



**Auditor of State  
Betty Montgomery**



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

**FEDERAL AWARDS EXPENDITURES SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2005**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<b><u>U.S DEPARTMENT OF AGRICULTURE</u></b>			
Water & Waste Disposal Systems for Rural Communities	N/A	10.760	\$2,283,993
<i>Passed Through Ohio Department of Education:</i>			
<i>Child Nutrition Cluster:</i>			
School Breakfast Program	065888-O5NP-2004/2005	10.553	10,219
National School Lunch Program	065888-LLN1-2004/2005	10.555	82,528
Total Child Nutrition Cluster			<u>92,747</u>
<b>Total U.S. Department of Agriculture</b>			<b><u>2,376,740</u></b>
<b><u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u></b>			
Community Development Entitlement Grant	B-02-UC-39-0008	14.218	14,991
	B-03-UC-39-0008		2,953
	B-04-UC-39-0008		946,911
	B-05-UC-39-0008		<u>373,991</u>
Total Community Development Entitlement Grant			1,338,846
HOME Investment Partnerships Program	M-01-DC-39-0222	14.239	24,996
	M-02-DC-39-0222		228,064
	M-03-DC-39-0222		214,920
	M-04-DC-39-0222		515,982
	M-05-DC-39-0222		<u>8,843</u>
Total HOME Investment Partnerships Program			992,805
<b>Total U.S. Department of Housing and Urban Development</b>			<b><u>2,331,651</u></b>
<b><u>U.S. DEPARTMENT OF JUSTICE</u></b>			
Public Safety Partnership & Community Policing Grant	2003UMWX0088	16.710	51,092
	2002SHWX0531		<u>125,759</u>
Total Public Safety Partnership & Community Policing Grant			176,851
<i>Passed Through Office of Criminal Justice Services:</i>			
Byrne Memorial Formula Grant Program	2004-DG-D02-7162	16.579	31,046
	2004-DG-D02-7423	16.579	<u>15,000</u>
Total Byrne Memorial Formula Grant Program			46,046
Byrne Memorial Grants (Bullying & Hate Crime Project)	2003-DG-B01-7051	16.580	45,471
Violence Against Women Act	2004-WF-VA5-8807	16.588	35,977
Juvenile Justice Substance Abuse	2003-RS-SAT-127	16.593	57,647
<i>Total Passed Through Office of Criminal Justice Services</i>			<u>185,141</u>
<i>Passed Through Ohio Department of Youth Services:</i>			
Juvenile Accountability Incentive Block Grant	2004-JB-017-A025	16.523	29,289
Title V: Delinquency Prevention Program	2002-JV-T50-5107	16.548	30,976

(Continued)

**BUTLER COUNTY**

**FEDERAL AWARDS EXPENDITURES SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2005  
(Continued)**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
Juvenile Justice & Delinquency Prevention	2004-JJ-DP2-0079	16.540	20,378
<i>Total Passed Through Ohio Department of Youth Services</i>			<u>80,643</u>
<i>Passed Through Ohio Attorney General's Office:</i>			
Crime Victim Assistance	2006VAGENE103	16.575	13,863
	2005VAGENE103		23,670
	2005VAGENE462		32,540
	2005VADSCE464		<u>32,210</u>
Total Crime Victim Assistance			102,283
<i>Total Passed Through Ohio Attorney General's Office</i>			<u>102,283</u>
<b>Total U.S. Department of Justice</b>			<b><u>544,918</u></b>
<b><u>U.S. DEPARTMENT OF TRANSPORTATION/FEDERAL HIGHWAY ADMINISTRATION</u></b>			
<i>Passed Through Ohio Department of Transportation:</i>			
Highway Planning and Construction	PID 11357	20.205	10,955
	PID 75510		211,121
	PID 21017		47,521
	PID 24091		1,778,719
			<u>20,000</u>
Total Highway Planning and Construction			2,068,316
<b>Total U.S. Department of Transportation</b>			<b><u>2,068,316</u></b>
<b><u>NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION</u></b>			
<i>Passed Through Ohio Governor's Highway Safety Office:</i>			
State and Community Highway Safety		20.600	<u>49,405</u>
<b>Total National Highway Traffic Safety Administration</b>			<b><u>49,405</u></b>
<b><u>U.S. DEPARTMENT OF LABOR</u></b>			
<i>Passed Through Ohio Department of Jobs &amp; Family Services:</i>			
Workforce Investment Act Cluster			
Workforce Investment Act - Youth Activities			515,766
Workforce Investment Act - Youth Activities -- Administrative			<u>54,799</u>
Workforce Investment Act -- Youth Total	N/A	17.259	570,565
Workforce Investment Act - Adult			
Workforce Investment Act - Adult -- Administrative			231,645
Workforce Investment Act -- Adult Total	N/A	17.258	<u>24,612</u>
			256,257
Workforce Investment Act - Dislocated Workers			
Workforce Investment Act - Dislocated Workers -- Administrative			380,894
Workforce Investment Act - Dislocated Workers Total	N/A	17.260	<u>40,470</u>
			421,364
Total Workforce Investment Act			1,248,186
<i>Total passed through Ohio Department of Job and Family Services</i>			<u>1,248,186</u>

**BUTLER COUNTY**

**FEDERAL AWARDS EXPENDITURES SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2005  
(Continued)**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
Unemployment Insurance Program (Reed Act)	N/A	17.225	128,862
Welfare to Work	N/A	17.253	463,922
<b>Total U.S. Department of Labor</b>			<b>1,840,970</b>
<b><u>U.S. DEPT. OF TRANSPORTATION/ FEDERAL AVIATION ADMINISTRATION</u></b>			
Airport Improvement Grant	3-39-0039-1002	20.106	3,874
	3-39-0039-1303		15,258
	3-39-0039-1404		6,565
	3-39-0039-1504		180,160
	3-39-0039-1605		994,557
<b>Total Federal Aviation Administration</b>			<b>1,200,414</b>
<b><u>GENERAL SERVICES ADMINISTRATION</u></b>			
<i>Passed through Ohio Secretary of State:</i>			
Voter Education & Poll Worker Training Program	04-SOS-HAVA-09	39.011	65,387
<b>Total General Services Administration</b>			<b>65,387</b>
<b><u>ELECTION ASSISTANCE COMMISSION</u></b>			
<i>Passed through Ohio Secretary of State:</i>			
Help America Vote Act (HAVA)	04-SOS-HAVA-09	90.401	3,456,000
<b>Total Election Assistance Commission</b>			<b>3,456,000</b>
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>			
<i>Passed Through Ohio Department of Education:</i>			
Special Education Cluster			
Title VI-B	6BSF-2004/2005	84.027	173,691
Preschool Grant	PGS1-2004/2005	84.173	133,732
<b>Total Special Education Cluster</b>			<b>307,423</b>
Title V - Innovative Program	C2S1-2004/2005	84.298	966
<b>Total U.S. Department of Education</b>			<b>308,389</b>
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>			
<i>Passed Through Ohio Department of Mental Health:</i>			
All HAZARD Grant	07-IBHS-06-01	93.003	7,143
PATH Federal Grant		93.150	85,394
FAST Federal Grant		93.556	47,671
<i>Passed Through Ohio Department of Mental Health:</i>			
Title XX Social Service Block Grant	N/A	93.667	169,051
<i>Passed Through Ohio Department of Mental Retardation and Developmental Disabilities:</i>			
Title XX Social Service Block Grant	N/A	93.667	229,250
<b>Total Title XX Social Service Block Grant</b>			<b>398,301</b>

(Continued)

BUTLER COUNTY

FEDERAL AWARDS EXPENDITURES SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2005  
(Continued)

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<i>Passed Through Ohio Department of Mental Health:</i>			
Title XIX Medical Assistance Program	N/A	93.778	6,828,446
<i>Passed Through Ohio Department of Alcohol and Drug Addiction Services:</i>			
Title XIX Medical Assistance Program	N/A	93.778	755,020
<i>Passed Through Ohio Department of Mental Retardation and Developmental Disabilities:</i>			
Title XIX Medical Assistance Program	N/A	93.778	
Waiver Administration			677,071
CAFS-Adults			4,719,557
CAFS-Children			128,668
TCM			1,018,300
Administrative Fees			144,242
<i>Total Passed Through Ohio Department of MRDD</i>			<u>6,687,838</u>
Total Title XIX Medical Assistance Program		93.778	14,271,304
<i>Passed Through Ohio Department of Mental Health:</i>			
Block Grant for Community Mental Health Services	N/A	93.958	274,564
<i>Passed Through Ohio Department of Alcohol and Drug Addiction Services:</i>			
Block Grant for the Prevention and Treatment of Substance Abuse	N/A	93.959	1,712,006
<i>Passed Through Ohio Department of Mental Health:</i>			
State Children's Insurance Program (SCHIP)	N/A	93.767	368,286
<i>Passed Through Ohio Department of Alcohol and Drug Addiction Services:</i>			
State Children's Insurance Program (SCHIP)	N/A	93.767	<u>93,094</u>
Total State Children's Insurance Program (SCHIP)			461,380
<i>Passed Through Ohio Department of Alcohol and Drug Addiction Services:</i>			
Comprehensive Conflict Management Grant	N/A	93.243	115,000
<i>Passed Through Ohio Department Health and Human Services:</i>			
CSAT	N/A	93.243	<u>243,057</u>
			358,057
<i>Passed Through Ohio Department of Alcohol and Drug Addiction Services:</i>			
Head Substance Abuse Prevention Program	N/A	81.186A	<u>45,000</u>
<b>Total U.S. Department of Health and Human Services</b>			<u><b>17,660,820</b></u>

(Continued)



**BUTLER COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2005  
(Continued)**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>			
<i>Passed through Ohio Emergency Management Agency:</i>			
State Domestic Preparedness Support Program	2004-GE-T4-0025	97.004	2,057,225
ODP Citizens Corps Program Grant	2005-GC-T5-0025 2004-GC-T4-0025	97.053	4,789
State Homeland Security Program (SHSP)	2005-GE-T5-0001	97.073	31,602
FEMA Grant		97.036	60,541
FEMA Supplemental CERT Grant	EMC-2003-GR-7066	97.054	13,423
Emergency Management Performance Grant	2005-EM-T5-0001	97.042	<u>72,597</u>
<b>Total U.S. Department of Homeland Security</b>			<b><u>2,240,177</u></b>
<b>Total</b>			<b><u><u>\$34,143,187</u></u></b>

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

**BUTLER COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE  
YEAR ENDED DECEMBER 31, 2005**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B – MATCHING REQUIREMENTS**

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

**NOTE C – WORKFORCE IMPROVEMENT ACT (WIA) FUNDING**

WIA funding is distributed to various areas of the State. Butler and Warren Counties belong to Area 12. Butler County receives all funding for Area 12, and, as fiscal agent, distributes amounts to Warren County. The County distributed \$975,646 to Warren County during fiscal year 2005.



## **Auditor of State Betty Montgomery**

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

Butler County  
315 High Street  
Hamilton, Ohio 45011

To the County Commissioners:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of Butler County, Ohio (the County), as of and for the year ended December 31, 2005, which collectively comprise the County's basic financial statements and have issued our report thereon dated June 28, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the County's internal control over financial reporting to determine our auditing procedures in order to express our opinion on the financial statements and not opine on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the County's ability to record, process, summarize, and report financial data consistent with management's assertions in the financial statements. A reportable condition is described in the accompanying schedule of findings as item 2005-001.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered material weaknesses. However, we do not believe the reportable condition described above is a material weakness. In a separate letter to the County's management dated June 28, 2006, we reported other matters involving internal control over financial reporting which we did not deem reportable conditions.

### **Compliance and Other Matters**

As part of reasonably assuring whether the County's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters that we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2005-001. In a separate letter to the County's management dated June 28, 2006, we reported other matters related to noncompliance we deemed immaterial.

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



**Betty Montgomery**  
Auditor of State

June 28, 2006



## **Auditor of State Betty Montgomery**

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

Butler County  
315 High Street  
Hamilton, Ohio 45011

To the Board of County Commissioners:

#### **Compliance**

We have audited the compliance of Butler County, Ohio (the County), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement that apply to each of its major federal programs for the year ended December 31, 2005. The summary of auditor's results section of the accompanying schedule of findings identifies the County's major federal programs. The County's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the County's compliance based on our audit.

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

In our opinion, Butler County complied, in all material respects, with the requirements referred to above that apply to each of its major federal programs for the year ended December 31, 2005.

#### **Internal Control Over Compliance**

The County's management is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could directly and materially affect a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses. However, we noted matters involving the internal control over federal compliance not requiring inclusion in this report that we reported to the County's management in a separate letter dated June 28, 2006.

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate discretely presented component units and remaining fund information of Butler County, Ohio (the County) as of December 31, 2005, and have issued our report thereon dated June 28, 2006. Our audit was performed to form opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying federal awards expenditures schedule provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



**Betty Montgomery**  
Auditor of State

June 28, 2006

**BUTLER COUNTY**  
**SCHEDULE OF FINDINGS**  
**OMB CIRCULAR A -133 § .505**  
**DECEMBER 31, 2005**

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

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(iv)</i>	Were there any material internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	CFDA #93.778: Title XIX: Medical Assistance Program CFDA: #10.760: USDA Rural Development Grant CFDA #90.401: Help America Vote Requirements Payments CFDA #14.239: Community Development Block Grant: Home Program
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 1,024,296 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

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

**FINDING NUMBER 2005-001**

**Noncompliance Citation/Reportable Condition – Minute Records**

**Ohio Rev. Code, Section 305.10**, requires the clerk of the board of county commissioners to maintain a full record of the proceedings of the board, and a general index of proceedings, entering each motion with the name of the person making it on the record. He shall call and record the yeas and nays on each motion which involves the levying of taxes or appropriation or payment of money.

**FINDING NUMBER 2005-001  
(Continued)**

According to **White v. Clinton County Bd. of Commissioners, 76 Ohio St. 3d 416, 424 (1996)**, “full and accurate minutes must contain sufficient facts and information to permit the public to understand and appreciate the rationale behind the relevant public body’s decision”.

**Ohio Rev. Code, Section 305.10**, also states that immediately upon the opening of each day’s session of the board of county commissions, records of the proceedings of the session of the previous day shall be read by the clerk of the board, and, if correct, approved and signed by the commissioners.

The County composes resolutions that are approved on a certain commission meeting date and indicates this composition of resolutions as minutes. In addition, the commission meetings are recorded on CD, cassette tape and sometimes video. The County’s method of recording and maintaining commissioner’s meeting minutes and resolutions did not always comply with the above requirements:

- To facilitate public access, the County’s website includes a link to resolutions. However, the resolutions available on the website did not always include the final versions maintained in the Commissioner’s office. For example, the amounts on the web site version of the original 2005 appropriation resolution did not agree to the amounts on the paper copy maintained in the Commissioner’s office.
- The County was unable to locate a signed copy of the 2005 appropriation resolution.
- For the November 9, 2005 and December 29, 2005 meetings, neither minutes nor recordings were maintained or available for review.
- The Commissioners also hold “work sessions” to discuss public business. The County records these sessions and recordings of them are available to the public. However, contrary to Ohio Rev. Code 305.10, the general index of proceedings does not document that these sessions occurred, and the index does not summarize these sessions.
- The recordings of the work sessions, meetings, and resolutions did not identify the name of the person making the motion as required by Ohio Rev. Code Section 305.10.

To help assure that the records of Commissioner’s meetings and motions are clear and complete, we recommend the following:

- The Clerk should review the web link to resolutions each month, and assure that the link is updated for the final adopted version of the resolutions. The County does not require a comparison of the website version of ordinances to the final ordinances. Assuring the posted versions represented the Commissioner’s final, legal actions would “. . . permit the public to understand and appreciate the rationale behind the relevant public body’s decision,” as the court case above requires.
- The County should maintain signed copies of all resolutions.
- The County should maintain a full record of all proceedings of the board.
- The County should document work sessions in the general index of proceedings to indicate that these are part of the official minutes.
- The County should identify in the minutes the name of the person making each motion as required by Ohio Rev. Code 305.10.



**FINDING NUMBER 2005-001  
(Continued)**

**Officials Response:**

*Following are excerpts from a response by Derek Conklin, County Administrator:*

- “[Regarding the instance in which the 2005 appropriation resolution on the website was not the approved version,] changes were made after the resolution was submitted and posted to the website. We are in the process of putting some procedures in place to avoid this in the future.”
- “A [2005 appropriation] resolution with signatures was not located but is believed to exist...”
- “This is a correct statement [For the November 9, 2005 and December 29, 2005 meetings, minutes, or recordings were not maintained or available for review.]. Apparently the "record" button on the recording equipment was not pushed which resulted in that meeting not being recorded. The plan now is to change the meeting recording procedure to include both audio and video recordings. So we now have video and audio recording to serve as a backup as well as to identify the speaker.”
- “Audio recordings are made of work sessions but they were not been treated as minutes of a regular or special meetings. A change in procedure to treat work sessions as regular or special meeting minutes will follow.”
- “Upon inspecting the actual audio recordings it is clear that Commissioner Fox has made it his practice to specifically ask audibly for the floor from the Board President so it is not difficult to recognize his voice. However, he does not say and it is hoped the State Auditor is not insisting he say, "For the record this is Commissioner Fox. May I please have the floor Commissioner Jolivette?" Board President Greg Jolivette conducts Board meetings so recognizing his voice should be obvious upon learning he is charge of the meeting. This leaves Commissioner Furmon's voice to be recognized. Commissioners do make a practice of asking citizens, who address the Board, to give their names and addresses, and they generally do so. However, citizens are not required to give their names if they do not wish to and citizens or staff members often speak spontaneously or are asked a question by a Board member and the response is not uttered by a microphone. Making both audio and video recordings of the meetings should address this issue in the future.”

<b>3. FINDINGS FOR FEDERAL AWARDS</b>
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None.

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**BUTLER COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS  
OMB CIRCULAR A -133 § .315 (b)  
DECEMBER 31, 2005**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2004-001	Finding for recovery for \$2,260 issued against Kimberly Sullivan-O'Connell and Gary W. Yates, Adult Probation Department.	No	This matter has been referred to the Butler County Prosecutor and the State Attorney General.
2004-002	Finding for recovery for \$100 issued against Linda Noes, Adult Probation Department.	Yes	
2004-003	Finding for recovery for \$219 issued against Vicki Camden and Gary Yates, Adult Probation Department.	Yes	



# Butler County Ohio

## Comprehensive Annual Financial Report



Year Ended December 31, 2005



## **ABOUT THE COVER**

A man sits at a bench in Rentschler Forest Preserve and enjoys the sights and sounds of nature of the Great Miami River. This is one of over twenty parks maintained by Butler County. The MetroParks of Butler County has many sites to see and offers a variety of interesting programs to people of all ages throughout the year. For more information about the MetroParks of Butler County, please visit their website at [www.butlercountymetroparks.org](http://www.butlercountymetroparks.org).

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# **Butler County, Ohio**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2005**

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

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# INTRODUCTORY SECTION

## Butler County Auditor's Office

The Auditor's office provides many services to taxpayers and other County offices. These areas are depicted on the divider pages of this report.



Kay Rogers meets with a group of senior citizens to identify and discuss issues relevant to this important segment of our County.



Kay Rogers works with the management team (from left counter clockwise) Randy Groves, Joe Statzer, and two vendor representatives to discuss a new approach to implementing procedures, controls, and checks and balances.



Kay Rogers attends a local Rotary Club meeting.



Joe Statzer (right), Community Services Director, meets with Stewart Leonard (left) from the Department of Job and Family Services.

# Fiscal Services

The Fiscal Services division performs many functions related to managing the County's finances including accounting for revenues, tracking expenses, issuing vendor and payroll warrants, distributing all taxes and fees collected by the County to the appropriate entity, and ensuring that the annual financial statements are accurate.



Belinda Ricketts (right), Fiscal Services director, works with Melissa Hubbard (left) from the Planning and Economic Development Department.



Bev Hoskins and Pam Bennett work diligently to ensure that all county employees are paid accurately and on time.



Dona Morningstar-Blizzard (front) assists Judith Garrett (back) from the department of Environmental Services with processing a pay-in.



Mimi Sullivan (back) answers questions about benefits posed by Katie Smiddy (front) from the Department of Environmental Services.

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Year Ended December 31, 2005

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**BUTLER COUNTY  
AUDITOR**

June 28, 2006

To the Citizens and  
Board of Commissioners of Butler County:

It is our pleasure to present the Butler County Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2005. This report contains basic financial statements, supplemental statements, and other financial and statistical information, providing complete and full disclosure of all material financial aspects of Butler County for 2005.

The Fiscal Services Division of the County Auditor's Office is responsible for the accuracy, completeness, and fairness of this report. This report is prepared in conformance with generally accepted accounting principles as set forth by the Government Accounting Standards Board (GASB) and other recognized authoritative sources, and is representative of our continual commitment to provide accurate and timely financial information to the citizens of Butler County.

The CAFR is divided into the following sections:

1. The Introductory Section contains a table of contents, letter of transmittal, certificate of achievement, a list of elected officials, and the organizational charts of the County and County Auditor's Fiscal Services Division.
2. The Financial Section contains the Independent Accountants' Report; Management's Discussion and Analysis; Basic Financial Statements and Notes to the Basic Financial Statements, which provide an overview of the County's financial position and operating results; Required Supplemental Information and the Combining Statements for nonmajor funds and other schedules that provide additional information relative to the Basic Financial Statements.
3. The Statistical Section includes selected financial, economic, and demographic information about the County that may be used to extrapolate trends in comparison to other years.

**FORM OF GOVERNMENT AND REPORTING ENTITY**

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

Butler County, with a 2005 estimated population of 350,412, ranks eighth largest of Ohio's 88 counties and third among the 14 counties comprising the Greater Miami Valley. The County encompasses 469 square miles with thirteen municipalities and thirteen townships. The City of Hamilton is the county seat and the largest of the incorporated areas with a population of 61,943. West Chester Township is the largest unincorporated area in the County and, with a population of 56,409, it is Ohio's third-most populous township.

The County has only those powers conferred upon it by Ohio statutes. A three-member Board of County Commissioners, elected at large in the even numbered years for four-year, over-lapping terms, is the primary legislative and executive body of the County. An appointed County Administrator directs and supervises activities of departments directly responsible to the Board of County Commissioners. The Administrator's responsibilities include coordinating the annual budgetary process as primary liaison between the Board of County Commissioners and other County elected officials, designated boards, and other units of government.



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

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

For financial reporting purposes, the County includes all funds, agencies, boards, and commissions making up Butler County (the Primary Government) and its Component Unit in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, and 39 "The Financial Reporting Entity." The Primary Government includes the financial activities of the County Board of Mental Retardation and Developmental Disabilities, Butler County Community Mental Health Board, Butler County Children Services Board, Butler County Planning Commission, Butler County Veterans Service Commission, Board of Elections, and Butler County Alcohol and Drug Addiction Services Board.

The County serves as fiscal agent but is not financially accountable for the following agencies: Butler County General Health District, Butler County Soil and Water Conservation District, Butler County Regional Transit Authority, Metroparks of Butler County, Twelfth District Court of Appeals, Work Investment Act (WIA) Area 12, Regional Mobile Data Board and the Solid Waste Planning District; therefore, they are reflected as agency funds within the County's financial section.

Miami Valley Industries Workshop has been included as a discretely presented component unit based on the significant services and resources provided by the County.

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

The Butler County Alliance is disclosed as a governmental joint venture. The Butler County Emergency Management Agency and the Transportation Improvement District of Butler County are disclosed as jointly governed organizations. The County Risk Sharing Authority is disclosed as a risk sharing pool. The Regional Transit Authority is disclosed as a related organization of the County.

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

## **ECONOMIC CONDITION AND OUTLOOK**

Butler County has been one of the fastest growing counties in Ohio over the last two decades. Recent census returns indicate that Butler County's population increased nearly 42,000 from 1990 to 2000, ranking fourth among Ohio's 88 counties in population growth. Considered the center of a "metroplex" connecting Cincinnati and Dayton, it has been projected that this area could rank among the ten largest markets in the nation by 2010. Served by rail lines, interstate highways, two nearby international airports, and a developing high-speed fiber-optic data communications infrastructure, Butler County is an ideal location for businesses to locate and prosper.

A total of 3,854 building permits were issued in 2005 in the unincorporated areas of Butler County, representing over \$544 million of valuation. These figures do not reflect activity within the incorporated cities of Butler County.

Through its Enterprise Zone program, Butler County initiated tax incentives to a number of companies expanding within, or relocating to, Butler County, Ohio. During 2005, 7 projects were approved and estimates suggest that these projects will create and retain 797 jobs in Butler County. In addition, these projects are estimated to generate just over \$24 million in real property investment and just over \$67 million in personal property investment. These projects reflect an increase of approximately \$21 million from the previous year.

The Board of County Commissioners also administers the Butler County Revolving Loan Fund through the Certified Development Company of Butler County, Inc. (CDCBC). No new projects under the Revolving Loan Fund were implemented in 2005. The CDCBC has been certified as a State of Ohio lender under the U. S. Small Business Administration's 504 Affordable Loan Program. As such, 8 loans were approved under this program with a combined total project cost of \$6,932,494 in public and private investment. This investment commits Butler County employers to create or retain a minimum of 13 jobs in Butler County and 69 in the Greater Ohio regions totaling 82 full time jobs. Over 719 jobs have been created or retained through these public financing programs administered by the CDCBC over the last ten years.

## **MAJOR INITIATIVES**

### **Water System**

Several major water system improvement projects took place in 2005. The replacement of polybutylene water service lines is an ongoing project, which will continue for a number of years.

2005 saw the total miles of water lines in the water service area increase from 648 miles to 667 miles.

Major projects include:

**Liberty Fairfield Pump Station** - Construction of the Liberty Fairfield Water Pump Station Replacement project began with a groundbreaking on October 20, 2005. The construction cost of this important facility is approximately \$4,200,000. The new pump station will have the capability of pumping over 9 million gallons per day and is expandable to a capacity of over 13 million gallons per day. Completion of this facility is scheduled for July, 2006. This project replaces an aging pump station and provides additional capacity for future growth in Fairfield and Liberty Township.

**36" Water Main from Cincinnati — Phase 1** - Construction of the first phase of the 36" water main from Cincinnati was placed in operational service in October, 2005. The second and final phase of this project will be in service in late 2006. Upon completion, this pipeline will have the capacity to deliver over 15 million gallons per day to Butler County water system customers.

**Monroe Water Supply** - BCDES completed construction of improvements designed to provide over 500,000 gallons per day of drinking water to the City of Monroe. Serving approximately 2,000 homes and businesses in Monroe, this project provides numerous benefits to both Butler County and the City of Monroe.

**State Route 747– Port Union Water Main Replacement Project** - The project replaced more than 13,000 feet of aging cast iron water main on S.R. 747, Duff Drive, and Dues Drive in West Chester. High traffic and a high number of businesses complicated this project. This project significantly improves the reliability of water service to this densely developed commercial and industrial area. This \$1.7M project was partially funded by an Ohio Public Works Commission grant.

## **Sewer System**

The total length of sanitary sewers in service increased from 757 miles to 791 miles during 2005.

Major projects include:

**Sewer System Master Plan** - The Butler County Sewer System Master Plan began in mid-2005. This is the most significant sewer system planning initiative conducted by BCDES in several decades. This study will analyze sewer system needs for the next 20 years and beyond. The planning study will complete by October 2006.

**New Miami Water Reclamation Facility and Sanitary Sewer System** - This project was approximately 80% complete by the end of 2005. The new facilities are anticipated to be operational by April, 2006. This project will provide public sewer service to almost 900 homes and businesses in the Village of New Miami with the capability to expand to areas of St. Clair Township, Wayne Township, and the Village of Seven Mile in the near future. Total construction cost is over \$12M and has been partially paid for by grants from USDA-RD and OPWC totaling over \$7.3M.

**Upper Mill Creek Water Reclamation Facility Improvements** - The Upper Mill Creek WRF improvements were nearing completion by the end of 2005. This project will likely be the last expansion necessary and will likely meet all future growth and development needs in the UMC sewer service area. The project should be in operation by the end of June, 2006. The cost of this project will exceed \$13M. When complete, the Upper Mill Creek facilities will have a treatment capacity of 16 million gallons per day and will achieve nutrient removal in accordance with Ohio EPA requirements.

## **Roads and Bridges**

According to Ohio Law, the County Engineer is responsible for the construction, reconstruction, maintenance, and repair of all bridges and highways within the County that fall under the jurisdiction of the Board of County Commissioners. As of December 31, 2005, this responsibility included oversight over 273 miles of County roadways, 371 bridges, and 1,019 culverts. Additionally, the County Engineer is also responsible for the construction, reconstruction, resurfacing, or improvement of township roads falling under the jurisdiction of the various boards of township trustees in the County.

Gasoline taxes and license plate fees serve as the primary sources of funding for projects scheduled by the Engineer each year. These funds serve as an important source of local match money used for leveraging additional outside dollars from State and federal sources. In 2005, the County received \$8,399,628 of such revenues.

During 2005, the Engineer was involved with over \$18.7 million in roadway construction, maintenance, and repair in Butler County. Additionally in 2005, the Engineer's office completed 6 bridge replacements and rehabilitations, 33 culvert replacements, 4 roadway improvements, over 45.6 miles of resurfacing, and 3 Community Development Block Grant projects. \$1,944,544 was spent on general roadside maintenance and snow and ice control.

## **Capital Improvements**

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

Capital spending for administrative projects was again minimal during 2005 due to budgetary constraints, a situation that is likely to continue into 2006. Correspondingly, capital spending as a result of tax increment financing districts continued at a modest pace in 2005. These projects include Liberty Interchange Engineering \$372,105; Cincinnati-Dayton Road/Yankee Road Extension/Improvement \$740,228; and Cincinnati-Dayton Road (Walmart) \$1,487,255. In addition the Butler County Engineer manages and expends gasoline tax funds on various roadway projects throughout the County.

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

The Butler County Auditor's Office recognizes that the formula for success lies in its people, processes, and technology, focusing on value added services to its customers. These customers include taxpayers, people requesting specific services, people using various County websites, representatives from various County offices, and other federal, state and local agencies. It is one of the Auditor's goals to increase customer service levels while containing costs via the use of technology, standardized business practices, training and education, effective leadership, communications, and a solid management team.

The Auditor's Office provides a wide array of services to taxpayers. In order to effectively attain a high level of service, several divisions of the Auditor's Office were organized based on commonality of customers and services. The divisions include the following:

### **Fiscal Services Department**

**Finance** - Responsible for accounting and financial reporting, processing purchase orders, payins and vendor payments for all Butler County agencies.

**Payroll** – Responsible for processing all aspects of the County's payroll including, payments to employees, payments to all payroll tax assessing agencies, monthly, quarterly and yearly reporting on the wages and benefits earned by County employees.

**Health Insurance** – Responsible for both employee and employer obligations for health, dental and life insurance benefits of all County employees. Responsible for new enrollments, adding and deleting dependents and termination of coverage.

### **Real Estate Department**

**Appraisal, Assessments, and Homestead Exemptions** –Responsible for uniformly assessing and appraising all County properties for tax purposes. Also administers the Homestead Exemption Act to provide the elderly and disabled with tax savings.

**Tax Accounting** – Responsible for preparing a general tax list and distributing tax revenues to the appropriate taxing authorities. The Auditor's Office does not raise or lower property taxes.

**Conveyance and Current Agricultural Use Value (CAUV)** – Responsible for transferring all real estate property changes in ownership in the County and administering the CAUV program.

**Manufactured Housing** – Responsible for registering manufactured houses for tax purposes.

### **Consumer Services Department**

**Personal Property Tax** – Responsible for administering the tangible personal property tax laws for items such as equipment, furniture, fixtures, and inventory.

**Licensing** – Responsible for issuance of dog tags, licenses for cigarette sales, and vendor licenses.

**Weights and Measures** – Responsible for monitoring the calibration of devices used for measurement such as gas pumps, utility meters, and cash registers.

**Deputy Registrar** – Responsible for issuing drivers licenses at the Hamilton West License Bureau.

### **Butler County Information Services Department**

**Software Team** – Responsible for developing, implementing and supporting systems related to finance, property values and taxes, the geographic information system, and a host of other systems.

