593	1,206	9,862	9,339	-	-	1,000,930	1,094,930			
Interfund Loans	801,830	-	-	-	-	-	-	-	801,830		
Unclaimed Monies	2,825,040	-	-	-	-	-	-	-	2,825,040		
Developmental Disabilities Trust	-	-	-	-	-	-	878,600	878,600			
Total Nonspendable	4,941,391	90,082	75,818	102,921	-	-	2,392,509	7,602,721			
Restricted for											
Mental Health and Addiction Recovery Services Board	-	21,542,575	-	-	-	-	-	-	21,542,575		
Developmental Disabilities	-	-	33,575,289	-	-	-	-	-	33,575,289		
Job and Family/Children Services	-	-	-	33,183,692	-	-	-	-	33,183,692		
Residential Incentive Districts and Tax Incremental Financing	-	-	-	-	11,884,353	-	-	-	11,884,353		
County ARPA Relief Fund	-	-	-	-	-	1,043,237	-	-	1,043,237		
Elderly Services	-	-	-	-	-	-	4,429,487	4,429,487			
Motor Vehicle	-	-	-	-	-	-	18,668,784	18,668,784			
Public Works	-	-	-	-	-	-	19,775,208	19,775,208			
Real Estate Assessment	-	-	-	-	-	-	4,951,994	4,951,994			
Legislative and Executive	-	-	-	-	-	-	3,766,629	3,766,629			
Child Support Enforcement Agency	-	-	-	-	-	-	8,711,856	8,711,856			
Public Safety	-	-	-	-	-	-	8,986,772	8,986,772			
Judicial	-	-	-	-	-	-	6,329,562	6,329,562			
Health	-	-	-	-	-	-	3,661,218	3,661,218			
Other Purposes	-	-	-	-	-	-	1,614,400	1,614,400			
Total Restricted	-	21,542,575	33,575,289	33,183,692	11,884,353	1,043,237	80,895,910	182,125,056			
Assigned											
Purchases on Order - Material/Supplies	1,651,384	-	-	-	-	-	-	-	1,651,384		
Purchases on Order - Contract Services	3,428,259	-	-	-	-	-	-	-	3,428,259		
Purchases on Order - Capital Outlay	1,760,532	-	-	-	-	-	-	-	1,760,532		
Purchases on Order - Other	113,083	-	-	-	-	-	-	-	113,083		
Capital Projects	-	-	-	-	-	-	29,253,073	29,253,073			
Total Assigned	6,953,258	-	-	-	-	-	29,253,073	36,206,331			
Unassigned (Deficit)	164,162,750	-	-	-	-	-	(100,206)	164,062,544			
Total Fund Balance	\$ 176,057,399	\$ 21,632,657	\$ 33,651,107	\$ 33,286,613	\$ 11,884,353	\$ 1,043,237	\$ 112,441,286	\$ 389,996,652			

In addition to the above fund balance constraints, the County has a General Fund budget stabilization arrangement that does not meet the criteria to be classified as restricted or committed. Pursuant to Ohio Revised Code 5705.13, the County established a budget stabilization by resolution to provide options to stabilize against cyclical changes in revenues and expenditures. Expenditures of a recurring nature are not addressed as through the use of this arrangement. The balance in the reserve at December 31, 2024 is \$16,000,000.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 5– ACCOUNTABILITY

At year-end, the All Other Conservation and Recreation non-major special revenue fund, the Road Improvements non-major capital project fund and the Jefferson Health Plan internal service fund had deficit fund balances of \$19,321, \$80,885 and \$529,424, respectively. The deficit in the special revenue and capital project funds is due to the recognition of payables in accordance with generally accepted accounting principles, while the deficit in the internal service fund is due to increased claims payable and rising health care costs. Management is currently analyzing the internal service operations to determine appropriate steps to alleviate the deficit. When necessary, the General Fund provides transfers to cover deficit balances, however, this is done when cash is needed rather than when accruals occur.

NOTE 6– DEPOSITS AND INVESTMENTS

CASH

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States, or any book entry, zero-coupon United States treasury security that is a direct obligation of the United States;
2. Bonds, notes, debentures, or any other obligations or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the fair value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of this state or the political subdivisions of this state, provided the bonds or other obligations of political subdivisions mature within ten years from the date of settlement;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts, in eligible institutions pursuant to ORC sections 135.32;
6. No-load money market mutual funds rated in the highest category at the time of purchase by at least one nationally recognized standard rating service or consisting exclusively of obligations described in (1) or (2) above; commercial paper as described in ORC section 135.143 (6); and repurchase agreements secured by such obligations, provided these investments are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio);
8. Securities lending agreements in which the County lends securities and the eligible institution agrees to simultaneously exchange either securities or cash, equal value for equal value, within certain limitations;

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

Reverse repurchase agreements, investments in derivatives, and investments in stripped principal or interest obligations that are not issued or guaranteed by the United States, are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Except as noted above, an investment must mature within five years from the date of settlement, unless matched to a specific obligation or debt of the County, and must be purchased with the expectation that it will be held to maturity.

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

DEPOSITS

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

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

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

BUTLER COUNTY, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2024

INVESTMENTS

As of December 31, 2024, the County had the following investments:

Measurement/Investment	Measurement Amount	Maturity	Standard & Poors Rating	Percent of Total Investments
Investments Not Measured At Fair Value				
Star Ohio	\$ 99,764,729	Less than one year	AAAm	18.7%
Money Market Mutual Fund	<u>715,981</u>	Less than one year	AAAm	N/A
Total Investments Not Measured at Fair Value	\$ 100,480,710			
Amortized Cost				
Commercial Paper	17,270,016	Less than one year	A-1	3.2%
Fair Value-Level Two Inputs				
Corporate Bonds	26,065,017	Less than three years	AA-/A+	4.9%
Municipal Bonds	11,727,124	Less than five years	AAA/AA-	2.2%
Negotiable CD's	2,704,787	Less than one year	NA	0.5%
U.S. Treasury Notes	158,488,567	Less than five years	AA+	29.7%
U.S. Treasury Bonds	14,691,064	Less than three years	AA+	2.8%
Federal Agriculture Mortgage Corp	10,046,459	Less than four years	AA+	1.9%
Federal Farm Credit Bank Bonds	103,359,978	Less than five years	AA+	19.4%
Federal Home Loan Bank Bonds	57,365,051	Less than five years	AA+	10.8%
Federal Home Loan Mortgage Bonds	18,848,136	Less than five years	AA+	3.5%
Federal National Mortgage Association	6,814,930	Less than one year	AA+	1.3%
Private Export Funding Corporation	5,018,624	Less than three years	AA+	0.9%
Total Fair Value - Level Two Inputs	<u>415,129,737</u>			
Total Investments	\$ 532,880,463			

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the county's recurring fair value measurements as of December 31, 2024. The county's remaining investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data (Level 2 inputs).

Interest rate risk arises because fixed-income securities will increase or decrease in fair value as interest rates fluctuate during the life of such securities. If held to maturity, fixed income securities owned by the County will pay the face value (par value). The investment policy restricts the Treasurer from investing in any securities other than those identified in the Ohio Revised Code and that all investments must mature within five years from the date of investment unless they are matched to a specific future obligation of the county and approved by the Investment Advisory Committee.

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

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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 2024 for real and public utility property taxes represents collections of 2023 taxes. 2024 real property taxes are levied after October 1, 2024 on the assessed value as of January 1, 2024, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2024 real property taxes are collected in and intended to finance 2025.

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. 2024 public utility property taxes, which became a lien December 31, 2023, are levied after October 1, 2024, and are collected in 2025 with real property taxes.

The full tax rate for all County operations for the year ended December 31, 2024, was \$9.28 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2024 property tax receipts were based are as follows:

Category	Assessed Value
Real Property	\$ 12,534,113,400
Public Utility Personal Property	689,416,970
Total	<u>\$ 13,223,530,370</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 1.48 mills of this 10-mill limit which demonstrates a temporary reduction by the County Commissioners from 1.92 mills for 2024 collections. The 1.92 mills were reinstated for the 2024 tax year which will be collected in 2025. In addition to the 1.48 mills, voted levies in the amount of 7.8 mills have been approved for the Developmental Disabilities Board, Mental Health & Addiction Recovery Services Board, Children Services Agency, and Senior Citizens Services. A summary of voted levies follows:

Purpose	Voter Levy Date	Authorized Rate	Rate Levied for		
			R/A	C/I	Final Levy Year
Developmental Disabilities Board	2000	2.00	0.96	1.51	Continuing
Developmental Disabilities Board	2004	1.00	0.57	0.75	Continuing
Mental Health Board	1985	0.50	0.14	0.26	2024
Mental Health Board	2006	1.00	0.57	0.75	2025
Children Services Agency	2008	2.00	1.14	1.51	2027
Senior Citizens	2010	1.30	0.74	0.98	2024
Total		<u>7.80</u>	<u>4.12</u>	<u>5.76</u>	

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

BUTLER COUNTY, OHIO
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The County Treasurer collects property taxes on behalf of all taxing districts in the County. The County Auditor periodically remits to the taxing districts their portions of the taxes collected. The collections and distribution of taxes for all subdivisions within the County, excluding the County itself, is accounted for through custodial funds. The amount of the County's tax collections is accounted for within the applicable funds. Property taxes receivable represents real, public utility taxes, and outstanding delinquencies which were measurable as of December 31, 2024, and for which there is an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2025 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 2024, \$60,649,881 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, 2024 consisted of taxes, payments in lieu of taxes, accounts (including unpaid utilities and Opioid settlement monies), intergovernmental receivables arising from grants, entitlements, and shared revenues, accrued interest, special assessments, loans, leases, and interfund receivables. Loans receivable represent low-interest loans for development projects and home improvements granted to eligible County residents and businesses under the Federal Community Development Block Grant Program. The Block Grant loans bear interest at annual rates between two and five percent. These loans are to be repaid over periods ranging from two to five years. The payments in lieu of taxes amount relates to dollars collected through real estate taxes that are marked for capital improvements in Butler County and tax incremental financing agreements. All receivables, except for delinquent property taxes and leases, are considered collectible in full, including water and sewer accounts receivable, which, if delinquent, may be certified and collected as a special assessment, subject to foreclosure for nonpayment. Delinquent special assessments at December 31, 2024 totaled \$203,959. The following are receivables expected to be collected in more than one year: Special Assessments of \$2,987,660 and various leases.

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BUTLER COUNTY, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2024

A summary of intergovernmental receivables follows:

Governmental Activities	Amount
Public Assistance Grants	\$ 6,031,414
CDBG and HOME Grants	5,186,836
Property Tax Rollbacks	4,707,591
Children Services Grants	4,516,530
Motor Vehicle License Fee	3,896,381
Sheriff Grants and Miscellaneous Revenue	2,771,733
Mental Health and Addiction Recovery Board Grants	2,569,114
Developmental Disabilities Board Grants	2,248,769
Undivided Local Government	1,595,104
Juvenile Rehabilitation Grants	1,589,409
Casino Tax	1,404,191
Child Support Enforcement Grants	1,251,127
Indigent Attorney Reimbursement	1,107,187
Shelter Care Plus - Chronic Homelessness	895,982
Common Pleas Court/Adult Probation Grants	587,410
12th District Court of Appeals Funding	576,499
Motor Vehicle Permissive	512,415
Workforce Development Grants	406,208
Transportation Improvement District Reimbursement	363,585
Ohio Department of Transportation Grant	234,681
Other	212,154
Total Governmental Activities	<u>\$ 42,664,320</u>

Enterprise Funds	Amount
Ohio Public Works Commission (OPWC) Grant	<u>\$ 41,128</u>

Custodial Activities	Amount
Library Local Government	\$ 6,371,530
Local Government	3,720,342
Motor Vehicle License Tax	1,008,343
Other	24,799
Total Custodial Funds	<u>\$ 11,125,014</u>

The County is reporting lease receivable of \$1,599,323 in the general fund and \$6,703,503 in the All Other Public Works non-major special revenue fund at December 31, 2024. These amounts represent the discounted future lease payments. This discount is being amortized using the interest method. For 2024, the County recognized lease revenue of \$12,242 and lease interest revenue of \$40,558 in the general fund and recognized lease revenue of \$152,114 and interest revenue of \$60,833 in the All Other Public Works non-major special revenue fund related to lease payments received. These lease revenue amounts exclude short-term leases. The County's leasing arrangements are summarized below.

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

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

A summary of future lease amounts receivable is as follows:

Year	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 12,554	\$ 40,246	\$ 153,434	\$ 59,513	\$ 165,988	\$ 99,759
2026	17,135	39,870	154,769	58,177	171,904	98,047
2027	17,589	39,416	157,151	56,827	174,740	96,243
2028	18,055	38,950	159,551	55,460	177,606	94,410
2029	18,534	38,471	160,933	54,078	179,467	92,549
2030-2034	147,820	182,435	825,881	249,173	973,701	431,608
2035-2039	227,112	158,360	850,683	212,728	1,077,795	371,088
2040-2044	337,846	122,453	881,987	175,465	1,219,833	297,918
2045-2049	494,553	71,773	926,675	136,449	1,421,228	208,222
2050-2054	248,900	21,012	973,456	95,340	1,222,356	116,352
2055-2059	59,225	763	828,421	53,066	887,646	53,829
2060-2064	-	-	455,005	20,807	455,005	20,807
2065-2069	-	-	129,197	5,540	129,197	5,540
2070-2074	-	-	42,037	1,445	42,037	1,445
2075	-	-	4,323	22	4,323	22
	\$ 1,599,323	\$ 753,749	\$ 6,703,503	\$ 1,234,090	\$ 8,302,826	\$ 1,987,839

BUTLER COUNTY, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 10—CAPITAL ASSETS

Primary government capital asset activity for the year ended December 31, 2024, was as follows:

	Balance At 12/31/2023	Additions	Deletions	Balance At 12/31/2024
Govermental Activities				
Capital Assets Not Being Depreciated:				
Land and Easements	\$ 20,420,673	\$ -	\$ -	\$ 20,420,673
Infrastructure:				
Roads	193,185,933	2,949,499	-	196,135,432
Bridges	86,292,639	12,793,635	(1,111,975)	97,974,299
Culverts	8,047,782	174,454	(52,071)	8,170,165
Construction in Progress	13,373,738	5,538,508	(13,044,920)	5,867,326
Total Capital Assets, Not Being Depreciated	321,320,765	21,456,096	(14,208,966)	328,567,895
Depreciable Capital Assets:				
Land Improvements	14,269,216	3,035,922	-	17,305,138
Buildings and Improvements	127,311,007	1,388,500	(35,258)	128,664,249
Furniture, Fixtures and Equipment	95,271,159	2,310,607	(6,611,864)	90,969,902
Vehicles	12,725,610	1,070,749	(173,532)	13,622,827
Intangible Right to Use Lease - Buildings**	1,913,102	560,080	(476,958)	1,996,224
Total Depreciable Capital Assets	251,490,094	8,365,858	(7,297,612)	252,558,340
Total Capital Assets At Historical Cost	572,810,859	29,821,954	(21,506,578)	581,126,235
Less Accumulated Depreciation/Amortization:				
Land Improvements	(7,498,399)	(606,654)	-	(8,105,053)
Buildings and Improvements	(89,512,599)	(3,186,351)	35,258	(92,663,692)
Furniture, Fixtures and Equipment	(66,118,191)	(3,947,609)	6,611,864	(63,453,936)
Vehicles	(7,803,333)	(969,105)	173,532	(8,598,906)
Intangible Right to Use Lease - Buildings**	(852,014)	(470,167)	476,958	(845,223)
Total Accumulated Depreciation/Amortization	(171,784,536)	(9,179,886)	7,297,612	(173,666,810)
Total Depreciable Capital Assets, Net	79,705,558	(814,028)	-	78,891,530
Total Governmental Activities Capital Assets, Net	\$ 401,026,323	\$ 20,642,068	\$ (14,208,966)	\$ 407,459,425

**Of the current year depreciation/amortization total of \$9,179,886, \$470,167 is presented as a general government expense on the Statement of Activities related to the County's intangible assets of various building space leases, which are included as Intangible Right to Use Lease.