**Hardware Team** – Responsible for installing and maintaining personal computers, servers, storage arrays, network components, printers, and other peripherals.

**Database Team** – Responsible for designing, tuning, and maintaining the databases used as backbone for many of the County's software applications.

**Network Team** - Responsible for designing, implementing, and maintaining the County's computer and communications network, linking them together, and providing connectivity through the use of the fiber optic network.

The Auditor's Office has recognized that customers are both external such as taxpayers, vendors, and other government entities as well as internal, such as the other County offices. By implementing proven technologies

and solid management practices, the Auditor's office has continued the quest to provide maximum value to all customers.

## **FINANCIAL INFORMATION**

### **Basis of Accounting**

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

### **Internal Control**

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

### **Budgetary Control**

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

## **OTHER INFORMATION**

### **Independent Audit**

Included in this report is the Auditor of State's unqualified opinion rendered on the County's basic financial statements as of and for the year ended December 31, 2005. An independent audit of the County's financial statements is part of the annual preparation of the CAFR. This annual independent audit will continue to review, comment on, and thereby strengthen the County's accounting and budgetary controls.

### **Management's Discussion and Analysis (MD&A)**

GASB Statement No. 34 (GASB 34) requires that management provide an introductory overview and narrative, known as the Management's Discussion and Analysis (MD&A), to accompany the basic financial statements. This transmittal letter is intended to complement and be read in conjunction with this analysis. The MD&A can be found immediately following the independent accountants' report.

## **GFOA Certificate of Achievement**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Butler County for its comprehensive annual financial report for year ended December 31, 2004. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

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

## **Acknowledgments**

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

A special word of thanks is offered to Robert Leventry, Ralph Statzer and Katie Smiddy, with the Department of Environmental Services, and Mike Muska, Rhonda Smith and Kim Geisler with the Metroparks agency, whose efforts are greatly appreciated.

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

This report would not have been possible if not for the significant efforts and dedication of the Fiscal Services staff. We offer our sincere thanks to the following members of the Fiscal Services staff, each of whom were invaluable contributors committed to this project. To Pamela Bennett, Vicki Birri, Lavonne Brandenburg, Lauren Costello, Nina Evans, Anne Gaw, Beverly Hoskins, Hailey Long, Dona Morningstar-Blizzard, Jodi Rhoads, Rachel Sandlin, and Mimi Sullivan, we offer thanks for a job well done. We would like to especially recognize Randy Groves, Jill Cole, Dawn McClure and Doug Lewan for their untiring commitment to this project. Without their abilities, dedication, and sheer will, this project would never have been completed.

It is the mission of the Auditor's office to bring a high level of professionalism to Butler County government and to better inform and educate its citizens. Through the issuance of this Comprehensive Annual Financial Report, the County remains accountable to the public, and the public trust with which we have been provided, is retained. This report provides a fair representation of the financial condition of the County as of and for the year ended December 31, 2005. We ask for your continuing support of this project and in our efforts to best serve the citizens of Butler County.

Sincerely,

Kay Rogers, CPA, CGFM  
Butler County Auditor

Belinda L Ricketts  
Director – Fiscal Services

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Butler,  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2004

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



*Carla E. Perry*

President

*Jeffrey R. Enos*

Executive Director

**Butler County, Ohio**

**December 31, 2005**

**Elected Officials:**

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<b>Board of County Commissioners</b>	<b>Charles Furmon Michael A. Fox Gregory V. Jolivette</b>	<b>President Commissioner Commissioner</b>
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<b>Other Elected Officials</b>	<b>Gregory J. Wilkens, PE, PS Kay Rogers, CPA,CGFM Carole B. Mosketti Danny N. Crank Richard K Jones Dr. Richard Burkhardt Cindy Carpenter Robert N. Piper</b>	<b>Engineer Auditor Treasurer Recorder Sheriff Coroner Clerk of Courts Prosecutor</b>
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<b>Common Pleas Court</b>	<b>Honorable Patricia S. Oney</b>	<b>Administrative Judge</b>
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**General Division:**

<b>Honorable Matthew J. Crehan</b>	<b>Judge</b>
<b>Honorable Andrew Nastoff</b>	<b>Judge</b>
<b>Honorable Charles L. Pater</b>	<b>Judge</b>
<b>Honorable Michael J. Sage</b>	<b>Judge</b>
<b>Honorable Keith M. Spaeth</b>	<b>Judge</b>

---

**Domestic Relations Division:**

<b>Honorable Sharon Kennedy</b>	<b>Judge</b>
<b>Honorable Eva D. Kessler</b>	<b>Judge</b>

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**Juvenile Division:**

<b>Honorable David J. Niehaus</b>	<b>Presiding Judge</b>
<b>Honorable Ronald R Craft</b>	<b>Judge</b>

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**Probate Division:**

<b>Honorable Randy T. Rogers</b>	<b>Judge</b>
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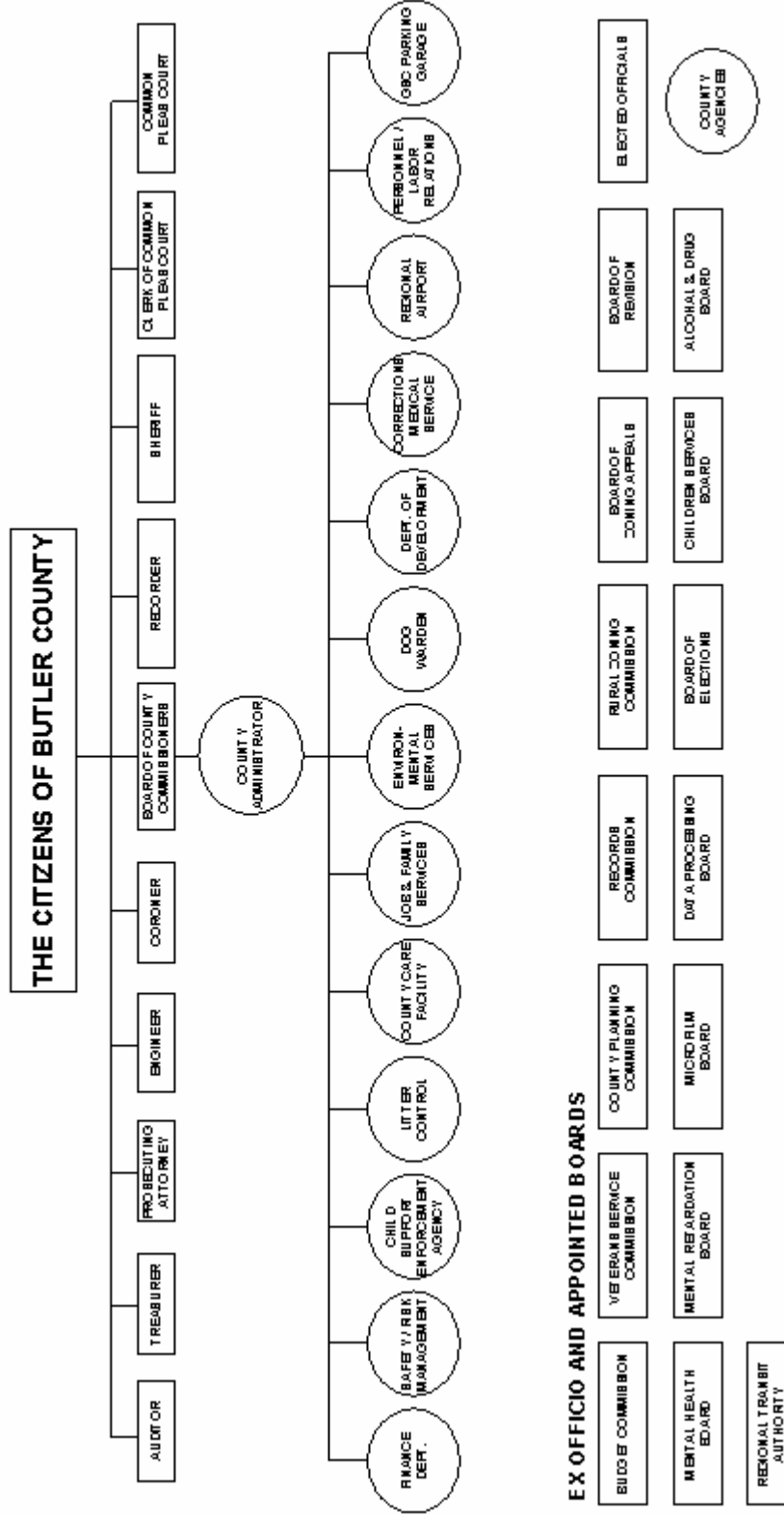
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<b>Area Court I</b>	<b>Honorable Robert Lyons</b>	<b>Presiding Judge</b>
<b>Area Court II</b>	<b>Honorable John B. Connaughton</b>	<b>Presiding Judge</b>
<b>Area Court III</b>	<b>Honorable Robert Hendrickson</b>	<b>Presiding Judge</b>

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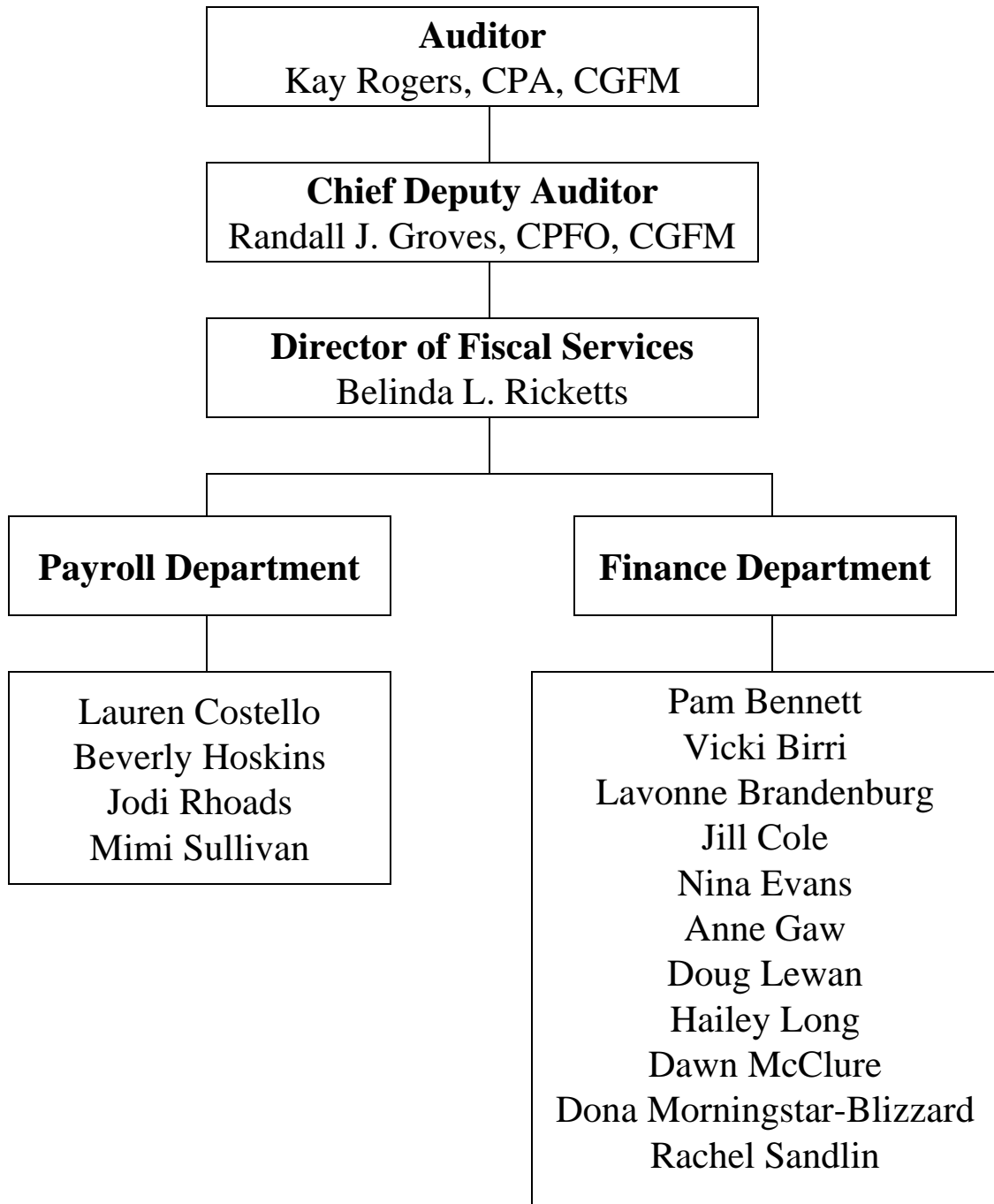


# Butler County, Ohio Organizational Chart



# Butler County, Ohio

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



# FINANCIAL SECTION

## Real Estate Division

The Real Estate division is responsible for maintaining a database of over 160,000 parcels located in the County, assessing values for these parcels, transferring deeds of ownership, registering owners of manufactured housing, and performing other related activities such as managing the Current Agricultural Use Value (CAUV) program.



Mike Tilton, the director of the Real Estate division, works with Anne Faust to ensure that accurate data is provided to taxpayers.



Megan Duane (back) assists a customer at the real estate conveyance desk.



Harold Baxter (left) reviews a plat map with a customer relative to the Current Agricultural Use Value (CAUV) program.



Alma Croucher assists customers with a homestead exemption application.



The Real Estate department has representatives in the field everyday. Ugur Inan works with Ron Lauch to take measurements for a completed house to verify property characteristics.



Renee Berger and Ron Lauch measure a section of a new housing project.



A Board of Revision meeting is conducted. In attendance is Michael Grevey, Harold Baxter, Jim Fox, and Eileen Driggs.



Pam Bingaman operates the switchboard for the Real Estate division with a friendly hello, directing customers to the appropriate person.



## Auditor of State Betty Montgomery

### INDEPENDENT ACCOUNTANTS' REPORT

Butler County  
130 High Street  
Hamilton, Ohio 45011

To the County Commissioners:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of Butler County, Ohio (the County), as of and for the year ended December 31, 2005, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of Butler County, Ohio, as of December 31, 2005, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General, Mental Retardation Fund, Job and Family Services Fund, and Children Services Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2006, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

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

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

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

June 28, 2006

**Butler County, Ohio**  
**Management's Discussion and Analysis**  
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Management's Discussion and Analysis offers the users of these financial statements an introspective look at the finances of Butler County for the year ended December 31, 2005, providing an easily readable overview of the County's financial performance as a whole while assisting readers in interpreting the basic financial statements. In addition to the information presented here, readers are also encouraged to review the transmittal letter, found on page iv, and the County's financial statements, beginning on page 15, for a more complete picture of Butler County's financial performance.

### **Financial Highlights**

- Total net assets for Butler County increased \$49.3 million, or 9%, \$30.3 million of which came from business-type activities.
- General revenues and transfers accounted for 38.4% of total revenues for governmental activities, totaling \$98.9 million. Property tax and sales tax revenues were 78%, or \$77.1 million, of these general revenues, a 14% increase over 2004 as the voters approved property tax increases for MR/DD and Elderly Services and the County approved a half percent sales tax increase beginning in October of 2005.
- The General Fund operated at a 5.1% deficit as expenditures and other uses again outpaced revenues and other sources resulting in a \$10.6 million fund balance. The unreserved, undesignated portion of the fund balance at year-end increased from \$6.6 million in 2004, to \$8.7 million in 2005, and is now 82% of the fund balance at December 31, 2005.
- A new electronic, touch-screen voting system was acquired for \$4.5 million for the board of elections.
- Long term notes in the amount of \$4.7 million were issued to fund the construction of the Metroparks' Voice of America Park, a multi-phased project to include a pond and recreation building.
- \$13.235 million in water revenue bonds were issued to refund outstanding 1996 water bonds.
- \$19.575 million in sewer revenue bonds were issued to partially refund outstanding 1997, 1998, and 1999 sewer bonds.
- \$14.85 million in water revenue bonds were issued to retire outstanding water system bond anticipation notes originally issued in 2004 and to provide \$6.45 million in additional funding for waterworks system improvements.

### **Overview of the Financial Statements**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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**Government-wide Financial Analysis**

The County realized a 9%, \$49.3 million increase in total net assets in 2005 from the combined 2004 governmental and business-type activities. The investment in capital assets (net of related debt issued to acquire the assets) of \$488.3 million represents 78% of total net assets of the County. Capital assets are used to provide services to residents and do not represent assets that may be used for future spending.

Sixty percent (60%) of the County's net assets are used providing governmental activities. Net assets used in governmental activities increased five (5%) from 2004 to 2005 while net assets used in business-type activities increased by fourteen percent (14%).

	Governmental Activities		Business-type Activities		Total	
	2005	2004 Restated	2005	2004 Restated	2005	2004 Restated
<b>Assets</b>						
Current and other assets	\$ 207,906,585	\$ 187,630,422	\$ 108,711,178	\$ 102,909,493	\$ 316,617,763	\$ 290,539,915
Capital assets	368,806,022	363,518,621	298,039,270	265,151,325	666,845,292	628,669,946
<b>Total Assets</b>	<b>576,712,607</b>	<b>551,149,043</b>	<b>406,750,448</b>	<b>368,060,818</b>	<b>983,463,055</b>	<b>919,209,861</b>
<b>Liabilities</b>						
Current and other liabilities	85,271,014	78,450,519	16,321,869	13,150,801	101,592,883	91,601,320
Long-term liabilities:						
Due within one year	23,517,570	21,920,677	6,912,752	14,208,131	30,430,322	36,128,808
Due in more than one year	91,875,944	93,762,655	132,529,295	120,022,318	224,405,239	213,784,973
<b>Total Liabilities</b>	<b>200,664,528</b>	<b>194,133,851</b>	<b>155,763,916</b>	<b>147,381,250</b>	<b>356,428,444</b>	<b>341,515,101</b>
<b>Net Assets</b>						
Invested in capital assets, net of related debt	284,893,107	274,568,990	203,448,271	175,845,751	488,341,378	450,414,741
Restricted for:						
Capital projects	519,749	5,014,909	-	-	519,749	5,014,909
Debt service	7,008,908	6,956,835	6,406,549	7,894,357	13,415,457	14,851,192
Replacement and Improvement	-	-	6,000,000	6,000,000	6,000,000	6,000,000
Other purposes	86,481,269	79,585,288	-	-	86,481,269	79,585,288
Unrestricted	(2,854,954)	(9,110,830)	35,131,712	30,939,460	32,276,758	21,828,630
<b>Total Net Assets</b>	<b>\$ 376,048,079</b>	<b>\$ 357,015,192</b>	<b>\$ 250,986,532</b>	<b>\$ 220,679,568</b>	<b>\$ 627,034,611</b>	<b>\$ 577,694,760</b>

Current assets and current liabilities increased in 2005 by \$20.2 million and \$6.8 million, respectively, due in large part to the receipt and accrual of tax revenues from voted property tax increases for MR/DD and Elderly Services, and the half percent sales tax the County approved in October to fund the county-wide 800 megahertz public safety radio communications system. The sales tax increase also affected unrestricted net assets, which increased \$6.3 million in 2005, as did the \$2.08 million Shell Oil settlement and the reduction of outstanding debt due to a note retirement and debt restructuring. Unrestricted net assets for governmental activities are reported as a negative value due to the debt the County has issued for infrastructure and other capital assets that are not assets of the County (e.g., infrastructure improvements constructed in TIF zones or assets of another political subdivision) or the assets belong to the County's business-type activities. Other significant changes in assets, liabilities, and net assets of the County are the result of activity analyzed at the fund level in the Fund Analysis section beginning on page 9.

**Governmental Activities.** The County's governmental activity expenses exceeded program revenues in 2005 by \$80 million and, with an infusion of \$98.9 million of general revenues and transfers, resulted in a \$19 million increase to governmental activity net assets. Total net assets used in governmental activities now exceed \$376 million.

Program revenues supporting governmental activities decreased 3% from 2004 to \$158.5 million. Program revenues consisting of charges for services and operating and capital grants and contributions constitute 62% of total revenues associated with governmental activities, while 38% are general revenues. Of the general revenues, 78% come from

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property taxes or sales taxes, an increase of 14% over 2004 property and sales taxes, largely attributable to the additional property taxes realized in 2005 from the MR/DD replacement tax levy that was passed in November 2004.

	Governmental Activities		Business-type Activities		Total	
	2005	2004 Restated	2005	2004 Restated	2005	2004 Restated
<b>Revenues</b>						
<b>Program Revenues:</b>						
Charges for Services	\$ 48,460,490	\$ 63,012,448	\$ 39,556,486	\$ 36,734,400	\$ 88,016,976	\$ 99,746,848
Operating Grants and Contributions	90,046,804	85,877,036	-	-	90,046,804	85,877,036
Capital Grants and Contributions	19,949,194	14,115,402	34,706,212	26,867,947	54,655,406	40,983,349
<b>Program Revenues Subtotal</b>	<b>158,456,488</b>	<b>163,004,886</b>	<b>74,262,698</b>	<b>63,602,347</b>	<b>232,719,186</b>	<b>226,607,233</b>
<b>General Revenues:</b>						
Property Taxes	54,504,970	49,410,933	-	-	54,504,970	49,410,933
Sales Taxes	22,607,425	18,414,113	-	-	22,607,425	18,414,113
Grants and Entitlements Not Restricted to Specific Programs	11,954,539	11,232,408	-	-	11,954,539	11,232,408
Interest	5,069,405	1,732,089	781,251	276,589	5,850,656	2,008,678
Other	4,700,166	2,412,759	10,003,224	1,448,950	14,703,390	3,861,709
<b>General Revenues Subtotal</b>	<b>98,836,505</b>	<b>83,202,302</b>	<b>10,784,475</b>	<b>1,725,539</b>	<b>109,620,980</b>	<b>84,927,841</b>
<b>Total Revenues</b>	<b>257,292,993</b>	<b>246,207,188</b>	<b>85,047,173</b>	<b>65,327,886</b>	<b>342,340,166</b>	<b>311,535,074</b>
<b>Program Expenses</b>						
<b>General Government:</b>						
Legislative and Executive	29,973,286	41,811,607	-	-	29,973,286	41,811,607
Judicial	15,310,560	13,961,424	-	-	15,310,560	13,961,424
Public Safety	39,391,890	39,076,252	-	-	39,391,890	39,076,252
Public Works	22,396,375	20,443,207	-	-	22,396,375	20,443,207
Health	47,524,463	47,785,590	-	-	47,524,463	47,785,590
Human Services	78,630,914	70,220,434	-	-	78,630,914	70,220,434
Conservation and Recreation	517,825	477,828	-	-	517,825	477,828
Interest and Fiscal Charges	4,546,165	4,445,020	-	-	4,546,165	4,445,020
Sewer	-	-	26,013,574	24,059,068	26,013,574	24,059,068
Water	-	-	28,528,100	22,957,096	28,528,100	22,957,096
Parking Garage	-	-	167,163	162,505	167,163	162,505
<b>Total Expenses</b>	<b>238,291,478</b>	<b>238,221,362</b>	<b>54,708,837</b>	<b>47,178,669</b>	<b>293,000,315</b>	<b>285,400,031</b>
<b>Increase in Net Assets before Transfers</b>	<b>19,001,515</b>	<b>7,985,826</b>	<b>30,338,336</b>	<b>18,149,217</b>	<b>49,339,851</b>	<b>26,135,043</b>
<b>Transfers</b>	<b>31,372</b>	<b>-</b>	<b>(31,372)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Increase (Decrease) in Net Assets</b>	<b>19,032,887</b>	<b>7,985,826</b>	<b>30,306,964</b>	<b>18,149,217</b>	<b>49,339,851</b>	<b>26,135,043</b>
<b>Net Assets January 1</b>	<b>357,015,192</b>	<b>349,029,366</b>	<b>220,679,568</b>	<b>202,530,351</b>	<b>577,694,760</b>	<b>551,559,717</b>
<b>Net Assets December 31</b>	<b>\$ 376,048,079</b>	<b>\$ 357,015,192</b>	<b>\$ 250,986,532</b>	<b>\$ 220,679,568</b>	<b>\$ 627,034,611</b>	<b>\$ 577,694,760</b>

Governmental activity charges for services in 2005 were 23% or \$14.6 million lower than 2004 due to the reclassification of the Health Insurance Fund from a Special Revenue Fund to an Internal Service Fund, and the reclassification of the Ohio Housing Trust fees to an Agency Fund. Capital grants increased \$5.8 million (41%) as the County received grant funds to help fund the purchase of new touch-screen voting machines by the Board of Elections and there was an increase in collections for the Voice of America TIF. Interest revenue at \$5.1 million was nearly three times the level received in 2004, as interest income was up and the carrying value of the County's investments rebounded in 2005. Sales tax revenues increased \$4.2 million (23%) due to the additional one-half percent sales tax that was enacted by the commissioners in October of 2005 to fund the county-wide 800 megahertz public safety radio communications system. Other revenues increased 95% or \$2.3 million mainly from the \$2.08 million Shell Oil settlement received in 2005.

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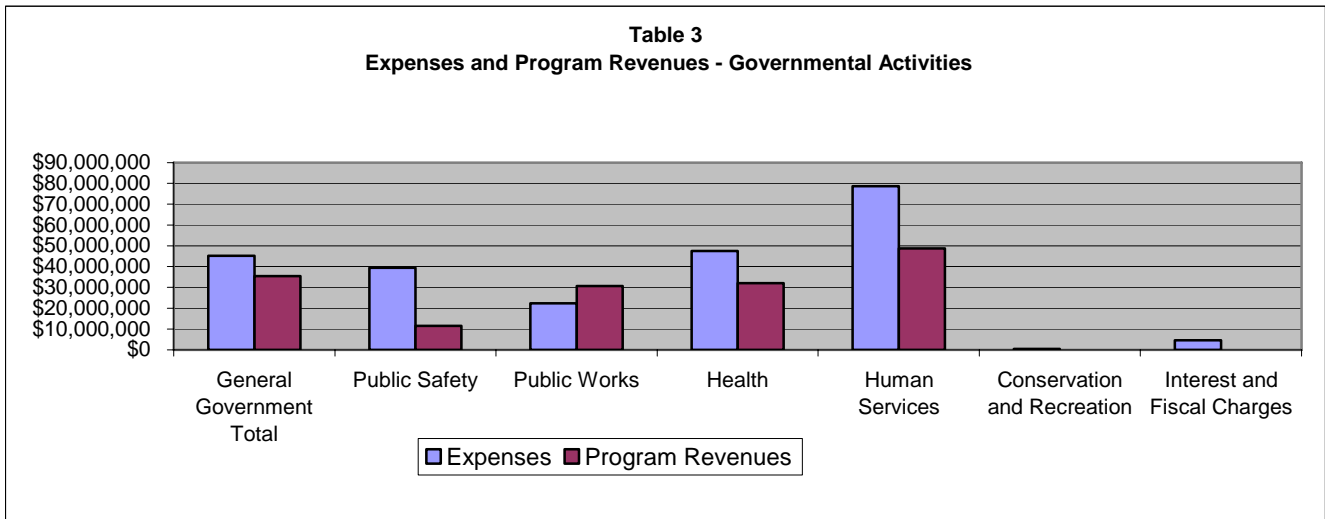
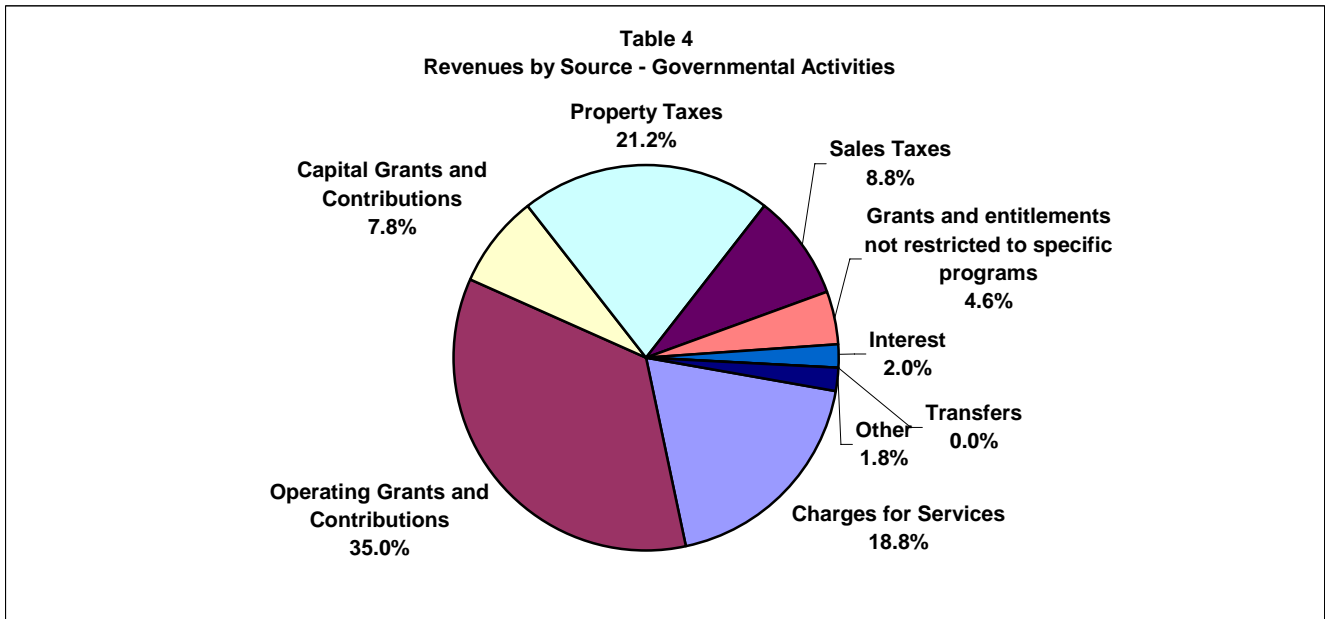


Table 3 provides a comparison of governmental activity expenses with program revenues. Table 4 provides a breakdown of the sources of governmental activity revenues.



**Business-type Activities.** The County's sewer and water system operations constitute 99% of the business-type activities. Butler County management has established sound fiscal plans and mechanisms in order to respond to the challenges of delivering efficient and cost effective services to a large service area whose capacity has been continually expanding due to the tremendous growth the County has seen over the years. Net assets of the business-type activities increased \$30.3 million in 2005, a fourteen percent increase over 2004, further improving the County's already excellent financial position. Further detail regarding the financial condition of the sewer and water systems are provided in the *Fund Analysis* section that follows.

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## **Fund Analysis**

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

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

At year-end, the governmental funds combined ending fund balance of \$75.7 million was \$12 million greater than the same balance just one year ago, a 19% increase overall. Much of this increase can be attributed to the Mental Retardation Fund and Children Services Board Fund whose fund balances increased \$7.1 million (80%) and \$1.7 million (27%), respectively. The Mental Retardation Fund benefited from the passage of a 1.0 mill replacement operating levy in November 2004, as a 25% increase in tax revenues was realized, while expenditures were reduced by 5% or \$1.2 million from the previous year as Title XIX CAFS special services contracts were eliminated because of a billing structure change. While spending was up in the Children Services Board Fund by 21% over the previous year, revenues still exceeded expenses by \$1.7 million. In the Job and Family Services Fund, an additional \$2.6 million in workforce development funding was received, most of which was expended during the year. A \$1.5 million increase in daycare expenditures and an additional \$.68 million in personal service expenditures from an early retirement program factored in an operating deficit of \$1.1 million for 2005.

In the County's other funds reported in All Other Governmental Funds, \$1.1 million in bond proceeds received in the Metroparks Fund was not expended at year end and revenues exceeded expenditures in the Motor Vehicle Fund (\$1.9 million) and Elderly Services Levy Fund (\$.6 million), thus significantly contributing to the overall increase to the fund balances in governmental funds.

Only a portion of the \$75.7 million fund balance in the governmental funds is available for spending in next year's budget, however. This is referred to as the *unreserved fund balance*, and at December 31, 2005, the unreserved fund balance for the governmental funds had increased to \$63.3 million, or 84% of the total fund balance. The *reserved fund balance* indicates what monies have already been committed and is not an available expendable resource. The reserved governmental funds balance of \$12.4 million represents 16% of the total fund balance and has either been committed for the payment of current contracts and purchase orders (\$10 million), debt service (\$.1 million), other miscellaneous commitments (\$.4 million), or has been reserved until loans or advances have been repaid to the General Fund (\$1.9 million).

The economic growth that has continued in Butler County in 2005 plays an important supportive role for the County's financial position. The continued growth in the tax base supports the level of financial strength of the County. The overall financial position for Butler County's principal operating fund, the General Fund, is relatively unchanged from the previous year as represented by only a slight decline in fund balance. While taxes increased \$3.2 million (10%) and interest earned was up \$1.7 million (58%) over the prior year, expenditures and other financing uses exceeded revenues and other financing sources and the General Fund balance declined \$.5 million to \$10.6 million. The General Fund's unreserved fund balance, at \$8.7 million was 32% greater than the previous year and represents 9% of 2005 General Fund expenditures. The ending fund balance of \$10.6 million is now 14% of the 2005 General Fund actual revenues and remains aligned with management's strategic target.

While the financial position of the General Fund reflects no major change, operations can be measured by peer review with other Ohio counties. Such comparisons, often referred to as "per capita" computations, show that Butler County's General Fund, when compared with other Ohio counties, ranks in the bottom third of counties in Ohio from a General Fund tax per capita perspective as determined by the County. Additionally, legislative and executive expenditures as well as judicial expenditures rank in the bottom half, and public safety expenditures rank near the higher third of Ohio counties (using numbers gathered from 2004 CAFRs under a ranking system of high to low).

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

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*Sewer Fund.* The sewer system's \$28.2 million in current assets, principally (\$22.7 million) composed of equity in pooled cash and cash equivalents, when related to current liabilities of \$16.9 million resulted in a current ratio of 1.67 at year-end, meaning that current assets covered current obligations one and two-thirds times, leaving an adequate safety margin of working capital (current assets less current liabilities) for ongoing operations, debt service, and contingencies.

After three consecutive years without a sewer rate increase, 2005 marked the first year of a sewer rate increase, 4%, which was effective January 1, 2005. Based on current assumptions, projected annual sewer rate increases over the next few years are not expected to exceed 2%. Operating revenues of \$18.45 million were 3.8% or \$0.7 million higher than in 2004, while operating expenses were 8% or \$1.67 million higher, resulting in an operating loss of \$4.1 million. While most categories of operating expense in 2005, including depreciation (reflecting a continuation of growth-driven additions to infrastructure capital assets), were somewhat higher than the prior year, other operating expenses were \$1.2 million less than in 2004. The net non-operating expense effect of \$2.3 million, from the several items of non-operating revenues and expenses, when combined with the aforementioned operating loss of \$4.1 million, resulted in a loss before contributions of \$6.4 million. However this unfavorable result was more than offset by \$25 million in capital contributions, mostly from developers (including a record level of capacity fees, \$9.2 million, to finance growth), increasing net assets by 12.85% or \$18.6 million for 2005.

*Water Fund.* \$28.2 million or over 91% of the water system's \$30.9 million in current assets consisted of equity in pooled cash and cash equivalents. The ratio of these current assets to the Water Fund's current liabilities of \$6.45 million was 4.79, meaning that only slightly more than one-fifth of current assets would have been required to liquidate current liabilities as of year-end, leaving a substantial safety margin of working capital for ongoing operations, debt service, and contingencies. A significant portion of this working capital resulted from the favorable settlement in March, 2005, of a lawsuit which Butler County had filed in 2001 against specific manufacturers and distributors of polybutylene water service connection materials. The lawsuit, as well as the settlement of the lawsuit, the proceeds from which are reflected in the category of other non-operating revenues in the Statement of Revenues, Expenses and Changes in Fund Net Assets, are discussed in greater detail elsewhere in this report. The settlement will serve to mitigate future water rate increases.

A 3% water rate increase was effective January 1, 2005. In terms of temperature and precipitation, particularly during the summer months, 2005 was relatively warm and dry. These factors resulted in water system operating revenues for 2005 of \$22 million, which were \$2.5 million or 12.7% higher than they were for 2004, while operating expenses of \$24.4 million were \$4.65 million or 19.1% higher than they were for 2004, creating an operating loss of \$2.34 million for the Water Fund. Nearly 93% or \$4.3 million of the increase in operating expenses is attributable to the category of contractual services, much of which consisted of legal expenses associated with the above-referenced lawsuit. Finally, capital contributions of \$9.65 million, which included capacity fees of \$4.5 million to finance growth, combined with a gain of \$2.05 million before such capital contributions, resulted in a 15.4%, \$11.7 million increase to net assets.

### **General Fund Budget Analysis**

Several events dramatically influenced the budgetary process and actual results for the year of 2005. These included the General Fund's portion of the settlement in the Shell Oil litigation which resulted in a \$2.08 million cash windfall, the receipt of grant funds to help fund the purchase of new touch-screen voting machines by the Board of Elections, the payment of \$.7 million in one time pay-outs due to early retirement incentive programs and vacation pay-outs for retiring employees and, for the second straight year, advance refunding outstanding bonds. In addition, \$.6 million of Ohio Housing Trust fees were reclassified from the General Fund to an Agency Fund. The financial condition of the General Fund also continues to be influenced by the increasing cost of the justice system and rising healthcare costs. For example, management has tracked the County's justice system expenditures from 2002 to 2005 and determined that they have increased 5.5 times faster than all other General Fund categories combined.

The General Fund's final 2005 appropriation budget, at \$79.3 million, was 10% higher than the original appropriation budget filed at the beginning of the year. The final budget included an additional \$7.4 million in appropriations over the original budget, a large piece of which consisted of an additional \$3.5 million budgeted in Legislative and Executive for the acquisition of new touch-screen voting machines by the Board of Elections. Various expenses were also greater than anticipated including Judicial attorney fees (\$.76 million) and salaries and benefits (\$.24 million); Public Safety boarding of prisoners (\$.22 million), adult probation drug screening (\$60,000), and sheriff's material purchases (\$68,500); and Human Services payments to veterans (\$.11 million). Additionally, the commissioners decided in 2005 to fund a \$1.65 million Public Works land purchase by the Transportation Improvement District (TID) to assist in the development of the Liberty interchange, the amount which was subsequently repaid later in the year by the TID.

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General Fund final budgeted revenues were within 5% of the original budget, however, the final budget amounts for the individual accounts of Taxes and Intergovernmental were significantly different than originally budgeted because sales tax revenues received from the State of Ohio were originally budgeted as intergovernmental revenue. Sales tax revenues are more properly classified and reported as tax revenues and were thus reclassified. Other revenues as finally budgeted were significantly greater than originally budgeted as the result of the unanticipated receipt during 2005 of a \$2.08 million payment received from the Shell Oil blue max litigation settlement. The \$2.08 million settlement from Shell Oil primarily funded a \$0.9 million increase to the sheriff's operations and equipment as well as \$0.7 million in one-time charges relating to early retirement incentive programs and retirement and vacation pay-outs due to newly elected public officials.

Although the final budget projected a significant \$2.7 million (34%) decrease to the General Fund balance, actual expenditures were \$1.9 million less than budgeted and other financing uses were \$0.3 million less than anticipated. The resultant deficit was a much more manageable \$155,207 due to budgetary controls designed to hold expenditures in check. The county commissioners instituted a temporary budget initially appropriating only one-fourth of the 2005 budget to allow the County to consider changes from the budget process at the State of Ohio and allow for the County to evaluate the level of sales tax receipts during the first quarter of the year. Once the State impacts were known, the County adjusted budgets appropriately and instituted an annual budget for 2005. Expenses in 2005 were monitored closely in order to minimize the "budget creep" that occurs each year. In addition several equipment lease transactions were initiated for public safety vehicles and technology hardware and software in order to smooth the budgetary impact of these needs over several years.

**Capital Asset and Debt Administration**

**Capital Assets**

Capital assets include County owned land, land improvements, buildings, furniture and equipment, vehicles, water and sewer mains, and infrastructure. Butler County's total investment in capital assets for governmental and business-type activities (net of accumulated depreciation) amounts to \$666.8 million as of December 31, 2005, an increase of 6% over the previous year. Table 5 contains a summary of capital assets as of December 31, 2005, compared to assets owned by the County at year-end 2004.

	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
Land	\$ 9,616,873	\$ 8,553,599	\$ 1,263,110	\$ 1,263,110	\$ 10,879,983	\$ 9,816,709
Land Improvements	6,324,757	6,457,407	1,851,783	1,955,537	8,176,540	8,412,944
Buildings and Improvements	90,467,119	94,132,539	45,257,524	46,834,846	135,724,643	140,967,385
Furniture, Fixtures and Equipment	19,833,335	16,293,449	20,238,135	21,763,633	40,071,470	38,057,082
Vehicles	2,833,484	2,036,209	425,555	259,265	3,259,039	2,295,474
Infrastructure	238,808,719	235,581,506	-	-	238,808,719	235,581,506
Water and Sewer Mains	-	-	176,686,687	161,631,614	176,686,687	161,631,614
Construction in Progress	921,735	463,912	52,316,476	31,443,320	53,238,211	31,907,232
<b>Total</b>	<b><u>\$ 368,806,022</u></b>	<b><u>\$ 363,518,621</u></b>	<b><u>\$ 298,039,270</u></b>	<b><u>\$ 265,151,325</u></b>	<b><u>\$ 666,845,292</u></b>	<b><u>\$ 628,669,946</u></b>

Significant capital asset activity occurring during 2005 included the following:

- Land was purchased for \$1.06 million for the Butler Regional Airport as part of their long-term airport layout plan for future development and runway protection, increasing governmental activity land assets. Ninety-five percent (95%) of the land purchases in 2005 were funded through federal grants.
- A new touch-screen voting system was acquired for \$4.5 million for the board of elections, a governmental activity.
- The County leased new vehicles for the sheriff totaling \$1 million.

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- Significant construction activity occurred in the business-type activities, including 82 current water or sewer projects such as the Upper Mill Creek WRF Load analysis, New Miami WRF, New Miami Sewer System, Cookie Lane/Greencrest/Elk Run LS Elimination, Queen Acres MGD Expansion, Blue Max Water Repair, and LF Pump Station Replacement.
- Water and sewer mains totaling \$22.3 million were added, 63% of which were donated lines. After accounting for depreciation and the loss on disposal of fixed assets, a net increase of \$15 million in water and sewer mains was realized.

Infrastructure Assets. Infrastructure assets refer to County roads, bridges, and culverts, and are reported in the governmental activities. Butler County, through the engineer's office, maintains an Infrastructure Asset System that incorporates the "modified approach" method of reporting infrastructure as provided for in Governmental Accounting Standards Board Statement No. 34. Under the modified approach, the County does not use historical cost-based depreciation as a measure of the cost of use for infrastructure assets. Instead, all expenditures made for infrastructure assets that preserve the useful life of the assets are expensed during the year incurred. Expenditures that increase the capacity or efficiency of the infrastructure assets (additions or improvements) are capitalized. The County ensures that infrastructure assets are being preserved at, or above, previously established condition-levels by performing periodic conditional assessments of the infrastructure. Based on these assessment findings, a budget is prepared for the maintenance and repair of these assets. During 2005, the County budgeted \$2.95 million for roads, \$1.8 million for bridges, and \$1.3 million for culvert improvements.

Butler County manages its roadway system through the performance of biennial conditional assessments, using factors such as age of pavement, surface condition, and traffic volume and type. Roads are assigned a pavement rating based on a scale of one to four, with one being excellent and four being poor. It is the County's policy to maintain the County roadway system where at least 80% of the roads have a rating of three or better. A five-year paving plan is developed in order to keep the County's roads at condition levels established per policy. Actual maintenance spending on County roads in 2005 was \$2.77 million, and the most recent roadway system assessment indicates that 93% of County roads are currently assessed at a rating of three or better.

The County manages its bridges using a General Appraisal and Operational Status condition coding system as developed by the Federal Highway Administration. The condition of a bridge is rated from zero to nine, with nine being excellent condition and zero meaning the bridge is in a failed or closed condition. Bridges are inspected on an annual basis as required by Ohio law. It is the policy of the county engineer to maintain the bridges such that 85% of the structures have a General Appraisal rating of five (5 - Fair) or better. The County spent \$1.5 million in 2005 to maintain bridges and the most recent bridge system assessment indicates that 91% of County bridges are currently assessed at a rating of five or better.

The engineer inspects culverts on a biennial basis, and conditional assessments are given based on a rating scale of one to four, with one meaning the culvert is in good condition and does not require repair, while a four rating means the culvert is in critical condition and is no longer functioning as designed. It is the policy of the county engineer to maintain 75% of the culverts in a condition of two (2 - Fair) or better. The County spent \$1.3 million in 2005 to maintain culverts and the most recent culvert system assessment indicates that 80% of the culverts are currently assessed at a rating of two or better.

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

#### **Long-term Debt**

At December 31, 2005, Butler County had a total of \$245.8 million in outstanding long-term debt, one percent higher than the prior year-end. Of this total, \$106.9 million (43%) has helped fund governmental activities while \$138.9 million (57%) has helped fund business-type activities. Governmental activity long-term debt dropped \$2.8 million in 2005 due to scheduled maturities and the 2005 advance refunding. Long-term debt for business-type activity increased by \$5.2 million (4%).



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

	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
General Obligation Bonds	\$ 49,038,755	\$ 58,404,314	\$ 838,574	\$ 465,172	\$ 49,877,329	\$ 58,869,486
Sales Tax Bonds	28,445,588	23,810,000	-	-	28,445,588	23,810,000
Special Assessment debt with governmental commitment	10,510,000	9,981,000	-	-	10,510,000	9,981,000
Long-term Loans	1,802,025	1,972,576	4,610,110	-	6,412,135	1,972,576
Long-term Notes	17,105,000	15,470,000	-	8,400,000	17,105,000	23,870,000
Revenue Bonds	-	-	98,674,880	89,614,650	98,674,880	89,614,650
Water Judgement Bonds	-	-	34,747,118	35,198,885	34,747,118	35,198,885
<b>Total</b>	<b><u>\$ 106,901,368</u></b>	<b><u>\$ 109,637,890</u></b>	<b><u>\$ 138,870,682</u></b>	<b><u>\$ 133,678,707</u></b>	<b><u>\$ 245,772,050</u></b>	<b><u>\$ 243,316,597</u></b>

The County's long-term debt consisted of \$118.6 million in obligations backed by the full faith and credit of Butler County, including \$49.9 million in general obligation bonds, \$34.7 million water judgement bonds, \$10.5 million in special assessment bonds, for which Butler County is liable in case of default of the property owners subject to the assessment, and \$17.1 million in long-term notes. Additionally, \$6.4 million in loans from the Ohio Public Works Commission and Cincinnati Waterworks, and a loan for the county's financial system software, remain outstanding at year-end. These loans are also backed by the full faith and credit of Butler County. A total of \$127.2 million of the total outstanding debt represent bonds secured by specified revenue sources, including water and sewer revenues and sales tax revenues.

Butler County's governmental activities were supported in 2005 through \$29.4 million in sales tax bonds which were issued to advance refund governmental activity general obligation and sales tax bonds originally issued in 1997. The County issued an additional \$1.87 million in long term notes in 2005 for the construction of the Metroparks' Voice of America Park, while other note issues were paid down, resulting in a net increase to long-term notes of \$1.635 million.

In support of business-type activities, \$13.235 million in water revenue bonds were issued to refund the 1996 water bonds, and \$19.575 million in sewer bonds were issued to partially refund the 1997, 1998, and 1999 series sewer bonds. Additionally, \$14.85 million in water bonds were issued to (a) pay off the two 2004 water system and waterworks improvement long-term notes totaling \$8.4 million and (b) provide \$6.45 million of new money to finance improvements to the waterworks system. The County also entered into an agreement with the City of Cincinnati to assist in funding the construction of an additional water service connection on International Boulevard at Muhlhauser Road. The County's liability to Greater Cincinnati Water Works for this contribution at year end was \$4.6 million.

Ohio law, through its direct and indirect debt limitations, restricts the amount of debt the County may issue. The County's total direct debt limit at December 31, 2005 was \$182.5 million and the legal debt margin (debt limit minus net debt) was \$147.1 million. The County's unvoted direct debt limit was \$73.6 million and the unvoted direct debt margin was \$38.2 million. The debt margins for total debt and unvoted debt reflect an increase over the previous year by 11% and 40%, respectively.

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

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

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Besides the long-term bonds and notes outstanding, the County also is liable for other long-term obligations in the form of capital leases payable and compensated absences payable. Governmental activity capital leases totaled \$2.8 million at year end, including \$1.04 million for leased sheriff and juvenile detention vehicles; \$1 million for leased electronic touch-screen voting machines; \$.7 million for a county-wide permitting system, computer equipment, and common pleas court reporting system; and \$73,000 for County Care Facility buildings and equipment. Compensated absences payable at year end was \$5.7 million for governmental activities and \$.6 million for business-type activities. The total liability for capital leases and compensated absences for governmental and business-type activities was \$9.1 million at December 31, 2005. Additional information about the County's long-term obligations can be found in Note 15 to the financial statements.

**Economic and Other Potentially Significant Matters**

According to a recent news article appearing in the Cincinnati Enquirer, Butler County lead the region in job growth in 2003 and 2004. During 2005, new economic development projects netted the County a record 3,849 new jobs. The pace has been sustained despite the fact that the rate of job growth in the State of Ohio is lagging behind other States. Of the new growth in jobs during 2005, nearly 40% are medical or bio-tech related. Management expects the medical or bio-tech job growth to continue during the years 2006 to 2008 as a result of economic development activity that has created growth opportunities in the eastern sections of Butler County. Currently, there are at least four medical/hospital facilities planned in this area. Major infrastructure plans for the completion of the Liberty Interchange, widening of By-Pass State Route 4 and future extension of State Route 63 will create even more job opportunities and economic activity in the future

Finally, Butler County has demonstrated a history of sustainable tax base growth that can be utilized to fund governmental activities and the County's business activity enterprise funds are self supporting. Coupled with increasing sales tax collections, this makes Butler County sound from a financial perspective. From an expenditures standpoint, the explosion of justice system costs in Butler County and elsewhere will continue to be an influence on the financial strength of Butler County.

**Requests for Information**

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

Butler County, Ohio  
Statement of Net Assets  
December 31, 2005 and June 30, 2005 (Component Unit)

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Miami Valley Industries, Inc.
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 74,768,827	\$ 50,866,314	\$ 125,635,141	\$ -
Cash and Cash Equivalents				
In Segregated Accounts	408,775	600	409,375	47,559
Accounts Receivable	13,594,312	3,148,260	16,742,572	313,557
Due from Other Governments	49,048,888	3,739,645	52,788,533	-
Accrued Interest Receivable	624,927	-	624,927	-
Cash and Cash Equivalents With Fiscal Agents	204,263	6,640,862	6,845,125	-
Investments in Segregated Accounts	-	-	-	227,858
Prepaid Items	455,519	87,124	542,643	6,942
Internal Balances	(50,009)	50,009	-	-
Materials and Supplies Inventory	587,438	247,266	834,704	13,984
Taxes Receivable	52,865,083	-	52,865,083	-
Loans Receivable	386,891	-	386,891	984
Special Assessments Receivable	13,798,341	997,207	14,795,548	-
Deferred Charges	1,213,330	7,244,806	8,458,136	-
Equity in Pooled Cash and Cash Equivalents	-	6,099,995	6,099,995	-
Deferred Charges for Water Rate Stabilization	-	29,589,090	29,589,090	-
Nondepreciable Capital Assets	249,347,327	53,579,586	302,926,913	122,000
Depreciable Capital Assets, net	119,458,695	244,459,684	363,918,379	738,798
<b>Total Assets</b>	<b>576,712,607</b>	<b>406,750,448</b>	<b>983,463,055</b>	<b>1,471,682</b>
<b>Liabilities</b>				
Accounts Payable	8,397,434	377,635	8,775,069	127,271
Contracts Payable	1,489,899	5,407,140	6,897,039	-
Accrued Wages and Benefits	2,947,965	252,858	3,200,823	165,116
Due to Other Governments	1,573,358	684,492	2,257,850	-
Matured Compensated Absences Payable	73,313	-	73,313	-
Deferred Revenue	51,289,938	-	51,289,938	261,158
Matured Bonds Payable	13,250	-	13,250	-
Matured Interest Payable	5,543	-	5,543	-
Accrued Interest Payable	939,187	672,578	1,611,765	-
Notes Payable	15,140,000	7,500,000	22,640,000	100,000
Claims Payable	3,382,385	-	3,382,385	-
Retainage Payable	18,742	1,327,171	1,345,913	-
Refundable Deposits	-	99,995	99,995	-
Long-Term Liabilities:				
Due Within One Year	23,517,570	6,912,752	30,430,322	41,134
Due In More Than One Year	91,875,944	132,529,295	224,405,239	320,367
<b>Total Liabilities</b>	<b>200,664,528</b>	<b>155,763,916</b>	<b>356,428,444</b>	<b>1,015,046</b>
<b>Net Assets</b>				
Invested in Capital Assets, Net of Related Debt	284,893,107	203,448,271	488,341,378	237,965
Restricted for:				
Capital Projects	519,749	-	519,749	-
Debt Service	7,008,908	6,406,549	13,415,457	-
Replacement and Improvement	-	6,000,000	6,000,000	-
Other Purposes	86,481,269	-	86,481,269	-
Unrestricted	(2,854,954)	35,131,712	32,276,758	218,671
<b>Total Net Assets</b>	<b>\$ 376,048,079</b>	<b>\$ 250,986,532</b>	<b>\$ 627,034,611</b>	<b>\$ 456,636</b>

See accompanying notes to the basic financial statements

Butler County, Ohio  
Statement of Activities  
For the Year Ended December 31, 2005 and June 30, 2005 (Component Unit)

	Expenses	Program Revenues	
		Charges for Services	Operating Grants, Contributions, and Interest
<b>Governmental Activities</b>			
General Government:			
Legislative and Executive	\$ 29,973,286	\$ 26,096,369	\$ 353,185
Judicial	15,310,560	4,171,246	1,186,715
Public Safety	39,391,890	4,435,139	7,086,662
Public Works	22,396,375	10,382,866	3,960,609
Health	47,524,463	1,446,007	30,622,659
Human Services	78,630,914	1,928,863	46,836,974
Conservation and Recreation	517,825	-	-
Interest and Fiscal Charges	4,546,165	-	-
<b>Total Governmental Activities</b>	<b>238,291,478</b>	<b>48,460,490</b>	<b>90,046,804</b>
<b>Business-Type Activities</b>			
Sewer	\$ 26,013,574	\$ 17,547,243	\$ -
Water	28,528,100	21,836,928	-
GSC Parking Facility	167,163	172,315	-
<b>Total Business-Type Activities</b>	<b>54,708,837</b>	<b>39,556,486</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 293,000,315</b>	<b>\$ 88,016,976</b>	<b>\$ 90,046,804</b>
<b>Component Unit</b>			
Miami Valley Industries, Inc.	\$ 3,412,359	\$ 3,257,685	\$ -
		<b>General Revenues</b>	
		Property Taxes Levied for:	
		General Purposes	
		Mental Retardation	
		Children Services Board	
		Mental Health	
		Elderly Services Levy	
		Sales Tax	
		Grants and Entitlements not Restricted to Specific Program	
		Interest	
		Net decrease in Fair Value of Investments	
		Other	
		Transfers	
		<b>Total General Revenues and Transfers</b>	
		<b>Change in Net Assets</b>	
		<b>Net Assets Beginning of Year - Restated (See Note 3)</b>	
		<b>Net Assets End of Year</b>	

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Assets				
Capital Grants, Contributions, and Interest	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Miami Valley Industries, Inc.
\$ 3,543,122	\$ 19,390	\$ -	\$ 19,390	\$ -
89,041	(9,863,558)	-	(9,863,558)	-
-	(27,870,089)	-	(27,870,089)	-
16,317,031	8,264,131	-	8,264,131	-
-	(15,455,797)	-	(15,455,797)	-
-	(29,865,077)	-	(29,865,077)	-
-	(517,825)	-	(517,825)	-
-	(4,546,165)	-	(4,546,165)	-
<u>19,949,194</u>	<u>(79,834,990)</u>	<u>-</u>	<u>(79,834,990)</u>	<u>-</u>
\$ 25,057,545	\$ -	\$ 16,591,214	\$ 16,591,214	\$ -
9,648,667	-	2,957,495	2,957,495	-
-	-	5,152	5,152	-
<u>34,706,212</u>	<u>-</u>	<u>19,553,861</u>	<u>19,553,861</u>	<u>-</u>
<u>\$ 54,655,406</u>	<u>(79,834,990)</u>	<u>19,553,861</u>	<u>(60,281,129)</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (154,674)</u>
	12,956,608	-	12,956,608	-
	18,467,802	-	18,467,802	-
	13,282,374	-	13,282,374	-
	1,995,109	-	1,995,109	-
	7,803,077	-	7,803,077	-
	22,607,425	-	22,607,425	-
	11,954,539	-	11,954,539	-
	5,069,405	781,251	5,850,656	15,103
	(147,597)	-	(147,597)	6,870
	4,847,763	10,003,224	14,850,987	26,542
	31,372	(31,372)	-	-
	<u>98,867,877</u>	<u>10,753,103</u>	<u>109,620,980</u>	<u>48,515</u>
	19,032,887	30,306,964	49,339,851	(106,159)
	<u>357,015,192</u>	<u>220,679,568</u>	<u>577,694,760</u>	<u>562,795</u>
	<u>\$ 376,048,079</u>	<u>\$ 250,986,532</u>	<u>\$ 627,034,611</u>	<u>\$ 456,636</u>

Butler County, Ohio  
Balance Sheet  
Governmental Funds  
December 31, 2005

	General	Mental Retardation	Job and Family Services	Children Services Board
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 8,619,899	\$ 16,619,289	\$ 3,551,847	\$ 7,536,540
Cash and Cash Equivalents:				
In Segregated Accounts	176,326	-	-	-
With Fiscal Agents	106,242	-	-	-
Receivables:				
Taxes	12,101,173	16,200,041	-	11,345,645
Accounts	84,278	319,633	-	819
Due From Other Governments	10,339,354	1,868,173	10,767,872	1,116,775
Accrued Interest	624,927	-	-	-
Special Assessments	-	-	-	-
Loans	117,545	-	-	-
Due from Other Funds	473,176	-	-	855,913
Prepaid Items	62,488	74,308	11,435	4,415
Materials and Supplies Inventory	64,571	22,997	5,101	9,065
Advances to Other Funds	1,412,402	-	131,862	110,242
<b>Total Assets</b>	<b>\$ 34,182,381</b>	<b>\$ 35,104,441</b>	<b>\$ 14,468,117</b>	<b>\$ 20,979,414</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$ 2,584,202	\$ 279,690	\$ 1,064,801	\$ 479,698
Contracts Payable	62,164	-	-	-
Retainage Payable	-	-	-	-
Accrued Wages and Benefits	1,348,370	424,584	220,536	253,566
Matured Compensated Absences Payable	7,267	38,370	-	27,676
Due to Other Funds	341,071	123,537	993,008	356,313
Due to Other Governments	317,735	17,958	539,270	38,993
Deferred Revenue	18,893,138	18,249,477	9,137,002	11,898,883
Advances from Other Funds	-	-	-	-
Matured Bonds Payable	-	-	-	-
Matured Interest Payable	-	-	-	-
Accrued Interest Payable	-	-	-	-
Notes Payable	-	-	-	-
<b>Total Liabilities</b>	<b>23,553,947</b>	<b>19,133,616</b>	<b>11,954,617</b>	<b>13,055,129</b>
<b>Fund Balances</b>				
Reserved for Encumbrances	276,658	575,616	1,366,450	1,889,058
Reserved for Loans	117,545	-	-	-
Reserved for Debt Service	106,242	-	-	-
Reserved for Advances	1,412,402	-	131,862	110,242
Unreserved:				
Undesignated, Reported in:				
General Fund	8,715,587	-	-	-
Special Revenue Funds	-	15,395,209	1,015,188	5,924,985
Debt Service Fund	-	-	-	-
Capital Projects Funds	-	-	-	-
<b>Total Fund Balances</b>	<b>10,628,434</b>	<b>15,970,825</b>	<b>2,513,500</b>	<b>7,924,285</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 34,182,381</b>	<b>\$ 35,104,441</b>	<b>\$ 14,468,117</b>	<b>\$ 20,979,414</b>

See accompanying notes to the basic financial statements

Bond Retirement	Buildings Construction and Renovations	Road Improvements	Other Governmental Funds	Total Governmental Funds
\$ 1,894,778	\$ 97,889	\$ 2,072,527	\$ 32,618,110	\$ 73,010,879
-	-	-	232,449	408,775
28,172	-	-	69,849	204,263
-	-	-	13,218,224	52,865,083
7,956,940	-	5,160,997	48,076	13,570,743
-	-	-	24,956,714	49,048,888
-	-	-	-	624,927
11,898,534	-	-	1,899,807	13,798,341
-	-	-	269,346	386,891
-	-	-	228,017	1,557,106
-	-	-	302,837	455,483
-	-	-	485,704	587,438
-	-	-	265,135	1,919,641
<u>\$ 21,778,424</u>	<u>\$ 97,889</u>	<u>\$ 7,233,524</u>	<u>\$ 74,594,268</u>	<u>\$ 208,438,458</u>
\$ -	\$ 75,327	\$ 8,221	\$ 3,896,238	\$ 8,388,177
-	-	364,669	1,063,066	1,489,899
-	-	-	18,742	18,742
-	-	-	690,096	2,937,152
-	-	-	-	73,313
540	-	8,744	553,907	2,377,120
-	-	-	98,643	1,012,599
11,898,534	-	-	30,591,914	100,668,948
-	-	-	452,402	452,402
13,250	-	-	-	13,250
5,543	-	-	-	5,543
-	28,443	96,450	37,955	162,848
-	3,324,500	7,845,000	3,970,500	15,140,000
<u>11,917,867</u>	<u>3,428,270</u>	<u>8,323,084</u>	<u>41,373,463</u>	<u>132,739,993</u>
-	6,000	-	5,874,365	9,988,147
-	-	-	269,346	386,891
-	-	-	-	106,242
-	-	-	265,135	1,919,641
-	-	-	-	8,715,587
-	-	-	26,715,586	49,050,968
9,860,557	-	-	-	9,860,557
-	(3,336,381)	(1,089,560)	96,373	(4,329,568)
<u>9,860,557</u>	<u>(3,330,381)</u>	<u>(1,089,560)</u>	<u>33,220,805</u>	<u>75,698,465</u>
<u>\$ 21,778,424</u>	<u>\$ 97,889</u>	<u>\$ 7,233,524</u>	<u>\$ 74,594,268</u>	<u>\$ 208,438,458</u>

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**Butler County, Ohio**  
**Reconciliation of Total Governmental Fund Balances to**  
**Net Assets of Governmental Activities**  
**For the Year Ended December 31, 2005**

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**Total Governmental Fund Balances** **\$ 75,698,465**

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

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

Land	9,616,873	
Infrastructure	238,808,719	
Construction in progress	921,735	
Other capital assets	171,702,529	
Accumulated depreciation	(52,243,834)	
Total capital assets		368,806,022

**An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.** **(2,913,513)**

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

Property Taxes	4,466,578	
Special Assessments	13,798,341	
Due From Other Governments	29,986,435	
Charges for Services	611,618	
Interest Revenue	468,585	
Other Revenue	47,453	
		49,379,010

**Bond issuance costs reported as an expenditure in governmental funds are allocated as an expense over the life of the debt on a full accrual basis** **1,213,330**

**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	(776,339)	
Capital leases	(2,810,544)	
Notes	(17,105,000)	
Bonds	(87,994,343)	
Loans	(1,802,025)	
Compensated absences	(5,646,984)	
Total liabilities		(116,135,235)

**Net Assets of Governmental Activities** **\$ 376,048,079**

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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, 2005