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

General Government:	Depreciation	Amoritization
Legislative and Executive	\$ 2,570,591	\$ 98,000
Judicial	378,700	45,872
Public Safety	4,157,264	153,231
Public Works	1,034,472	-
Health	380,608	-
Human Services	183,436	173,064
Conservation and Recreation	4,648	-
Total	\$ 8,709,719	\$ 470,167

BUTLER COUNTY, OHIO
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Business Type capital asset activity for the year ended December 31, 2024, was as follows:

	Balance 12/31/2023	Additions	Deletions	Balance 12/31/2024
Business Type Activities				
Capital Assets Not Being Depreciated				
Land	\$ 1,544,056	\$ -	\$ -	\$ 1,544,056
Construction in Progress	7,071,282	7,930,736	(9,321,979)	5,680,039
Total Capital Assets Not Being Depreciated	<u>8,615,338</u>	<u>7,930,736</u>	<u>(9,321,979)</u>	<u>7,224,095</u>
Depreciable Capital Assets:				
Land Improvements	2,661,278	-	-	2,661,278
Building and Improvements	123,358,225	-	-	123,358,225
Furniture, Fixtures and Equipment	106,069,962	3,087,369	(1,396,971)	107,760,360
Vehicles	2,696,495	990,287	(88,346)	3,598,436
Water Rights	4,085,629	-	-	4,085,629
Water and Sewer Main	404,074,158	9,644,876	-	413,719,034
Total Depreciable Capital Assets	<u>642,945,747</u>	<u>13,722,532</u>	<u>(1,485,317)</u>	<u>655,182,962</u>
Total Capital Assets At Historical Cost	<u>651,561,085</u>	<u>21,653,268</u>	<u>(10,807,296)</u>	<u>662,407,057</u>
Less Accumulated Depreciation for:				
Land Improvements	(2,433,006)	(46,345)	-	(2,479,351)
Building and Improvements	(64,106,096)	(3,327,618)	-	(67,433,714)
Furniture, Fixtures and Equipment	(78,585,678)	(4,496,021)	1,396,971	(81,684,728)
Vehicles	(1,515,879)	(309,413)	88,346	(1,736,946)
Water Rights	(3,655,566)	(215,033)	-	(3,870,599)
Water and Sewer Main	(216,408,038)	(8,792,698)	-	(225,200,736)
Total Accumulated Depreciation	<u>(366,704,263)</u>	<u>(17,187,128)</u>	<u>1,485,317</u>	<u>(382,406,074)</u>
Total Depreciable Capital Assets, Net	<u>276,241,484</u>	<u>(3,464,596)</u>	<u>-</u>	<u>272,776,888</u>
Total Business Activities Capital Assets, Net	<u>\$ 284,856,822</u>	<u>\$ 4,466,140</u>	<u>\$ (9,321,979)</u>	<u>\$ 280,000,983</u>

Additions to business-type capital assets being depreciated include \$4,963,103 in assets donated by property developers.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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 2024, the County contracted with County Risk Sharing Authority Inc. (CORSA) (a risk-sharing pool - see Note 19) for liability, property, and crime damage. Coverage provided by the pool is as follows:

<u>Category</u>	<u>Amount (Each Occurrence)</u>
Property Coverage:	
Building Contents and Equipment	\$811,577,528
Flood	125,000,000
Earthquake	125,000,000
Liability Coverage:	
Automobile Liability	8,000,000
Uninsured Motorist	250,000
General Liability	8,000,000
Stop Gap Liability	8,000,000
Law Enforcement Liability	8,000,000
Errors and Omissions Liability	8,000,000
Medical Professional Liability	3,000,000
Cyber Liability	2,000,000
Crime:	
Employee Dishonesty/Faithful Performance	1,000,000
Money and Securities (Inside)	1,000,000
Money and Securities (Outside)	1,000,000
Money Orders and Counterfeit Currency	1,000,000
Depositor's Forgery	1,000,000
Boiler and Machinery	100,000,000
Business Interruption	2,500,000
Deductible:	
Auto Liability, General, Law Enforcement, Cyber, Medical Profession and	
Error and Omissions	100,000
Property Coverage, Auto Physical Damage, Crimes, Boiler and MacI	100,000

Settled claims have not exceeded coverage in any of the last three years. The County had no significant decrease in coverage in 2024.

Workers' Compensation benefits are provided through the Ohio Bureau of Workers' Compensation. In 2024, the County participated in the County Commissioner's Association Service Corporation (CCAOSC) Workers' Compensation Group Retrospective Rating Plan. The Group Retrospective Rating ("Group Retro") is a performance-based incentive program designed to reward a group of similar employers who are effectively managing safety and workers' comp claims. This reward is in the form of rebates which are based upon the group achieving lower than average claims experience in a given year. Group Retro guidelines are outlined in [OAC 4123-17-73](#) and 68 management.

BUTLER COUNTY, OHIO
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The County Commissioners provide medical coverage for their employees. In 2024, the County changed from a fully insured premium-based healthcare plan to be part of a risk-sharing pool. The County Employee Benefits Consortium of Ohio, Inc. (CEBCO). CEBCO charges a fixed premium per month per enrolled employee. The premiums are paid into an internal service fund by participating County funds and employees and, in turn, the premiums are paid to CEBCO. Premiums charged by CEBCO are based upon the County's claims experience.

Butler County Developmental Disabilities Board provides medical coverage for their employees through self-insurance plans with Jefferson Health for medical insurance. The claims liabilities reported in the Health Insurance, Workers' Compensation, and Jefferson Health Plan internal service funds at December 31, 2024 are based on the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. The County Individual retrospective rating plan for workers' compensation insurance completed the 10-year claims runoff and liabilities for the individual retrospective rating plan and will no longer show a claims liability.

The historical changes in claims payable (based on 12/31/24 maximum premium) during years December 31, 2023 and 2024 are as follows:

Workers Compensation		Claims and Changes in	Claims Payments	Balance
Year	Balance 12/31/2024			12/31/2024
2023	\$ 451,536	\$ (50,722)	\$ -	\$ 400,814
2024	400,814	(400,814)	-	-

Jefferson Health Plan		Claims and Changes in	Claims Payments	Balance
Year	Balance 12/31/2024			12/31/2024
2023	\$ 570,990	\$ 1,582,673	\$ 1,897,215	\$ 256,448
2024	256,448	2,137,398	1,868,717	525,129

NOTE 12 - DEFINED BENEFIT PENSION PLANS

NET PENSION LIABILITY

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

Net Pension Liability (Asset)/Net OPEB Liability

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

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

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

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

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

Ohio Public Employees Retirement System (OPERS)

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

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

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

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

Traditional plan state and local members who retire before meeting the age-and-years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The amount of a member's pension benefit vests at retirement.

Law enforcement and public safety members who retire before meeting the age-and-years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

Combined plan members retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit.

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

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

BUTLER COUNTY, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
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Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options and will continue to be administered by OPERS), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

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

State and Local

	Traditional	Combined	Public Safety	Law Enforcement
2024 Statutory Maximum Contribution Rate				
Employer	14.0%	14.0%	18.1%	18.1%
Employee*	10.0%	10.0%	**	***
2024 Actual Contribution Rates				
Employer:				
Pension ****	14.0%	12.0%	18.1%	18.1%
Post-employment Health Care Benefits ****	0.0	2.0	0.0	0.0
Total Employer	<u>14.0%</u>	<u>14.0%</u>	<u>18.1%</u>	<u>18.1%</u>
Employee	<u>10.0%</u>	<u>10.0%</u>	<u>12.0%</u>	<u>13.0%</u>

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

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

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

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

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

For 2024, the County's contractually required contribution was \$14,968,819 for the traditional plan, \$282,231 for the combined plan and \$324,860 for the member-directed plan. Of these amounts, \$732,686 is reported as a due to other governments payable for the traditional plan, \$12,819 for the combined plan, and \$16,886 for the member-directed plan.

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

The net pension liability (asset) for OPERS was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability (asset) was based on the County's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense of the County's defined benefit pension plans:

	OPERS Traditional Plan	OPERS Combined Plan	Total
Proportion of the Net Pension Liability/Asset:			
Current Measurement Date	0.62056416%	0.54722880%	
Prior Measurement Date	<u>0.62474784%</u>	<u>0.57198816%</u>	
Change in Proportionate Share	<u>-0.00418368%</u>	<u>-0.02475936%</u>	
Proportionate Share of the:			
Net Pension Liability	\$ 162,446,238	\$ -	\$ 162,446,238
Net Pension Asset	-	(1,682,083)	(1,682,083)
Pension Expense	15,301,103	153,292	15,474,395

2024 pension expense for the member-directed defined benefit contribution plan was \$324,860. The aggregate pension expense for all pension plans was \$15,779,255 for 2024.

At December 31, 2024 the County reported deferred outflows of resources and deferred inflows of resources related to defined pensions from the following sources:

	OPERS Traditional Plan	OPERS Combined Plan	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	\$ 2,655,373	\$ 68,163	\$ 2,723,536
Changes of Assumptions	-	62,425	62,425
Net difference between projected and actual earnings on pension plan investments	32,792,615	273,578	33,066,193
Changes in proportion and differences between County contributions and proportionate share of contributions	-	223,371	223,371
County contributions subsequent to the measurement date	<u>14,968,819</u>	<u>282,231</u>	<u>15,251,050</u>
Total Deffered Outflows of Resources	<u>\$ 50,416,807</u>	<u>\$ 909,768</u>	<u>\$ 51,326,575</u>

	OPERS Traditional Plan	OPERS Combined Plan	Total
Deferred Inflows of Resources			
Differences between expected and actual experience	\$ -	\$ 166,366	\$ 166,366
Change in proportion and differences between County contirubtions and proportionate share of contributions	<u>2,017,246</u>	<u>24,062</u>	<u>2,041,308</u>
Total Deferred Inflows of Resources	<u>\$ 2,017,246</u>	<u>\$ 190,428</u>	<u>\$ 2,207,674</u>

BUTLER COUNTY, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
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\$15,251,050 reported as deferred outflows of resources related to pension resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability or increase to the net pension asset in 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS		Total
	Traditional Plan	Combined Plan	
Year Ending December 31:			
2025	\$ 6,325,438	\$ 73,192	\$ 6,398,630
2026	10,848,451	106,695	10,955,146
2027	20,926,402	189,510	21,115,912
2028	(4,669,549)	(12,280)	(4,681,829)
2029	-	32,736	32,736
Thereafter	-	47,256	47,256
Total	<u>\$ 33,430,742</u>	<u>\$ 437,109</u>	<u>\$ 33,867,851</u>

Actuarial Assumptions – OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2023, using the following key actuarial assumptions and methods applied to all periods included in the measurement in accordance with the requirements of GASB 67:

	OPERS Traditional Plan	OPERS Combined Plan
Wage Inflation	2.75 percent	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation	2.75 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3.0 percent, simple	3.0 percent, simple
Post-January 7, 2013 Retirees (Current Year)	2.3 percent, simple through 2024, then 2.05 percent, simple	2.3 percent, simple through 2024, then 2.05 percent, simple
Post-January 7, 2013 Retirees (Prior Year)	3.0 percent, simple through 2023, then 2.05 percent, simple	3.0 percent, simple through 2023, then 2.05 percent, simple
Investment Rate of Return	6.9 percent	6.9 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

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

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

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 NOTES TO THE BASIC FINANCIAL STATEMENTS
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During 2023, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 11.2 percent for 2023.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual Investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by the Board's investment consultant. For each major class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2023, these best estimates are summarized below:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate Return (Geometric)
Fixed Income	24.00%	2.85%
Domestic Equities	21.00	4.27
Real Estate	13.00	4.46
Private Equity	15.00	7.52
Internal Equities	20.00	5.16
Risk Parity	2.00	4.38
Other Investments	5.00	3.46
Total	100.00%	

Discount Rate

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

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

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

County's proportionate share of the net pension liability (asset)	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
OPERS Traditional Plan	\$ 255,765,519	\$ 162,466,238	\$ 84,868,355
OPERS Combined Plan	(1,017,846)	(1,682,083)	(2,205,332)

BUTLER COUNTY, OHIO
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NOTE 13 – DEFINED BENEFIT OPEB PLANS

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

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

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

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

Age 65 or older Retirees Minimum minimum of 20 years of qualifying service credit

Age 60 to 64 Retirees Based on the following age-and-service criteria:

Group A 30 years of total service with at least 20 years of qualified health care service credit;

Group B 31 years of qualifying service credit with at least 20 years of qualified health care service credit; or

Group C 32 years of qualifying service credit with at least 20 years of qualified health care service credit.

Age 59 or younger Based on the following age-and-service criteria:

Group A 30 years of qualified health care service credit;

Group B 32 years of qualified health care service credit at any age or 31 years of qualified health care service credit and at least age 52; or

Group C 32 years of qualified health care service credit and at least age 55..