	General	Mental Retardation	Job and Family Services	Children Services Board
<b>Revenues</b>				
Taxes	\$ 33,870,013	\$ 18,525,900	\$ -	\$ 13,261,745
Charges for Services	22,849,714	573,650	-	8,950
Licenses and Permits	22,791	-	-	-
Fines and Forfeitures	1,292,864	-	-	-
Intergovernmental	11,567,872	12,339,597	28,787,587	11,083,417
Special Assessments	-	-	-	-
Payments in Lieu of Taxes	26,563	32,809	-	16,498
Interest	4,753,201	-	-	-
Net Decrease in Fair Value of Investments	(147,597)	-	-	-
Contributions and Donations	57,442	-	-	-
Other	3,044,734	9,046	1,354,506	2,608
<b>Total Revenues</b>	<b>77,337,597</b>	<b>31,481,002</b>	<b>30,142,093</b>	<b>24,373,218</b>
<b>Expenditures</b>				
<b>Current:</b>				
<b>General Government</b>				
Legislative and Executive	25,793,695	-	-	-
Judicial	12,925,223	-	-	-
Public Safety	28,507,771	-	-	-
Public Works	1,880,808	-	-	-
Health	205,532	24,371,199	-	-
Human Services	1,227,548	-	32,685,549	22,683,997
Conservation and Recreation	517,825	-	-	-
Capital Outlay	-	-	-	-
<b>Debt Service:</b>				
Principal Retirement	1,274,039	-	-	-
Interest and Fiscal Charges	598,568	-	-	-
Payment to Refunded Bond Escrow Agent	24,281,033	-	-	-
Refunding Bond Issuance Cost	555,185	-	-	-
<b>Total Expenditures</b>	<b>97,767,227</b>	<b>24,371,199</b>	<b>32,685,549</b>	<b>22,683,997</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(20,429,630)</b>	<b>7,109,803</b>	<b>(2,543,456)</b>	<b>1,689,221</b>
<b>Other Financing Sources (Uses):</b>				
Premium from Debt Issued	1,220,550	-	-	-
Notes Issued	-	-	-	-
Special Assessment Bonds Issued	-	-	-	-
Refunding Bonds Issued	21,655,000	-	-	-
Inception on Capital Lease	2,862,332	-	-	-
Transfers - In	152,500	-	1,427,549	-
Transfers - Out	(6,005,782)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>19,884,600</b>	<b>-</b>	<b>1,427,549</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>(545,030)</b>	<b>7,109,803</b>	<b>(1,115,907)</b>	<b>1,689,221</b>
<b>Fund Balances (Deficit) Beginning of Year - Restated (See Note 3)</b>	<b>11,173,464</b>	<b>8,861,022</b>	<b>3,629,407</b>	<b>6,235,064</b>
<b>Fund Balances (Deficit) End of Year</b>	<b>\$ 10,628,434</b>	<b>\$ 15,970,825</b>	<b>\$ 2,513,500</b>	<b>\$ 7,924,285</b>

See accompanying notes to the basic financial statements

<u>Bond Retirement</u>	<u>Buildings Construction and Renovations</u>	<u>Road Improvements</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ -	\$ 9,904,332	\$ 75,561,990
-	-	-	16,166,867	39,599,181
-	-	-	553,577	576,368
-	-	-	303,991	1,596,855
-	118,721	1,215,854	56,028,649	121,141,697
2,325,987	-	16,517	1,726,545	4,069,049
-	-	-	22,174	98,044
-	2,439	44,750	100,400	4,900,790
-	-	-	-	(147,597)
-	-	-	-	57,442
-	-	-	323,005	4,733,899
<u>2,325,987</u>	<u>121,160</u>	<u>1,277,121</u>	<u>85,129,540</u>	<u>252,187,718</u>
-	24,495	-	6,604,542	32,422,732
-	55,000	-	1,923,591	14,903,814
-	2,640	-	9,321,410	37,831,821
-	1,284	980,556	21,212,914	24,075,562
-	-	-	22,214,488	46,791,219
-	-	-	21,585,639	78,182,733
-	-	-	-	517,825
-	91,989	275,713	335,055	702,757
2,525,000	3,935,000	2,590,000	9,097,583	19,421,622
2,921,080	177,849	318,781	446,858	4,463,136
8,627,047	-	-	-	32,908,080
-	-	-	-	555,185
<u>14,073,127</u>	<u>4,288,257</u>	<u>4,165,050</u>	<u>92,742,080</u>	<u>292,776,486</u>
<u>(11,747,140)</u>	<u>(4,167,097)</u>	<u>(2,887,929)</u>	<u>(7,612,540)</u>	<u>(40,588,768)</u>
690,970	27,151	19,282	84,773	2,042,726
-	3,680,000	2,600,000	10,825,000	17,105,000
-	-	-	1,144,000	1,144,000
7,710,000	-	-	-	29,365,000
-	-	-	-	2,862,332
3,812,235	423,275	542,705	712,994	7,071,258
-	-	(358)	(1,033,746)	(7,039,886)
<u>12,213,205</u>	<u>4,130,426</u>	<u>3,161,629</u>	<u>11,733,021</u>	<u>52,550,430</u>
466,065	(36,671)	273,700	4,120,481	11,961,662
<u>9,394,492</u>	<u>(3,293,710)</u>	<u>(1,363,260)</u>	<u>29,100,324</u>	<u>63,736,803</u>
<u>\$ 9,860,557</u>	<u>\$ (3,330,381)</u>	<u>\$ (1,089,560)</u>	<u>\$ 33,220,805</u>	<u>\$ 75,698,465</u>

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, 2005

Net Change in Fund Balances - Total Governmental Funds	\$	11,961,662
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>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:</p>		
Capital Asset Additions	9,200,134	
Current Year Depreciation	<u>(6,994,805)</u>	2,205,329
<p>Donations of capital assets are not reported in the governmental funds. However, in the statement of activities, their value at the time of donation is reported as revenue.</p>		
	<u>3,082,072</u>	3,082,072
<p>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.</p>		
Property Taxes	1,268,162	
Due From Other Governments	(1,707,211)	
Special Assessments	1,852,931	
Charges for Services	424,886	
Interest Revenue	168,615	
Other Revenue	<u>15,820</u>	2,023,203
<p>Some capital assets were financed through capital leases. In governmental funds, a capital lease arrangement is considered a source of financing, but in the statement of net assets, the lease obligation is reported as a liability.</p>		
		(2,862,332)
<p>Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.</p>		
Bond principal retirement	3,010,000	
Special assessment principal retirement	615,000	
Note principal retirement	15,470,000	
Loan principal retirement	170,551	
Payments to refunded bond escrow agent	32,908,080	
Capital lease payments	<u>156,071</u>	
Total long-term debt repayment		52,329,702
<p>In the statement of activities interest is accrued on outstanding bonds, whereas in governmental funds, interest is expensed when due.</p>		
		(239,569)
<p>Governmental funds report premiums, discounts and bond issuance costs as expenditures, whereas these amounts are deferred and amortized in the statement of activities</p>		
Premium on Bonds	(1,911,520)	
Bond Issuance Costs	555,185	
Amortization of Gain/Loss on Refunding	(125,730)	
Amortization of Bond Premiums/Discounts on Issue	214,141	
Amortization of Bond Issuance Costs	<u>(63,077)</u>	
		(1,331,001)
<p>Bond Proceeds are reported as other financing sources in governmental funds and thus contribute to the change in fund balances. In the government-wide statements, however issuing debt increases long-term liabilities in the statement of net assets and does not affect the statement of activities.</p>		
Bond Proceeds, Note Proceeds		(47,614,000)
<p>Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:</p>		
Compensated Absences		275,374
<p>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.</p>		
		<u>(797,553)</u>
Change in Net Assets of Governmental Activities	\$	<u>19,032,887</u>

See accompanying notes to the basic financial statements

Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual (Budget Basis)  
General Fund  
For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 14,003,315	\$ 32,346,860	\$ 32,346,860	\$ -
Charges for Services	24,480,217	22,375,207	22,766,475	391,268
Licenses and Permits	23,930	20,095	20,495	400
Fines and Forfeitures	1,329,481	1,332,545	1,332,545	-
Intergovernmental	27,763,960	11,433,096	11,438,512	5,416
Payment in Lieu of Taxes	27,799	26,563	26,563	-
Interest	2,861,157	4,315,931	4,316,531	600
Other	1,054,562	3,263,351	3,263,351	-
<b>Total Revenues</b>	<b>71,544,421</b>	<b>75,113,648</b>	<b>75,511,332</b>	<b>397,684</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General Government:</b>				
Legislative and Executive	23,434,585	27,238,239	26,603,563	634,676
Judicial	13,008,505	14,012,501	13,414,063	598,438
Public Safety	26,879,233	28,094,702	27,742,779	351,923
Public Works	208,756	1,863,056	1,838,719	24,337
Health	422,158	424,059	261,656	162,403
Human Services	1,146,268	1,250,618	1,226,296	24,322
Conservation and Recreation	532,700	532,700	517,825	14,875
<b>Debt Service:</b>				
Principal Retirement	3,109,431	2,795,899	2,741,199	54,700
Interest and Fiscal Charges	3,142,608	3,084,319	3,076,819	7,500
<b>Total Expenditures</b>	<b>71,884,244</b>	<b>79,296,093</b>	<b>77,422,919</b>	<b>1,873,174</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(339,823)</b>	<b>(4,182,445)</b>	<b>(1,911,587)</b>	<b>2,270,858</b>
<b>Other Financing Sources (Uses):</b>				
Other Financing Sources	1,980,579	3,026,899	3,094,172	67,273
Other Financing Uses	-	(41,928)	(41,928)	-
Refunding Bonds Issued	-	29,365,000	29,365,000	-
Payment to Refunded Bond Escrow Agent	-	(30,608,081)	(30,608,081)	-
Premium on Debt Issued	-	1,911,520	1,911,520	-
Advances - In	75,000	227,102	227,102	-
Advances - Out	(190,000)	(360,000)	(150,000)	210,000
Transfers - In	400,000	152,500	152,500	-
Transfers - Out	(2,107,112)	(2,220,184)	(2,193,905)	26,279
<b>Total Other Financing Sources (Uses)</b>	<b>158,467</b>	<b>1,452,828</b>	<b>1,756,380</b>	<b>303,552</b>
<b>Net Change in Fund Balance</b>	<b>(181,356)</b>	<b>(2,729,617)</b>	<b>(155,207)</b>	<b>2,574,410</b>
<b>Fund Balances at Beginning of Year</b>	<b>7,868,145</b>	<b>7,868,145</b>	<b>7,868,145</b>	<b>-</b>
<b>Prior Year Encumbrances Appropriated</b>	<b>259,922</b>	<b>259,922</b>	<b>259,922</b>	<b>-</b>
<b>Fund Balances at End of Year</b>	<b>\$ 7,946,711</b>	<b>\$ 5,398,450</b>	<b>\$ 7,972,860</b>	<b>\$ 2,574,410</b>

See accompanying notes to the basic financial statements.

Butler County, Ohio  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance-Budget and Actual  
Mental Retardation-Special Revenue Fund  
Budget Basis  
For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 19,938,000	\$ 18,538,070	\$ 18,538,070	\$ -
Charges for Services	290,000	468,590	469,898	1,308
Intergovernmental	10,772,912	12,882,676	13,089,988	207,312
Payment in Lieu of Taxes	-	32,809	32,809	-
Other	160,000	5,530	5,533	3
<b>Total Revenues</b>	<b>31,160,912</b>	<b>31,927,675</b>	<b>32,136,298</b>	<b>208,623</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Health</b>				
<b>Mental Retardation</b>				
Personal Services	17,343,000	17,351,000	15,132,649	2,218,351
Materials and Supplies	1,408,631	1,408,630	1,008,477	400,153
Contractual Services	9,244,802	9,294,802	6,955,685	2,339,117
Capital Outlay	701,317	751,317	-	751,317
Other	3,692,774	3,592,774	2,262,379	1,330,395
<b>Total Expenditures</b>	<b>32,390,524</b>	<b>32,398,523</b>	<b>25,359,190</b>	<b>7,039,333</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(1,229,612)</b>	<b>(470,848)</b>	<b>6,777,108</b>	<b>7,247,956</b>
<b>Other Financing Sources (Uses):</b>				
Other Financing Sources	-	24,687	24,717	30
Transfers - In	667,000	-	-	-
Transfers - Out	(667,000)	(500,000)	-	500,000
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(475,313)</b>	<b>24,717</b>	<b>500,030</b>
<b>Net Change in Fund Balance</b>	<b>(1,229,612)</b>	<b>(946,161)</b>	<b>6,801,825</b>	<b>7,747,986</b>
<b>Fund Balance at Beginning of Year</b>	<b>7,787,585</b>	<b>7,787,585</b>	<b>7,787,585</b>	<b>-</b>
<b>Prior Year Encumbrances Appropriated</b>	<b>725,524</b>	<b>725,524</b>	<b>725,524</b>	<b>-</b>
<b>Fund Balance at End of Year</b>	<b>\$ 7,283,497</b>	<b>\$ 7,566,948</b>	<b>\$ 15,314,934</b>	<b>\$ 7,747,986</b>

Butler County, Ohio  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance-Budget and Actual  
Job and Family Services-Special Revenue Fund  
Budget Basis  
For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>				
Intergovernmental	\$ 23,530,826	\$ 29,242,948	\$ 29,246,377	\$ 3,429
Other	2,975,000	1,334,815	1,355,262	20,447
<b>Total Revenues</b>	<b>26,505,826</b>	<b>30,577,763</b>	<b>30,601,639</b>	<b>23,876</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Human Services</b>				
<b>Job and Family Services</b>				
Personal Services	9,731,154	10,086,452	9,802,288	284,164
Materials and Supplies	737,201	492,081	447,662	44,419
Contractual Services	16,986,650	21,124,656	20,501,828	622,828
Other	2,224,040	3,174,872	3,136,434	38,438
<b>Total Expenditures</b>	<b>29,679,045</b>	<b>34,878,061</b>	<b>33,888,212</b>	<b>989,849</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(3,173,219)</b>	<b>(4,300,298)</b>	<b>(3,286,573)</b>	<b>1,013,725</b>
<b>Other Financing Sources:</b>				
Other Financing Sources	69,200	606,929	607,458	529
Transfers - In	1,481,264	1,427,549	1,427,549	-
<b>Total Other Financing Sources</b>	<b>1,550,464</b>	<b>2,034,478</b>	<b>2,035,007</b>	<b>529</b>
<b>Net Change in Fund Balance</b>	<b>(1,622,755)</b>	<b>(2,265,820)</b>	<b>(1,251,566)</b>	<b>1,014,254</b>
<b>Fund Balance at Beginning of Year</b>	<b>1,145,983</b>	<b>1,145,983</b>	<b>1,145,983</b>	<b>-</b>
<b>Prior Year Encumbrances Appropriated</b>	<b>1,676,510</b>	<b>1,676,510</b>	<b>1,676,510</b>	<b>-</b>
<b>Fund Balance at End of Year</b>	<b>\$ 1,199,738</b>	<b>\$ 556,673</b>	<b>\$ 1,570,927</b>	<b>\$ 1,014,254</b>

Butler County, Ohio  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance-Budget and Actual  
Children Services Board-Special Revenue Fund  
Budget Basis  
For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 12,788,302	\$ 13,282,760	\$ 13,282,760	\$ -
Intergovernmental	10,862,393	10,255,463	10,256,868	1,405
Payment in Lieu of Taxes	-	16,498	16,498	-
Other	6,020	16,234	16,234	-
<b>Total Revenues</b>	<u>23,656,715</u>	<u>23,570,955</u>	<u>23,572,360</u>	<u>1,405</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Human Services</b>				
<b>Children Services</b>				
Personal Services	10,396,318	11,310,631	9,952,706	1,357,925
Materials and Supplies	293,773	318,774	183,664	135,110
Contractual Services	13,330,204	14,740,203	14,090,141	650,062
Capital Outlay	25,000	25,000	25,000	-
Other	1,033,767	1,033,767	726,579	307,188
<b>Total Expenditures</b>	<u>25,079,062</u>	<u>27,428,375</u>	<u>24,978,090</u>	<u>2,450,285</u>
<b>Excess of Revenues (Under) Expenditures</b>	<u>(1,422,347)</u>	<u>(3,857,420)</u>	<u>(1,405,730)</u>	<u>2,451,690</u>
<b>Other Financing Sources:</b>				
Other Financing Sources	3,563	11,612	11,612	-
<b>Total Other Financing Sources</b>	<u>3,563</u>	<u>11,612</u>	<u>11,612</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>(1,418,784)</u>	<u>(3,845,808)</u>	<u>(1,394,118)</u>	<u>2,451,690</u>
<b>Fund Balance at Beginning of Year</b>	4,416,496	4,416,496	4,416,496	-
<b>Prior Year Encumbrances Appropriated</b>	1,948,895	1,948,895	1,948,895	-
<b>Fund Balance at End of Year</b>	<u>\$ 4,946,607</u>	<u>\$ 2,519,583</u>	<u>\$ 4,971,273</u>	<u>\$ 2,451,690</u>



Butler County, Ohio  
Statement of Fund Net Assets  
Proprietary Funds  
December 31, 2005

	Enterprise Funds				Governmental Activities - Internal Service Fund
	Sewer	Water	GSC Parking Facility	Total	
<b>Assets</b>					
<b>Current Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$ 22,680,870	\$ 28,173,527	\$ 11,917	\$ 50,866,314	\$ 1,757,948
Cash and Cash Equivalents in Segregated Accounts	250	250	100	600	-
<b>Receivables:</b>					
Accounts	1,339,498	1,808,762	-	3,148,260	23,569
Due from Other Governments	3,739,645	-	-	3,739,645	-
Special Assessments Receivable	-	-	-	-	-
Due from Other Funds	395	163	1,692	2,250	910,027
Prepaid Items	32,031	55,093	-	87,124	36
Materials and Supplies Inventory	63,780	183,486	-	247,266	-
Special Assessments Receivable	332,104	665,103	-	997,207	-
<b>Total Current Assets</b>	<b>28,188,573</b>	<b>30,886,384</b>	<b>13,709</b>	<b>59,088,666</b>	<b>2,691,580</b>
<b>Noncurrent Assets</b>					
Advances to Other Funds	78,293	60,016	441	138,750	2,606
Deferred Charges	1,749,636	5,495,170	-	7,244,806	-
Deferred Charges for Water Rate Stabilization	-	29,589,090	-	29,589,090	-
Non-Depreciable Capital Assets	43,361,614	10,217,972	-	53,579,586	-
Depreciable Capital Assets	153,297,959	91,161,725	-	244,459,684	-
<b>Restricted Assets:</b>					
Equity in Pooled Cash and Cash Equivalents	4,000,000	2,099,995	-	6,099,995	-
Cash and Cash Equivalents with Fiscal Agent	5,077,811	1,563,051	-	6,640,862	-
<b>Total Noncurrent Assets</b>	<b>207,565,313</b>	<b>140,187,019</b>	<b>441</b>	<b>347,752,773</b>	<b>2,606</b>
<b>Total Assets</b>	<b>235,753,886</b>	<b>171,073,403</b>	<b>14,150</b>	<b>406,841,439</b>	<b>2,694,186</b>
<b>Liabilities</b>					
<b>Current Liabilities:</b>					
Accounts Payable	257,119	117,466	3,050	377,635	9,257
Contracts Payable	3,141,581	2,265,559	-	5,407,140	-
Accrued Wages and Benefits	155,993	95,210	1,655	252,858	10,813
Retainage Payable	1,148,131	179,040	-	1,327,171	-
Due to Other Funds	53,574	36,925	492	90,991	1,272
Due to Other Governments	56,575	627,917	-	684,492	560,759
Accrued Interest Payable	390,755	281,823	-	672,578	-
Notes Payable	7,500,000	-	-	7,500,000	-
General Obligation Bonds Payable	243,914	-	-	243,914	-
Judgement Bonds Payable	-	615,000	-	615,000	-
Loans Payable	-	152,373	-	152,373	-
Claims Payable	-	-	-	-	3,382,385
Compensated Absences Payable	121,510	78,808	1,147	201,465	10,857
Refundable Deposits	-	99,995	-	99,995	-
Revenue Bonds Payable	3,800,000	1,900,000	-	5,700,000	-
<b>Total Current Liabilities</b>	<b>16,869,152</b>	<b>6,450,116</b>	<b>6,344</b>	<b>23,325,612</b>	<b>3,975,343</b>
<b>Noncurrent Liabilities:</b>					
Advances from Other Funds	-	-	-	-	1,608,595
Compensated Absences Payable	199,507	167,570	2,823	369,900	23,761
General Obligation Bonds Payable	594,660	-	-	594,660	-
Revenue Bonds Payable	54,751,813	38,223,067	-	92,974,880	-
Judgement Bonds Payable	-	34,132,118	-	34,132,118	-
Loans Payable	-	4,457,737	-	4,457,737	-
<b>Total Noncurrent Liabilities</b>	<b>55,545,980</b>	<b>76,980,492</b>	<b>2,823</b>	<b>132,529,295</b>	<b>1,632,356</b>
<b>Total Liabilities</b>	<b>72,415,132</b>	<b>83,430,608</b>	<b>9,167</b>	<b>155,854,907</b>	<b>5,607,699</b>
<b>Net Assets</b>					
Invested in Capital Assets, Net of Related Debt	133,621,903	68,076,732	-	201,698,635	-
<b>Restricted for:</b>					
Debt Service	4,941,268	1,465,281	-	6,406,549	-
Replacement and Improvement	4,000,000	2,000,000	-	6,000,000	-
Unrestricted	20,775,583	16,100,782	4,983	36,881,348	(2,913,513)
<b>Total Net Assets</b>	<b>\$ 163,338,754</b>	<b>\$ 87,642,795</b>	<b>\$ 4,983</b>	<b>\$ 250,986,532</b>	<b>\$ (2,913,513)</b>

See accompanying notes to the basic financial statements

Butler County, Ohio  
Statement of Revenues,  
Expenses and Changes in Fund Net Assets  
Proprietary Funds  
For the Year Ended December 31, 2005

	Enterprise Funds				Governmental Activities - Internal Service Fund
	Sewer	Water	GSC Parking Facility	Total	
<b>Operating Revenues</b>					
Charges for Services	\$ 17,547,243	\$ 21,836,928	\$ 172,315	\$ 39,556,486	\$ 12,906,120
Other Operating Revenues	903,917	192,417	325	1,096,659	169,707
<b>Total Operating Revenues</b>	<b>18,451,160</b>	<b>22,029,345</b>	<b>172,640</b>	<b>40,653,145</b>	<b>13,075,827</b>
<b>Operating Expenses</b>					
Personal Services	7,189,373	4,464,509	64,192	11,718,074	531,388
Contractual Services	4,899,057	13,340,996	101,145	18,341,198	12,438,582
Claims and Judgments	-	-	-	-	901,141
Materials and Supplies	1,447,488	700,931	1,826	2,150,245	-
Other Operating Expenses	883,094	372,729	-	1,255,823	2,269
Depreciation and Amortization Expense	8,144,023	5,494,541	-	13,638,564	-
<b>Total Operating Expenses</b>	<b>22,563,035</b>	<b>24,373,706</b>	<b>167,163</b>	<b>47,103,904</b>	<b>13,873,380</b>
<b>Operating Income (Loss)</b>	<b>(4,111,875)</b>	<b>(2,344,361)</b>	<b>5,477</b>	<b>(6,450,759)</b>	<b>(797,553)</b>
<b>Non-Operating Revenues (Expenses)</b>					
Other Non-Operating Revenues	647,365	8,259,200	-	8,906,565	-
Interest	492,088	289,163	-	781,251	-
Loss on Sale of Capital Assets	-	(947,564)	-	(947,564)	-
Interest and Fiscal Charges	(3,450,539)	(3,206,830)	-	(6,657,369)	-
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(2,311,086)</b>	<b>4,393,969</b>	<b>-</b>	<b>2,082,883</b>	<b>-</b>
<b>Gain (Loss) Before Contributions and Transfers</b>	<b>(6,422,961)</b>	<b>2,049,608</b>	<b>5,477</b>	<b>(4,367,876)</b>	<b>(797,553)</b>
<b>Capital Contributions</b>	<b>25,057,545</b>	<b>9,648,667</b>	<b>-</b>	<b>34,706,212</b>	<b>-</b>
<b>Transfers Out</b>	<b>(31,372)</b>	<b>-</b>	<b>-</b>	<b>(31,372)</b>	<b>-</b>
<b>Change in Net Assets</b>	<b>18,603,212</b>	<b>11,698,275</b>	<b>5,477</b>	<b>30,306,964</b>	<b>(797,553)</b>
<b>Net Assets Beginning of Year - Restated (See Note 3)</b>	<b>144,735,542</b>	<b>75,944,520</b>	<b>(494)</b>	<b>220,679,568</b>	<b>(2,115,960)</b>
<b>Net Assets End of Year</b>	<b>\$ 163,338,754</b>	<b>\$ 87,642,795</b>	<b>\$ 4,983</b>	<b>\$ 250,986,532</b>	<b>\$ (2,913,513)</b>

See accompanying notes to the basic financial statements

Butler County  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2005

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Sewer	Water	Govt Services Center Parking Facility	Totals	
<b><u>Increase (Decrease) in Cash and Cash Equivalents:</u></b>					
<b><u>Cash Flows from Operating Activities:</u></b>					
Cash Received from Customers	\$ 17,982,623	\$ 21,647,097	\$ 172,767	\$ 39,802,487	\$ -
Cash Paid to Suppliers	(8,052,599)	(14,331,932)	(4,778)	(22,389,309)	(12,433,381)
Cash Paid to Employees	(6,639,294)	(4,005,020)	(60,253)	(10,704,567)	(514,844)
Cash Received from Interfund Services Provided	-	-	-	-	12,899,579
Cash Payments for Interfund Services Used	(564,189)	(462,042)	-	(1,026,231)	-
Deposits	-	8,450	-	8,450	-
Other Operating Revenues	903,650	192,417	325	1,096,392	178,405
Other Operating Expenses	(839,541)	(366,696)	-	(1,206,237)	-
Other Non-Operating Revenues	466,415	8,259,200	(98,193)	8,627,422	-
Cash Paid for Claims	-	-	-	-	(438,072)
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>3,257,065</b>	<b>10,941,474</b>	<b>9,868</b>	<b>14,208,407</b>	<b>(308,313)</b>
<b><u>Cash Flows from Noncapital Financing Activities:</u></b>					
Interest Paid on Judgement Bonds	-	(1,608,009)	-	(1,608,009)	-
Principal Paid on Judgement Bonds	-	(430,000)	-	(430,000)	-
Operating Transfers	(31,372)	-	-	(31,372)	-
Short-Term Advances to Other Funds	-	-	-	-	(172,102)
Short-Term Advances from Other Funds	-	-	-	-	150,000
Principal Paid on Loan	(371,750)	-	-	(371,750)	-
Interest Paid on Loan	(98,951)	-	-	(98,951)	-
<b>Net Cash Provided by (Used for) Noncapital Financing Activities</b>	<b>(502,073)</b>	<b>(2,038,009)</b>	<b>-</b>	<b>(2,540,082)</b>	<b>(22,102)</b>
<b><u>Cash Flows from Capital and Related Financing Activities:</u></b>					
Premium Received on General Obligation Notes	78,464	22,596	-	101,060	-
Proceeds from Sale of General Obligation Bonds and Notes	8,100,000	8,400,000	-	16,500,000	-
Net Proceeds from Sale of Revenue Bonds	380,991	15,241,146	-	15,622,137	-
Net Proceeds from Sale of Refunding Bonds	-	243,316	-	243,316	-
Bond Issuance Cost	(263,708)	(399,359)	-	(663,067)	-
Interest Paid on General Obligation Bonds and Notes	(275,564)	(261,469)	-	(537,033)	-
Principal Paid on General Obligation Bonds and Notes	(8,331,000)	(16,800,000)	-	(25,131,000)	-
Interest and Fiscal Charges on Revenue Bonds	(2,772,472)	(1,370,366)	-	(4,142,838)	-
Principal Paid on Revenue Bonds	(3,645,000)	(1,485,000)	-	(5,130,000)	-
Acquisition and Construction of Capital Assets	(19,016,078)	(5,464,385)	-	(24,480,463)	-
Capital Contributions by Other Governments - Capital Grants	2,580,478	441,510	-	3,021,988	-
Capital Contributions by Customers	9,196,888	4,629,241	-	13,826,129	-
Payment to Escrow Agent	-	(1,270,000)	-	(1,270,000)	-
<b>Net Cash Provided by (Used for) Capital and Related Financing Activities</b>	<b>(13,967,001)</b>	<b>1,927,230</b>	<b>-</b>	<b>(12,039,771)</b>	<b>-</b>
<b><u>Cash Flows from Investing Activities:</u></b>					
Interest and Dividends on Investments	412,506	266,567	-	679,073	-
<b>Net Cash Provided by Investing Activities</b>	<b>412,506</b>	<b>266,567</b>	<b>-</b>	<b>679,073</b>	<b>-</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(10,799,503)</b>	<b>11,097,262</b>	<b>9,868</b>	<b>307,627</b>	<b>(330,415)</b>
Cash and Cash Equivalents at Beginning of Year	42,558,434	20,739,561	2,149	63,300,144	2,088,363
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 31,758,931</b>	<b>\$ 31,836,823</b>	<b>\$ 12,017</b>	<b>\$ 63,607,771</b>	<b>\$ 1,757,948</b>

(continued)

Butler County  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2005 (Continued)

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Sewer	Water	Govt Services Center Parking Facility	Totals	
<b>Reconciliation of Operating Loss to Net Income</b>					
<b><u>Cash Used for Operating Activities:</u></b>					
Operating Income (Loss)	\$ (4,111,875)	\$ (2,344,361)	\$ 5,477	\$ (6,450,759)	\$ (797,553)
<b>Adjustments to Reconcile Operating Loss to Net Cash</b>					
<b><u>Provided by (Used for) Operating Activities:</u></b>					
Depreciation and Amortization	8,144,023	5,494,541	-	13,638,564	-
Other Non-Operating Revenues	466,415	8,259,200	-	8,725,615	-
<b><u>Changes in Assets and Liabilities:</u></b>					
(Increase) Decrease in Accounts Receivable	435,475	(261,936)	-	173,539	7,709
Decrease in Special Assessments Receivable	-	72,268	-	72,268	-
(Increase) Decrease in Due from Other Funds	(362)	(130)	452	(40)	(5,552)
Decrease in Supplies Inventory	26,175	520	-	26,695	-
Decrease in Prepaid Items	311,505	232,292	-	543,797	(36)
Increase (Decrease) in Accrued Wages and Benefits	(6,989)	(2,319)	125	(9,183)	(545)
Increase (Decrease) in Accounts Payable	13,262	(33,638)	3,050	(17,326)	9,257
Decrease in Contracts Payable	(1,460,424)	(307,906)	-	(1,768,330)	-
Decrease in Retainage Payable	(435,222)	(145,014)	-	(580,236)	-
Increase (Decrease) in Compensated Absences Payable	(6,344)	1,106	761	(4,477)	15,817
Increase (Decrease) in Due to Other Funds	(2,585)	1,846	3	(736)	26
Decrease in Due to Other Governments	(115,989)	(33,445)	-	(149,434)	(505)
Increase in Claims Payable	-	-	-	-	463,069
Increase in Refundable Deposits	-	8,450	-	8,450	-
<b>Total Adjustments</b>	<b>7,368,940</b>	<b>13,285,835</b>	<b>4,391</b>	<b>20,659,166</b>	<b>489,240</b>
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>\$ 3,257,065</b>	<b>\$ 10,941,474</b>	<b>\$ 9,868</b>	<b>\$ 14,208,407</b>	<b>\$ (308,313)</b>

**Non-Cash capital and related financing activities:**

Capital contributions from other governments of \$3,739,645 for the sewer fund.

Capital contributions from other governments of \$169,061 for the water fund.

Developers during the year donated \$9,540,534 of sewer lines to the sewer fund.

Developers during the year donated \$4,408,855 of water lines to the water fund.

Cash and cash equivalents at end of year included restricted cash of \$5,077,811 in the sewer fund.

Cash and cash equivalents at end of year included restricted cash of \$1,663,046 in the water fund.

The Sewer Fund issued revenue bonds to partially refund debt issued in 1997, 1998 and 1999. The Of the total debt proceeds of \$21,547,538, \$21,166,547 were deposited immediately into an irrevocable trust or deducted from proceeds to cover under writer fees. Revenue Bonds of \$19,765,000 were defeased. The Water Fund issued revenue bonds to refund debt issued in 1996. Of the total debt proceeds of \$13,939,290, \$13,695,974 were deposited immediately into an irrevocable trust or deducted from proceeds to cover underwriter fees. Revenue bonds of \$14,075,000 were defeased. Bond issuances cost of \$679,744 was recorded as a deferred charge and will be amortized over the debt repayment period.