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

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

Group A	Group B	Group C
Age and Service Requirements <i>December 1, 2014 or Prior</i> Any Age with 10 years of service credit	Age and Service Requirements <i>December 1, 2014 or Prior</i> Any Age with 10 years of service credit	Age and Service Requirements <i>December 1, 2014 or Prior</i> Any Age with 10 years of service credit
January 1, 2015 through December 31, 2021 Age 60 with 20 years of service credit or Any Age with 30 years of service credit	January 1, 2015 through December 31, 2021 Age 52 with 31 years of service credit or Age 60 with 20 years of service credit or Any Age with 32 years of service credit	January 1, 2015 through December 31, 2021 Age 55 with 33 years of service credit or Age 60 with 20 years of service credit

See the Age and Service Retirement section of the OPERS ACFR for a description of Groups A, B, and C.

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

The base allowance is determined by OPERS and is currently \$1,200 per month for non-Medicare retirees and \$350 per month for Medicare retirees. The retiree receives a percentage of the base allowance, calculated based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51 percent and 90 percent of the base allowance for both non-Medicare and Medicare retirees.

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

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

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

Participants in the Member-Directed Plan have access to the Connector and have a separate health care funding mechanism. A portion of employer contributions for these participants is allocated to a retiree medical account (RMA). Members who elect the Member-Directed Plan after July 1, 2015, will vest in the RMA over 15 years at a rate of 10 percent each year starting with the sixth year of participation. Members who elect the Member-Directed Plan prior to July 1, 2015, vest in the RMA over a five-year period at a rate of 20 percent per year. Upon separation or retirement, participants may use vested RMA funds for reimbursement of qualified medical expenses.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

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Funding Policy - The Ohio Revised Code provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2024, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2024, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and beginning July 1, 2022, there was a two percent allocation to health care for the Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2024 was 4.0 percent; however, effective July 1, 2022, a portion of the health care rate was funded with reserves which has continued through 2024.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County's contractually required contribution was \$160,375 for 2024. Of this amount, \$7,282 is reported as a due to other governments payable.

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

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2022, rolled forward to the measurement date of December 31, 2023, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The County's proportion of the net OPEB liability was based on the County's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	OPERS
Proportion of the Net OPEB Asset:	
Current Measurement Date	0.61074720%
Prior Measurement Date	<u>0.61634400%</u>
Change in Proportionate Share	<u>-0.00559680%</u>
Proportionate Share of the Net OPEB Asset	\$ (5,512,144)
OPEB Expense	\$ (548,460)

At December 31, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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	OPERS
Deferred Outflows of Resources	
Changes in assumptions	\$ 1,419,101
Net difference between projected and actual earnings on OPEB plan investments	3,310,354
Changes in proportion and differences between County contributions and proportionate share of contributions	35,078
County contributions subsequent to the measurement date	<u>160,375</u>
Total Deferred Outflows of Resources	<u><u>\$ 4,924,908</u></u>
Deferred Inflows of Resources	
Difference between expected and actual experience	\$ 784,538
Changes in assumptions	2,369,505
Changes in proportion and differences between County contributions and proportionate share of contributions	<u>10,598</u>
Total Deferred Inflows of Resources	<u><u>\$ 3,164,641</u></u>

\$160,375 reported as deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability or an increase of the net OPEB asset in 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	OPERS
Year Ending December 31:	
2025	\$ (127,922)
2026	268,790
2027	2,576,813
2028	(1,117,789)
2029	-
Thereafter	<u>-</u>
Total	<u><u>\$ 1,599,892</u></u>

Actuarial Assumptions - OPERS

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

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between the System and plan members. The actuarial valuation used the following key actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

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Wage Inflation	2.75 percent
Projected Salary Increases,	2.75 to 10.75 percent including wage inflation
Single Discount Rate	5.70 percent
Prior Year Single Discount Rate	5.22 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	3.77 percent
Prior Year Municipal Bond Rate	4.05 percent
Health Care Cost Trend Rate	5.5 percent, initial 3.50 percent, ultimate in 2038
Actuarial Cost Method	Individual Entry Age

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

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

During 2023, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, if any contribution are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. Health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was 14.0 percent for 2023.

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2023, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate Return (Geometric)
Fixed Income	37.00%	2.82%
Domestic Equities	25.00	4.27
Real Estate Investment Trust	5.00	4.68
Internal Equities	25.00	5.16
Risk Parity	3.00	4.38
Other Investments	5.00	2.43
Total	<u>100.00%</u>	

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Discount Rate

A single discount rate of 5.70 percent was used to measure the OPEB liability on the measurement date of December 31, 2023; however, the single discount rate used at the beginning of the year was 5.22 percent. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 3.77 percent (Fidelity Index's "20-Year Municipal GO AA Index"). The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2070. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2070, and the municipal bond rate was applied to all health care costs after that date.

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

The following table presents the County's proportionate share of the net OPEB liability calculated using the single discount rate of 5.70 percent, as well as what the County's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (4.70 percent) or one-percentage-point higher (6.70 percent) than the current rate:

	1% Decrease (4.70%)	Current Discount Rate (5.70%)	1% Increase (6.70%)
County's proportionate share of the net OPEB Liability (Asset)	\$ 3,029,306	\$ (5,512,144)	\$ (12,587,500)

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

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

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2024 is 5.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Assumption	1% Increase
County's proportionate share of the net OPEB Liability (Asset)	\$ (5,741,024)	\$ (5,512,144)	\$ (5,252,426)

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NOTE 14– OTHER EMPLOYEE BENEFITS

COMPENSATED ABSENCES

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

HEALTH CARE BENEFITS

The County provides life insurance and accidental death and dismemberment insurance to most employees through Medical Life Insurance. The County has elected to provide employee medical/surgical benefits through County Employee Benefit Consortium of Ohio (CEBCO). Dental insurance is provided to all employees as a function of the health care plan through Delta Dental. Butler County Developmental Disabilities has chosen to provide a self-insurance employee medical/surgical benefits along with dental insurance through the Jefferson Health Plan.

The Commissioners provided both a high-deductible health care plans (HDHP) and a preferred provider organization (PPO) plan for health benefits in 2024. The chart below identifies the dollars contributed by the Commissioners and the employees per month.

Level	Employee Contribution	County Contribution	Total Contribution
High Deductable Plan:			
Employee	\$ 128.16	\$ 625.28	\$ 753.44
Employee plus Spouse	277.00	1,382.83	1,659.83
Employee plus Children	182.46	1,171.47	1,353.93
Family	355.52	1,904.80	2,260.32
Preferred Provider Organization:			
Employee	\$ 188.28	\$ 608.66	\$ 796.94
Employee plus Spouse	410.46	1,345.19	1,755.65
Employee plus Children	290.54	1,141.57	1,432.11
Family	537.26	1,853.56	2,390.82

The Butler County Board of Development Disabilities (BCBDD) participated in the Jefferson Health Plan during 2024. BCBDD provides health insurance to its employees through a self-insurance plan. BCBDD pays \$749.78 per month for employees enrolled in a single plan and \$2,073.48 per month for employees enrolled in a family plan, with the employees paying \$92.68 per month for single coverage, and \$256.28 per month for family coverage.

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

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 15 – PRIOR YEAR DEFEASANCE OF BONDS

In prior years, the County has defeased various bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust assets and the liability for the defeased bonds are not included in the County's financial statements. As of December 31, 2024, the bonds listed were unmatured and unpaid.

Defeasance from Debt	Original Issue	Unmatured and Unpaid at 12/31/24
Water Judgement Bonds Dated July 23, 2002	35,030,000	5,055,000

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BUTLER COUNTY, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 16—LONG-TERM OBLIGATIONS

A schedule of changes in bonds and other long-term obligations of the governmental activities of the County during 2024 were as follows:

Debt Issue	Balance as of 12/31/23			Decreases			Balance as of 12/31/24		Due Within One Year
General Obligation Bonds									
2014 1.50-5.00% \$7,520,000									
Various Purpose	\$ 710,000	\$	-	\$ 710,000	\$	-	\$		
Premium on Debt Issued	63,367		-	63,367		-			
2022 1.93-2.46% \$7,525,000									
Various Purpose	6,130,000		-	715,000		5,415,000		730,000	
2022 1.93% \$9,315,000									
Various Purpose	8,760,000		-	370,000		8,390,000		925,000	
<i>Direct Placement</i>									
2019 1.916% \$634,000									
By-Pass 4	132,000		-	132,000					
Total General Obligation Bonds	\$ 15,795,367	\$	-	\$ 1,990,367	\$ 13,805,000	\$ 1,655,000			
Special Assessment Bonds									
2005 4.125% \$1,144,000									
Venice Gardens Sewer	\$ 840,780	\$	-	\$ 24,190	\$ 816,590	\$ 25,200			
2008 3.00-5.50% \$3,315,000									
Various Purpose	1,145,000		-	205,000		940,000		215,000	
Premium on Debt Issued	20,939		-	4,187		16,752			
Total Special Assessment Bonds	\$ 2,006,719	\$	-	\$ 233,377	\$ 1,773,342	\$ 240,200			
Revenue Bonds									
<i>Direct Placement</i>									
2020 1.98% \$1,700,000									
Hamilton Mason Road	\$ 1,320,000	\$	-	\$ 135,000	\$ 1,185,000	\$ 140,000			
Total Revenue Bonds	\$ 1,320,000	\$	-	\$ 135,000	\$ 1,185,000	\$ 140,000			

(Continued)

BUTLER COUNTY, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2024

Debt Issue	Restated Balance as of 12/31/23	Increases	Decreases	Balance as of 12/31/24	Due Within One Year
Long-Term Loans from Direct Borrowings					
2005 0.00% \$789,748					
OPWC Cincinnati Dayton Rd.	\$ 59,231	\$ -	\$ 39,488	\$ 19,743	\$ 19,743
2009 0.00% \$329,549					
OPWC Tylersville Rd.	98,867	-	16,478	82,389	16,478
2009 0.00% \$157,188					
OPWC Hamilton Eaton Slip	55,017	-	7,860	47,157	7,860
2010 0.00% \$305,000					
OPWC Reily Millville Slip Phase I	114,375	-	15,250	99,125	15,250
2010 0.00% \$416,498					
OPWC Reily Millville Slip Phase II	111,065	-	27,766	83,299	27,766
2011 0.00% \$348,950					
OPWC Trenton and Busenbark Rd.	157,499	-	17,448	140,051	17,448
Total Long-Term Loans From Direct Borrowing	\$ 596,054	\$ -	\$ 124,290	\$ 471,764	\$ 104,545
Other Long-Term Obligations					
Claims Payable	\$ 400,814	\$ -	\$ 400,814	\$ -	\$ -
Compensated Absences Payable**	32,831,840	-	1,807,074	31,024,766	9,215,796
Judgement Payable	824,556	-	824,556	-	-
Contracts Payable - TID	11,971,355	-	1,143,185	10,828,170	1,182,630
Contracts Payable - LCA Obligations	8,235,719	-	163,023	8,072,696	178,010
Leases Payable	1,087,917	560,080	453,456	1,194,541	456,553
Net Pension Liability - OPERS	173,016,362	-	20,704,264	152,312,098	-
Net OPEB Liability - OPERS	3,643,277	-	3,643,277	-	-
Total Other Long-Term Obligations	232,011,840	560,080	29,139,649	203,432,271	11,032,989
Total Governmental Activities	\$ 251,729,980	\$ 560,080	\$ 31,622,683	\$ 220,667,377	\$ 13,172,734

** The change in compensated absences liability is presented as a net change.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

GENERAL OBLIGATION BONDS

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

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

In November 2019, the County issued \$634,000 in general obligation bonds to current refund \$1,340,000 of the 2009 By-Pass 4 General Obligation Bonds. This debt is a direct placement as indicated on the debt table. The bonds were issued for a five-year period and reached final maturity in December 2024. The liability for these bonds has been removed from the County's financial statements.

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

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

SPECIAL ASSESSMENT BONDS WITH GOVERNMENTAL COMMITMENT

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

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

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

The County has pledged future special assessment revenues, net of operating expenses, to repay the general obligation bonds in the General Fund. The total interest and principal remaining on the bonds is \$2,309,271 payable through 2045. The purpose, terms, and balances outstanding are identified above. For the current year, principal and interest paid and special assessment revenues were \$229,190 and \$97,657 respectively.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

REVENUE BONDS

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

LONG-TERM LOANS

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

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

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

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

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

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

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

OTHER PAYABLES

Increases and decreases to compensated absences are presented in the above table.

Judgement payable represents an employment settlement order issued in March 2024 by the United States District Court for the Southern District Court of Ohio Western Division. The County entered a motion stay pending appeal and approval of the cash bond which is being held by the Court. The Judgement was issued for \$1,174,556 and CORSA, the County Risk Sharing Authority, reimbursed the County \$350,000. The County issued payment for \$824,556 in 2024 to the Court and awaiting the final appeal decision.

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

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

The County pledged the Voice of America net TIF revenues (collections less debt service and school district payments) as a primary source to the TID to assist in paying for \$41,130,000 of 2007 Butler County Transportation Improvement District Highway Improvement Bonds. There is no set amortization schedule reflecting the amount sent to the TID. The County has recorded a long-term obligation in the amount of \$10,828,170, the estimated portion of the bonds to be paid by the net TIF revenues. The County paid \$1,143,185 on the bonds in 2024.

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

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

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

In 2024, the Liberty Community Authority had insufficient revenues to meet their OWDA loan and LCA issued bonds payment obligations in full. In accordance with the financial guarantees provided by the County, \$163,023 of Butler County TIF revenues were used by the fiscal agent to cover cash flow shortfalls for a portion of the LCA's OWDA obligations and the LCA bonds. Due to the high likelihood that Butler County will continue to make these payments, a Long-Term Contractual Obligation has been recognized in the County's financial statements. The Contractual Obligation is shown on the Statement of Activities as Public Works – Intergovernmental and on the Statement of Net Position as Long-Term Liabilities Due Within One Year and Due in More Than One Year. The liability at the end of 2024 was \$8,072,501 with no expectation of repayment from the Liberty Community Authority at this time.

**BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

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

Year	Principal	Interest
2025	\$ 456,553	\$ 18,946
2026	369,840	11,224
2027	159,361	6,211
2028	99,329	2,983
2029	1,501	2,099
2030-2034	7,953	10,047
2035-2039	8,758	9,242
2040-2044	9,645	8,355
2045-2049	10,621	7,379
2050-2054	11,696	6,304
2055-2059	12,880	5,120
2060-2064	14,184	3,816
2065-2069	15,620	2,380
2070-2074	16,600	800
	\$ 1,194,541	\$ 94,906

BUTLER COUNTY, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2024

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

Year	General Obligation Bonds			Special Assessment Bonds		
	Principal	Interest		Principal	Interest	
2025	\$ 1,655,000	\$ 266,437		\$ 240,200	\$ 85,384	
2026	1,690,000	234,495		256,230	72,516	
2027	1,720,000	201,878		267,320	58,788	
2028	1,750,000	168,682		283,440	44,461	
2029	1,785,000	134,907		29,610	29,263	
2030-2034	5,205,000	208,729		167,450	126,950	
2035-2039	-	-		204,940	89,446	
2040-2044	-	-		250,850	43,541	
2045	-	-		56,550	2,332	
	\$ 13,805,000	\$ 1,215,128		\$ 1,756,590	\$ 552,681	

Year	Revenue Bond			Loans		
	Direct Placement			Direct Borrowings		
	Principal	Interest		Principal	Interest	
2025	\$ 140,000	\$ 23,463		\$ 104,545	\$ -	-
2026	140,000	20,691		84,802	-	
2027	145,000	17,919		84,802	-	
2028	145,000	15,048		57,035	-	
2029	150,000	12,177		57,035	-	
2030-2032	465,000	18,612		83,545	-	
	\$ 1,185,000	\$ 107,910		\$ 471,764	\$ -	

BUTLER COUNTY, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2024

Changes in long-term obligations reported in the business-type activities of the County during 2024 were as follows:

Debt Issue	Balance as of 12/31/23	Increases	Decreases	Balance as of 12/31/24	Due Within One Year
Sewer General Obligation Bonds					
2005 4.125% \$600,000					
Venice Garden Sewer	\$ 440,970	\$ -	\$ 12,690	\$ 428,280	\$ 13,210
2006 4.375% \$3,200,000					
USDA New Miami Sewer	2,445,990	-	63,800	2,382,190	66,590
Total General Obligation Bonds	\$ 2,886,960	\$ -	\$ 76,490	\$ 2,810,470	\$ 79,800
Water Judgement Bonds					
2007 4.00-5.25% \$24,135,000					
Water Judgement	\$ 7,190,000	\$ -	\$ 2,275,000	\$ 4,915,000	\$ 2,395,000
Total Judgement Bonds	\$ 7,190,000	\$ -	\$ 2,275,000	\$ 4,915,000	\$ 2,395,000
Sewer Revenue Bonds					
2006 4.375% \$4,000,000					
USDA Sewer	\$ 3,006,680	\$ -	\$ 84,040	\$ 2,922,640	\$ 87,720
2014 2.00-4.00% \$9,640,000					
Sewer	340,000	-	340,000	-	-
Total Sewer Revenue Bonds	\$ 3,346,680	\$ -	\$ 424,040	\$ 2,922,640	\$ 87,720
Water Revenue Bonds					
2014 1.50-5.00% \$9,345,000					
Water	1,935,000	-	965,000	970,000	970,000
Premium on Debt Issued	225,565	-	112,784	112,781	-
Total Water Revenue Bonds	\$ 2,160,565	\$ -	\$ 1,077,784	\$ 1,082,781	\$ 970,000

(Continued)

BUTLER COUNTY, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2024

Debt Issue	Balance as of 12/31/23	Increases	Decreases	Balance as of 12/31/24	Due Within One Year
Long-Term Loans					
Sewer Direct Borrowings					
2009 3.42% \$849,987					
OWDA Shaker Creek Sewer	317,746	-	48,572	269,174	50,247
2009 3.42% \$1,153,728					
OWDA Big Monroe Sewer	432,554	-	65,929	366,625	68,203
2009 2.65% \$1,587,221 (ARRA)					
OWDA Lesourdsville Sewer	38,559	-	5,890	32,669	6,047
2010 0.00% \$510,468					
OPWC LeSourdsville Sharon Creek	306,276	-	17,016	289,260	17,016
2011 3.71% \$35,500,000					
OWDA LeSourdsville Phase 2	11,354,594	-	902,572	10,452,022	936,368
Total Sewer Direct Borrowings	12,449,729	-	1,039,979	11,409,750	1,077,881
Water Direct Borrowings					
2005 4.19% \$4,634,892					
Cincinnati Waterworks	635,359	-	322,381	312,978	312,978
2005 0.00% \$700,871					
OPWC Cast Iron Watermain	210,251	-	35,045	175,206	35,045
2006 0.00% \$874,581					
OPWC Watermain Improvements	218,642	-	43,730	174,912	43,730
2009 0.00% \$470,318					
OPWC Cast Iron Watermain	274,352	-	15,678	258,674	15,678
2009 3.52% \$3,158,694					
OWDA Polybutylene Water Line	1,447,818	-	171,864	1,275,954	177,967
2010 0.00% \$2,466,203 (ARRA)					
OWDA Liberty-Fairfield Water Tank	496,019	-	70,860	425,159	70,860

(Continued)

BUTLER COUNTY, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2024

Debt Issue	Restated Balance as of 12/31/2023	Increases	Decreases	Balance as of 12/31/2024	Due Within One Year
2010 0.00% \$600,000 OPWC Cast Iron Watermain	380,000	-	20,000	360,000	20,000
2011 0.00% \$201,000 OPWC WC Road Watermain Replacement	102,017	-	5,231	96,786	5,231
2011 0.00% \$580,000 OPWC Polybutylene	405,999	-	19,334	386,665	19,334
2012 0.00% \$169,873 OPWC Liberty-Fairfield Watermain Replacement	113,253	-	5,662	107,591	5,662
2013 0.00% \$1,275,000 OPWC Polybutylene Service Lines	977,500	-	42,500	935,000	42,500
2014 0.00% \$308,512 OPWC Liberty-FF WM Replace	241,666		10,284	231,382	10,284
2015 0.00% \$265,975 OPWC Polybutylene Replacement	217,212	-	8,866	208,346	8,866
Total Water Direct Borrowings	5,720,088	-	771,435	4,948,653	768,135
Total Long-Term Loans From Direct Borrowings	18,169,817	-	1,811,414	16,358,403	1,846,016
Other Long-Term Obligations					
Compensated Absences**	\$ 2,353,213	\$ -	\$ 195,809	\$ 2,157,404	\$ 514,390
Net Pension Liability - OPERS	11,534,423	-	1,380,283	10,154,140	-
Net OPEB Liability - OPERS	242,883	-	242,883	-	-
Total Other Long-Term Obligations	\$ 14,130,519	\$ -	\$ 1,818,975	\$ 12,311,544	\$ 514,390
Total Business-Type Activities	\$ 47,884,541	\$ -	\$ 7,483,703	\$ 40,400,838	\$ 5,892,926

** The change in compensated absences liability is presented as a net change.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

GENERAL OBLIGATION BONDS

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

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

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

WATER JUDGEMENT BONDS

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

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

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

REVENUE BONDS

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

In September 2006, the County issued a \$4,000,000 Sewer Revenue bond for the purpose of bonding short-term bond anticipation notes for the New Miami Sewer Improvement project. These bonds are registered to the United States Department of Agriculture, Rural Development. The bonds were issued for a forty-year period, with the final maturity in December 2045.

In September 2014, the County issued \$9,640,000 of Sewer Revenue Bonds for the purpose of current refunding \$10,150,000 of 2004 Sewer Revenue Bonds, in order to take advantage of lower interest rates. These bonds were paid from the Sewer Fund and matured in December 2024. The liability for these bonds has been removed from the County's financial statements.

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

The County has pledged future revenues, net of operating expenses, to repay Revenue Bonds, Cincinnati Waterworks Loans, and OPWC and OWDA loans in the Water fund. The debt is payable solely from water customer net revenues and is payable through 2046. The purpose, terms, and outstanding balances are identified above. Annual principal and interest payments on this debt are expected to require 15 percent of net revenues, which were \$12,305,852 in 2024. Total current year principal and interest payments were \$1,895,590. This included \$1,061,750 for the Revenue Bonds, \$342,633 for the Cincinnati Waterworks loan, and \$491,207 for the remaining OPWC/OWDA loans. Total principal and interest remaining to be paid is \$6,072,426, broken down as follows: \$1,018,500 for the Revenue Bonds, \$371,328 for the Cincinnati Waterworks, and \$4,682,598 for the OPWC/OWDA loans.

BUTLER COUNTY, OHIO
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The County has pledged future revenues, net of operating expenses, to repay Revenue Bonds and OWDA loans in the Sewer fund. The debt is payable solely from sewer customer net revenues and is payable through 2046. The purpose, terms, and outstanding balances are identified above. Annual principal and interest payments on this debt are expected to require 13 percent of net revenues, which were \$15,712,995 in 2024. Total current year principal and interest payments were \$1,965,764. This included \$569,182 for the revenue bonds and \$1,396,582 for the OPWC/OWDA loans. Total principal and interest remaining to be paid is \$18,839,608, broken down as follows: \$4,527,260 for the Revenue Bonds and \$14,312,348 for the OPWC/OWDA loans.

LONG-TERM LOANS

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

Sewer Long-Term Loans

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

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

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

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

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

Water Long-Term Loans

In 2005, Butler County entered into a contractual agreement with the City of Cincinnati for \$4,634,892 to assist in financing the construction of water lines and a master meter that runs from International Boulevard to Mulhauser Road. This expansion will allow Butler County a secondary water source and provide access to water for future development. Approximately \$549,623 of Butler County water lines were added while intangible assets of \$4,085,629 were recorded as depreciable capital assets, net. This loan matures in October 2025.

In 2006, the County entered into a loan with the OPWC for \$700,871 and \$874,581 to make improvements to watermains in Butler County using proceeds from OPWC loans. The 2006 cast iron watermain loan was issued for twenty-years with the first payment starting in July 2009 and a final payment due in January 2029. The 2006 watermain improvements loan was issued for twenty-years with the first payment starting in July 2008 and a final payment due in January 2028. Both OPWC loans will be repaid by Water fund user charges.

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

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

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

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

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

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

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

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

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

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

OTHER PAYABLES

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

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

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Year	General Obligation Bonds			Judgment Bonds		
	Principal	Interest		Principal	Interest	
2025	\$ 79,800	\$ 121,887	\$ 2,395,000	\$ 258,038		
2026	83,250	118,429	2,520,000	132,300		
2027	86,870	114,821	-	-		
2028	90,640	111,057	-	-		
2029	94,550	107,128	-	-		
2030-2034	537,940	470,500	-	-		
2035-2039	665,070	343,367	-	-		
2040-2044	822,260	186,171	-	-		
2045-2046	350,090	22,402	-	-		
Total	\$ 2,810,470	\$ 1,595,762	\$ 4,915,000	\$ 390,338		

Year	Revenue Bonds			Loans		
	Principal	Interest		Principal	Interest	
2025	\$ 1,057,720	\$ 176,366	\$ 1,846,016	\$ 507,909		
2026	91,550	124,028	1,578,662	413,954		
2027	95,560	120,022	1,625,972	370,336		
2028	99,750	115,842	1,675,027	330,991		
2029	104,100	111,478	1,684,185	292,174		
2030-2034	592,970	484,951	6,520,543	1,092,507		
2035-2039	734,540	343,382	722,851	-		
2040-2044	909,900	168,014	563,426	-		
2045-2048	206,550	9,037	141,721	-		
Total	\$ 3,892,640	\$ 1,653,120	\$ 16,358,403	\$ 3,007,871		

MULTIFAMILY HOUSING

To further economic development in the County, the County has issued bonds that provide capital financing to private-sector entities to acquire, construct, improve, and equip multifamily housing. The properties financed are pledged as collateral, and the bonds are payable solely from payments received from the private-sector entities on the underlying mortgage or promissory notes. In addition, no commitments beyond the collateral, the payments from the private-sector entities, and maintenance of the tax-exempt status of the conduit debt obligation were extended by the County for any of those bonds. At December 31, 2024, the bonds have an aggregate outstanding principal amount payable of \$26,830,000.

HOSPITAL REVENUE BONDS

To further economic development in the County, the County has issued bonds that provide capital financing to hospitals to acquire, construct, improve, and equip hospital facilities. The properties financed are pledged as collateral, and the bonds are payable solely from payments received from the private-sector entities on the underlying mortgage or promissory notes. In addition, no commitments beyond the collateral, the payments from the private-sector entities, and maintenance of the tax-exempt status of the conduit debt obligation were extended by the County for any of those bonds. At December 31, 2024, the bonds have an aggregate outstanding principal amount payable of \$423,850,000.

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, 2024 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

BUTLER COUNTY, OHIO
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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, 2024 are an overall debt margin of \$329,088,259 and unvoted debt margin of \$132,235,304.

NOTE 17– INTERFUND BALANCES AND ACTIVITY

Transfers In/Transfers Out activity for 2024 consisted of the following:

Transfers To	Transfers From				
	General	Residential Incentive Districts and Tax Incremental Financings		Non Major Governmental	Total
Mental Health and Addiction Recovery Services Board	\$ 224,993	\$ -	\$ -	\$ -	\$ 224,993
Job and Family Services / Children Services Agency	802,913	-	-	-	802,913
Non Major Governmental	15,054,634	2,129,405	564,177	17,748,216	
Total	\$ 16,082,540	\$ 2,129,405	\$ 564,177	\$ 18,776,122	

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Non-major funds received transfers from the General Fund, the Residential Incentive Districts and Tax Incremental Financings Fund, and other non-major funds to pay cash matches as required by various grant agreements and to pay principal and interest on various County issued notes and bonds.

Due From/Due To balances at December 31, 2024 consist of the following individual fund receivables and payables:

Due To (Payable)	Due From (Receivable)							
	General	Developmental Disabilities	Job and Family Services/Children Services Agency		Non Major Governmental	Sewer	Water	Total
General	\$ -	\$ -	\$ -	\$ -	\$ 6,354	\$ 34	\$ 34	\$ 6,422
Job and Family Services/Children Services Agency	43,131	-	-	-	-	-	-	43,131
Non Major Governmental	438,565	-	1,720	26,355	-	-	-	466,640
Internal Service Funds	-	4,295	-	-	-	-	-	4,295
Sewer	195	-	-	-	-	-	-	195
Water	293	-	-	-	-	-	-	293
Total	\$ 482,184	\$ 4,295	\$ 1,720	\$ 32,709	\$ 34	\$ 34	\$ 34	\$ 520,976

All balances in the Due From/Due To schedule resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. The amounts reported as Due From/Due to Other Funds are expected to be repaid within one year.

Advances From/Advances To balances at December 31, 2024 consist of the following individual fund receivables and payables:

Advances To	Advances From	
	General	
Non Major Governmental	\$ -	\$ 751,830
Internal Service Funds		\$ 50,000
Total		\$ 801,830

The balance of \$801,830 due to the General Fund results from cash flow issues in those funds. These advances were not expected to be repaid within the current year.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 18– CONTINGENT LIABILITIES

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

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

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

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY

The Transportation Improvement District, a jointly governed organization, provides the opportunity to construct roads, bridges and accompanying improvements within the County. The Transportation Improvement District Board, which consists of representatives from each of the participating governments, including the County, oversees the operation of the District. The board exercises total control over the operation of the district, including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the board. Complete financial statements can be obtained from the Transportation Improvement District, 315 High St. 6th Floor Hamilton, OH 45011.