See accompanying notes to the basic financial statements

**Butler County, Ohio**  
**Statement of Fiduciary Net Assets**  
**Agency Funds**  
**December 31, 2005**

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	<u>Total</u>
<b>Assets</b>	
Equity Pooled in Cash and Cash Equivalents	\$ 26,401,626
Cash and Cash Equivalents in Segregated Accounts	3,098,639
Taxes Receivable	357,641,364
Special Assessments Receivable	30,345,227
Due from Other Governments	<u>15,709,752</u>
<b>Total Assets</b>	<u>\$ 433,196,608</u>
<b>Liabilities</b>	
Undistributed Monies	\$ 2,667,068
Deposits Held and Due to Others	10,776,817
Due to Other Governments	419,635,178
Loans Payable	<u>117,545</u>
<b>Total Liabilities</b>	<u>\$ 433,196,608</u>

See accompanying notes to the basic financial statements

**NOTE 1 REPORTING ENTITY AND BASIS OF PRESENTATION**

**REPORTING ENTITY**

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

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

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

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

**Discretely Presented Component Unit**

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

**Miami Valley Industries, Incorporated**

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

**REPORTING ENTITY AND BASIS OF PRESENTATION (continued)**

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

Butler County Emergency Management Agency  
The Butler County Alliance  
Transportation Improvement District of Butler County  
County Risk Sharing Authority  
Regional Transit Authority

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

**Butler County General Health District**

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

**Butler County Soil and Water Conservation District**

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

**Butler County Solid Waste Planning District**

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

**Metroparks of Butler County**

The District Commissioners are appointed by the Probate Judge of the County. The Commissioners adopt their own budget, authorize expenditures, hire and fire staff, and do not rely on the County to finance deficits. The County is not financially accountable for the District nor is the District financially dependent on the County. The District serves as its own taxing and debt issuance authority and is a related organization of the County. The District did not receive any funding from the County during 2005.

**Twelfth District Court of Appeals**

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

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**BASIS OF PRESENTATION**

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

**Government-Wide Financial Statements**

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

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

**Fund Financial Statements**

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

**Fund Accounting**

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

**Governmental Funds**

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



**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

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

**Mental Retardation** - This fund accounts for the countywide tax levy, federal and state grants used to pay the costs of services provided by local mental health agencies to the public at large.

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

**Children Services Board** - This fund accounts for the countywide tax levy, and various federal and state grants used to provide public assistance.

**Bond Retirement Fund** - This fund is used to retire Special Assessment, General Obligation and Revenue Pledged Bonds and Notes.

**Buildings Construction and Renovations** - This fund accounts for the activity involved with the acquisition, construction and renovation of various County buildings.

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

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

**Proprietary Funds**

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

**Enterprise Funds**

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

**Sewer**

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

**Water**

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

**Government Services Center (GSC) Parking Facility**

This fund accounts for fees collected by the Butler County Commissioners for revenue received from customers parking in the GSC parking facility and to disperse expenses relative to its operation.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Internal Service Funds**

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

**Fiduciary Funds**

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

**Component Units**

Component units are either legally separate organizations for which the elected officials of the County are financially accountable, or legally separate organizations for which the nature and significance of its relationship with the County is such that exclusion would cause the County's financial statements to be misleading or incomplete. Component unit disclosures represent a consolidation of various fund types.

**MEASUREMENT FOCUS**

**Government-Wide Financial Statements**

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

**Fund Financial Statements**

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

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

**BASIS OF ACCOUNTING**

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

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Revenues – Exchange and Non-Exchange Transactions**

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

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

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

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

**Deferred Revenue**

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

Property taxes for which there is an enforceable legal claim as of December 31, 2005, but which were levied to finance year 2006 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met, are also recorded as deferred revenue.

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

**Expenses/Expenditures**

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

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

**Cash and Cash Equivalents**

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

During fiscal year 2005, investments were limited to Federal Farm Credit Bank Bonds, Federal Home Loan Bank Bonds, Federal Home Loan Mortgage Corporation Bonds, Federal National Mortgage Association Bonds, U.S. Bank Money Market Public Mutual Fund, General Electric Capital Corporation Notes, Federal Home Loan Mortgage Corporation Discount Notes, Federal National Mortgage Association Discount Notes, Fifth Third Institutional Money Market Mutual Fund, First American Treasury Money Market Mutual Fund and STAROhio. Investments are reported at fair value, which is based on quoted market prices, with the exception of

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

certificates of deposit, which are reported at cost. The fair value of the mutual funds is determined by the fund's December 31, 2005, share price. Note 4 provides a detailed disclosure regarding cash, cash equivalents and investments held by the County. STAROhio is an investment pool managed by the State Treasurers Office, which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the Securities and Exchange Commission (SEC) as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on December 31, 2005.

Interest earned on investments is distributed to the General Fund, except as stipulated by the Ohio Constitution or State statute. Interest revenue credited to the General Fund during 2005 amounted to \$4,753,201 which includes \$4,542,965 assigned from other County funds.

**Cash and Investments in Segregated Accounts**

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

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

**Statement of Cash Flows**

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

**Cash and Cash Equivalents Held with Fiscal Agents**

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

**Inventories and Prepaid Items**

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

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

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

**Interfund Transactions**

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

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Restricted Assets**

Restricted assets consist of certain trust accounts held by the Department of Environmental Services, which includes bond accounts, bond reserve accounts, replacement and improvement accounts and construction accounts. Cash and investments in the accounts are held by trustee financial institutions. The bond accounts are used to accumulate periodic principal and interest payments. The bond reserve accounts are to be funded in an amount equal to the maximum annual bond principal and interest requirement.

Replacement and improvement restricted cash in the sewer and water funds were \$4,000,000 and \$2,000,000 respectively. Monies in these accounts may be used for replacement of or improvements to the water and sewer system.

**Capital Assets**

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

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

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

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

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

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

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

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

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

**Compensated Absences**

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

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

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

**Accrued Liabilities and Long-term Obligations**

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

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

**Fund Balance Reserves**

The County reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity that is available for appropriation in future periods.

**Net Assets**

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

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

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

The government wide statement of net assets reports \$212,832,950 of restricted net assets, of which \$28,406,629 is restricted by enabling legislation.

**Operating Revenues and Expenses**

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

**Contributions of Capital**

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

**Interfund Activity**

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

**Bond Discounts/Premiums/Gain/Loss on Refunding**

Bond discounts and premiums for government wide statements and proprietary fund statements are deferred and amortized over the term of the bonds using the effective interest method. Bond discounts/premiums are presented as a reduction/increase to the face amount of the bonds payable.

**Estimates**

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

**Budgets**

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The 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 County Commissioners at the fund, program, department, and object level.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Estimated Resources**

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

**Appropriations**

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

**Blue Max Settlement**

In March 2005, the Butler County Commissioners executed a settlement agreement between the County and Shell Oil Company, Orangeburg Industries, and Utility Service and Supply Inc. This settlement was in connection with a lawsuit captioned "Butler County Commissioners vs Utility Service and Supply, Inc. Etal." in the Butler County Common Pleas Court. Butler County received \$10,400,000 in funds from the various companies listed above. The revenue was deposited into various funds: \$2,080,000 in the general fund, \$7,879,040 in the Water fund, and \$440,960 in the Sewer fund.

**BUDGETARY BASIS OF ACCOUNTING**

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

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

- (a) Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
- (b) Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
- (c) Outstanding year end encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance.
- (d) Principal payments on short-term obligations are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).
- (e) Investments are reported at fair value (GAAP basis) rather than cost (budget basis).
- (f) Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
- (g) Debt proceeds are recorded in the general fund (budget basis) rather than the bond retirement (GAAP basis).
- (h) Payment to Escrow Agent for refunding debt proceeds sent directly to an irrevocable trust.



Notes to the Basic Financial Statements  
(continued)

For The Year Ended December 31, 2005

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

**NET CHANGE IN FUND BALANCE  
GENERAL AND MAJOR SPECIAL REVENUE FUNDS**

	General	Mental Retardation	Job and Family Services	Children Services Board
GAAP Basis	\$ (545,030)	\$ 7,109,803	\$ (1,115,907)	\$ 1,689,221
Adjustments:				
Revenue Accruals	(778,699)	659,209	459,546	(800,858)
Expenditure Accruals	347,493	(192,664)	1,436,647	33,766
Encumbrances	(416,031)	(818,595)	(1,980,920)	(2,278,812)
Prepays	(323,333)	44,072	(50,932)	(37,435)
Principal Retirement	(1,467,160)	-	-	-
Interest on Debt	(1,923,066)	-	-	-
Net Increase in Fair Value of Investment	(1,012,282)	-	-	-
Advances	77,102	-	-	-
Operating Transfers	3,811,877	-	-	-
Debt Proceeds	8,400,970	-	-	-
Payment to Escrow Agent	(6,327,048)	-	-	-
Budget Basis	\$ (155,207)	\$ 6,801,825	\$ (1,251,566)	\$ 1,394,118)

**NOTE 3 ACCOUNTABILITY AND ACCOUNTING CHANGES**

**ACCOUNTABILITY:**

The following funds had deficit fund balances as of December 31, 2005:

**CAPITAL PROJECTS FUNDS:**

Buildings Construction and Renovations	\$ 3,330,381
Road Improvement	1,089,560
Technology	3,733,894

The deficits occurring in the Capital Projects Funds arise from the issuance of short-term bond anticipation notes which are used to finance the projects until bonds are issued. These deficits will be alleviated when the bonds are issued or when the notes are paid.

**INTERNAL SERVICE FUNDS:**

Workers Compensation	\$ 1,570,712
Employee Health Insurance	1,351,673

**LEGAL COMPLIANCE**

Contrary to ORC section 305.10 the Clerk of the Board of County Commissioners did not maintain a full and accurate account of Commissioner meeting minutes.

**RESTATEMENT OF FUND EQUITY**

The restatement is due to the correction of prior year errors and a change in reporting for the Health Insurance fund from Special Revenue to Internal Service. These adjustments had the following effect on the fund balances of major and non major funds of the County as they were previously reported.

Notes to the Basic Financial Statements  
(continued)

For The Year Ended December 31, 2005

**ACCOUNTABILITY AND ACCOUNTING CHANGES (continued)**

**GOVERNMENTAL FUNDS – RESTATEMENT**

	<u>GENERAL</u>	<u>ALL OTHER GOVERNMENTAL</u>
Fund Balance at December 31, 2004	\$ 10,806,098	\$ 30,653,501
Equity in Pooled Cash and Cash Equiv	-	(41,811)
Due to Other Funds	367,366	225,000
Due from Other Funds	-	(592,366)
Notes Payable	-	(1,144,000)
Adjusted Fund Balance at December 31, 2004	<u>\$ 11,173,464</u>	<u>\$ 29,100,324</u>

**PROPRIETARY FUNDS – RESTATEMENT**

Net Asset balance at December 31, 2004	\$ (2,157,771)
Equity in Pool Cash and Cash Equiv	41,811
Adjusted Net Asset Balance at December 31, 2004	<u>\$ (2,115,960)</u>

**GOVERNMENTAL ACTIVITIES – RESTATEMENT**

Net Asset balance at December 31, 2004	\$ 358,159,192
Notes Payable	(1,144,000)
Adjusted Net Asset Balance at December 31, 2004	<u>\$ 357,015,192</u>

**BUSINESS TYPE ACTIVITIES – RESTATEMENT**

	<u>SEWER</u>	<u>WATER</u>	<u>GSC PARKING FACILITY</u>	<u>TOTAL BUSINESS TYPE</u>
Fund Equity at December 31, 2004	\$ 143,591,542	\$ 75,944,520	\$ (494)	\$ 219,535,568
Notes Payable	1,144,000		-	1,144,000
Adjusted Net Asset Balance at December 31, 2004	<u>\$ 144,735,542</u>	<u>\$ 75,944,520</u>	<u>\$ (494)</u>	<u>\$ 220,679,568</u>

**CHANGES IN ACCOUNTING PRINCIPLES**

For 2005, the County has implemented GASB Statement No. 40, “*Deposit and Investment Risk Disclosures – an Amendment of GASB Statement No. 3.*” and GASB Statement No. 42, “*Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*”.

GASB Statement No. 40 addresses common deposit and investment risk disclosures. The implementation of this statement had no effect on the County’s financial statements for 2005.

GASB Statement No. 42 establishes accounting and financial reporting standards for the impairment of capital assets. A capital asset is considered impaired when its service utility has declined significantly and unexpectedly. This statement also clarifies and establishes accounting requirements for insurance recoveries. The implementation of this Statement had no effect on the County’s financial statements for 2005.

**NOTE 4 DEPOSITS AND INVESTMENTS**

**CASH**

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

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

Inactive deposits are public deposits that the Board has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of

**DEPOSITS AND INVESTMENTS (continued)**

deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificate of deposits not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Interim monies held by the County may be deposited or invested in the following securities:

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;
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, Government National Mortgage Association and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations;
7. The State Treasurer's investment pool (STAROhio); and
8. Commercial paper and bankers acceptances if training requirements have been met.

Investments in stripped principal or interest obligations reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. Investments may only be made through specified dealers and institutions.

**DEPOSITS**

Custodial credit risk for deposits is the risk that in the event of bank failure, the County will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$169,660,264 of the County's bank balance of \$170,412,809 was exposed to custodial credit risk because it was uninsured and uncollateralized. Although all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the County to a successful claim by the FDIC.

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

Notes to the Basic Financial Statements  
(continued)

For The Year Ended December 31, 2005

**DEPOSITS AND INVESTMENTS (continued)**

**INVESTMENTS**

As of December 31, 2005, the County had the following investments:

	Fair Value	Investment Maturities (In Years)		
		Less than 1	1 - 2	3 - 4
Fifth Third Institutional Money Market Mutual Fund	\$1,688,712	\$1,688,712	-	-
First American Treasury Money Market Mutual Fund	5,692,688	5,692,688	-	-
STAROhio	777,654	777,654	-	-
Federal Farm Credit Banks Bonds	3,914,380	-	3,914,380	-
Federal Home Loan Banks Bonds	27,825,239	16,938,479	8,904,880	1,981,880
Federal Home Loan Mortgage Corporation Bonds	43,533,003	22,797,662	18,769,349	1,965,992
Federal Home Loan Mortgage Corporation Discount Notes	2,163,840	2,163,840	-	-
Federal National Mortgage Association Bonds	30,609,139	17,819,105	11,840,974	949,060
Federal National Mortgage Association Discount Notes	745,425	745,425	-	-
Total Investments	<u>\$116,950,080</u>	<u>\$68,623,565</u>	<u>\$43,429,583</u>	<u>\$4,896,932</u>

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

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

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

**NOTE 5 PROPERTY TAXES**

Property taxes include amounts levied against real, public utility, and tangible personal property. The assessed value by property classification upon which the 2005 collection year was based is as follows:

Real Property	\$ 6,362,721,810
Tangible Personal Property	744,780,872
Public Utility Personal Property	251,886,670
Total	<u>\$ 7,359,389,352</u>

Ohio law prohibits taxation of property by all overlapping taxing authorities in excess of 10 mills per dollar of assessed value without a vote of the people. Presently, the County levies 1.92 mills of this 10 mill limit. In addition to the 1.92 mills, voted levies in the amount of 7.52 mills have been approved for the Children Services Board, Mental Health Board, Mental Retardation Board, Senior Citizens Services and Miami Conservancy. A summary of voted levies follows:

Notes to the Basic Financial Statements  
(continued)

For The Year Ended December 31, 2005

PROPERTY TAXES (continued)

Purpose	Voter Levy Date	Authorized Rate	Rate Levied for Current Year		Final Levy Year
			R/A	C/I	
Mental Retardation Board	2004	1.00	0.93	0.98	Continuing
Mental Retardation Board	2000	2.00	1.57	1.86	Continuing
Mental Health Board	1994	0.50	0.23	0.29	2004
Children Services Board	2003	2.00	1.85	1.97	2008
Miami Conservancy	1976	0.02	0.02	0.02	Continuing
Senior Citizens	2004	2.00	1.87	1.97	2009
Total		7.52	6.47	7.09	

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 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.

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

Taxes collected from tangible personal property (other than public utility) in one calendar year are levied in the prior calendar year on assessed values as of December 31, of that calendar year, and at the tax rates determined in the preceding year. Tangible personal property used in business (except for public utilities) is currently assessed for ad valorem taxation purposes at 25 percent of its true value for capital assets and 23 percent of true value for inventory.

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

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

The County Treasurer collects property tax on behalf of all taxing districts within the County. The County Auditor periodically remits to the taxing districts their portions of the taxes collected. Property taxes receivable represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2005 and for which there is an enforceable legal claim. In the General, Mental Health, Mental Retardation, Elderly Services and Children Services Funds the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2005 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

**NOTE 6 PERMISSIVE SALES TAX**

In 2005, \$19,503,113 of permissive sales tax was received into the General Fund based upon a permanent one-half percent tax on all retail sales made in the County. Vendor collections of the tax are paid to the State Treasurer by the twenty-third day of the month following collection. The State Tax Commissioner certifies to the State Auditor the amount of the tax to be returned to the County. The Tax Commissioner’s certification must be made within forty-five days after the end of each month. The State Auditor then has five days in which to draw the warrant payable to the County.

In June 2005 the Commissioners passed a resolution increasing the permissive sales tax by one-half percent for the design, engineering, purchase, and installation of a county-wide 800 megahertz public safety radio communications system. This sales tax took effect in October 2005, but no funds were received by the County until January 2006. This tax increase will expire at the end of two years or after the tax generates twenty-five million dollars, whichever comes first.

**NOTE 7 RECEIVABLES**

Receivables at December 31, 2005, consisted of taxes, unpaid utilities, loans, special assessments, tax incremental financing, interfund receivables, interest and intergovernmental receivables arising from grants, entitlements, and shared revenues. Loans receivable represent general fund advances to agency funds and low-interest loans for development projects and home improvements granted to eligible County residents and businesses under the Federal Community Development Block Grant Program. The Block Grant loans bear interest at annual rates between two and five percent. These loans are to be repaid over periods ranging from two to five years. All receivables are considered collectable in full, including amounts receivable which, if delinquent, may be certified and collected as a special assessment, subject to foreclosure for nonpayment. Special assessments and Tax Incremental Financing receivables expected to be collected in more than one year for the County amount to \$12,211,055. The County had \$95,929 in delinquent Special assessments and Tax Incremental Financing at December 31, 2005.

A summary of intergovernmental receivables follows:

<u>GOVERNMENTAL ACTIVITIES</u>	<u>Amount</u>
Indigent Defense Reimbursement	\$ 360,784
Motor Vehicle License Tax	4,311,695
Local Government	2,938,747
Permissive Sales Tax	6,186,163
Motor Vehicle Permissive Tax	248,638
Boarding of Prisoners	158,749
Gasoline Tax	984,516
Court Fines & Fees	49,931
Election Expenses	148,455
Lunch, Milk & Breakfast Grant	34,585
Prison Diversion Grant	362,827
Jail Diversion Grant	53,901
CBCF Subsidy	1,405,062
Community Corrections Grant	781,778
Felony Delinquent Care & Custody Grant	409,604
Victims of Crime	99,261
Core Over/Under Grant	2,254,411
Home Grant	1,743,987
CDBG Grant	994,402
LPA Grants	113,646
Path Federal Grant	65,572
Medicaid/Medicare	1,384,825
Drug Court Program	80,000
TASC Program	80,136
Federal Per Capita	748,318
State Per Capita	476,862
Adolescent Treatment Initiative	59,500
Prenatal Project	48,406

Butler County, Ohio

Notes to the Basic Financial Statements  
(continued)

For The Year Ended December 31, 2005

	<u>Amount</u>
<b><u>GOVERNMENTAL ACTIVITIES (continued)</u></b>	
Comprehensive Conflict Management	57,500
Block Grant Base Grant	87,524
Airport Maintenance Grant	176,575
HB 484 Child Welfare Services	61,924
Title XX	48,318
State 505 Subsidy	1,275,664
State 408 Flex Subsidy	2,297,958
State 401 Subsidy	86,628
Waiver Administration	1,703,288
Foster Care Maintenance	239,080
Chaffee Grant	38,619
Title XIX	148,160
Title IV-B	144,025
Workforce Development	2,050,721
Public Assistance	8,717,151
State Child Allocation	637,643
Metroparks	3,877,376
Twelfth District Court Reimbursements	439,980
All Other	<u>375,993</u>
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ <u>49,048,888</u></b>
<b><u>BUSINESS-TYPE ACTIVITIES</u></b>	
USDA Rd New Miami Grant	3,736,256
All Other	<u>3,389</u>
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ <u>3,739,645</u></b>
<b><u>AGENCY FUND ACTIVITIES</u></b>	
Local Government	\$ 13,720,979
Motor Vehicle License Tax	1,180,709
Permissive Tax	154,036
Gasoline Tax	644,711
Court Fines and Fees	<u>9,317</u>
<b>TOTAL AGENCY FUND ACTIVITIES</b>	<b>\$ <u>15,709,752</u></b>
<b>GRAND TOTAL</b>	<b>\$ <u>68,498,285</u></b>

**NOTE 8 CAPITAL ASSETS**

Primary Government Capital asset activity for the year ended December 31, 2005, was as follows:

	<u>Balance 12/31/04</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/05</u>
<b>Governmental Activities</b>				
<b>Nondepreciable Capital Assets:</b>				
Land	\$ 8,553,599	\$ 1,063,274	\$ -	\$ 9,616,873
<b>Infrastructure:</b>				
Roads	156,334,117	3,227,213	-	159,561,330
Bridges	64,783,331	-	-	64,783,331
Culverts	14,464,058	-	-	14,464,058
Construction in Progress	<u>463,912</u>	<u>1,915,397</u>	<u>(1,457,574)</u>	<u>921,735</u>
<b>Total Nondepreciable Capital Assets</b>	<b><u>244,599,017</u></b>	<b><u>6,205,884</u></b>	<b><u>(1,457,574)</u></b>	<b><u>249,347,327</u></b>
<b>Capital Assets being depreciated:</b>				
Land Improvements	7,772,581	73,063	-	7,845,644
Building and Improvements	124,253,708	-	-	124,253,708
Furniture, Fixtures and Equipment	24,831,477	5,835,680	(128,743)	30,538,414
Vehicles	<u>8,048,047</u>	<u>1,624,953</u>	<u>(608,237)</u>	<u>9,064,763</u>
<b>Total Depreciable Capital Assets</b>	<b><u>164,905,813</u></b>	<b><u>7,533,696</u></b>	<b><u>(736,980)</u></b>	<b><u>171,702,529</u></b>

Butler County, Ohio

Notes to the Basic Financial Statements  
(continued)

For The Year Ended December 31, 2005

**CAPITAL ASSETS (continued)**

Less Accumulated Depreciation for:

Land Improvements	(1,315,174)	(205,713)	-	(1,520,887)
Building and Improvements	(30,121,169)	(3,665,420)	-	(33,786,589)
Furniture, Fixtures and Equipment	(8,538,028)	(2,295,794)	128,743	(10,705,079)
Vehicles	(6,011,838)	(827,678)	608,237	(6,231,279)
Total Accumulated Depreciation	(45,986,209)	(6,994,605)	736,980	(52,243,834)

Total Depreciable Capital Assets, Net 118,919,604 539,091 - 119,458,695

Total Governmental Activities Capital Assets, Net \$ 363,518,621 \$ 6,744,975 \$ (1,457,574) \$ 368,806,022

**Business-Type Activities**

Nondepreciable Capital Assets:

Land	\$ 1,263,110	\$ -	\$ -	\$ 1,263,110
Construction in Progress	31,443,320	31,410,129	(10,536,973)	52,316,476
Total Nondepreciable Capital Assets	<u>32,706,430</u>	<u>31,410,129</u>	<u>(10,536,973)</u>	<u>53,579,586</u>

Capital Assets being depreciated:

Land Improvements	2,905,109	25,666	-	2,930,775
Building and Improvements	61,625,409	618,612	-	62,244,021
Furniture, Fixtures and Equipment	44,237,835	1,636,109	-	45,873,944
Vehicles	2,071,448	307,036	-	2,378,484
Water and Sewer Mains	<u>231,376,505</u>	<u>22,272,959</u>	<u>(1,816,960)</u>	<u>251,832,504</u>
Total Depreciable Capital Assets	<u>342,216,306</u>	<u>24,860,382</u>	<u>(1,816,960)</u>	<u>365,259,728</u>

Less Accumulated Depreciation for:

Land Improvements	(949,572)	(129,420)	-	(1,078,992)
Building and Improvements	(14,790,563)	(2,195,934)	-	(16,986,497)
Furniture, Fixtures and Equipment	(22,474,202)	(3,161,607)	-	(25,635,809)
Vehicles	(1,812,183)	(140,746)	-	(1,952,929)
Water and Sewer Mains	(69,744,891)	(6,270,322)	869,396	(75,145,817)
Total Accumulated Depreciation	(109,771,411)	(11,898,029)	869,396	(120,800,044)

Total Depreciable Capital Assets, Net 232,444,895 12,962,353 (947,564) 244,459,684

Total Business-Type Activities Capital Assets, Net \$ 265,151,325 \$ 44,372,482 \$ (11,484,537) \$ 298,039,270

**Depreciation expense was charged to governmental functions as follows:**

Governmental Activities:

General Government

Legislative and Executive \$ 2,442,184

Judicial 402,477

Public Safety 2,391,761

Public Works 705,021

Health

Mental Health 4,121

Mental Retardation and Developmental Disabilities 724,577

Drug and Alcohol 35,582

Other Health 16,362

Human Services

Children Services Board 87,867

County Care Facility 73,727

Job and Family Services 48,928

Other Human Services 61,998

Total Depreciation Expense-Governmental Activities \$ 6,994,605

Additions to business-type capital assets being depreciated include \$13,949,389 in assets donated by outside entities, such as property developers.



Notes to the Basic Financial Statements  
(continued)

For The Year Ended December 31, 2005

**NOTE 9 RISK MANAGEMENT**

The County is exposed to various risks of loss related to torts; damage to, theft of, or destruction of assets; errors and omissions; injuries to employees and natural disasters. During 2005 the County contracted with County Risk Sharing Authority Inc. (CORSA) (a risk sharing pool - see Note 20) for liability, property, and crime damage. Coverage provided by the pool is as follows:

Property

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

Liability

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

Crime

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

Boiler and Machinery

100,000,000

Deductible

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

Settled claims have not exceeded coverage in any of the last three years. The County has had no reduction in coverage in 2005.

The County has workers' compensation coverage for all employees. The merit-rated premium for workers' compensation for the calendar year 2005 would have been approximately \$1,855,247. Based on that, the minimum premium percentage due would be approximately \$562,264 (21%) with maximum aggregate liability, at the 200% stop-loss level, equal to \$3,710,494. The County's year end liability for unpaid claims costs was \$3,382,385 (based on 12/31/05 MIRA reserves) with approximately \$331,814 payable within one year. The County maintains a retrospective rating plan for workers' compensation insurance. (See Note 2).

The County has a self-insurance internal service fund to account for its workers' compensation self-insured activity. Claims, liabilities and expenses are estimated through a case by case review of all claims. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. The historical changes in claims payable during years December 31, 2004 and 2005 are:

	Beginning of Year Liability	Current Year Claims And Changes in Estimates	Claims Payments	End of Year Liability
2004	\$ 3,934,297	\$ 894,441	\$ 1,909,422	\$ 2,919,316
2005	2,919,316	901,141	438,072	3,382,385

Notes to the Basic Financial Statements  
(continued)

For The Year Ended December 31, 2005

**NOTE 10 CAPITAL LEASES**

During 2005 and in prior years, the County has entered into capital leases to finance various county purchases. The leases meet the criteria of a capital lease as defined by Statement of Financial Accounting standards No. 13, "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the basic financial statements for the governmental funds. These expenditures are reported as program expenditures in the budgetary statements.

General capital assets consisting of buildings, vehicles, software and equipment have been capitalized in the amount of \$3,021,747. This amount represents the present value of the minimum lease payments at the time of acquisition. Principal payments in 2005 totaled \$156,071 in the governmental funds.

Asset:	Asset Value	Accumulated Depreciation	Net Book Value
Modular Facility	\$ 87,215	\$ 8,440	\$ 78,775
Buses	72,200	20,629	51,571
Sheriff Vehicles	1,004,800	-	1,004,800
Juvenile Detention Vehicles	39,162	-	39,162
Accela Permitting System	699,327	-	699,327
Computer Server	35,578	-	35,578
Common Pleas Court Reporting System	35,865	-	35,865
Electronic Voting Machines	1,047,600	-	1,047,600
<b>Totals</b>	<b>\$ 3,021,747</b>	<b>\$ 29,069</b>	<b>\$ 2,992,678</b>

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2005:

Year	Amount
2006	\$ 961,301
2007	962,068
2008	867,869
2009	170,619
2010	85,628
<b>TOTAL</b>	<b>\$ 3,047,485</b>
Less Amount Representing Interest	(236,941)
<b>Present Value of Net Minimum Lease Payments</b>	<b>\$ 2,810,544</b>

**NOTE 11 DEFINED BENEFIT PENSION PLANS**

**OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)**

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

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

**DEFINED BENEFIT PENSION PLANS (continued)**

For the year ended December 31, 2005, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 8.5 percent of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1 percent of their annual covered salary; members in public safety contributed 9 percent. The County's contribution rate for pension benefits for 2005 was 9.55 percent, except for those plan members in law enforcement or public safety. For those classifications, the County's pension contributions were 12.7 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The County's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2005, 2004 and 2003 were \$8,161,938, \$8,103,866 and \$6,899,090 respectively; 88 percent has been contributed for 2005 and 100 percent for 2004 and 2003. Contributions to the member-directed plan for 2005 were \$95,495 made by the County and \$87,971 made by the plan members.

**STATE TEACHERS RETIREMENT SYSTEM (STRS)**

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

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions equal to 10.5% of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan.

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

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

For the year ended December 31, 2005 plan members were required to contribute 10 percent of their annual covered salaries. The County was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2004, the portion used to fund pension obligations was 13. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

**DEFINED BENEFIT PENSION PLANS (continued)**

The County's required contributions for pension obligations to the DB Plan for the years ended December 31, 2005, 2004, and 2003 were \$226,214, \$270,491, and \$252,644, respectively; 90.51 percent has been contributed for fiscal year 2005, 100 percent for fiscal years 2004 and 2003. Contributions to the DC and Combined Plans for fiscal year 2005 were \$23,710 made by the County and \$24,319 made by the plan members.

**NOTE 12 POSTEMPLOYMENT BENEFITS**

**OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)**

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

Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in GASB Statement No. 12. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2005 local government employer contribution rate 13.55 percent of covered payroll (16.7 percent for public safety and law enforcement); 4.00 percent of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2004, include a rate of return on investments of 8.00 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase at the projected wage inflation rate plus an additional factor ranging from 1.00 to 6.00 percent annually for the next seven years and 4.00 percent annually after seven years.

All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually.

The number of active contributing participants in the traditional and combined plans was 376,109. Actual employer contributions for 2005 which were used to fund postemployment benefits were \$3,761,986. The actual contribution and the actuarially required contribution amounts are the same. The actuarially value of OPERS's net assets available for payment of benefits at December 31, 2004, (the latest information available) were \$10.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$29.5 billion and \$18.7 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs. Member and employer contribution rates increased as of January 1, 2006, which will allow additional funds to be allocated to the health care plan.

**STATE TEACHERS RETIREMENT SYSTEM (STRS)**

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

**POSTEMPLOYMENT BENEFITS (continued)**

All Retirees who participated in the DB or Combined Plans and their dependents are eligible for health care coverage. The STRS Ohio Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. All benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS Ohio funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2005, the STRS Ohio allocated employer contributions equal to 1.0 percent of covered payroll to the Health Care Stabilization Fund. For the County, this amount equaled \$17,852 for the fiscal year 2005.

STRS Ohio pays health care benefits from the Health Care Stabilization Fund. At June 30, 2005, (the latest information available) the balance in the Fund was \$3.3 billion. For the year ended June 30, 2005, net health care costs paid by STRS were \$254,780,000 and STRS Ohio had 115,395 eligible benefit recipients.