OHIO KENTUCKY INDIANA REGIONAL COUNCIL OF GOVERNMENTS

The Ohio Kentucky Indiana Regional Council of Governments (OKI), a jointly governed organization, was formed in 1964. OKI is a council of local governments, business organizations and community groups that work together to improve the economic development of the Tri-State. The board exercises total control over the operation of the district, including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the board. The County contributed \$32,045 in 2024. Financial statements can be obtained from the OKI, 720 E. Pete Rose Way, Suite 420 Cincinnati, OH 45202.

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

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

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

COMMUNITY-BASED CORRECTIONAL FACILITY

The Community-Based Correctional Facility is a jointly governed organization that provides an alternative to prison incarceration for felony offenders. The Facility is the last step in the continuum of increasing punishment before prison incarceration. The Facility is a minimum-security operation. The Facility's governing board oversees the operations of the organization. Common Pleas Judges from the participating counties comprise a Judicial Advisory Board. The Judicial Advisory Board appoints two-thirds of the members of the Facility Governing Board and advises the Facility's Governing Board regarding Facility matters. The Board includes at least one Common Pleas Court Judge from each participating county. The Facility serves Butler, Clermont, and Warren County.

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

BUTLER COUNTY, OHIO
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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 2024, Butler County contributed \$9,530 to the Council. Financial information for the Southwest Ohio Council of Governments may be obtained at 282 North Fair Avenue, Hamilton, Ohio 45011.

COUNTY COMMISSIONER ASSOCIATION OF OHIO SERVICE CORPORATION (CCAOSC)

The County is participating in a group retrospective rating plan for workers' compensation through the County Commissioners Association of Ohio Service Corporation (CCAOSC). This corporation was formed in 1991 to develop and sponsor services that assist county government. CCAOSC is a for-profit business corporation and is a wholly owned subsidiary of CCAO. Group Retrospective Rating ("Group Retro") is a performance-based incentive program designed to reward a group of similar employers who are effectively managing safety and workers' comp claims. This reward is in the form of rebates which are based upon the group achieving lower than average claims experience in a given year. Group Retro guidelines are outlined in OAC 4123-17-73 and 68. Each group is organized through a BWC-certified sponsor who is responsible for screening potential group retro members based upon safety and claims management criteria established by the Group. The group sponsor must provide education and communication to group members on safety and reducing workplace injuries and must submit a safety plan each year to be approved by the BWC.

Group retrospective rating member employers initially pay their individual experience rated premium to the BWC as if they were not in a retro group. The total of the individual premiums for the group members is the "standard premium" of the group. 12 months after the end of the policy year, the BWC will calculate the group retrospective premium, based upon developed incurred claim losses of the entire group. The BWC will then compare the group retrospective premium to the standard premium. If the retrospective premium is lower than the standard premium, group members will receive a rebate of the difference. If the retrospective premium is higher, each group member will be charged an assessment to cover the shortfall. This calculation is done again at 24 and 36 months, providing a financial incentive for group members to continuously work on safety and claims management.

COUNTY EMPLOYEE BENEFITS CONSORTIUM OF OHIO, INCORPORATED (CEBCO)

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

The business and affairs of the consortium are managed by a board of not less than nine or more than fifteen directors that exercise all powers of the consortium. Two-thirds of the directors are county commissioners of the member counties and one-third are employees of the 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, Incorporated.

COUNTY RISK SHARING AUTHORITY (CORSIA)

The County Risk Sharing Authority (CORSIA) is a risk sharing pool made up of sixty-five counties in Ohio. CORSIA was formed as an Ohio non-profit corporation for the purpose of establishing the CORSIA 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 CORSIA. This coverage includes comprehensive general liability, automobile liability, certain property insurance and public officials' errors and omissions liability insurance.

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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 2024 was \$837,189.

JEFFERSON HEALTH PLAN

The Butler County Board Development Disabilities (BCBDD) participated in the Jefferson Health Plan during 2024. Jefferson Health Plan was first established in 1985 to provide to serve public entities in Ohio and afford them an opportunity to share in the benefits of better health care through a consortium. The Jefferson Health Plan is organized and operates as a Council of Governments under Ohio Revised Code Chapter 167 with membership open to political subdivisions within and outside of the State of Ohio.

BCBDD provides health and dental insurance to its employees through a self-insurance plan. BCBDD pays \$749.78 per month for employees enrolled in a single plan and \$2073.48 per month for employees enrolled in a family plan, with the employees paying \$92.68 per month for single coverage, and \$256.28 per month for family coverage.

REGIONAL TRANSIT AUTHORITY (RTA)

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

METROPARKS OF BUTLER COUNTY

The Park District Commissioners are appointed by the Probate Judge of the County. The Commissioners adopt their own budget, authorize expenditures, hire and fire staff, and do not rely on the County to finance deficits. Metroparks provides educational programs along with recreational opportunities throughout the year. The County is not financially accountable for the District nor is the District fiscally dependent on the County. The District serves as its own taxing and debt issuance authority and is a related organization of the County. Metroparks of Butler County is a related organization. Financial information for the Metroparks of Butler County may be obtained at 2051 Timberman Road, Hamilton, OH 45013.

TWELFTH DISTRICT COURT OF APPEALS

The State of Ohio is divided into twelve district courts of appeals. The twelfth district includes the counties of Brown, Clermont, Butler, Warren, Clinton, Fayette, Madison, and Preble. The district court is a separate entity from the County. The three judges who are responsible for the court system are elected in the general election by the populous of the above listed counties. The court system sets its own budget and appoints staff necessary for operations of the court. The County contributed \$180,506 to the court of appeals in 2024.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 20– CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

Encumbrances

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

Governmental Funds:

General	\$ 8,067,924
Mental Health and Addiction Recovery Services Board	1,628,716
Developmental Disabilities	480,821
Job and Family Services/Children Services Agency	4,237,301
County ARPA Relief Fund	64,065
Nonmajor Governmental Funds	<u>10,252,160</u>
Total Governmental Funds	<u>\$ 24,730,987</u>

Proprietary Funds:

Sewer	\$ 7,853,664
Water	<u>4,094,210</u>
Total Proprietary Funds	<u>\$ 11,947,874</u>

The County has several outstanding contracts for construction and professional services. The following amounts remain on these contracts as of December 31, 2024:

Contractor	Outstanding Balance
Building Crafts	\$ 10,857,351
Majors Enterprises	2,007,153
KZF Design	1,929,600
Sunesis Construction Co	1,722,839
NR Lee Restoration	1,398,508
Turner Construction	900,000
K & T Construction and Supply	898,873
CDM Smith	767,208
Arcadis US	419,265
Burgess And Niple	254,537
Comfort Systems USA	187,045
IBI Group Engineering Services USA	185,886
Glenwood Electric	163,631
Water and Sewer Service Construction	138,900
Kelley and Carpenter Roofing & Sheet Metal	101,419
Bayer and Becker	97,430
American Structurepoint	88,876
Sustainable Streams	74,314
French's Barns	54,980
LWC Inc	50,765
Palmer Engineering Co	<u>50,033</u>
	<u>\$ 22,348,613</u>

BUTLER COUNTY, OHIO
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NOTE 21 – TAX ABATEMENTS

For 2024, County property taxes were reduced by \$1,087,167 under community reinvestment areas and enterprise tax zone exemption agreements entered into by various municipalities as summarized below.

Overlapping Government	Amount of 2024 Taxes Abated
<i>Community Reinvestment Areas:</i>	
City of Fairfield	\$ 295,893
City of Hamilton	148,285
City of Middletown	10,405
City of Monroe	208,324
Total Community Reinvestment Areas	<u>662,907</u>
<i>Enterprise Zone Exemptions:</i>	
City of Hamilton	188,292
City of Middletown	188,211
City of Trenton	47,757
Total Enterprise Zone Exemptions	<u>424,260</u>
Total Abatements	<u>\$ 1,087,167</u>

NOTE 22 – ASSET RETIREMENT OBLIGATIONS (ARO)

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

NOTE 23 – COVID-19

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

In 2024, \$29,209,327 of County American Rescue Plan funding was subgranted to various organizations for several different projects. Significant projects include the renovation of VORA Technology Park in Hamilton into the future Butler County Advanced Manufacturing Center, the development of a utility booster pumping station and two hydropneumatic water tanks for the City of Hamilton, the renovation and expansion of the Sonny Hill Community Center in Middletown, and several paving projects for various local entities. In addition to this, the County used federal emergency rental assistance funding to provide housing support in the amount of \$789,147 to Butler County residents in 2024.

NOTE 24 – BUTLER COUNTY LAND REUTILIZATION CORPORATION

Reporting Entity

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

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Pursuant to Section 1724.03 (B) of the Ohio Revised Code, the Board of Directors of the Corporation shall be composed of at least seven members including, (1) the County Treasurer, (2) at least two members of the County Board of Commissioners, (3) one member who is a representative of the largest municipal corporation, based on the population according to the most recent federal decennial census, that is located in the County, (4) one member who is a representative of a township with a population of at least ten thousand in the unincorporated area of the township according to the most recent federal decennial census, and (5) any remaining members selected by the County Treasurer and the County Commissioners who are members of the Corporation board. The term of office of each ex officio director runs concurrently with the term of office of that elected official. The term of office of each appointed director is two years.

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

Basis of Accounting

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

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

Measurement Focus

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

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

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Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. There were no deferred outflows of resources at December 31, 2024.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the Corporation, deferred inflows of resources include unavailable revenue. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period.

Expenses/Expenditures

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

Budgetary Process

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

Federal Income Tax

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

Cash, Cash Equivalents, and Investments

All monies received by the Corporation are pooled and interest in the pool is presented as "equity in pooled cash and cash equivalents." During 2024, investments were limited to STAR Ohio. Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the Corporation are presented on the financial statements as cash equivalents.

Prepayments

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

Assets Held for Resale

Assets held for resale represent properties purchased by or donated to the Corporation. These properties are valued based upon the purchase price plus any costs of maintenance, rehabilitation, or demolition of homes on the properties. For donated or forfeited properties, the asset is reported at fair value. The Corporation holds the properties until the home is either sold to a new homeowner, sold to an individual who will rehabilitate the home, or the home on the property is demolished.

Properties with demolished homes could be transferred to the city or township they are in after demolition, until those parcels may be merged with adjacent parcels for development or green space projects, or the Corporation

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may sell other lots to the owners of adjacent parcels for a nominal cost. At year end, because assets held for resale are not available to finance future governmental fund expenditures, a nonspendable fund balance is recorded by an amount equal to the carrying value of the asset on the fund financial statements.

Accrued Liabilities and Long-Term Obligations

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

Governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the fund.

Net Position

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

Intergovernmental Revenue

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

Estimates

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

Deposits and Investments

At December 31, 2024, the carrying amount of all Corporation deposits was \$266,367 and the bank balance of all deposits was \$404,900. Of the bank balance, \$250,000 was covered by FDIC and the remaining was either covered by the Ohio Pooled Collateral System or subject to custodial credit risk as described below.

Custodial credit risk is the risk that, in the event of bank failure, the Corporation will not be able to recover deposits or collateral securities that are in the possession of an outside party. The Corporation has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the Corporation's and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the OPCS, a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2024, the Corporation's financial institutions were approved for a collateral rate of 102 percent through OPCS.

At December 31, 2024, the Corporation had investments in STAR Ohio totaling \$1,265,350. The investments are measured at amortized cost and have a Standard and Poor's money market rating of AAA.

Transactions with Butler County

Pursuant to and in accordance with Section 321.261 (B) of the Ohio Revised Code, the Corporation has been authorized by the Butler County Board of Commissioners to receive 1% of all collections of delinquent real property, personal property, and manufactured and mobile home taxes that are deposited into the County's Delinquent Tax Assessment and Collection Tax (DTACT) fund and will be available for appropriation by the

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Corporation to fund operations. At December 31, 2024, the Corporation recognized revenues of \$271,844 for these fees that were collected by the County in 2024. The Corporation also recorded \$125,380 in Sheriff sale money from Butler County as well as \$16,737 in grants reimbursements and \$900 in refunds from Butler County. During 2024, the Corporation paid \$311 in property taxes to Butler County Treasurer.

NOTE 25 – LIBERTY COMMUNITY AUTHORITY

Reporting Entity

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

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

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

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

Measurement Focus, Basis of Accounting and Basis of Presentation

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

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

Cash and Cash Equivalents

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

Capital Assets and Depreciation

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

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Bonds Payable and Discounts

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

Net Position

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

Use of Estimates

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

Deferred Outflow of Resources

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

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority does not have a custodial risk policy. Ohio law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the Authority places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). Financial institutions participating in the Ohio Pooled Collateral System (OPCS), a centralized collateral system monitored by the Ohio Treasurer of State, must pledge eligible securities equal to at least 102 percent of the carrying value of all public deposits held by each institution. Financial institutions choosing not to participate in the OPCS must pledge eligible securities equal to at least 105 percent of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation or other authority. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions. As of December 31, 2024, the carrying amount and bank balance of the Authority's deposits was \$39,793. These balances were covered by the FDIC.

Cash Equivalents

As of December 31, 2024, the Authority also had \$341,871 in a US Treasury Money Market account. The Authority also had cash on deposit with US Bank (Trustee) in accordance with the Authority's Master Trust Agreement with the Trustee. The amount on deposit with the Trustee at December 31, 2024 was \$592,286 and consists of a US Treasury money market fund. This account is reported as restricted cash with fiscal agent on the Statement of Net Position.

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Community Development Charges

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

Assessed Valuation Charge

The Assessed Valuation Charge is an annual charge on each chargeable parcel of land within the Authority based on the Assessed Valuation of each parcel which may be expressed as a number of mills. In 2024, the Assessed Valuation Charge was the full 10 mills on the total Assessed Valuation.

Facility Charge

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

Restricted Assets

Restricted assets consist of cash with fiscal agent whose use has been restricted by bond indenture for a debt service reserve. Restricted assets at December 31, 2024 were \$592,286.

Capital Assets

Capital Assets Activity for the year ended December 31, 2024 was as follows:

	Balance 12/31/2023	Increases	Decreases	Balance 12/31/2024
Capital assets not being depreciated:				
Land	\$ 2,333,662	\$ -	\$ -	\$ 2,333,662
Capital assets being depreciated:				
Parking garages	27,025,015	-	-	27,025,015
Infrastructure	13,871,256	-	-	13,871,256
Total Capital Assets Not Depreciated	40,896,271	-	-	40,896,271
Less accumulated depreciation:				
Parking garages	(4,459,125)	(540,500)	-	(4,999,625)
Infrastructure	(2,288,756)	(277,425)	-	(2,566,181)
Total accumulated depreciation	(6,747,881)	(817,925)	-	(7,565,806)
Capital assets, net	\$ 36,482,052	\$ (817,925)	\$ -	\$ 35,664,127

LONG-TERM DEBT

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

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

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

The new funding agreement also included an obligation for an accumulated County enhancement due to the County from the Authority equal to \$975,000, representing an amount due to the County from the 2014 bonds. Further, it also includes an annual amount of \$195,000 due to the County for the enhancement gained by the County's participation in the financing of the bonds. These obligations accumulate until paid. As of December 31, 2024, the Authority owes the County \$1,560,000 for these obligations.

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

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

Debt activity for the year ended December 31, 2024 was as follows:

	Balance 1/1/2024	Additions	Reductions	Balance 12/31/24	Due Within One Year
2022 Refunding Bonds	\$ 18,510,000	\$ -	\$ 305,000	\$ 18,205,000	\$ 320,000
Less deferred amount for issuance discounts	(452,609)	-	(15,087)	(437,522)	-
Total Revenue Bonds	<u>18,057,391</u>	<u>-</u>	<u>289,913</u>	<u>17,767,478</u>	<u>320,000</u>
OWDA Loan Development Subordinate Bond	9,619,094	-	167,228	9,451,866	338,229
	<u>3,782,518</u>	<u>117,644</u>	<u>-</u>	<u>3,900,162</u>	<u>-</u>
Total Long Term Obligations	<u>\$ 31,459,003</u>	<u>\$ 117,644</u>	<u>\$ 457,141</u>	<u>\$ 31,119,506</u>	<u>\$ 658,229</u>

In accordance with the Construction Services Agreement between the Authority and the Developer for the construction of community facilities by the Developer, the Authority agreed to issue notes or bonds to the Developer to evidence the Authority's obligation to reimburse the Developer for public infrastructure costs funded by the Developer. The Developer incurred additional development costs that were included in the Public Infrastructure Scope that exceeded the amounts paid for by the Bond Issuance and the OWDA loan that could be reimbursable to the Developer after all other obligations are fulfilled per the Funding and Trust Agreements. In 2016, the Developer submitted cost certificates to the Authority which were approved by the Board for reimbursement of costs. Thus, in November 2016, the Authority issued a Development Subordinate Bond payable to the Developer in the principal amount of \$2,941,091. In 2024 there was \$117,644 in capitalized interest on the bond.

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

Under funding agreements, Butler County has pledged tax increment financing (TIF) revenues in the event the assessed valuation and facility charges are insufficient to pay debt service on the revenue bonds or OWDA loan. During 2024, Butler County provided \$163,023 in TIF revenues to use toward OWDA loan debt service. These amounts have been reported as intergovernmental revenue due to the new funding agreement.

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Annual debt service requirements for the bonds payable as of December 31, 2024 follows:

	Principal	Interest	Total
2025	\$ 320,000	\$ 833,750	\$ 1,153,750
2026	340,000	818,800	1,158,800
2027	355,000	803,045	1,158,045
2028	370,000	786,485	1,156,485
2029	390,000	769,350	1,159,350
2030-2034	2,165,000	3,625,912	5,790,912
2035-2039	2,605,000	3,220,525	5,825,525
2040-2044	3,295,000	2,544,819	5,839,819
2045-2049	4,155,000	1,705,256	5,860,256
2050-2053	4,210,000	504,921	4,714,921
Total	\$ 18,205,000	\$ 15,612,863	\$ 33,817,863

Annual debt service on the OWDA Loans as of December 31, 2024 follows:

	Principal	Interest	Total
2025	\$ 338,229	\$ 140,514	\$ 478,743
2026	343,321	135,422	478,743
2027	348,490	130,253	478,743
2028	353,737	125,006	478,743
2029	359,063	119,680	478,743
2030-2034	1,878,055	515,660	2,393,715
2035-2039	2,023,758	369,957	2,393,715
2040-2044	2,180,472	213,243	2,393,715
2045-2048	1,626,741	48,860	1,675,601
Total	\$ 9,451,866	\$ 1,798,595	\$ 11,250,461

Related Party Transactions

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

The new funding agreement in 2022 changed the reimbursement of operating and maintenance costs to the Developer. The agreement outlines an amount each year which is eligible for reimbursement if adequate resources are available after the payment of debt service. For 2024, the Developer incurred eligible costs but no payments were made due to a lack of available resources. These obligations do not accumulate under the new agreement so operating and maintenance expenses unreimbursed each year are no longer payable.

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

Risk Management

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

Contingent Liabilities

There are no claims and lawsuits pending against the Authority.

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NOTE 26 - BUTLER COUNTY FINANCE AUTHORITY

Reporting Entity

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

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

Basis of Presentation

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

Measurement Focus and Basis of Accounting

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

Operating and Non-Operating Revenues and Expenses

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

Accrued Liabilities

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

Net Position

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

Deposits and Investments

In accordance with state statute, active deposits are designated as public deposits necessary to meet current demands on the treasury. Such monies must be maintained as cash in the Finance Authority Treasury, in

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commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

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

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

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

At year-end, the carrying amount of the Finance Authority's deposits was \$144.50 and the bank balance was \$144.50. Federal depository insurance covered \$144.50 of the bank balance.

As of December 31, 2024, the Finance Authority had investments in STAR Ohio totaling \$4,929,658.46.

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

Cash with Fiscal Agent

At December 31, 2024, the Finance Authority had \$337,358 in an account at the Hamilton Community Foundation.

Long-Term Obligations

Bonds Payable - Changes in the Finance Authority's long-term liabilities for the year ended December 31, 2024, were as follows:

	Beginning Balance	Deletions	Ending Balance	Due Within One Year
Bonds Payable - 5.5%	\$ 18,510,000	\$ (305,000)	\$ 18,205,000	\$ 320,000

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

In April 2022, the Finance Authority entered into a new funding agreement with the Liberty Community Authority and the Butler County Board of County Commissioners for the issuance of public infrastructure refunding revenue bonds in the amount of \$19,350,000 for the primary purpose of refunding the 2014 bonds. The bonds were issued at discount and pay interest at 5.5% and fully mature on December 1, 2053. While the Finance Authority was the issuer on these bonds, Butler County is the third-party obligor on the bonds, and Butler County is part of the same reporting unit as the Finance Authority since the Finance Authority is a component unit of Butler County. Accordingly, at December 31, 2024, the Finance Authority recorded the above debt as an obligation (as opposed to conduit debt) and recorded an offsetting intergovernmental receivable from Butler County for the amount of the outstanding bonds payable.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

Principal and interest requirements to retire the bonds payable, as of December 31, 2024, are as follows:

Bonds Payable			
Year	Principal	Interest	Total
2025	\$ 320,000	\$ 833,750	\$ 1,153,750
2026	340,000	818,800	1,158,800
2027	355,000	803,045	1,158,045
2028	370,000	786,485	1,156,485
2029	390,000	769,350	1,159,350
2030-2034	2,165,000	3,625,913	5,790,913
2035-2039	2,605,000	3,220,525	5,825,525
2040-2044	3,295,000	2,544,818	5,839,818
2045-2049	4,155,000	1,705,256	5,860,256
2050-2053	<u>4,210,000</u>	<u>504,921</u>	<u>4,714,921</u>
	<u>\$ 18,205,000</u>	<u>\$ 15,612,863</u>	<u>\$ 33,817,863</u>

Conduit Debt

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

A conduit debt obligation is debt issued in the name of the issuer (the Finance Authority) benefiting a third party that is liable for repayment of the debt, also known as a third-party obligor. The Finance Authority, as issuer, has not made any commitments in connection with these conduit debt obligations that would require reporting an obligation under GASB 91. As such, the aggregate amount of conduit debt obligations outstanding at December 31, 2024, with the Finance Authority as issuer, approximately \$226 million, is not being recorded in the Finance Authority's financial statements.

NOTE 27 – BUTLER COUNTY CONVENTION AND VISITORS BUREAU

Reporting Entity

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

Basis of Accounting

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

Use of Estimates

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

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

Accounts Receivable

Accounts receivable represent amounts due for hotel/motel room tax collected, but not yet remitted to the CVB. The CVB uses the allowance method of accounting for credit losses. All accounts were considered to be fully collectible at December 31, 2024. Therefore, no allowance for credit losses has been recorded in these financial statements.

Property & Equipment

Property and equipment are valued at cost if purchased and fair value if contributed. Property and equipment over \$500 are capitalized. Depreciation is computed using the modified accelerated cost recovery system (MACRS) based upon the estimated useful lives of the assets. Computer equipment, computer software and office equipment are generally depreciated over 3 to 7 years. Depreciation expense for the year ended December 31, 2024 was \$0.

Refundable Advance

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

Net Asset Classifications

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

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

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by the actions of the CVB or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. The CVB has no net assets with donor restrictions as of December 31, 2024.

Contributions and Promises to Give

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

Revenue Recognition

Management has evaluated Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The CVB has no revenue streams during 2024 covered under Topic 606.

Leases

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

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

Operating leases are included in right-of-use (ROU) assets, short term lease liability and long term lease liability in the statement of financial net position.

ROU assets represent the CVB's right to use an underlying asset for the lease term and lease liabilities represent the CVB's obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The CVB uses the implicit rate when it is readily determinable. As many of the CVB's leases do not provide an implicit rate, the CVB uses the risk-free rate for a term similar to the related lease term. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

Lease terms may include options to extend or terminate the lease when it is reasonably certain that the CVB will exercise those options.

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

A certain office space lease agreement includes provisions for variable rent payments, which relate to real estate taxes, insurance, and CAM expense paid under one lease. As these amounts vary from year-to-year, these variable costs are expensed as incurred. None of the CVB's lease agreements contain any material residual value guarantees.

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

Income Taxes

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

Advertising Costs

Advertising Costs are expensed as incurred and amounted to \$577,079 for the year ended December 31, 2024.

Subsequent Events

No subsequent events as of July 18, 2025.

Availability and Liquidity

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

Cash	\$ 1,904,350
Accounts Receivable	404,860
	<hr/>
	\$ 2,309,210

Concentration of Credit Risk

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

The CVB receives a significant amount of revenue from the Butler County hotel and motel excise tax.

Approximately 84% of the CVB's revenue and other support was provided from Butler County through revenue collected from the transient hotel room tax for the year ended December 31, 2024.

BUTLER COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

Leasing Activities

Other than short-term leases, the CVB is party to one operating lease, with a remaining lease term of four years at December 31, 2024. The CVB has no financing leases.

The following table provides quantitative information concerning the Company's operating lease for the year ended December 31, 2024:

Lease Cost

Operating lease cost included in Administration Expenses	\$ 55,279
Variable lease cost included in Administration Expenses	21,386
Net Lease costs	<u>\$ 76,665</u>

Other Information

Operating Lease - Operating Cash Flows (Fixed Payments)	\$ 25,194
Operating Lease - Operating Cash Flows (Liability Reduction)	\$ 43,252

The following table summarized the weighted average remaining lease term and discount rate of December 31, 2024:

Weighted Average Lease Term - Operating Leases	3.92 years
Weighted Average Discount Rate - Operating Leases	4.00%

Maturities of Lease Liabilities as of December 31, 2024 were as follows:

2025	\$ 53,759
2026	55,359
2027	57,024
2028	<u>53,721</u>
Total Lease Payments	219,863
Less: Interest	(16,296)
Present Value of lease payments	<u>\$ 203,567</u>

BUTLER COUNTY, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 28 – CONDENSED COMPONENT UNIT STATEMENTS

Condensed Component Unit Statement of Net Position

	Butler County Land Reutilization Corporation	Liberty Community Authority	Butler County Finance Authority	Butler County Convention and Visitors Bureau	Total
Assets					
Equity in Pooled Cash and Cash Equivalents	\$ 1,531,717	\$ 381,664	\$ 4,929,803	\$ 1,904,350	\$ 8,747,534
Cash and Cash Equivalents:					
With Fiscal Agents	-	592,286	337,358	-	929,644
Assessed Valuation Charges Receivable	-	11,870	-	-	11,870
Facility Charges Receivable	-	102,314	-	-	102,314
Accounts Receivable	-	-	11,750	404,860	416,610
Due from Other Governments	24,800	-	18,274,786	-	18,299,586
Prepaid Items	1,772	-	-	36,852	38,624
Assets Held for Resale	200	-	-	-	200
Capital Assets:					
Nondepreciable Capital Assets	-	2,333,662	-	-	2,333,662
Depreciable Capital Assets, net	-	33,330,465	-	200,214	33,530,679
Total Assets	1,558,489	36,752,261	23,553,697	2,546,276	64,410,723
Deferred Outflow of Resources					
Deferred Charge on Debt Refunding	-	1,054,691	-	-	1,054,691
Liabilities					
Accounts Payable	24,800	97,798	1,625	137,337	261,560
Accrued Wages	-	-	11,937	18,715	30,652
Refundable Advance	-	-	-	293,014	293,014
Accrued Interest Payable	-	140,675	69,786	-	210,461
Due To Other Governments	-	1,560,000	2,658	-	1,562,658
Long-Term Liabilities:					
Due Within One Year	-	658,229	320,000	46,640	1,024,869
Due In More Than One Year	-	30,461,277	17,885,000	156,927	48,503,204
Total Liabilities	24,800	32,917,979	18,291,006	652,633	51,886,418
Net Position					
Net Investment in Capital Assets	-	7,633,383	-	-	7,633,383
Restricted	331,770	-	-	-	331,770
Unrestricted	1,201,919	(2,744,410)	5,262,691	1,893,643	5,613,843
Total Net Position	\$ 1,533,689	\$ 4,888,973	\$ 5,262,691	\$ 1,893,643	\$ 13,578,996

BUTLER COUNTY, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2024

Condensed Component Unit Statement of Activities

	Butler County Land Reutilization Corporation	Liberty Community Authority	Butler County Finance Authority	Butler County Convention and Visitors Bureau	Total
Expenses:	\$ 897,666	\$ 2,301,538	\$ 1,214,223	\$ 2,142,461	\$ 6,555,888
Program Revenues:					
Charges for Services	-	1,470,654	512,563	485	1,983,702
Operating Grants, Contributions, and Interest	347,264	211,351	268,131	2,524,508	3,351,254
Total Program Revenues	347,264	1,682,005	780,694	2,524,993	5,334,956
Net Program Revenue (Expenses)	(550,402)	(619,533)	(433,529)	382,532	(1,220,932)
Other General Revenues	460,571	-	1,082,521	-	1,543,092
Change in Net Position	(89,831)	(619,533)	648,992	382,532	322,160
Net Position at Beginning of Year	1,623,520	5,508,506	4,613,699	1,511,111	13,256,836
Net Position at End of Year	\$ 1,533,689	\$ 4,888,973	\$ 5,262,691	\$ 1,893,643	\$ 13,578,996

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, 2024

Butler County reports its infrastructure assets using the modified approach as outlined in Governmental Accounting Standards Board (GASB) Statement No. 34. The following disclosures pertain to the conditional assessment and budgeted versus actual expenditures for the preservation of these assets. Data for the conditional assessment is presented in each of the following three sections for 2023, 2020, and 2017. Beginning with reporting year 2009, the County moved to a three-year conditional assessment rotation cycle.