**NOTE 13 OTHER EMPLOYEE BENEFITS**

**COMPENSATED ABSENCES**

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

**HEALTH CARE BENEFITS**

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

**NOTE 14 DEFEASANCE OF REVENUE BONDS**

**PRIOR YEAR DEFEASANCE OF REVENUE BONDS**

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

<u>Name of Revenue Bond Issues</u>	<u>Original Issue</u>	<u>Unmatured and Unpaid at December 31, 2005</u>
Madison-Wayne Township Sewer District-Dated June 1, 1964	\$ 350,000	\$ -
Greater Eastern Union Township Series A-Dated December 1, 1964	250,000	-
Eastern Union Township Sewer District Dated April 1, 1964	900,000	-
Fairfield Liberty Sewer District Number 2-Dated April 1, 1968	525,000	90,000

Notes to the Basic Financial Statements  
(continued)

For The Year Ended December 31, 2005

**NOTE 15 LONG-TERM OBLIGATIONS**

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

**GOVERNMENTAL ACTIVITIES****GENERAL OBLIGATION BONDS**

Year Issued	Description	Interest Rate	Original Issue	Balance 1/01/05	Additions	Reductions	Balance 12/31/05	Amount Due in One Year
1997	Gov't Services Center	4.000 - 5.000%	\$ 8,915,000	\$ 7,375,000	-	\$ (7,375,000)	\$ -	\$ -
2002	Adult Detention Facility	1.430 - 5.250%	29,875,000	27,995,000	-	(1,080,000)	26,915,000	1,110,000
2002	Fiber Optic Ring	1.430 - 5.250%	2,745,000	2,575,000	-	(100,000)	2,475,000	100,000
2004	Various Purpose	2.000 - 4.750%	19,255,000	18,750,000	-	(730,000)	18,020,000	835,000
	Sub-total General Obligation Bonds			\$56,695,000	\$ -	\$ (9,285,000)	\$47,410,000	\$ 2,045,000
	Add: Deferred Amounts for Premium Amortization on the 2002 Adult Detention Facility Bond			1,782,845	-	(99,046)	1,683,799	-
	Add: Deferred Amounts for Premium Amortization on the 2002 Fiber Optic Ring Bond			164,272	-	(9,126)	155,146	-
	Subtract Calculated difference between old and new debt for 2004 advanced refunding			(603,708)	-	53,935	(549,773)	-
	Add: Deferred Amounts for Premium amortization on the 2004 Various Purpose Issue			365,905	-	(26,322)	339,583	-
	Total General Obligation Bonds			\$58,404,314	\$ -	\$ (9,365,559)	\$49,038,755	\$ 2,045,000

**SALES TAX BONDS**

Year Issued	Description	Interest Rate	Original Issue	Balance 1/01/05	Additions	Reductions	Balance 12/31/05	Amount Due in One Year
1997	Govt. Svcs. Center	4.000 - 5.000%	\$28,730,000	\$23,810,000	\$ -	\$ (23,810,000)	\$ -	\$ -
2005	Govt. Svcs. Center	3.000 - 5.000%	29,365,000	-	29,365,000	(1,100,000)	28,265,000	680,000
	Sub-total Sales Tax Bonds			\$23,810,000	\$29,365,000	\$ (24,910,000)	\$28,265,000	\$ 680,000
	Subtract: Calculated difference between old and new debt for 2005 advanced refunding			-	(1,723,080)	71,795	(1,651,285)	-
	Add: Deferred Amounts for Premium amortization on the 2005 Govt. Svcs. Center			-	1,911,520	(79,647)	1,831,873	-
	Total Sales Tax Bonds			\$23,810,000	\$29,553,440	\$ (24,917,852)	\$28,445,588	\$ 680,000

**SPECIAL ASSESSMENT BONDS WITH GOVERNMENTAL COMMITMENT**

Year Issued	Description	Interest Rate	Original Issue	Balance 1/01/05	Additions	Reductions	Balance 12/31/05	Amount Due in One Year
1985	1985 Water and Sewer	9.125%	\$ 640,000	\$ 30,000	\$ -	\$ (30,000)	\$ -	\$ -
1986	1986 Water System	8.000%	40,964	4,000	-	(2,000)	2,000	2,000
1988	1988 Water System	7.750%	55,040	12,000	-	(3,000)	9,000	3,000
1989	1989 Water System	7.375%	90,369	30,000	-	(5,000)	25,000	5,000
1995	Tyler's Place Blvd	3.100 - 4.900%	810,000	100,000	-	(100,000)	-	-
2000	Mulhauser	4.350 - 5.650%	6,860,000	5,840,000	-	(295,000)	5,545,000	315,000
2000	Lakota Drive	4.350 - 5.650%	355,000	310,000	-	(15,000)	295,000	15,000
2000	Union Centre	4.350 - 5.650%	1,045,000	915,000	-	(40,000)	875,000	40,000
2001	Union Centre Project Phase 1 and 3	2.400 - 5.100%	3,045,000	2,740,000	-	(125,000)	2,615,000	115,000
2005	Venice Gardens Sewer	4.125%	1,144,000	-	1,144,000	-	1,144,000	11,690
	Total Special Assessment Bonds			\$ 9,981,000	\$ 1,144,000	\$ (615,000)	\$10,510,000	\$ 506,690

**LOANS**

Year Issued	Description	Interest Rate	Original Issue	Balance 1/01/05	Additions	Reductions	Balance 12/31/05	Amount Due in One Year
1998	OPWC Mulhauser Road	2.00%	\$ 1,811,520	\$ 944,835	\$ -	\$ (81,720)	\$ 863,115	\$ 83,363
2001	OPWC Cincinnati Dayton Road	0.00%	789,748	789,748	-	(39,488)	750,260	39,488
2004	Oracle Software Loan	3.90%	263,660	237,993	-	(49,343)	188,650	51,304
	Total Loans			\$ 2,864,928	\$ 1,972,576	\$ (170,551)	\$ 1,802,025	\$ 174,155

Butler County, Ohio

Notes to the Basic Financial Statements  
(continued)

For The Year Ended December 31, 2005

**LONG-TERM OBLIGATIONS (continued)**

**LONG TERM NOTES**

Year Issued	Description	Interest Rate	Balance 1/01/05	Additions	Reductions	Balance 12/31/05	Amount Due in One Year
2005	CSB Expansion	3.25%	\$ 2,130,000	\$ 1,975,000	\$(2,130,000)	\$ 1,975,000	\$ 1,975,000
2005	Juvenile Detention Expansion A	3.25%	1,465,000	1,365,000	(1,465,000)	1,365,000	1,365,000
2005	Computers / Software	3.25%	3,630,000	3,630,000	(3,630,000)	3,630,000	3,630,000
2005	Airport Construction	4.00%	2,150,000	2,150,000	(2,150,000)	2,150,000	2,150,000
2005	Symmes Road Construction	3.25%	2,090,000	2,090,000	(2,090,000)	2,090,000	2,090,000
2005	Metroparks Construction	3.75%	2,840,000	4,710,000	(2,840,000)	4,710,000	4,710,000
2005	Building Remodel 301 South Third Street	3.75%	340,000	340,000	(340,000)	340,000	340,000
2005	University Pointe Landscaping	3.75%	325,000	335,000	(325,000)	335,000	335,000
2005	State Route 129 Liberty Interchange Eng	3.75%	500,000	510,000	(500,000)	510,000	510,000
Total Long Terms Notes			<u>\$15,470,000</u>	<u>\$17,105,000</u>	<u>\$(15,470,000)</u>	<u>\$17,105,000</u>	<u>\$17,105,000</u>

**OTHER PAYABLES**

Description	Balance 1/01/05	Additions	Reductions	Balance 12/31/05	Amount Due in One Year
Capital Leases Payable	\$ 104,283	\$ 2,862,332	\$ (156,071)	\$ 2,810,544	\$ 839,917
Compensated Absences Payable	5,941,159	4,580,366	(4,839,923)	5,681,602	2,166,808
Total Other Payables	<u>\$ 6,045,442</u>	<u>\$ 7,442,698</u>	<u>\$ (4,995,994)</u>	<u>\$ 8,492,146</u>	<u>\$ 3,006,725</u>

**TOTAL GOVERNMENTAL ACTIVITIES**

Description	Balance 1/01/05	Additions	Reductions	Balance 12/31/05	Amount Due in One Year
Total Governmental Activities	<u>\$ 115,683,332</u>	<u>\$ 55,245,138</u>	<u>\$ (55,534,956)</u>	<u>\$ 115,393,514</u>	<u>\$ 23,517,570</u>

**BUSINESS TYPE ACTIVITIES**

**GENERAL OBLIGATION BONDS**

Year Issued	Description	Interest Rate	Original Issue	Balance 1/01/05	Additions	Reductions	Balance 12/31/05	Amount Due in One Year
1986	Sanitary Sewer	7.13%	\$ 4,500,000	\$ 462,784	\$ -	\$ (225,000)	\$ 237,784	\$ 237,784
2005	Venice Gardens Sewer	4.125%	600,000	-	600,000	-	600,000	6,130
Add: Deferred Amounts For Premium Amortization on The 1986 Sanitary Sewer				2,388	-	(1,598)	790	-
Total General Obligation Bonds				<u>\$ 465,172</u>	<u>\$ 600,000</u>	<u>\$ (226,598)</u>	<u>\$ 838,574</u>	<u>\$ 243,914</u>

**WATER JUDGEMENT BONDS**

Year Issued	Description	Interest Rate	Original Issue	Balance 1/01/05	Additions	Reductions	Balance 12/31/05	Amount Due in One Year
2002	Water Judgement Bonds	1.550 - 5.250%	\$35,030,000	\$34,720,000	\$ -	\$ (430,000)	\$34,290,000	\$ 615,000
Add: Deferred Amounts For Premium Amortization on the 2002 Water Judgement Bond				478,885	-	(21,767)	457,118	-
Total Water Judgement Bonds				<u>\$35,198,885</u>	<u>\$ -</u>	<u>\$ (451,767)</u>	<u>\$34,747,118</u>	<u>\$ 615,000</u>

Notes to the Basic Financial Statements  
(continued)

For The Year Ended December 31, 2005

**LONG-TERM OBLIGATIONS (continued)****REVENUE BONDS**

Year Issued	Description	Interest Rate	Original Issue	Balance 1/01/05	Additions	Reductions	Balance 12/31/05	Amount Due in One Year
1996	Water	3.60 - 5.450%	\$17,670,000	\$14,075,000	\$ -	\$ (14,075,000)	\$ -	\$ -
1999	Water	3.00 - 5.000%	17,140,000	13,520,000	-	(770,000)	12,750,000	805,000
2005	Water	3.50 - 5.000%	14,850,000	-	14,850,000	-	14,850,000	505,000
2005	Water	3.00 - 5.125%	13,235,000	-	13,235,000	(715,000)	12,520,000	590,000
	Sub-total Water			\$27,595,000	\$28,085,000	\$ (15,560,000)	\$40,120,000	\$ 1,900,000
	Subtract: Calculated difference between old and new debt for 2005 advanced refunding			-	(1,205,554)	53,186	(1,152,368)	-
	Add: Deferred Amounts for Premium amortization on the 2005 Water Revenue Bonds			-	1,197,526	(42,091)	1,155,435	-
	Total Water			\$27,595,000	\$28,076,972	\$ (15,548,905)	\$40,123,067	\$ 1,900,000
1997	Sewer	4.00 - 5.250%	2,380,000	1,800,000	-	(1,585,000)	215,000	105,000
1998	Sewer	4.00 - 5.250%	23,050,000	19,215,000	-	(7,070,000)	12,145,000	1,650,000
1999	Sewer	3.20 - 5.100%	28,160,000	23,150,000	-	(13,910,000)	9,240,000	1,165,000
2004	Sewer	3.20 - 5.100%	19,620,000	19,520,000	-	(845,000)	18,675,000	860,000
2005	Sewer	3.00 - 5.000%	19,575,000	-	19,575,000	-	19,575,000	20,000
	Sub-total Sewer			\$63,685,000	\$19,575,000	\$ (23,410,000)	\$59,850,000	\$ 3,800,000
	Subtract: Calculated difference between old and new debt for 2004 advanced refunding			(1,687,710)	-	99,277	(1,588,433)	-
	Add: Deferred Amounts for Premium amortization on the 2004 Sewer Revenue Bonds			22,360	-	(1,118)	21,242	-
	Subtract: Calculated difference between old and new debt for 2005 advanced refunding			-	(1,723,372)	107,711	(1,615,661)	-
	Add: Deferred Amounts for Premium amortization on the 2005 Sewer Revenue Bonds			-	1,935,602	(50,937)	1,884,665	-
	Total Sewer			\$62,019,650	\$19,787,230	\$ (23,255,067)	\$58,551,813	\$ 3,800,000
	Total Revenue Bonds			\$89,614,650	\$47,864,202	\$ (38,803,972)	\$98,674,880	\$ 5,700,000

**LOANS**

Year Issued	Description	Interest Rate	Original Issue	Balance 1/01/05	Additions	Reductions	Balance 12/31/05	Amount Due in One Year
2005	Cincinnati Waterworks Loan	4.19%	\$ 4,634,892	\$ -	\$ 4,634,892	\$ (24,782)	\$ 4,610,110	\$ 152,373
	Total Loans		\$ 4,634,892	\$ -	\$ 4,634,892	\$ (24,782)	\$ 4,610,110	\$ 152,373

**LONG TERM NOTES**

Year Issued	Description	Interest Rate	Original Issue	Balance 1/01/05	Additions	Reductions	Balance 12/31/05	Amount Due in One Year
2004	Water System Improvements	3.25%		\$ 4,900,000	\$ 4,900,000	\$ (9,800,000)	\$ -	-
2004	Waterworks Improvements	3.00%		3,500,000	3,500,000	(7,000,000)	-	-
	Total Long Terms Notes			\$ 8,400,000	\$ 8,400,000	\$ (16,800,000)	\$ -	\$ -

**OTHER PAYABLES**

Description	Balance 1/01/05	Additions	Reductions	Balance 12/31/05	Amount Due in One Year
Compensated Absences Payable	\$ 551,742	452,358	\$ (432,735)	\$ 571,365	\$ 201,465
Total Other Payables	\$ 551,742	452,358	\$ (432,735)	\$ 571,365	\$ 201,465

**TOTAL BUSINESS TYPE ACTIVITIES**

Description	Balance 1/01/05	Additions	Reductions	Balance 12/31/05	Amount Due in One Year
Total Business Type Activities	\$134,230,449	\$61,951,452	\$ (56,739,854)	\$139,442,047	\$ 6,912,752



LONG-TERM OBLIGATIONS (continued)

GENERAL OBLIGATION BONDS

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

*New 2005 \$600,000 Venice Gardens Sewer General Obligation*

In August 2005 the County issued a \$600,000 General Obligation bond for the purpose of bonding short-term bond anticipation notes. The bonds were issued for a forty-year period, with final maturity in August 2045. The bonds are subject to optional redemption as a whole at any time or in part, at the option of the County, in inverse order of maturity at the redemption price of one hundred percent of the principal amount redeemed plus accrued interest, to the redemption date.

SALES TAX BONDS

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

*New 2005 \$29,365,000 Sales Tax Bonds*

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

The \$29,365,000 portion of the bond proceeds along with existing Butler County funds were used to advanced refund the 1997 Government Services Center General Obligation Bond and the 1997 Sales Tax Revenue Bonds.

The Advance refunding resulted in a difference of \$1,723,080 between the net carrying amount of the debt and the acquisition price. This difference, reported in the accompanying financial statements as a decrease to bonds payable, is being amortized to interest expense over the life of the bonds using the straight-line method. The Counties total debt service payments decreased by \$2,987,250 as a result of the advance refunding. The County also incurred an economic gain (difference between the present values of the old and new debt service payments) of \$1,239,070.

LONG-TERM OBLIGATIONS (continued)

SPECIAL ASSESSMENT BONDS WITH GOVERNMENTAL COMMITMENT

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

*New 2005 \$600,000 Venice Gardens Sewer Special Assessment Bond*

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

LONG TERM LOANS

*New 2005 \$4,634,892 Cincinnati Waterworks Loan*

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

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

The Oracle Software loan was issued to purchase additional Oracle software. The County entered into a loan agreement with LaSalle National Bank in 2004. This loan will be repaid with general fund revenues.

REVENUE BONDS

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

*New 2005 \$19,575,000 Sewer Bond Advance Refunding*

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

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

Notes to the Basic Financial Statements  
(continued)

For The Year Ended December 31, 2005

LONG-TERM OBLIGATIONS (continued)

The bond proceeds were used to partially advance refund the 1997, 1998, and 1999 Sewer Bond Issue. The Advance refunding resulted in a difference of \$1,723,372 between the net carrying amount of the debt and the acquisition price. This difference, reported in the accompanying financial statements as a decrease to bonds payable, is being amortized to interest expense over the life of the bonds using the straight-line method. The Counties total debt service payments decreased by \$796,468 as a result of the advance refunding. The County also incurred an economic gain (difference between the present values of the old and new debt service payments) of \$651,650.

*New 2005 \$13,235,000 Water Bond Advance Refunding*

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

Year	Amount
2018	\$ 1,000,000
2019	\$ 1,000,000
2020	\$ 1,000,000

The \$13,563,964 portion of the bond proceeds along with existing Butler County funds were used to advance refund the 1996 Water Bonds. The Advanced refunding resulted in a difference of \$1,205,554 between the net carrying amount of the debt and the acquisition price. This difference, reported in the accompanying financial statements as a decrease to bonds payable, is being amortized to interest expense over the life of the bonds using the straight-line method. The Counties total debt service payments decreased by \$2,384,270 as a result of the advance refunding. The County also incurred an economic gain (difference between the present values of the old and new debt service payments) of \$494,795.

*New 2005 \$14,850,000 Water Bonds*

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

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

WATER JUDGEMENT BONDS

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

Notes to the Basic Financial Statements  
(continued)

For The Year Ended December 31, 2005

**LONG-TERM OBLIGATIONS (continued)**

**LONG TERM NOTES**

Long Term Bond Anticipation notes were issued to finance various building, road and Water system construction projects within Butler County. These notes were issued with the backing of the full faith and credit of the County's general fund.

**OTHER PAYABLES**

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

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

The following is a summary of the County's future annual debt service requirements for long-term obligations:

	Special Assessment Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest
2006	\$ 506,690	\$ 531,039	\$ 2,288,914	\$ 2,493,767
2007	525,170	504,272	2,146,380	2,420,835
2008	555,670	479,975	2,276,650	2,344,272
2009	573,200	453,559	2,546,920	2,252,212
2010	603,740	425,880	2,647,210	2,145,392
2011-2015	3,437,680	1,651,508	14,055,740	8,923,984
2016-2020	3,175,080	688,088	13,959,870	5,215,463
2021-2025	341,380	189,584	7,911,030	1,266,563
2026-2030	142,440	152,031	74,710	-
2031-2035	648,950	234,390	340,360	-
	<b>\$10,510,000</b>	<b>\$ 5,310,326</b>	<b>\$48,247,784</b>	<b>\$27,062,488</b>

	Sales Tax Bonds		Revenue Bonds	
	Principal	Interest	Principal	Interest
2006	\$ 680,000	\$ 1,266,775	\$ 5,700,000	\$ 4,380,599
2007	1,200,000	1,242,975	5,895,000	4,170,264
2008	1,765,000	1,200,975	6,120,000	3,949,142
2009	1,825,000	1,139,200	6,350,000	3,714,604
2010	9,600,000	1,075,325	6,600,000	4,122,482
2011-2015	10,740,000	2,199,600	30,285,000	14,538,554
2016-2020	2,455,000	122,750	29,020,000	6,334,444
2021-2025	-	-	10,000,000	1,137,921
	<b>\$28,265,000</b>	<b>\$ 8,247,600</b>	<b>\$99,970,000</b>	<b>\$42,348,010</b>

	Judgement Bonds		Loans	
	Principal	Interest	Principal	Interest
2006	\$ 615,000	\$ 1,598,334	\$ 326,528	\$ 213,742
2007	815,000	1,582,344	336,747	203,520
2008	1,010,000	1,558,709	347,361	193,007
2009	1,165,000	1,523,359	329,272	182,026
2010	1,210,000	1,465,109	309,881	172,450
2011-2015	6,910,000	6,590,244	1,649,449	712,099
2016-2020	8,735,000	4,811,888	1,458,164	452,437
2021-2025	11,245,000	2,299,913	1,654,733	159,277
2026	2,585,000	122,788	-	-
	<b>\$34,290,000</b>	<b>\$21,552,688</b>	<b>\$ 6,412,135</b>	<b>\$ 2,288,558</b>

**LONG-TERM OBLIGATIONS (continued)**

**INDUSTRIAL DEVELOPMENT REVENUE BONDS**

The County has issued industrial development revenue bonds (in the aggregate outstanding principal amount of \$14,285,000 at December 31, 2005 for facilities used by private corporations or other entities. The County is not obligated in any way to pay debt charges on the bonds from any of its funds, and therefore they have been excluded entirely from the County's debt presentation. There has not been and is not any condition of default under the bonds or the related financing documents.

**HOSPITAL REVENUE BONDS**

The County has served as the issuer of hospital revenue bonds. The proceeds were used to acquire, construct, improve and equip hospital facilities. The hospital revenue bonds do not constitute a general obligation, debt or bonded indebtedness of the County. Neither is the full faith and credit or taxing power of the County pledged to make repayment. The amount of revenue bonds outstanding at December 31, 2005 was \$163,405,000.

**CAPITAL FUNDING REVENUE BONDS**

In 2005, Butler County issued \$47,325,000 in capital funding revenue bonds. These 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.

**LEGAL DEBT MARGIN**

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

The effects of the debt limitations described above at December 31, 2005 are an overall debt margin of \$147,104,734 and unvoted debt margin of \$38,213,894.

Notes to the Basic Financial Statements  
(continued)

For The Year Ended December 31, 2005

**NOTE 16 SHORT-TERM OBLIGATIONS**

A summary of the note and loan transactions for the year ended December 31, 2005 follows:

**GOVERNMENTAL ACTIVITIES**  
**SHORT TERM NOTES**

Governmental	Annualized Rate	Balance 1/01/05	Issued	Retired	Balance 12/31/05
Special Revenue					
Road Improvement	4.00%	\$ 590,000	\$ 505,000	\$ 590,000	\$ 505,000
Capital Projects					
Princeton Rd/State Route 747 TIF	2.75%	1,010,000	-	1,010,000	-
Cincinnati Dayton/Interstate 75 TIF	4.00%	1,010,000	1,030,000	1,010,000	1,030,000
Cincinnati Dayton/Interstate 75 TIF	4.00%	2,500,000	2,550,000	2,500,000	2,550,000
Cincinnati Dayton/State Route 129	4.00%	1,020,000	1,040,000	1,020,000	1,040,000
Cincinnati Dayton/State Route 129	4.00%	400,000	1,800,000	400,000	1,800,000
State Route 129 Liberty Interchange	4.00%	500,000	1,000,000	500,000	1,000,000
State Route 122 Expansion	3.00%	390,000	-	390,000	-
Highway Construction	4.00%	510,000	425,000	510,000	425,000
Computers/Software	4.00%	360,500	360,500	360,500	360,500
Fiber Optic Ring (2)	4.60%	2,595,000	2,595,000	2,595,000	2,595,000
Fiber Optic Ring (3)	4.60%	510,000	510,000	510,000	510,000
Stormwater Management	3.00%	525,000	-	525,000	-
County Admin Roof Repair	4.00%	154,500	154,500	154,500	154,500
Old Sheriff Building Repair	4.00%	105,000	105,000	105,000	105,000
Common Pleas Court Renovations	4.00%	50,000	50,000	50,000	50,000
Middletown Mall	4.00%	3,050,000	3,015,000	3,050,000	3,015,000
Fairfield Township TIF I	2.75%	3,375,000	-	3,375,000	-
Venice Gardens Sewer Construction	2.75%	1,144,000	-	1,144,000	-
<b>Total Governmental Notes</b>		<b>\$ 19,799,000</b>	<b>15,140,000</b>	<b>19,799,000</b>	<b>15,140,000</b>

**BUSINESS TYPE ACTIVITIES****SHORT TERM NOTES**

	Annualized Rate	Balance 1/01/05	Issued	Retired	Balance 12/31/05
New Miami Sewer Improvement	4.00%	\$ 7,500,000	7,500,000	7,500,000	7,500,000
Venice Gardens Sewer	2.75%	606,000	-	606,000	-
<b>Total Business Type Notes</b>		<b>\$ 8,106,000</b>	<b>\$ 7,500,000</b>	<b>\$ 8,106,000</b>	<b>\$ 7,500,000</b>

**SHORT TERM LOANS**

	Annualized Rate	Balance 1/01/05	Issued	Retired	Balance 12/31/05
OWDA Wastewater System Plan	5.56%	\$ 360,000	-	360,000	-
OWDA Wastewater Feasibility Study	0.00%	11,750	-	11,750	-
<b>Total Business Type Loans</b>		<b>371,750</b>	<b>-</b>	<b>371,750</b>	<b>-</b>
<b>Total Business Type Activities</b>		<b>\$ 8,477,750</b>	<b>\$ 7,500,000</b>	<b>\$ 8,477,750</b>	<b>\$ 7,500,000</b>

**NOTE 17 INTERFUND BALANCES AND ACTIVITY**

Due From/Due To balances at December 31, 2005 consist of the following individual fund receivables and payables:

Due To	Due From							Total
	General	Children Services Board	Other Govern- mental	Sewer	Water	Parking Facility	Internal Service	
General	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 341,071	\$ 341,071
Mental Retardation	304	-	9,080	95	163	-	113,895	123,537
Job and Family Children Services Board	30,037	855,913	12,560	-	-	1,692	92,806	993,008
Road Improvements	281,329	-	-	-	-	-	74,984	356,313
Bond Retirement	-	-	8,744	-	-	-	-	8,744
Other Governmental	540	-	-	-	-	-	-	540
Internal Service	150,362	-	196,007	300	-	-	207,238	553,907
Sewer	-	-	1,272	-	-	-	-	1,272
Water	3,650	-	344	-	-	-	49,580	53,574
GSC Parking Facility	6,954	-	10	-	-	-	29,961	36,925
Total	\$ 473,176	\$ 855,913	\$ 228,017	\$ 395	\$ 163	\$ 1,692	\$ 910,027	\$ 2,469,383

Notes to the Basic Financial Statements  
(continued)For The Year Ended December 31, 2005INTERFUND BALANCES AND ACTIVITY (continued)

Advances From/Advances To balances at December 31, 2005 consist of the following individual fund receivables and payables:

Advances From	Advances To								Total
	General	Job and Family Services	Children Services Board	Other Governmental Funds	Sewer	Water	Parking Facility	Internal Service	
Governmental	\$ 452,402	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 452,402
Internal Service	960,000	131,862	110,242	265,135	78,293	60,016	441	2,606	1,608,595
<b>Total</b>	<b>\$ 1,412,402</b>	<b>\$ 131,862</b>	<b>\$ 110,242</b>	<b>\$ 265,135</b>	<b>\$ 78,293</b>	<b>\$ 60,016</b>	<b>\$ 441</b>	<b>\$ 2,606</b>	<b>\$2,060,997</b>

Transfers In/Transfers Out activity for 2005, consisted of the following:

Transfers In	Transfers Out					Total
	General	Road Improvement	Other Governmental Funds	Water		
General	\$ -	\$ -	\$ 152,500	\$ -	\$ -	\$ 152,500
Job and Family	1,427,549	-	-	-	-	1,427,549
Road Improvement	43,344	-	499,361	-	-	542,705
Buildings	-	-	-	-	-	-
Construction	423,275	-	-	-	-	423,275
Bond Retirement	3,811,877	358	-	-	-	3,812,235
Other Governmental	299,737	-	381,885	31,372	-	712,994
<b>Total</b>	<b>\$ 6,005,782</b>	<b>\$ 358</b>	<b>\$ 1,033,746</b>	<b>\$ 31,372</b>	<b>\$ -</b>	<b>\$ 7,071,258</b>

All balances in the Due From/Due To schedule resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. The balance of \$452,402 due to the General Fund for advances to other Governmental Funds results from cash flow issues in those funds.

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; to move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payment become due, and use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 18 WATER RATE AGREEMENT

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

Several factors emanating from this new water agreement have provided the County with more flexibility in servicing customers as well as the potential to realize significant savings during the life of the agreement. While the County has secured a steady water supply through at least 2021, it now has the ability to build and

WATER RATE AGREEMENT (continued)

operate its own water plant by 2010, if desired, as well as the ability to consider sources of water other than the city of Hamilton for better water rates over the eight million gallon per day minimum, and to sell water to customers outside the County's water district.

The new agreement has also provided the County with a more favorable rate structure for water purchases. The County recorded an asset in 2002 in the amount of \$34,810,695, as "Deferred Charges for Water Rate Stabilization." This amount represents the purchase of future water rights. In 2005 the County amortized \$1,740,535 using the straight line amortization method, leaving \$29,589,090 in the statement of net assets.

NOTE 19 CONTINGENT LIABILITIES

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

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

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

A. BUTLER COUNTY EMERGENCY MANAGEMENT AGENCY

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

The Agency is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit to or burden on the County. In 2005, the County contributed \$39,310 which represents 18% of total contributions. Ninety percent of the operating revenues are contributed by the Federal government. Complete financial statements can be obtained from the Emergency Management Agency, 315 High St. Hamilton, OH 45011.

B. THE BUTLER COUNTY ALLIANCE

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

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



**JOINT VENTURES/JOINTLY GOVERNED ORGANIZATION/RISK SHARING POOL/RELATED ORGANIZATION**  
**(continued)**

The Alliance is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit or burden on the County. In 2005 the County contributed \$75,000 which represents 56% of total contributions. Complete financial statements can be obtained from the Butler County Alliance, 315 High Street, Hamilton, Ohio 45011.

**C. TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY**

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

**D. COUNTY RISK SHARING AUTHORITY (CORSA)**

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

Each member county has one vote on all matters requiring a vote, to be cast by a designated representative. An elected board of not more than nine trustees manages the affairs of the Corporation. Only county commissioners of member counties are eligible to serve on the board. No county may have more than one representative on the board at any time. Each member county's control over the budgeting and financing of

CORSAs is limited to its voting authority and any representation it may have on the board of trustees. CORSAs has issued certificates of participation in order to provide adequate cash reserves. The certificates are secured by the member counties' obligations to make coverage payments to CORSAs. The participating counties have no responsibility for the payment of certificates. The County's payment for insurance to CORSAs in 2005 was \$672,976.

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

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

**NOTE 21 RELATED PARTY TRANSACTION**

Miami Valley Industries, Inc. (the Workshop, a discretely presented component unit of Butler County), received contributions from the County for facilities, certain equipment, transportation and salaries for administration, implementation and supervision of its programs. In 2005, these contributions were \$805,747.

Notes to the Basic Financial Statements  
(continued)

For The Year Ended December 31, 2005

**NOTE 22 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS**

The County has several outstanding contracts for construction and professional services. The following amounts remain on these contracts as of December 31, 2005.