County Roads

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

Pavement Rating	Condition Rating	Description
91-100	Very Good	Pavements not in need of maintenance. New condition. Typically pavements 1-4 years old fall into this category. Older pavements with lower traffic counts and low truck traffic also fall into this category.
74-90	Good	Pavement in need of minor maintenance to restore to Very Good condition. Typically pavements 5-8 years old with high traffic counts or a large percentage of truck traffic.
56-75	Fair	Pavement in need of major maintenance to restore to Very Good condition. Typically pavements are 9-15 years old.
0-55	Poor	Pavement in need of major repair or heavy overlays to bring to Very Good condition. Pavements over 15 years old, or with high traffic volume and/or high truck traffic could be rated 55 or under.

It is the County policy that at least 90 percent of the roadways will have a rating of 56 (Fair) or higher. The Butler County Engineer's Office has a goal whereby the total mileage of the roadway in the County will be re-paved on a 17-year rotational basis. Historical data has shown that with yearly inspection and maintenance, the average road of the County will be maintained at a usable level for a 25-year period. Each roadway in the County will be assessed once every three years, with higher emphasis on older and more heavily used pavements.

The following summarizes the physical condition assessment of County roads as of December 31 for 2023, 2020, and 2017:

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

BUTLER COUNTY, OHIO
 REQUIRED SUPPLEMENTARY INFORMATION
 CONDITION ASSESSMENT OF THE COUNTY'S INFRASTRUCTURE
 REPORTED USING THE MODIFIED APPROACH AS OUTLINED IN GASB 34
 FOR THE YEAR ENDED DECEMBER 31, 2024

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

Year	Budgeted Expenditures	Actual Expenditures	Variance
2024	\$ 9,246,737	\$ 8,176,621	\$ 1,070,116
2023	18,707,751	16,922,582	1,785,169
2022	24,111,565	20,483,421	3,628,144
2021	15,467,885	12,759,336	2,708,549
2020	13,745,989	11,385,964	2,360,025
2019	16,618,092	18,705,201	2,087,109
2018	19,731,975	17,765,600	1,966,375
2017	6,241,041	6,241,041	-

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, 2024

It is the County policy to maintain the bridge system in the County where 85 percent of the structures have a general appraisal summary of 5 (Fair) condition or higher. *The following is a summary of the conditional assessment for bridges as of December 31 for 2023, 2020, and 2017:*

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

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

Year	Budgeted Expenditures	Actual Expenditures	Variance
2024	\$ 5,279,258	\$ 3,954,630	\$ 1,324,628
2023	5,525,352	4,998,101	527,251
2022	2,235,719	1,899,303	336,416
2021	1,996,301	1,646,733	349,568
2020	3,275,496	2,713,132	562,364
2019	1,978,112	2,226,550	248,438
2018	743,591	684,674	58,917
2017	1,439,933	1,439,933	-

County Culverts

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

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

It is the goal of the Butler County Engineer to maintain 75 percent of culverts in a condition of 2-Fair or better. The following is a summary of the conditional assessment for culverts as of December 31 for 2023, 2020, and 2017:

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

BUTLER COUNTY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
CONDITION ASSESSMENT OF THE COUNTY'S INFRASTRUCTURE
REPORTED USING THE MODIFIED APPROACH AS OUTLINED IN GASB 34
FOR THE YEAR ENDED DECEMBER 31, 2024

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

Year	Budgeted Expenditures	Actual Expenditures	Variance
2024	\$ 493,693	\$ 369,820	\$ 123,873
2023	204,411	184,906	19,505
2022	430,035	365,326	64,709
2021	282,574	233,093	49,481
2020	1,179,391	976,904	202,487
2019	153,689	172,991	(19,302)
2018	250,000	152,189	97,811
2017	225,682	225,682	-

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
County's Proportion of the Net Pension Liability	0.62056416%	0.62474784%	0.66957216%	0.65270592%	0.65245344%	0.67147668%	0.66753751%	0.67092475%	0.67466323%	0.67328450%
County's Proportionate Share of the Net Pension Liability	\$ 162,466,238	\$ 184,550,785	\$ 58,255,487	\$ 96,651,535	\$ 128,961,846	\$ 183,903,846	\$ 104,723,692	\$ 152,355,600	\$ 116,860,173	\$ 81,205,636
County's Covered Payroll	\$ 98,452,485	\$ 83,418,339	\$ 93,634,872	\$ 88,745,008	\$ 89,499,105	\$ 87,527,186	\$ 84,967,683	\$ 83,513,607	\$ 79,521,898	\$ 79,995,262
County's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	165.02%	221.24%	62.22%	108.91%	144.09%	210.11%	123.25%	182.43%	146.95%	101.51%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.01%	75.74%	92.62%	86.88%	82.17%	74.70%	84.66%	77.25%	81.08%	86.45%

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

See accompanying notes to the required supplementary information.

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

	2024	2023	2022	2021	2020	2019	2018
County's Proportion of the Net Pension Liability	0.54722880%	0.57198816%	0.62714112%	0.61527072%	0.63708768%	0.66969576%	0.64686778%
County's Proportionate Share of the Net Pension Liability (Asset)	(\$1,682,083)	(\$1,348,120)	(\$2,470,969)	(\$1,776,061)	(\$1,328,480)	(\$748,870)	(\$880,598)
County's Covered Payroll	\$ 2,512,792	\$ 2,354,079	\$ 2,859,136	\$ 2,692,129	\$ 2,865,557	\$ 2,848,221	\$ 2,664,423
County's Proportionate Share of the Net Pension Asset as a Percentage of Its Covered Payroll	66.94%	57.27%	86.42%	65.97%	46.36%	26.29%	33.05%
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset	144.55%	137.14%	169.88%	157.67%	145.28%	126.64%	137.28%

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

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

See accompanying notes to the required supplementary information.

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

LAST EIGHT YEARS ⁽¹⁾

	2024	2023	2022	2021	2020	2019	2018	2017
County's Proportion of the Net OPEB Liability	0.61074720%	0.61634400%	0.66017184%	0.64473408%	0.64631808%	0.66464303%	0.65946400%	0.66248100%
County's Proportionate Share of the Net OPEB:								
Liability (Asset)		\$3,886,160			\$89,273,318	\$86,653,764	\$71,612,955	\$66,912,822
(\$5,512,144)			(\$20,677,594)	(\$11,486,454)				
County's Covered Payroll	\$ 104,210,384	\$ 88,493,818	\$ 99,448,708	\$ 94,333,537	\$ 95,424,537	\$ 93,311,107	\$ 90,384,381	\$ 88,695,482
County's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	5.29%	4.39%	-20.79%	-12.18%	93.55%	92.87%	79.23%	75.44%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	107.76%	94.79%	128.23%	115.57%	47.80%	46.33%	54.14%	54.04%

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

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

See accompanying notes to the required supplementary information.

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

NET PENSION LIABILITY - TRADITIONAL PLAN										
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 14,968,819	\$ 14,288,356	\$ 12,172,404	\$ 13,594,639	\$ 12,867,381	\$ 12,971,652	\$ 12,681,651	\$ 11,462,506	\$ 10,425,715	\$ 9,878,226
Contributions in Relation to the Contractually Required Contribution	<u>(14,968,819)</u>	<u>(14,288,356)</u>	<u>(12,172,404)</u>	<u>(13,594,639)</u>	<u>(12,867,381)</u>	<u>(12,971,652)</u>	<u>(12,681,651)</u>	<u>(11,462,506)</u>	<u>(10,425,715)</u>	<u>(9,878,226)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>								
County Covered Payroll	\$ 103,145,810	\$ 98,452,485	\$ 83,418,339	\$ 93,634,872	\$ 88,745,008	\$ 89,499,105	\$ 87,527,186	\$ 84,967,683	\$ 83,513,607	\$ 79,521,898
Contributions as a Percentage of Covered Payroll	14.51%	14.51%	14.59%	14.52%	14.50%	14.49%	14.49%	13.49%	12.48%	12.42%
NET PENSION LIABILITY - COMBINED PLAN										
	2024	2023	2022	2021	2020	2019	2018	2017	2016	
Contractually Required Contribution	\$ 282,231	\$ 301,535	\$ 329,571	\$ 400,279	\$ 376,898	\$ 401,178	\$ 398,751	\$ 346,375	\$ 297,147	
Contributions in Relation to the Contractually Required Contribution	<u>(282,231)</u>	<u>(301,535)</u>	<u>(329,571)</u>	<u>(400,279)</u>	<u>(376,898)</u>	<u>(401,178)</u>	<u>(398,751)</u>	<u>(346,375)</u>	<u>(297,147)</u>	
Contribution Deficiency (Excess)	<u>\$ -</u>									
County Covered Payroll	\$ 2,351,925	\$ 2,512,792	\$ 2,354,079	\$ 2,859,136	\$ 2,692,129	\$ 2,865,557	\$ 2,848,221	\$ 2,664,423	\$ 2,476,225	
Contributions as a Percentage of Covered Payroll	12.00%	12.00%	14.00%	14.00%	14.00%	14.00%	14.00%	13.00%	12.00%	
NET OPEB LIABILITY - OPEB PLAN										
	2024	2023	2022	2021	2020	2019	2018	2017	2016	
Contractually Required Contribution	\$ 160,376	\$ 156,371	\$ 108,856	\$ 118,188	\$ 115,856	\$ 122,395	\$ 117,428	\$ 986,412	\$ 1,828,022	
Contributions in Relation to the Contractually Required Contribution	<u>(160,376)</u>	<u>(156,371)</u>	<u>(108,856)</u>	<u>(118,188)</u>	<u>(115,856)</u>	<u>(122,395)</u>	<u>(117,428)</u>	<u>(986,412)</u>	<u>(1,828,022)</u>	
Contribution Deficiency (Excess)	<u>\$ -</u>									
County Covered Payroll	\$ 108,963,698	\$ 104,210,384	\$ 88,493,818	\$ 99,448,708	\$ 94,333,537	\$ 95,424,537	\$ 93,311,107	\$ 90,384,381	\$ 88,695,482	
Contributions as a Percentage of Covered Payroll	0.15%	0.15%	0.12%	0.12%	0.12%	0.13%	0.13%	1.09%	2.06%	

(1) Information prior to 2013 is not available for the traditional plan. Information prior to 2016 is not available for the combined plan.

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

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

See accompanying notes to the required supplementary information.

BUTLER COUNTY, OHIO
 NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
 FOR THE YEAR ENDED DECEMBER 31, 2024

Changes in Assumptions – OPERS Pension– Traditional Plan

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

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

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

2024	2.3 percent, simple through 2024 then 2.05 percent, simple
2023	3.0 percent, simple through 2023 then 2.05 percent, simple
2022	3.0 percent, simple through 2022 then 2.05 percent, simple
2021	0.5 percent, simple through 2021 then 2.15 percent, simple
2020	1.4 percent, simple through 2020 then 2.15 percent, simple
2017 through 2019	3.0 percent, simple through 2018 then 2.15 percent, simple

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

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

BUTLER COUNTY, OHIO
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2024

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

Changes in Assumptions – OPERS Pension – Combined Plan

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

For 2022, 2021, and 2020, the Combined Plan had the same change in COLA or Ad Hoc COLA for Post-January 7, 2013, retirees as the Traditional Plan.

BUTLER COUNTY, OHIO
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2024

Changes in Assumptions – OPERS OPEB

Wage Inflation:	
2022 through 2024	2.75 percent
2021 and prior	3.25 percent
Projected Salary Increases (including wage inflation):	
2022 through 2024	2.75 to 10.75 percent
2021 and prior	3.25 to 10.75 percent
Investment Return Assumption:	
Beginning in 2019	6.00 percent
2018	6.50 percent
Municipal Bond Rate:	
2024	3.77 percent
2023	4.05 percent
2022	1.84 percent
2021	2.00 percent
2020	2.75 percent
2019	3.71 percent
2018	3.31 percent
Single Discount Rate:	
2024	5.70 percent
2023	5.22 percent
2022	6.00 percent
2021	6.00 percent
2020	3.16 percent
2019	3.96 percent
2018	3.85 percent
Health Care Cost Trend Rate:	
2024	5.5 percent, initial 3.5 percent, ultimate in 2038
2023	5.5 percent, initial 3.5 percent, ultimate in 2036
2022	5.5 percent, initial 3.5 percent, ultimate in 2034
2021	8.5 percent, initial 3.5 percent, ultimate in 2035
2020	10.5 percent, initial 3.5 percent, ultimate in 2030
2019	10.0 percent, initial 3.25 percent, ultimate in 2029