<u>Project/Vendor</u>	<u>Outstanding Balance</u>
Bethany Rd to Liberty Lane Main - S.K. Construction, Inc.	\$ 59,818
Lab Automation - Labtronics	1,920
Lebanon Street Sewer - JGK Pipeline Services, Inc.	9,365
LeSourdsville WRF Expansion - Malcolm Pirnie, Inc.	158,595
Libery Fairfield PS Replacement - Dugan & Meyers	3,689,088
Mullikin & Morris Road Water Main - Tetra Tech	69,650
New Miami Sewers - Reynolds, Inc.	1,404,187
New Miami WRF - A.T.S. Engineering	392,198
New Miami WRF - Arcadis, Inc.	19,298
New Miami WRF - F.D. Lawrence, Inc.	11,000
New Miami WRF - Lake Erie Electric	215,716
New Miami WRF - P. A. E. & Associates	232,990
New Miami WRF - P.C.S. Technology	66,563
New Miami WRF - Short Engineering, LLC	31,150
New Miami WRF - Sunesis, Inc.	109,491
New Miami/Seven Mile Ave Lift Station - Metcalf & Eddy of Ohio	7,719
New Miami/Seven Mile Ave Lift Station - URS, Inc.	3,263
North Sands Avenue Lift Station - Metcalf and Eddy of Ohio	101,954
Port Union Water Main - Lykins Contracting, Inc.	158,789
Princeton 747 Intersection - Don S. Cisle Contractor, Inc.	3,143
Princeton Road Water Main - Don W. May Contracting	454,830
Queen Acres WRF Expansion - Armrel Byrnes Co.	50,861
Queen Acres WRF Expansion - Culy Construction & Excavating, Inc.	74,114
Repair Services Blu Max - P.L.G. Utility Restoration	248,367
Sharon Creek LS - Quest Engineers Inc	4,804
Sharon Creek Sewer - BBS, Inc.	4,312
Sodium Hypochlorite - Vopak U.S.A.	27,636
SR 4 Green Lawn to Kyles Stn Main - M.E. Company	10,057
Trenton Lift Station - ESI, Inc	328,500
Trenton Lift Station - Miami Western Contractors, Inc.	62,130
Trenton Lift Station - Quest Engineers, Inc.	69,263
Trenton Lift Station - Sunesis, Inc.	755,061
UMC WRF - Lake Erie Electric	244,399
UMC WRF - P. A. E. & Associates	1,390,004

**NOTE 23 SUBSEQUENT EVENTS**

**DEBT RELATED ACTIVITY**

In March 2006, the County renewed a variety of bond anticipation notes that were rolled over in their entirety as follows:

Children Services Board Expansion	\$ 1,975,000
Juvenile Detention Center	1,365,000
Computer Hardware/Software	2,110,000
Computer Hardware/Software	510,000
Computer Hardware/Software	1,010,000
Symmes Road Extension	2,090,000
Total Proceeds	<u>\$ 9,060,000</u>

**SUBSEQUENT EVENTS (continued)**

In June 2006, the County renewed the following bond anticipation notes that were rolled in their entirety:

Butler County Airport	\$ 2,150,000
County Metro Parks	1,870,000
County Metro Parks	2,840,000
Building Repair	340,000
University Pointe	335,000
Liberty Interchange	<u>510,000</u>
Total Proceeds	<u>\$ 8,045,000</u>

Additional funding was secured in June 2006, to coincide with the renewal of the above issues. The new bond anticipation note issued included the following:

Yankee Rd Construction & Improvement	\$ 1,850,000
Total New Issues	<u>\$ 1,850,000</u>
 Total Proceeds – June Issue	 <u>\$ 9,895,000</u>

**NOTE 24 MIAMI VALLEY INDUSTRIES, INC.**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- A. Nature of Operations – Miami Valley Industries, Inc. (the Organization) was incorporated as a not-for-profit organization under the laws of the State of Ohio. The Organization provides services to individuals with disabilities living in Southwestern Ohio. The Organization considers the Butler County Board of MR/DD a primary partner in providing services to individuals with mental retardation and developmental disabilities in Butler County.
- B. Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of the revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.
- C. Cash Equivalents – The Organization considers all highly liquid investments, if any, with original maturities of three months or less to be cash equivalents.
- D. Investments and Investment Return – Investments consist of mutual funds and are carried at fair value. Investment return includes dividend, interest and realized and unrealized gains and losses on investments carried at fair value.
- E. Accounts Receivable – Accounts receivable are stated at the amount billed to customers. Accounts receivable are ordinarily due 30 days after the issuance of the invoice. Accounts past due more than 60 days are considered delinquent. Delinquent receivables are written off based on individual credit evaluation and specific circumstances of the customer. Management believes that all amounts reported as accounts receivable at year end are collectible. As such, an allowance for doubtful accounts has not been recorded at year end.
- F. Property and Equipment – Property and equipment are recorded at cost and depreciated on a straight-line basis over the estimated useful life of each asset.
- G. Deferred Program Revenue – Deferred program revenue is recognized into income as program expenses are incurred.
- H. Deferred Rent Revenue – Income from rental activities is deferred and recognized over the period to which the rent relates.

Notes to the Basic Financial Statements  
(continued)

For The Year Ended December 31, 2005

**MIAMI VALLEY INDUSTRIES, INC. (continued)**

- I. **Income Taxes** – Miami Valley Industries, Inc. is a non-profit corporation and is exempt from Federal Income taxes under Section 501 (c) (3) of the Internal Revenue Code. Miami Valley Industries, Inc. is subject to federal income tax on any unrelated business taxable income.
- J. **Expense Allocation** – Expenses have been classified as either program costs or selling and administrative based on the actual direct expenditures and cost allocations based upon estimates of time spent by Organization personnel.

**PROPERTY AND EQUIPMENT**

A summary of Miami Valley Industries property and equipment for the year ended June 30, 2005 follows:

Land	\$ 122,000
Buildings and Improvements	944,900
Furnishings and Equipment	414,415
Computer Equipment	243,452
Autos and Trucks	83,505
Subtotal	\$ 1,808,272
Less accumulated depreciation	(947,474)
Total	\$ 860,798

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

**DEBT**

A summary of Miami Valley Industries notes payable and long-term debt consisted of the following at June 30, 2005:

Revolving line of credit, up to \$100,000. Bank advances on the credit line are payable on demand and carry an interest rate based on prime rate. The credit line is secured by substantially all corporate assets.	<u>\$ 100,000</u>
Note payable to bank – Interest at 6.5% payable in monthly installments of \$4,939 with a balloon payment due upon maturity in November 2007. Secured by substantially all assets of Miami Valley Industries.	348,064
Note payable to bank – Interest at 5.75% payable in monthly installments of \$346 through February 2009. Secured by related truck.	<u>13,437</u>
	<u>\$ 361,501</u>

Aggregate annual maturities of notes payable at June 30, 2005 follows:

2006	\$ 41,134
2007	43,869
2008	274,050
2009	2,448
2010	-
	<u>\$ 361,501</u>

Total interest expense for the year ended June 30, 2005 was \$26,426.

**COMPONENT SUBSEQUENT EVENTS**

On September 30, 2005, Miami Valley Industries contracted to buy a building and a parcel of land for approximately \$800,000. Miami Valley Industries plans on relocating their operations to this facility in 2006. This acquisition was financed by an \$800,000 note. Under the terms of the note, principal and interest are payable monthly with the first payment of \$5,225 due on November 1, 2005. Interest on the note is calculated at an annual rate of 6.14% for the first five years of the note. Beginning in October 2010, and for every five year period through the maturity date of October 1, 2030, interest will be recalculated at the lower of the five year treasury index plus 2.75% or 8.14%. The recalculated rate will be in effect for the entire five year period.

On September 2, 2005, Miami Valley Industries refinanced their existing bank note with a \$500,000 bank note. The note calls for monthly principal and interest payments of \$3,802 based on an initial five year fixed rate of 6.75%. The effective interest rate on the note is adjusted and fixed for each five year period through the maturity of the note on September 1, 2025 by taking the five-year Federal Reserve average constant maturities index plus 3% at the beginning of each five year period.

On August 9, 2005, Miami Valley Industries opened a new revolving line of credit with First Financial Bank. Under the agreement, Miami Valley Industries may borrow up to \$300,000 with interest payable monthly at an annual rate of 6.75%. Principal and any accrued interest are payable in full on August 10, 2006.

Effective July 1, 2005, Miami Valley Industries merged with RADD II, an Ohio nonprofit organization which provides residential housing to the mentally disabled. Under the terms of the agreement Miami Valley Industries will be the surviving corporation.

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, 2005

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 2005, 2004, and 2003.

**County Roads**

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

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

It is the County policy that at least 80% of the roadways will have a rating of 3 (Fair) or higher. The County Engineer's Office has implemented a system whereby the total mileage of the roadway in the County will be re-paved on a 12-year rotational basis. Historical data has shown that with yearly inspection and maintenance, the average road of the County will be maintained at a usable level for a 12-year period. Each roadway in the County will be assessed on a biennial basis, with higher emphasis on older and more heavily used pavements.

The following summarizes the physical condition assessment of county roads as of December 31 for 2005, 2004, and 2003:

Road Condition	2005		2004		2003	
	Road Miles	% of Total	Road Miles	% of Total	Road Miles	% of Total
Fair or Better	253	93%	238	87%	227	83%
Less than Fair	20	7%	35	13%	46	17%
Total	273	100%	273	100%	273	100%

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

Year	Budgeted Expenditures	Actual Expenditures	Difference
2005	\$ 2,949,348	\$ 2,769,401	\$ 179,946
2004	2,321,751	2,219,402	102,349
2003	3,048,992	2,129,994	918,998
2002	9,207,636	5,800,104	3,407,532
2001	3,466,030	593,334	2,872,696

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, 2005

**County Bridges**

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

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

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

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

It is the County policy to maintain the bridge system in the County where 85% of the structures have a general appraisal summary of 5 (Fair) condition or higher. The following is a summary of the conditional assessment for bridges as of December 31 for 2005, 2004, and 2003:

Bridge Condition	2005		2004		2003	
	Number of Bridges	% of Total	Number of Bridges	% of Total	Number of Bridges	% of Total
Fair or Better	338	91%	340	92%	329	89%
Less than Fair	33	9%	31	8%	41	11%
<b>Total</b>	<b>371</b>	<b>100%</b>	<b>371</b>	<b>100%</b>	<b>370</b>	<b>100%</b>

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

Year	Budgeted Expenditures	Actual Expenditures	Difference
2005	\$ 1,810,823	\$ 1,496,159	\$ 314,663
2004	2,383,037	2,297,516	85,520
2003	3,674,302	2,667,956	1,006,346
2002	3,365,739	2,776,965	588,774
2001	4,361,594	2,186,918	2,174,676

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, 2005

**County Culverts**

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

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

It is the goal of the Butler County Engineer to maintain 75% of culverts in a condition of 2-Fair or better. The following is a summary of the conditional assessment for culverts as of December 31 for 2005, 2004, and 2003:

Culvert Condition	2005		2004		2003	
	Number of Culverts	% of Total	Number of Culverts	% of Total	Number of Culverts	% of Total
Fair or Better	817	80%	805	79%	824	78%
Less than Fair	202	20%	214	21%	232	22%
Total	1019	100%	1019	100%	1056	100%

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

Year	Budgeted Expenditures	Actual Expenditures	Difference
2005	\$ 1,297,972	\$ 1,297,636	\$ 336
2004	896,500	887,587	8,913
2003	100,000	78,272	21,728
2002	100,000	99,056	944
2001	310,017	298,770	11,247



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**Combining Statements and  
Individual Fund Schedules**

## **Combining Statements – Nonmajor Governmental Funds**

### **Nonmajor Special Revenue Funds**

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

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

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

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

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

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

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

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

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

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

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

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

**Nonmajor Special Revenue Funds (continued)**

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

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

**Nonmajor Capital Projects Funds**

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

**Stormwater Management Study – This fund is used account for the State mandated study of stormwater runoff.**

**Technology – To account for the financing and related cost**

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

Butler County, Ohio  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2005

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 31,484,228	\$ 1,133,882	\$ 32,618,110
<b>Cash and Cash Equivalents:</b>			
In Segregated Accounts	232,449	-	232,449
With Fiscal Agents	69,849	-	69,849
<b>Receivables:</b>			
Taxes	13,218,224	-	13,218,224
Accounts	48,076	-	48,076
Due from Other Governments	21,079,338	3,877,376	24,956,714
Special Assessments	1,899,807	-	1,899,807
Loans	269,346	-	269,346
Due from Other Funds	79,767	148,250	228,017
Prepaid Items	302,837	-	302,837
Materials and Supplies Inventory	485,704	-	485,704
Advances to Other Funds	265,135	-	265,135
<b>Total Assets</b>	<b>\$ 69,434,760</b>	<b>\$ 5,159,508</b>	<b>\$ 74,594,268</b>
<b>Liabilities and Fund Balances</b>			
Accounts Payable	\$ 3,633,180	\$ 263,058	\$ 3,896,238
Contracts Payable	803,590	259,476	1,063,066
Retainage Payable	18,742	-	18,742
Accrued Wages and Benefits	690,096	-	690,096
Due to Other Funds	553,907	-	553,907
Due to Other Governments	98,643	-	98,643
Deferred Revenue	30,591,914	-	30,591,914
Advances from Other Funds	217,402	235,000	452,402
Accrued Interest Payable	4,321	33,634	37,955
Notes Payable	505,000	3,465,500	3,970,500
<b>Total Liabilities</b>	<b>37,116,795</b>	<b>4,256,668</b>	<b>41,373,463</b>
<b>Fund Balances</b>			
Reserved for Encumbrances	5,067,898	806,467	5,874,365
Reserved for Loans	269,346	-	269,346
Reserved for Advances	265,135	-	265,135
<b>Unreserved, Undesignated, Reported in:</b>			
Special Revenue Funds	26,715,586	-	26,715,586
Capital Projects Funds	-	96,373	96,373
<b>Total Fund Balances</b>	<b>32,317,965</b>	<b>902,840</b>	<b>33,220,805</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 69,434,760</b>	<b>\$ 5,159,508</b>	<b>\$ 74,594,268</b>

Butler County, Ohio  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2005

	Real Estate Assessment	All Other Legislative and Executive	All Other Judicial	All Other Public Safety	Child Support Enforcement
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$ 901,766	\$ 2,123,972	\$ 1,854,686	\$ 2,198,867	\$ 239,493
Cash and Cash Equivalents:					
In Segregated Accounts	-	99,959	122,430	241	283
With Fiscal Agents	-	-	-	-	-
Receivables:					
Taxes	-	104,838	-	-	-
Accounts	-	17,875	-	-	-
Due from Other Governments	-	-	250	3,024,138	2,254,411
Special Assessments	-	207,673	-	-	-
Loans	-	-	-	-	-
Due from Other Funds	-	-	-	41,187	-
Prepaid Items	1,596	12,938	52,920	8,371	13,233
Materials and Supplies Inventory	2,007	1,237	1,469	45,395	1,125
Advances to Other Funds	28,658	36,721	5,257	43,391	71,787
<b>Total Assets</b>	<b>\$ 934,027</b>	<b>\$ 2,605,213</b>	<b>\$ 2,037,012</b>	<b>\$ 5,361,590</b>	<b>\$ 2,580,332</b>
<b>Liabilities and Fund Balances</b>					
Accounts Payable	\$ 33,250	\$ 169,380	\$ 36,254	\$ 164,570	\$ 4,886
Contracts Payable	3,151	-	-	-	-
Retainage Payable	-	-	-	-	-
Accrued Wages and Benefits	53,039	56,426	26,642	127,696	109,621
Due to Other Funds	17,976	16,834	7,734	66,737	174,713
Due to Other Governments	280	767	-	2,793	-
Deferred Revenue	-	330,386	-	2,109,869	1,870,637
Advances From Other Funds	-	-	25,002	-	-
Accrued Interest Payable	-	-	-	-	-
Notes Payable	-	-	-	-	-
<b>Total Liabilities</b>	<b>107,696</b>	<b>573,793</b>	<b>95,632</b>	<b>2,471,665</b>	<b>2,159,857</b>
<b>Fund Balances</b>					
Reserved for Encumbrances	34,075	16,257	18,444	46,104	-
Reserved for Loans	-	-	-	-	-
Reserved for Advances	28,658	36,721	5,257	43,391	71,787
Unreserved, Undesignated	763,598	1,978,442	1,917,679	2,800,430	348,688
<b>Total Fund Balances</b>	<b>826,331</b>	<b>2,031,420</b>	<b>1,941,380</b>	<b>2,889,925</b>	<b>420,475</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 934,027</b>	<b>\$ 2,605,213</b>	<b>\$ 2,037,012</b>	<b>\$ 5,361,590</b>	<b>\$ 2,580,332</b>

Motor Vehicle	All Other Public Works	Alcohol and Drug Addiction	Mental Health	All Other Health
\$ 13,263,625	\$ 3,219,416	\$ 1,086,644	\$ 4,304,449	\$ 111,306
7,362	-	-	-	2,167
69,849	-	-	-	-
-	-	-	1,777,714	-
29,992	209	-	-	-
5,744,409	2,950,838	1,708,960	4,727,116	1,098
24,786	1,667,348	-	-	-
-	269,346	-	-	-
9,098	-	-	20,402	-
13,839	15,808	11,329	163,469	546
417,531	192	501	3,109	679
67,472	1,777	-	10,072	-
<u>\$ 19,647,963</u>	<u>\$ 8,124,934</u>	<u>\$ 2,807,434</u>	<u>\$ 11,006,331</u>	<u>\$ 115,796</u>

\$ 654,773	\$ 68,430	\$ 172,170	\$ 843,706	\$ -
289,519	467,236	-	41,284	-
-	18,742	-	-	-
112,958	17,425	8,996	13,661	6,447
43,014	153,586	10,889	4,711	1,933
4,248	46,028	41,190	37	3,300
4,782,364	4,236,099	1,157,591	4,653,041	-
-	30,000	146,400	-	-
4,321	-	-	-	-
505,000	-	-	-	-
<u>6,396,197</u>	<u>5,037,546</u>	<u>1,537,236</u>	<u>5,556,440</u>	<u>11,680</u>
2,387,486	793,599	7,521	1,735,749	-
-	269,346	-	-	-
67,472	1,777	-	10,072	-
<u>10,796,808</u>	<u>2,022,666</u>	<u>1,262,677</u>	<u>3,704,070</u>	<u>104,116</u>
<u>13,251,766</u>	<u>3,087,388</u>	<u>1,270,198</u>	<u>5,449,891</u>	<u>104,116</u>
<u>\$ 19,647,963</u>	<u>\$ 8,124,934</u>	<u>\$ 2,807,434</u>	<u>\$ 11,006,331</u>	<u>\$ 115,796</u>

(Continued)

Butler County, Ohio  
Combining Balance Sheet  
Nonmajor Special Revenue Funds (Continued)  
December 31, 2005

	County Care Facility	Elderly Services Levy	All Other Human Services	Total Nonmajor Special Revenue Funds
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 100,121	\$ 2,047,000	\$ 32,883	\$ 31,484,228
<b>Cash and Cash Equivalents:</b>				
In Segregated Accounts	7	-	-	232,449
With Fiscal Agents	-	-	-	69,849
<b>Receivables:</b>				
Taxes	-	11,335,672	-	13,218,224
Accounts	-	-	-	48,076
Due from Other Governments	563,249	-	104,869	21,079,338
Special Assessments	-	-	-	1,899,807
Loans	-	-	-	269,346
Due from Other Funds	9,080	-	-	79,767
Prepaid Items	8,788	-	-	302,837
Materials and Supplies Inventory	12,405	-	54	485,704
Advances to Other Funds	-	-	-	265,135
<b>Total Assets</b>	<b>\$ 693,650</b>	<b>\$ 13,382,672</b>	<b>\$ 137,806</b>	<b>\$ 69,434,760</b>
<b>Liabilities and Fund Balances</b>				
Accounts Payable	\$ 227,165	\$ 1,258,596	\$ -	\$ 3,633,180
Contracts Payable	2,400	-	-	803,590
Retainage Payable	-	-	-	18,742
Accrued Wages and Benefits	152,235	-	4,950	690,096
Due to Other Funds	54,878	-	902	553,907
Due to Other Governments	-	-	-	98,643
Deferred Revenue	19,506	11,335,672	96,749	30,591,914
Advances From Other Funds	-	-	16,000	217,402
Accrued Interest Payable	-	-	-	4,321
Notes Payable	-	-	-	505,000
<b>Total Liabilities</b>	<b>456,184</b>	<b>12,594,268</b>	<b>118,601</b>	<b>37,116,795</b>
<b>Fund Balances</b>				
Reserved for Encumbrances	26,852	-	1,811	5,067,898
Reserved for Loans	-	-	-	269,346
Reserved for Advances	-	-	-	265,135
Unreserved, Undesignated	210,614	788,404	17,394	26,715,586
<b>Total Fund Balances</b>	<b>237,466</b>	<b>788,404</b>	<b>19,205</b>	<b>32,317,965</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 693,650</b>	<b>\$ 13,382,672</b>	<b>\$ 137,806</b>	<b>\$ 69,434,760</b>



Butler County, Ohio  
Combining Balance Sheet  
Nonmajor Capital Projects Funds  
December 31, 2005

	Technology	Other Capital Improvements	Total Nonmajor Capital Projects Funds
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 240	\$ 1,133,642	\$ 1,133,882
<b>Receivables:</b>			
Due from Other Governments	-	3,877,376	3,877,376
Due from Other Funds	-	148,250	148,250
<b>Total Assets</b>	<b>\$ 240</b>	<b>\$ 5,159,268</b>	<b>\$ 5,159,508</b>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities:</b>			
Accounts Payable	-	\$ 263,058	\$ 263,058
Contracts Payable	-	259,476	259,476
Advances from Other Funds	235,000	-	235,000
Accrued Interest Payable	33,634	-	33,634
Notes Payable	3,465,500	-	3,465,500
<b>Total Liabilities</b>	<b>3,734,134</b>	<b>522,534</b>	<b>4,256,668</b>
<b>Fund Balances</b>			
Reserved for Encumbrances	-	806,467	806,467
Unreserved, Undesignated	(3,733,894)	3,830,267	96,373
<b>Total Fund Balances (Deficit)</b>	<b>(3,733,894)</b>	<b>4,636,734</b>	<b>902,840</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$240</b>	<b>\$5,159,268</b>	<b>\$5,159,508</b>

Butler County, Ohio  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2005

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>			
Taxes	\$ 9,904,332	\$ -	\$ 9,904,332
Charges for Services	16,166,867	-	16,166,867
Licenses and Permits	553,577	-	553,577
Fines and Forfeitures	303,991	-	303,991
Intergovernmental	56,008,848	19,801	56,028,649
Special Assessments	1,726,545	-	1,726,545
Payments in Lieu of Taxes	22,174	-	22,174
Interest	81,475	18,925	100,400
Other	323,005	-	323,005
<b>Total Revenues</b>	<b>85,090,814</b>	<b>38,726</b>	<b>85,129,540</b>
<b>Expenditures</b>			
<b>Current:</b>			
<b>General Government</b>			
Legislative and Executive	6,591,738	12,804	6,604,542
Judicial	1,923,591	-	1,923,591
Public Safety	9,321,410	-	9,321,410
Public Works	21,193,235	19,679	21,212,914
Health	22,214,488	-	22,214,488
Human Services	21,585,639	-	21,585,639
Capital Outlay	-	335,055	335,055
<b>Debt Service:</b>			
Principal Retirement	2,302,583	6,795,000	9,097,583
Interest and Fiscal Charges	105,946	340,912	446,858
<b>Total Expenditures</b>	<b>85,238,630</b>	<b>7,503,450</b>	<b>92,742,080</b>
<b>Excess of Revenues (Under) Expenditures</b>	<b>(147,816)</b>	<b>(7,464,724)</b>	<b>(7,612,540)</b>
<b>Other Financing Sources (Uses)</b>			
Premium on Debt Issued	18,705	66,068	84,773
Notes Issued	2,150,000	8,675,000	10,825,000
Special Assessment Bonds Issued	-	1,144,000	1,144,000
Transfers - In	102,867	610,127	712,994
Transfers - Out	(1,033,746)	-	(1,033,746)
<b>Total Other Financing Sources (Uses)</b>	<b>1,237,826</b>	<b>10,495,195</b>	<b>11,733,021</b>
<b>Net Change in Fund Balance</b>	<b>1,090,010</b>	<b>3,030,471</b>	<b>4,120,481</b>
<b>Fund Balances (Deficit) Beginning of Year</b>	<b>31,227,955</b>	<b>(2,127,631)</b>	<b>29,100,324</b>
<b>Fund Balances End of Year</b>	<b>\$ 32,317,965</b>	<b>\$ 902,840</b>	<b>\$ 33,220,805</b>

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Butler County, Ohio  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2005

	Real Estate Assessment	All Other Legislative and Executive	All Other Judicial	All Other Public Safety
<b>Revenues</b>				
Taxes	\$ -	\$ 131,607	\$ -	\$ -
Charges for Services	3,059,770	3,130,612	1,570,466	2,701,121
Licenses and Permits	-	-	-	49,420
Fines and Forfeitures	-	-	35,115	3,157
Intergovernmental	-	80,349	-	6,712,058
Special Assessments	-	201,305	-	-
Payment in Lieu of Taxes	-	415	-	-
Interest	-	43,643	-	-
Other	-	-	212	6,908
<b>Total Revenues</b>	<b>3,059,770</b>	<b>3,587,931</b>	<b>1,605,793</b>	<b>9,472,664</b>
<b>Expenditures</b>				
<b>Current:</b>				
<b>General Government</b>				
Legislative and Executive	3,071,272	3,520,466	-	-
Judicial	-	-	1,923,591	-
Public Safety	-	-	-	9,321,410
Public Works	-	-	-	-
Health	-	-	-	-
Human Services	-	-	-	-
<b>Debt Service:</b>				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
<b>Total Expenditures</b>	<b>3,071,272</b>	<b>3,520,466</b>	<b>1,923,591</b>	<b>9,321,410</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(11,502)</b>	<b>67,465</b>	<b>(317,798)</b>	<b>151,254</b>
<b>Other Financing Sources (Uses)</b>				
Premium on Debt Issued	-	-	-	-
Notes Issued	-	-	-	-
Transfers - In	-	-	-	19,708
Transfers - Out	-	(152,500)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(152,500)</b>	<b>-</b>	<b>19,708</b>
<b>Net Change in Fund Balance</b>	<b>(11,502)</b>	<b>(85,035)</b>	<b>(317,798)</b>	<b>170,962</b>
<b>Fund Balances Beginning of Year</b>	<b>837,833</b>	<b>2,116,455</b>	<b>2,259,178</b>	<b>2,718,963</b>
<b>Fund Balances End of Year</b>	<b>\$ 826,331</b>	<b>\$ 2,031,420</b>	<b>\$ 1,941,380</b>	<b>\$ 2,889,925</b>

<u>Child Support Enforcement</u>	<u>Motor Vehicle</u>	<u>All Other Public Works</u>	<u>Alcohol and Drug Addiction</u>
\$ -	\$ -	\$ -	\$ -
1,032,029	3,469,827	144,622	95,800
-	-	-	-
-	244,931	-	-
4,942,377	14,082,022	4,130,056	5,373,208
-	3,711	1,521,529	-
-	-	-	-
-	-	37,832	-
221	227,112	34,614	4,564
<u>5,974,627</u>	<u>18,027,603</u>	<u>5,868,653</u>	<u>5,473,572</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	15,985,362	5,207,873	-
-	-	-	5,849,346
6,007,445	-	-	-
-	121,208	2,150,000	-
-	35,379	64,960	-
<u>6,007,445</u>	<u>16,141,949</u>	<u>7,422,833</u>	<u>5,849,346</u>
<u>(32,818)</u>	<u>1,885,654</u>	<u>(1,554,180)</u>	<u>(375,774)</u>
-	-	18,705	-
-	-	2,150,000	-
-	-	30,000	-
-	(499,361)	(381,885)	-
<u>-</u>	<u>(499,361)</u>	<u>1,816,820</u>	<u>-</u>
(32,818)	1,386,293	262,640	(375,774)
453,293	11,865,473	2,824,748	1,645,972
<u>\$ 420,475</u>	<u>\$ 13,251,766</u>	<u>\$ 3,087,388</u>	<u>\$ 1,270,198</u>

(Continued)

Butler County, Ohio  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2005 (Continued)

	Mental Health	All Other Health	County Care Facility	Elderly Services Levy
<b>Revenues</b>				
Taxes	\$ 1,990,277	\$ -	\$ -	\$ 7,782,448
Charges for Services	74,688	48	887,884	-
Licenses and Permits	-	504,157	-	-
Fines and Forfeitures	-	20,788	-	-
Intergovernmental	13,365,878	-	6,279,884	844,940
Special Assessments	-	-	-	-
Payment in Lieu of Taxes	3,910	-	-	17,849
Interest	-	-	-	-
Other	46,096	-	612	-
<b>Total Revenues</b>	<b>15,480,849</b>	<b>524,993</b>	<b>7,168,380</b>	<b>8,645,237</b>
<b>Expenditures</b>				
<b>Current:</b>				
<b>General Government</b>				
Legislative and Executive	-	-	-	-
Judicial	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Health	15,912,489	452,653	-	-
Human Services	-	-	7,229,799	8,093,694
<b>Debt Service:</b>				
Principal Retirement	-	-	31,375	-
Interest and Fiscal Charges	-	-	5,607	-
<b>Total Expenditures</b>	<b>15,912,489</b>	<b>452,653</b>	<b>7,266,781</b>	<b>8,093,694</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(431,640)</b>	<b>72,340</b>	<b>(98,401)</b>	<b>551,543</b>
<b>Other Financing Sources (Uses)</b>				
Premium on Debt Issued	-	-	-	-
Notes Issued	-	-	-	-
Transfers - In	-	-	-	-
Transfers - Out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>(431,640)</b>	<b>72,340</b>	<b>(98,401)</b>	<b>551,543</b>
<b>Fund Balances Beginning of Year</b>	<b>5,881,531</b>	<b>31,776</b>	<b>335,867</b>	<b>236,861</b>
<b>Fund Balances (Deficit) End of Year</b>	<b>\$ 5,449,891</b>	<b>\$ 104,116</b>	<b>\$ 237,466</b>	<b>\$ 788,404</b>

All Other Human Services	Total Nonmajor Special Revenue Funds
\$ -	\$ 9,904,332
-	16,166,867
-	553,577
-	303,991
198,076	56,008,848
-	1,726,545
-	22,174
-	81,475
2,666	323,005
<u>200,742</u>	<u>85,090,814</u>
-	6,591,738
-	1,923,591
-	9,321,410
-	21,193,235
-	22,214,488
254,701	21,585,639
-	2,302,583
-	105,946
<u>254,701</u>	<u>85,238,630</u>
<u>(53,959)</u>	<u>(147,816)</u>
-	18,705
-	2,150,000
53,159	102,867
-	(1,033,746)
<u>53,159</u>	<u>1,237,826</u>
(800)	1,090,010
20,005	31,227,955
<u>\$ 19,205</u>	<u>\$ 32,317,965</u>

Butler County, Ohio  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2005

	Stormwater Management Study	Technology	Other Capital Improvements	Total Nonmajor Capital Projects Funds
<b>Revenues</b>				
Intergovernmental	\$ -	\$ -	\$ 19,801	\$ 19,801
Interest	3,500	2,060	13,365	18,925
<b>Total Revenues</b>	<u>3,500</u>	<u>2,060</u>	<u>33,166</u>	<u>38,726</u>
<b>Expenditures</b>				
<b>Current:</b>				
<b>General Government</b>				
Legislative and Executive	-	12,804	-	12,804
Public Works	-	-	19,679	19,679
Capital Outlay	-	-	335,055	335,055
<b>Debt Service</b>				
Principal Retirement	-	3,630,000	3,165,000	6,795,000
Interest and Fiscal Charges	12,382	202,733	125,797	340,912
<b>Total Expenditures</b>	<u>12,382</u>	<u>3,845,537</u>	<u>3,645,531</u>	<u>7,503,450</u>
<b>Excess of Revenues (Under) Expenditures</b>	<u>(8,882)</u>	<u>(3,843,477)</u>	<u>(3,612,365)</u>	<u>(7,464,724)</u>
<b>Other Financing Sources (Uses)</b>				
Premium from Debt Issued	-	26,648	39,420	66,068
Notes Issued	-	3,630,000	5,045,000	8,675,000
Special Assessment Bonds Issued	-	-	1,144,000	1,144,000
Transfers In	381,885	87,870	140,372	610,127
<b>Total Other Financing Sources (Uses)</b>	<u>381,885</u>	<u>3,744,518</u>	<u>6,368,792</u>	<u>10,495,195</u>
<b>Net Change in Fund Balance</b>	373,003	(98,959)	2,756,427	3,030,471
<b>Fund Balances (Deficit) at Beginning of Year</b>	<u>(373,003)</u>	<u>(3,634,935)</u>	<u>1,880,307</u>	<u>(2,127,631)</u>
<b>Fund Balances (Deficit) End of Year</b>	<u>\$ -</u>	<u>\$ (3,733,894)</u>	<u>\$ 4,636,734</u>	<u>\$ 902,840</u>



## **INTERNAL SERVICE FUNDS**

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

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

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

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

Butler County, Ohio  
Combining Statement of Fund Net Assets  
Internal Service Funds  
December 31, 2005