Changes in Benefit Terms – OPERS OPEB

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

SUPPLEMENTARY INFORMATION

BUTLER COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	ASSISTANCE LISTING NUMBER	PASS-THROUGH ENTITY/ IDENTIFYING NUMBER/ ADDITIONAL AWARD IDENTIFICATION	PASSED THROUGH TO SUBRECIPIENTS	TOTAL EXPENDITURES OF FEDERAL AWARDS
U.S. DEPARTMENT OF AGRICULTURE				
<i>Passed Through the Ohio Department of Education and Workforce (DEW)</i>				
Child Nutrition Cluster:				
School Breakfast Program	10.553	2024	\$ -	\$ 55,322
National School Lunch Program	10.555	2024	-	110,948
Total Child Nutrition Cluster			-	166,270
<i>Passed Through the Ohio Department of Job and Family Services (ODJFS)</i>				
SNAP Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	G-2425-11-6114	123,891	1,938,078
Total SNAP Cluster			123,891	1,938,078
TOTAL U.S. DEPARTMENT OF AGRICULTURE			123,891	2,104,348
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Direct Program				
Rural Telemedicine Grants	93.211	GA139541	33,617	33,617
<i>Passed Through the Ohio Department of Mental Health and Addiction Services (MHAS)</i>				
Projects for Assistance in Transition from Homelessness (PATH)	93.150	X06SM088827/X06SM090118	120,020	120,020
Opioid STR	93.788	H79TI085753	1,010,428	1,010,428
Opioid STR	93.788	H79TI085753	740,589	740,589
Total Opioid STR			1,751,017	1,751,017
Block Grants for Community Mental Health Services	93.958	B09SM087381/B09SM089646	224,377	224,377
Block Grants for Prevention and Treatment of Substance Abuse	93.959	B08TI084665/B08TI085827/B08TI087059	1,391,992	1,391,992
Social Services Block Grant	93.667	2301OHSOSR/2401OHSOSR/2501OHSOSR	192,020	192,020
<i>Passed Through the Ohio Department of Developmental Disabilities (DODD)</i>				
Social Services Block Grant	93.667	2401OHSOSR	-	229,044
<i>Passed Through the Ohio Department of Job and Family Services (ODJFS)</i>				
Social Services Block Grant	93.667	G-2425-11-6114	749,317	2,815,004
Total Social Services Block Grant			941,337	3,236,068
Title IV-E Prevention Program	93.472	G-2425-11-6114	-	15,736
MaryLee Allen Promoting Safe and Stable Families Program	93.556	G-2425-11-6114	-	100,638
Temporary Assistance for Needy Families (TANF)	93.558	G-2425-11-6114	3,073,655	4,965,738
Child Support Services	93.563	G-2425-11-6114	-	2,621,519
CCDF Cluster:				
Child Care and Development Block Grant	93.575	G-2425-11-6114	156,985	377,538
Total CCDF Cluster			156,985	377,538
Stephanie Tubbs Jones Child Welfare Services Program	93.645	G-2425-11-6114	-	193,303
Foster Care (Title IV-E)	93.658	G-2425-11-6114	-	2,354,328
Adoption Assistance (Title IV-E)	93.659	G-2425-11-6114	-	1,845,431
John H Chafee Foster Care Program for Successful Transition to Adulthood	93.674	G-2425-11-6114	-	74,188
COVID-19 - Elder Abuse Prevention Interventions Program	93.747	COVID-19, G-2425-11-6114	-	20,560
Medicaid Cluster:				
Medical Assistance Program (Medicaid; Title XIX)	93.778	G-2425-11-6114	2,237,281	2,262,011
Total Medicaid Cluster			2,237,281	2,262,011
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			9,930,281	21,588,081
U.S. DEPARTMENT OF HOMELAND SECURITY				
<i>Passed Through the Ohio Emergency Management Agency (EMA)</i>				
Emergency Management Performance Grants	97.042	EMC-2023-EP-00003	-	152,873
Homeland Security Grant Program	97.067	EMW-2021-SS-00004	-	86,823
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			-	239,696

BUTLER COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	ASSISTANCE LISTING NUMBER	PASS-THROUGH ENTITY/ IDENTIFYING NUMBER/ ADDITIONAL AWARD IDENTIFICATION	PASSED THROUGH TO SUBRECIPIENTS	TOTAL EXPENDITURES OF FEDERAL AWARDS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
<i>Direct Program</i>				
CDBG – Entitlement/Special Purpose Grants Cluster:				
Community Development Block Grants/Entitlement Grants	14.218	B-18-UC-39-0008	8,403	8,403
Community Development Block Grants/Entitlement Grants	14.218	B-21-UC-39-0008	3,533	3,533
Community Development Block Grants/Entitlement Grants	14.218	B-22-UC-39-0008	45,456	271,279
Community Development Block Grants/Entitlement Grants	14.218	B-23-UC-39-0008	370,301	835,537
Community Development Block Grants/Entitlement Grants	14.218	B-24-UC-39-0008	49,463	81,123
COVID-19 - Community Development Block Grants/Entitlement Grants	14.218	COVID-19, B-20-UW-39-0008	349,160	438,349
Total Community Development Block Grants/Entitlement Grants			826,316	1,638,224
Total CDBG – Entitlement/Special Purpose Grants Cluster			826,316	1,638,224
HOME Investment Partnership Program	14.239	M-19-DC390222	12,000	12,000
HOME Investment Partnership Program	14.239	M-21-DC390222	50,880	54,125
HOME Investment Partnership Program	14.239	M-22-DC390222	93,960	116,053
HOME Investment Partnership Program	14.239	M-23-DC390222	494,826	494,826
HOME Investment Partnership Program	14.239	M-24-DC390222	116,000	116,000
COVID-19 - HOME Investment Partnership Program	14.239	COVID-19, M-21-DP390222	-	40,358
Total HOME Investment Partnership Program			767,666	833,362
Continuum of Care Program	14.267	OH0739L5E072200	-	532,168
Continuum of Care Program	14.267	OH0430L5E072211	-	389,490
Continuum of Care Program	14.267	OH0430L5E072312	-	406,031
Total Continuum of Care Program			-	1,327,689
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
			1,593,982	3,799,275
U.S. DEPARTMENT OF JUSTICE				
<i>Direct Program</i>				
Crime Victim Assistance/Discretionary Grants	16.582	2020-V3-GX-0151	80,469	80,469
State Criminal Alien Assistance Program	16.606	15PBJA-23-RR-05841-SCAA	-	97,736
Comprehensive Opioid, Stimulant, and Other Substances Use Program	16.838	2020-AR-BX-0132	133,722	137,848
Comprehensive Opioid, Stimulant, and Other Substances Use Program	16.838	15PBJA-23-GG-02355-COAP	30,491	75,269
Total Comprehensive Opioid, Stimulant, and Other Substances Use Program			164,213	213,117
Equitable Sharing Program	16.922	N/A	-	30,820
Edward Byrne Memorial Justics Assistance Grant	16.738	15PBJA-21-GG-01736-JAGX	-	9,297
Edward Byrne Memorial Justics Assistance Grant	16.738	15PBJA-23-GG-03683-JAGX	-	11,926
Passed Through the Ohio Office of Criminal Justice Services (OCJS)				
Edward Byrne Memorial Justics Assistance Grant	16.738	2023-JG-A01-6801	-	28,057
Total Edward Byrne Memorial Justics Assistance Grant			-	49,280
Violence Against Women Formula Grants	16.588	2021-WF-VA5-8811	-	42,754
Passed Through the Ohio Attorney General's Office (OAG)				
Crime Victim Assistance	16.575	2024-VOCA-135504392	-	34,911
Crime Victim Assistance	16.575	2024-VOCA-135502657	-	35,437
Crime Victim Assistance	16.575	2025-VOCA-135899878	-	16,443
Crime Victim Assistance	16.575	2025-VOCA-135905545	-	11,164
Total Crime Victim Assistance			-	97,955
Passed Through the Office of Juvenile Justice and Delinquency Prevention (OJJDP)				
Treatment Court Discretionary Grant Program	16.585	15PJDP-22-GG-03817-COAP	-	264,611
TOTAL U.S. DEPARTMENT OF JUSTICE				
			244,682	876,742
U.S. DEPARTMENT OF LABOR				
<i>Passed Through the Ohio Department of Job and Family Services (ODJFS)</i>				
WIOA Cluster:				
WIOA Adult Program	17.258	G-2425-15-0166	-	654,604
WIOA Dislocated Worker Formula Grants	17.278	G-2425-15-0166	-	351,612
Total WIOA Cluster			-	1,006,216
Employment Service Cluster:				
Employment Service/Wagner-Peyser Funded Activities	17.207	G-2425-15-0166	-	39,497
Total Employment Service Cluster			-	39,497
Trade Adjustment Assistance	17.245	G-2425-15-0166	-	4,593
TOTAL U.S. DEPARTMENT OF LABOR				
			-	1,050,306

BUTLER COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	ASSISTANCE LISTING NUMBER	PASS-THROUGH ENTITY/ IDENTIFYING NUMBER/ ADDITIONAL AWARD IDENTIFICATION	PASSED THROUGH TO SUBRECIPIENTS	TOTAL EXPENDITURES OF FEDERAL AWARDS
U.S. DEPARTMENT OF TRANSPORTATION				
<i>Direct Program</i>				
COVID-19 - Airport Improvement Program, Infrastructure Investment and Jobs Act Programs, and COVID-19 Airports Programs	20.106	COVID-19, 3-39-0039-028-2020	-	69,000
COVID-19 - Airport Improvement Program, Infrastructure Investment and Jobs Act Programs, and COVID-19 Airports Programs	20.106	COVID-19, 3-39-0039-030-2021	-	23,000
COVID-19 - Airport Improvement Program, Infrastructure Investment and Jobs Act Programs, and COVID-19 Airports Programs	20.106	COVID-19, 3-39-0039-031-2022	-	59,000
COVID-19 - Airport Improvement Program, Infrastructure Investment and Jobs Act Programs, and COVID-19 Airports Programs	20.106	COVID-19, 3-39-0039-032-2023	-	1,778,616
Airport Improvement Program, Infrastructure Investment and Jobs Act Programs, and COVID-19 Airports Programs	20.106	3-39-0039-033-2023	-	450,443
Airport Improvement Program, Infrastructure Investment and Jobs Act Programs, and COVID-19 Airports Programs	20.106	3-39-0039-034-2024	-	395,096
Total Airport Improvement Program, Infrastructure Investment and Jobs Act Programs, and COVID-19 Airports Programs			-	2,755,155
<i>Passed Through the Ohio Department of Public Safety (ODPS) via the Ohio Traffic Safety Office (OTSO)</i>				
<i>Highway Safety Cluster:</i>				
State and Community Highway Safety	20.600	69A375223000040200H0/ 69A375233000040200H0/ 69A375243000040200H0	-	57,926
Total Highway Safety Cluster			-	57,926
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	69A37522300001640OHA/ 69A37523300001640OHA/ 69A37524300001640OHA	-	45,157
<i>Passed Through the Ohio Department of Transportation (ODOT)</i>				
Highway Planning and Construction	20.205	PID 104195	-	169,747
Highway Planning and Construction	20.205	PID 109089	-	32,782
Highway Planning and Construction	20.205	PID 113714	-	16,282
Highway Planning and Construction	20.205	PID 114270	-	1,025,543
Highway Planning and Construction	20.205	PID 114381	-	436,786
Highway Planning and Construction	20.205	PID 117496	-	20,437
Total Highway Planning and Construction			-	1,701,577
TOTAL U.S. DEPARTMENT OF TRANSPORTATION				
U.S. DEPARTMENT OF THE TREASURY				
<i>Direct Program</i>				
COVID-19 - Emergency Rental Assistance Program	21.023	COVID-19, ERAE0761	786,147	786,147
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	COVID-19, SLFRP3938	23,936,200	29,281,525
<i>Passed Through Ohio Department of Development (ODOD)</i>				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	COVID-19, LED-2024-207406	687,103	687,103
<i>Passed Through the Ohio Department of Job and Family Services (ODJFS)</i>				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	COVID-19, G-2425-11-6114	-	54,456
<i>Passed Through the Ohio Office of Criminal Justice Services (OCJS)</i>				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	COVID-19, 2022-AR-CCB-1104	-	18,906
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	COVID-19, 2022-AR-CCB-1105	-	110,353
Total Coronavirus State and Local Fiscal Recovery Fund (SLFRF)			24,623,303	30,152,343
TOTAL U.S. DEPARTMENT OF THE TREASURY			25,409,450	30,938,490
TOTAL EXPENDITURES OF FEDERAL AWARDS				
			37,302,286	65,176,753

The accompanying notes are an integral part of this schedule.

BUTLER COUNTY

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS 2 CFR 200.510(b)(6) FOR THE YEAR ENDED DECEMBER 31, 2024

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

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Butler County under programs of the federal government for the year ended December 31, 2024. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Butler County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Butler County.

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

NOTE 2 – INDIRECT COST RATE

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

NOTE 3 – SUBRECIPIENTS

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

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

NOTE 4 – CHILD NUTRITION CLUSTER

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

NOTE 5 – MATCHING REQUIREMENTS

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

NOTE 6 – COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) AND HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME) GRANT PROGRAMS WITH REVOLVING LOAN CASH BALANCE

Butler County has established a revolving loan program to provide low-interest loans to businesses that create jobs and meet the other program requirements. The Federal Department of Housing and Urban Development (HUD) grants money for these loans to Butler County passed through the Ohio Department of Development. The initial loan of this money is recorded as a disbursement on 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.

On December 31, 2024, there were no outstanding balances for loans under this program. Butler County is no longer participating in these loan funds going forward. All associated accounts are closed.

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

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

To the Members of the Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Butler County, Ohio, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise Butler County's basic financial statements, and have issued our report thereon dated July 18, 2025, wherein we noted as described in Note 3 to the financial statements, Butler County restated beginning net position as a result of a change in accounting principle by implementing GASB Statement No. 101, "Compensated Absences".

Report on Internal Control over Financial Reporting

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

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

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

Butler County

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Julian & Grube, Inc." The signature is cursive and fluid, with "Julian" and "Grube" connected by a horizontal line.

Julian & Grube, Inc.

July 18, 2025

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

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

To the Members of the Board of County Commissioners:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Butler County's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Butler County's major federal programs for the year ended December 31, 2024. Butler County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings.

In our opinion, Butler County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Butler County

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

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

Julian & Grube, Inc.

Julian & Grube, Inc.
July 18, 2025

BUTLER COUNTY

SCHEDULE OF FINDINGS

2 CFR § 200.515

DECEMBER 31, 2024

1. SUMMARY OF AUDITOR'S RESULTS		
(d)(1)(i)	<i>Type of Financial Statement Opinion</i>	Unmodified
(d)(1)(ii)	<i>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</i>	No
(d)(1)(ii)	<i>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i>	None reported
(d)(1)(iii)	<i>Was there any reported material noncompliance at the financial statement level (GAGAS)?</i>	No
(d)(1)(iv)	<i>Were there any material weaknesses in internal control reported for major federal programs?</i>	No
(d)(1)(iv)	<i>Were there any significant deficiencies in internal control reported for major federal programs?</i>	None reported
(d)(1)(v)	<i>Type of Major Programs' Compliance Opinion</i>	Unmodified
(d)(1)(vi)	<i>Are there any reportable findings under 2 CFR §.516(a)?</i>	No
(d)(1)(vii)	<i>Major Program(s) (listed):</i>	COVID-19 – Coronavirus State and Local Fiscal Recovery Funds (ALN 21.027); Foster Care (Title IV-E) (ALN 93.658); Medicaid Cluster; and Airport Improvement Program, Infrastructure Investment and Jobs Act Programs, and COVID-19 Airports Programs (ALN 20.106)
(d)(1)(viii)	<i>Dollar Threshold: Type A/B Programs</i>	Type A:>\$1,955,303 Type B: all others
(d)(1)(ix)	<i>Low Risk Auditee under 2 CFR § 200.520?</i>	Yes

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

OHIO AUDITOR OF STATE KEITH FABER



BUTLER COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 11/20/2025

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

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