	Worker's Compensation	Employee Health Insurance	Health Insurance	Total
<b>Assets</b>				
<b>Current Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 1,471,843	\$ 106,922	\$ 179,183	\$ 1,757,948
<b>Receivables:</b>				
Accounts	23,569	-	-	23,569
Due from Other Funds	910,027	-	-	910,027
Prepaid Items	36	-	-	36
<b>Total Current Assets</b>	<b>2,405,475</b>	<b>106,922</b>	<b>179,183</b>	<b>2,691,580</b>
<b>Noncurrent Assets</b>				
Advances to Other Funds	2,606	-	-	2,606
<b>Total Noncurrent Assets</b>	<b>2,606</b>	<b>-</b>	<b>-</b>	<b>2,606</b>
<b>Total Assets</b>	<b>2,408,081</b>	<b>106,922</b>	<b>179,183</b>	<b>2,694,186</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accounts Payable	9,257	-	-	9,257
Accrued Wages and Benefits	6,851	-	3,962	10,813
Due to Other Funds	-	-	1,272	1,272
Due to Other Governments	560,759	-	-	560,759
Claims Payable	3,382,385	-	-	3,382,385
Compensated Absences Payable	6,846	-	4,011	10,857
<b>Total Current Liabilities</b>	<b>3,966,098</b>	<b>-</b>	<b>9,245</b>	<b>3,975,343</b>
<b>Long-Term Liabilities</b>				
Advances from Other Funds	-	1,458,595	150,000	1,608,595
Compensated Absences Payable	12,695	-	11,066	23,761
<b>Total Long-Term Liabilities</b>	<b>12,695</b>	<b>1,458,595</b>	<b>161,066</b>	<b>1,632,356</b>
<b>Total Liabilities</b>	<b>3,978,793</b>	<b>1,458,595</b>	<b>170,311</b>	<b>5,607,699</b>
<b>Net Assets</b>				
Unrestricted (Deficit)	(1,570,712)	(1,351,673)	8,872	(2,913,513)
<b>Total Net Assets (Deficit)</b>	<b>\$ (1,570,712)</b>	<b>\$ (1,351,673)</b>	<b>\$ 8,872</b>	<b>\$ (2,913,513)</b>

Butler County, Ohio  
Combining Statement of Revenues,  
Expenses and Changes in Fund Net Assets  
Internal Service Funds  
For the Year Ended December 31, 2005

	Worker's Compensation	Employee Health Insurance	Health Insurance	Total
<b>Operating Revenues</b>				
Charges for Services	\$ 936,714	\$ -	\$ 11,969,406	\$ 12,906,120
Other Operating Revenues	150,614	19,093	-	169,707
<b>Total Operating Revenues</b>	<b>1,087,328</b>	<b>19,093</b>	<b>11,969,406</b>	<b>13,075,827</b>
<b>Operating Expenses</b>				
Personal Services	299,001	-	232,387	531,388
Contractual Services	669,209	1,041	11,768,332	12,438,582
Claims and Judgments	901,141	-	-	901,141
Other Operating Expenses	643	-	1,626	2,269
<b>Total Operating Expenses</b>	<b>1,869,994</b>	<b>1,041</b>	<b>12,002,345</b>	<b>13,873,380</b>
<b>Operating Income (Loss)</b>	<b>(782,666)</b>	<b>18,052</b>	<b>(32,939)</b>	<b>(797,553)</b>
<b>Net Assets Beginning of Year</b>	<b>(788,046)</b>	<b>(1,369,725)</b>	<b>41,811</b>	<b>(2,115,960)</b>
<b>Net Assets End of Year</b>	<b>\$ (1,570,712)</b>	<b>\$ (1,351,673)</b>	<b>\$ 8,872</b>	<b>\$ (2,913,513)</b>

Butler County  
Combining Statement of Cash Flows  
Internal Service Funds  
For the Year Ended December 31, 2005

	Worker's Compensation	Employee Health Insurance	Health Insurance	Totals
<b><u>Increase (Decrease) in Cash and Cash Equivalents:</u></b>				
<b><u>Cash Flows from Operating Activities:</u></b>				
Cash Received from Interfund Services Provided	\$930,173	\$ -	\$11,969,406	\$12,899,579
Cash Paid to Suppliers	(661,136)	(1,041)	(11,771,204)	(12,433,381)
Cash Paid to Employees	(298,866)	-	(215,978)	(514,844)
Other Operating Revenues	159,312	19,093	-	178,405
Cash Paid for Claims	(438,072)	-	-	(438,072)
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>(308,589)</b>	<b>18,052</b>	<b>(17,776)</b>	<b>(308,313)</b>
<b><u>Cash Flows from Noncapital Financing Activities:</u></b>				
Short-Term Advances to Other Funds	-	(172,102)	-	(172,102)
Short-Term Advances from Other Funds	-	-	150,000	150,000
<b>Net Cash Provided by (Used for) Noncapital Financing Activities</b>	<b>-</b>	<b>(172,102)</b>	<b>150,000</b>	<b>(22,102)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(308,589)</b>	<b>(154,050)</b>	<b>132,224</b>	<b>(330,415)</b>
Cash and Cash Equivalents at Beginning of Year	1,780,432	260,972	46,959	2,088,363
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 1,471,843</b>	<b>\$ 106,922</b>	<b>\$ 179,183</b>	<b>\$ 1,757,948</b>
<b><u>Reconciliation of Operating Income (Loss) to net Cash Provided by (Used for) Operating Activities:</u></b>				
Operating Income (Loss)	\$ (782,666)	\$ 18,052	\$ (32,939)	\$ (797,553)
<b><u>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</u></b>				
<b><u>Changes in Assets and Liabilities:</u></b>				
Decrease in Accounts Receivable	7,709	-	-	7,709
Increase in Due from Other Funds	(5,552)	-	-	(5,552)
Increase in Prepaid Items	(36)	-	-	(36)
Increase (Decrease) in Accrued Wages and Benefits	(605)	-	60	(545)
Increase in Accounts Payable	9,257	-	-	9,257
Increase in Compensated Absences Payable	740	-	15,077	15,817
Increase in Due to Other Funds	-	-	26	26
Decrease in Due to Other Governments	(505)	-	-	(505)
Increase in Claims Payable	463,069	-	-	463,069
<b>Total Adjustments</b>	<b>474,077</b>	<b>-</b>	<b>15,163</b>	<b>489,240</b>
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>\$ (308,589)</b>	<b>\$ 18,052</b>	<b>\$ (17,776)</b>	<b>\$ (308,313)</b>

## **AGENCY FUNDS**

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

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

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

**Butler County, Ohio**  
**Combining Statement of Fiduciary Assets and Liabilities**  
**Agency Funds**  
**December 31, 2005**

	<u>Undivided Tax</u>	<u>All Other Agency</u>	<u>Total</u>
<b>Assets</b>			
Equity Pooled in Cash and Cash Equivalents	\$ 16,133,778	\$ 10,267,848	\$ 26,401,626
Cash and Cash Equivalents in Segregated Accounts	9,340	3,089,299	3,098,639
Taxes Receivable	357,641,364	-	357,641,364
Special Assessments Receivable	30,343,791	1,436	30,345,227
Due from Other Governments	15,406,560	303,192	15,709,752
<b>Total Assets</b>	<b><u>\$ 419,534,833</u></b>	<b><u>\$ 13,661,775</u></b>	<b><u>\$ 433,196,608</u></b>
<b>Liabilities</b>			
Undistributed Monies	\$ -	\$ 2,667,068	\$ 2,667,068
Deposits Held and Due to Others	-	10,776,817	10,776,817
Due to Other Governments	419,534,833	100,345	419,635,178
Loans Payable	-	117,545	117,545
<b>Total Liabilities</b>	<b><u>\$419,534,833</u></b>	<b><u>\$13,661,775</u></b>	<b><u>\$433,196,608</u></b>

Butler County, Ohio  
Combining Statement of Changes in Assets and Liabilities  
All Agency Funds  
For the Year Ended December 31, 2005

	Beginning Balance 01/01/05	Additions	Deductions	Ending Balance 12/31/05
<b>Undivided Tax Funds</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 17,554,332	\$ 718,627,356	\$ 720,047,910	\$ 16,133,778
Cash and Cash Equivalents in Segregated Accounts	5,705	9,340	5,705	9,340
Due from Other Funds	-	15,045	15,045	-
Taxes Receivable	308,764,011	357,641,364	308,764,011	357,641,364
Special Assessments Receivable	22,057,171	29,791,377	21,504,757	30,343,791
Due from Other Governments	15,392,249	15,406,560	15,392,249	15,406,560
<b>Total Assets</b>	<b>\$ 363,773,468</b>	<b>\$ 1,121,491,042</b>	<b>\$ 1,065,729,677</b>	<b>\$ 419,534,833</b>
<b>Liabilities</b>				
Due to Other Governments	\$ 363,773,468	\$ 404,331,949	\$ 348,570,584	\$ 419,534,833
<b>Total Liabilities</b>	<b>\$ 363,773,468</b>	<b>\$ 404,331,949</b>	<b>\$ 348,570,584</b>	<b>\$ 419,534,833</b>
<b>All Other Agency Funds</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 8,336,699	\$ 100,874,094	\$ 98,942,945	\$ 10,267,848
Cash and Cash Equivalents in Segregated Accounts	3,586,610	82,589,581	83,086,892	3,089,299
Investments in Segregated Accounts	745,025	-	745,025	-
Due from Other Funds	-	85,537	85,537	-
Special Assessments Receivable	1,090	1,436	1,090	1,436
Due from Other Governments	305,580	303,192	305,580	303,192
<b>Total Assets</b>	<b>\$ 12,975,004</b>	<b>\$ 183,853,840</b>	<b>\$ 183,167,069</b>	<b>\$ 13,661,775</b>
<b>Liabilities</b>				
Undistributed Monies	\$ 4,010,863	\$ 32,507,649	\$ 33,851,444	\$ 2,667,068
Deposits Held and Due to Others	8,748,143	12,192,856	10,164,182	10,776,817
Due to Other Governments	98,453	11,521,647	11,519,755	100,345
Loans Payable	117,545	-	-	117,545
<b>Total Liabilities</b>	<b>\$ 12,975,004</b>	<b>\$ 56,222,152</b>	<b>\$ 55,535,381</b>	<b>\$ 13,661,775</b>

(Continued)

Butler County, Ohio  
Combining Statement of Changes in Assets and Liabilities  
All Agency Funds  
For the Year Ended December 31, 2005 (Continued)

	Beginning Balance 01/01/05	Additions	Deductions	Ending Balance 12/31/05
<b>Total - All Funds</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 25,891,031	\$ 819,501,450	\$ 818,990,855	\$ 26,401,626
Cash and Cash Equivalents in Segregated Accounts	3,592,315	82,598,921	83,092,597	3,098,639
Investments in Segregated Accounts	745,025	-	745,025	-
Due from Other Funds	-	100,582	100,582	-
Taxes Receivable	308,764,011	357,641,364	308,764,011	357,641,364
Special Assessments Receivable	22,058,261	29,792,813	21,505,847	30,345,227
Due from Other Governments	15,697,829	15,709,752	15,697,829	15,709,752
<b>Total Assets</b>	<u>\$ 376,748,472</u>	<u>\$ 1,305,344,882</u>	<u>\$ 1,248,896,746</u>	<u>\$ 433,196,608</u>
<b>Liabilities</b>				
Undistributed Monies	\$ 4,010,863	\$ 32,507,649	\$ 33,851,444	\$ 2,667,068
Deposits Held and Due to Others	8,748,143	12,192,856	10,164,182	10,776,817
Due to Other Governments	363,871,921	415,853,596	360,090,339	419,635,178
Loans Payable	117,545	-	-	117,545
<b>Total Liabilities</b>	<u>\$ 376,748,472</u>	<u>\$ 460,554,101</u>	<u>\$ 404,105,965</u>	<u>\$ 433,196,608</u>



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

Butler County, Ohio  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance-Budget and Actual  
General Fund  
Budget Basis  
For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 14,003,315	\$ 32,346,860	\$ 32,346,860	\$ -
Charges for Services	24,480,217	22,375,207	22,766,475	391,268
Licenses and Permits	23,930	20,095	20,495	400
Fines and Forfeitures	1,329,481	1,332,545	1,332,545	-
Intergovernmental	27,763,960	11,433,096	11,438,512	5,416
Payment in Lieu of Taxes	27,799	26,563	26,563	-
Interest	2,861,157	4,315,931	4,316,531	600
Other	1,054,562	3,263,351	3,263,351	-
<b>Total Revenues</b>	<b>71,544,421</b>	<b>75,113,648</b>	<b>75,511,332</b>	<b>397,684</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General Government :</b>				
<b>Legislative and Executive</b>				
<b>Information Services</b>				
Personal Services	1,420,089	1,427,139	1,374,064	53,075
Materials and Supplies	32,560	28,060	28,048	12
Contractual Services	119,800	138,500	136,778	1,722
<b>Total Information Services</b>	<b>1,572,449</b>	<b>1,593,699</b>	<b>1,538,890</b>	<b>54,809</b>
<b>Audit Services</b>				
Contractual Services	142,788	142,788	137,900	4,888
<b>Total Audit Services</b>	<b>142,788</b>	<b>142,788</b>	<b>137,900</b>	<b>4,888</b>
<b>Auditor</b>				
Personal Services	1,417,733	1,506,033	1,469,427	36,606
Materials and Supplies	32,963	62,963	53,919	9,044
Contractual Services	141,276	148,777	148,260	517
Other	18,692	10,692	10,124	568
<b>Total Auditor</b>	<b>1,610,664</b>	<b>1,728,465</b>	<b>1,681,730</b>	<b>46,735</b>
<b>Commissioners</b>				
Personal Services	788,355	1,100,305	1,082,697	17,608
Materials and Supplies	30,872	42,371	35,346	7,025
Contractual Services	108,766	178,466	164,010	14,456
Other	51,355	41,505	30,483	11,022
<b>Total Commissioners</b>	<b>979,348</b>	<b>1,362,647</b>	<b>1,312,536</b>	<b>50,111</b>
<b>Department of Development</b>				
Personal Services	1,150,997	1,226,057	1,203,293	22,764
Materials and Supplies	19,000	25,521	21,125	4,396
Contractual Services	163,955	245,212	214,362	30,850
Other	39,208	5,929	5,844	85
<b>Total Department of Development</b>	<b>1,373,160</b>	<b>1,502,719</b>	<b>1,444,624</b>	<b>58,095</b>
<b>Mailroom</b>				
Personal Services	86,379	90,089	87,434	2,655
Materials and Supplies	770,700	766,990	687,602	79,388
Other	500	500	-	500
<b>Total Mailroom</b>	<b>857,579</b>	<b>857,579</b>	<b>775,036</b>	<b>82,543</b>

(continued)

Butler County, Ohio  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance-Budget and Actual  
General Fund (continued)  
Budget Basis  
For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Maintenance</b>				
Personal Services	\$ 297,522	\$ 292,522	\$ 239,444	\$ 53,078
Materials and Supplies	87,000	165,000	163,948	1,052
Contractual Services	2,966,309	3,676,809	3,654,447	22,362
Capital Outlay	-	20,500	20,500	-
Other	167,000	17,000	12,278	4,722
<b>Total Maintenance</b>	<b>3,517,831</b>	<b>4,171,831</b>	<b>4,090,617</b>	<b>81,214</b>
<b>Records Center</b>				
Personal Services	414,838	422,858	415,013	7,845
Materials and Supplies	25,932	25,932	23,295	2,637
Contractual Services	32,430	68,470	65,554	2,916
Other	3,116	3,116	3,100	16
<b>Total Records Center</b>	<b>476,316</b>	<b>520,376</b>	<b>506,962</b>	<b>13,414</b>
<b>Insurance, Pension and Taxes</b>				
Personal Services	60,000	60,000	33,911	26,089
Contractual Services	820,000	740,000	715,442	24,558
Other	210,615	315,615	297,865	17,750
<b>Total Insurance, Pension and Taxes</b>	<b>1,090,615</b>	<b>1,115,615</b>	<b>1,047,218</b>	<b>68,397</b>
<b>Commissioners-Other</b>				
Contractual Services	478,935	502,935	501,412	1,523
Other	860,000	1,126,822	1,126,523	299
<b>Total Commissioners-Other</b>	<b>1,338,935</b>	<b>1,629,757</b>	<b>1,627,935</b>	<b>1,822</b>
<b>Economic Development</b>				
Personal Services	333,281	346,501	339,344	7,157
Materials and Supplies	1,000	1,000	576	424
Contractual Services	5,400	3,170	2,525	645
Other	2,900	1,650	1,082	568
<b>Total Economic Development</b>	<b>342,581</b>	<b>352,321</b>	<b>343,527</b>	<b>8,794</b>
<b>Board of Elections</b>				
Personal Services	1,137,486	1,563,836	1,536,734	27,102
Materials and Supplies	136,907	427,627	426,781	846
Contractual Services	266,273	3,840,623	3,838,771	1,852
<b>Total Board of Elections</b>	<b>1,540,666</b>	<b>5,832,086</b>	<b>5,802,286</b>	<b>29,800</b>
<b>Prosecuting Attorney</b>				
Personal Services	3,233,950	3,218,750	3,169,091	49,659
Materials and Supplies	47,730	63,930	62,971	959
Contractual Services	113,163	147,178	139,736	7,442
Other	87,048	62,548	60,309	2,239
<b>Total Prosecuting Attorney</b>	<b>3,481,891</b>	<b>3,492,406</b>	<b>3,432,107</b>	<b>60,299</b>
<b>CSEA Prosecutor</b>				
Personal Services	232,021	235,519	230,695	4,824
Materials and Supplies	6,885	8,885	8,497	388
Contractual Services	22,076	26,885	26,292	593
Other	6,412	1,105	1,105	-
<b>Total CSEA Prosecutor</b>	<b>267,394</b>	<b>272,394</b>	<b>266,589</b>	<b>5,805</b>

(continued)

Butler County, Ohio  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance-Budget and Actual  
General Fund (continued)  
Budget Basis  
For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Prosecutor Gun Control</b>				
Personal Services	\$ 1,732	\$ 1,732	\$ 1,636	\$ 96
<b>Total Prosecutor Gun Control</b>	<u>1,732</u>	<u>1,732</u>	<u>1,636</u>	<u>96</u>
<b>Recorder</b>				
Personal Services	815,248	791,748	771,975	19,773
Materials and Supplies	9,000	14,000	12,230	1,770
Contractual Services	2,777,455	601,392	597,488	3,904
Other	7,500	7,500	4,135	3,365
<b>Total Recorder</b>	<u>3,609,203</u>	<u>1,414,640</u>	<u>1,385,828</u>	<u>28,812</u>
<b>Treasurer</b>				
Personal Services	975,930	1,040,275	1,007,591	32,684
Materials and Supplies	27,495	23,466	19,340	4,126
Contractual Services	126,308	182,162	179,931	2,231
Other	101,700	1,281	1,280	1
<b>Total Treasurer</b>	<u>1,231,433</u>	<u>1,247,184</u>	<u>1,208,142</u>	<u>39,042</u>
<b>Total General Government:</b>				
Legislative and Executive	<u>23,434,585</u>	<u>27,238,239</u>	<u>26,603,563</u>	<u>634,676</u>
<b>General Government:</b>				
<b>Judicial</b>				
<b>Area Courts</b>				
Personal Services	1,014,430	1,042,430	1,019,548	22,882
Materials and Supplies	20,000	16,700	16,687	13
Contractual Services	69,134	73,434	70,963	2,471
Other	10,500	-	-	-
<b>Total Area Courts</b>	<u>1,114,064</u>	<u>1,132,564</u>	<u>1,107,198</u>	<u>25,366</u>
<b>Clerk of Courts</b>				
Personal Services	1,218,795	1,305,455	1,278,872	26,583
Materials and Supplies	37,982	40,482	40,482	-
Contractual Services	36,056	38,056	38,053	3
Other	600	600	220	380
<b>Total Clerk of Courts</b>	<u>1,293,433</u>	<u>1,384,593</u>	<u>1,357,627</u>	<u>26,966</u>
<b>Common Pleas Court</b>				
Personal Services	1,399,687	1,418,037	1,370,330	47,707
Materials and Supplies	23,334	23,334	22,988	346
Contractual Services	1,069,460	1,480,110	1,451,396	28,714
Other	23,414	4,414	3,627	787
<b>Total Common Pleas Court</b>	<u>2,515,895</u>	<u>2,925,895</u>	<u>2,848,341</u>	<u>77,554</u>
<b>Court Services</b>				
Personal Services	425,212	425,872	415,234	10,638
Materials and Supplies	1,200	200	199	1
Contractual Services	123,700	129,040	115,953	13,087
Other	5,557	557	557	-
<b>Total Court Services</b>	<u>555,669</u>	<u>555,669</u>	<u>531,943</u>	<u>23,726</u>

(continued)

Butler County, Ohio  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance-Budget and Actual  
General Fund (continued)  
Budget Basis  
For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Domestic Relations Court</b>				
Personal Services	\$ 1,563,057	\$ 1,557,407	\$ 1,449,818	\$ 107,589
Materials and Supplies	24,967	36,839	35,915	924
Contractual Services	74,337	119,136	108,534	10,602
Other	30,884	8,784	8,417	367
<b>Total Domestic Relations Court</b>	<b>1,693,245</b>	<b>1,722,166</b>	<b>1,602,684</b>	<b>119,482</b>
<b>Parenting Education</b>				
Contractual Services	36,936	43,936	41,154	2,782
Other	7,000	-	-	-
<b>Total Parenting Education</b>	<b>43,936</b>	<b>43,936</b>	<b>41,154</b>	<b>2,782</b>
<b>Juvenile Court</b>				
Personal Services	2,307,559	2,374,159	2,323,480	50,679
Materials and Supplies	69,512	62,512	60,131	2,381
Contractual Services	1,166,663	1,389,163	1,309,890	79,273
Other	6,599	4,099	3,867	232
<b>Total Juvenile Court</b>	<b>3,550,333</b>	<b>3,829,933</b>	<b>3,697,368</b>	<b>132,565</b>
<b>Probate Court</b>				
Personal Services	726,608	725,608	697,262	28,346
Materials and Supplies	26,903	25,903	24,808	1,095
Contractual Services	30,381	38,381	34,855	3,526
Other	3,774	2,774	2,629	145
<b>Total Probate Court</b>	<b>787,666</b>	<b>792,666</b>	<b>759,554</b>	<b>33,112</b>
<b>Court of Appeals</b>				
Personal Services	230,141	239,216	208,555	30,661
Materials and Supplies	23,909	33,209	28,672	4,537
Contractual Services	534,869	530,869	457,379	73,490
Other	11,255	11,255	8,692	2,563
<b>Total Court of Appeals</b>	<b>800,174</b>	<b>814,549</b>	<b>703,298</b>	<b>111,251</b>
<b>Municipal Courts</b>				
Personal Services	317,590	363,030	355,916	7,114
Contractual Services	334,500	447,000	408,980	38,020
Other	2,000	500	-	500
<b>Total Municipal Courts</b>	<b>654,090</b>	<b>810,530</b>	<b>764,896</b>	<b>45,634</b>
<b>Total General Government:</b>				
<b>Judicial</b>	<b>13,008,505</b>	<b>14,012,501</b>	<b>13,414,063</b>	<b>598,438</b>
<b>Public Safety</b>				
<b>Adult Probation</b>				
Personal Services	1,620,557	1,620,557	1,523,520	97,037
Materials and Supplies	108,400	108,400	107,385	1,015
Contractual Services	52,309	58,809	56,778	2,031
Other	6,525	25	-	25
<b>Total Adult Probation</b>	<b>1,787,791</b>	<b>1,787,791</b>	<b>1,687,683</b>	<b>100,108</b>

(continued)

Butler County, Ohio  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance-Budget and Actual  
General Fund (continued)  
Budget Basis  
For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Criminal Justice Board</b>				
Personal Services	\$ 48,215	\$ 51,716	\$ 50,547	\$ 1,169
Materials and Supplies	200	200	44	156
Contractual Services	1,100	1,100	239	861
Other	500	140	-	140
<b>Total Criminal Justice Board</b>	<b>50,015</b>	<b>53,156</b>	<b>50,830</b>	<b>2,326</b>
<b>Coroner</b>				
Personal Services	515,536	518,736	509,516	9,220
Materials and Supplies	6,027	9,027	6,683	2,344
Contractual Services	10,197	10,197	6,883	3,314
Capital Outlay	15,000	-	-	-
Other	171,586	5,586	3,712	1,874
<b>Total Coroner</b>	<b>718,346</b>	<b>543,546</b>	<b>526,794</b>	<b>16,752</b>
<b>Coroner's Morgue</b>				
Materials and Supplies	17,351	25,351	21,870	3,481
Contractual Services	84,000	321,870	307,140	14,730
<b>Total Coroner' Morgue</b>	<b>101,351</b>	<b>347,221</b>	<b>329,010</b>	<b>18,211</b>
<b>Juvenile Facilities</b>				
Personal Services	1,764,773	1,806,223	1,764,141	42,082
Materials and Supplies	148,648	190,248	180,939	9,309
Contractual Services	69,315	76,315	69,041	7,274
Other	34,439	11,439	10,243	1,196
<b>Total Juvenile Facilities</b>	<b>2,017,175</b>	<b>2,084,225</b>	<b>2,024,364</b>	<b>59,861</b>
<b>Sheriffs Academy</b>				
Materials and Supplies	4,774	8,774	8,757	17
Contractual Services	13,606	21,706	21,701	5
Capital Outlay	-	550	491	59
Other	12,650	-	-	-
<b>Total Sheriffs Academy</b>	<b>31,030</b>	<b>31,030</b>	<b>30,949</b>	<b>81</b>
<b>Sheriffs Resolutions</b>				
Personal Services	2,011,488	1,985,288	1,941,660	43,628
Contractual Services	4,249,448	4,470,849	4,470,837	12
Other	4,412	168	168	-
<b>Total Sheriffs Resolutions</b>	<b>6,265,348</b>	<b>6,456,305</b>	<b>6,412,665</b>	<b>43,640</b>
<b>Sheriff</b>				
Personal Services	13,436,115	14,107,115	14,009,894	97,221
Materials and Supplies	299,731	527,532	527,347	185
Contractual Services	614,544	629,794	629,667	127
Other	149,817	140,817	140,817	-
<b>Total Sheriff</b>	<b>14,500,207</b>	<b>15,405,258</b>	<b>15,307,725</b>	<b>97,533</b>

(continued)

Butler County, Ohio  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance-Budget and Actual  
General Fund (continued)  
Budget Basis  
For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Paramedics</b>				
Personal Services	\$ 570,987	\$ 549,187	\$ 535,782	\$ 13,405
Materials and Supplies	10,000	10,000	9,999	1
Contractual Services	826,983	826,983	826,978	5
<b>Total Paramedics</b>	<b>1,407,970</b>	<b>1,386,170</b>	<b>1,372,759</b>	<b>13,411</b>
<b>Total Public Safety</b>	<b>26,879,233</b>	<b>28,094,702</b>	<b>27,742,779</b>	<b>351,923</b>
<b>Public Works</b>				
<b>Solid Waste Landfill</b>				
Contractual Services	34,000	34,000	13,687	20,313
<b>Total Solid Waste Landfill</b>	<b>34,000</b>	<b>34,000</b>	<b>13,687</b>	<b>20,313</b>
<b>Engineers-Plat Room</b>				
Personal Services	174,756	179,056	175,032	4,024
<b>Total Engineers-Plat Room</b>	<b>174,756</b>	<b>179,056</b>	<b>175,032</b>	<b>4,024</b>
<b>Commissioners Grant</b>				
Other	-	1,650,000	1,650,000	-
<b>Total Commissioners Grant</b>	<b>-</b>	<b>1,650,000</b>	<b>1,650,000</b>	<b>-</b>
<b>Total Public Works</b>	<b>208,756</b>	<b>1,863,056</b>	<b>1,838,719</b>	<b>24,337</b>
<b>Health</b>				
<b>Other-Health</b>				
Contractual Service	400,000	400,000	248,597	151,403
Other	11,000	11,000	-	11,000
<b>Total Other-Health</b>	<b>411,000</b>	<b>411,000</b>	<b>248,597</b>	<b>162,403</b>
<b>Registration Vital Statistics</b>				
Other	11,158	13,059	13,059	-
<b>Total Registration Vital Statistics</b>	<b>11,158</b>	<b>13,059</b>	<b>13,059</b>	<b>-</b>
<b>Total Health</b>	<b>422,158</b>	<b>424,059</b>	<b>261,656</b>	<b>162,403</b>
<b>Human Services</b>				
<b>Veterans Memorial</b>				
Contractual Services	15,000	15,000	12,048	2,952
Other	7,000	7,000	5,326	1,674
<b>Total Veterans Memorial</b>	<b>22,000</b>	<b>22,000</b>	<b>17,374</b>	<b>4,626</b>
<b>Veterans Services</b>				
Personal Services	576,068	523,158	514,345	8,813
Materials and Supplies	8,400	13,400	12,625	775
Contractual Services	182,200	224,835	221,292	3,543
Other	357,600	467,225	460,660	6,565
<b>Total Veterans Services</b>	<b>1,124,268</b>	<b>1,228,618</b>	<b>1,208,922</b>	<b>19,696</b>
<b>Total Human Services</b>	<b>1,146,268</b>	<b>1,250,618</b>	<b>1,226,296</b>	<b>24,322</b>

(continued)

Butler County, Ohio  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance-Budget and Actual  
General Fund (continued)  
Budget Basis  
For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Conservation and Recreation</b>				
<b>Agricultural</b>				
Contractual Services	\$ 3,000	\$ 3,000	\$ 1,815	\$ 1,185
Other	447,600	447,600	447,600	-
<b>Total Agricultural</b>	<u>450,600</u>	<u>450,600</u>	<u>449,415</u>	<u>1,185</u>
<b>Historical Society</b>				
Other	29,100	29,100	29,100	-
<b>Total Historical Society</b>	<u>29,100</u>	<u>29,100</u>	<u>29,100</u>	<u>-</u>
<b>Emergency Management</b>				
Other	53,000	53,000	39,310	13,690
<b>Total Emergency Management</b>	<u>53,000</u>	<u>53,000</u>	<u>39,310</u>	<u>13,690</u>
<b>Total Conservation and Recreation</b>	<u>532,700</u>	<u>532,700</u>	<u>517,825</u>	<u>14,875</u>
<b>Debt Service:</b>				
Principal Retirement	3,109,431	2,795,899	2,741,199	54,700
Interest and Fiscal Charges	3,142,608	3,084,319	3,076,819	7,500
<b>Total Debt Service</b>	<u>6,252,039</u>	<u>5,880,218</u>	<u>5,818,018</u>	<u>62,200</u>
<b>Total Expenditures</b>	<u>71,884,244</u>	<u>79,296,093</u>	<u>77,422,919</u>	<u>1,873,174</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(339,823)</u>	<u>(4,182,445)</u>	<u>(1,911,587)</u>	<u>2,270,858</u>
<b>Other Financing Sources (Uses):</b>				
Other Financing Sources	1,980,579	3,026,899	3,094,172	67,273
Other Financing Uses	-	(41,928)	(41,928)	-
Refunding Bonds Issued	-	29,365,000	29,365,000	-
Payment to Refunded Bond Escrow Agent	-	(30,608,081)	(30,608,081)	-
Premium on Debt Issued	-	1,911,520	1,911,520	-
Advances - In	75,000	227,102	227,102	-
Advances - Out	(190,000)	(360,000)	(150,000)	210,000
Transfers - In	400,000	152,500	152,500	-
Transfers - Out	(2,107,112)	(2,220,184)	(2,193,905)	26,279
<b>Total Other Financing Sources (Uses)</b>	<u>158,467</u>	<u>1,452,828</u>	<u>1,756,380</u>	<u>303,552</u>
<b>Net Change in Fund Balance</b>	<u>(181,356)</u>	<u>(2,729,617)</u>	<u>(155,207)</u>	<u>2,574,410</u>
<b>Fund Balance at Beginning of Year</b>	<u>7,868,145</u>	<u>7,868,145</u>	<u>7,868,145</u>	<u>-</u>
<b>Prior Year Encumbrances Appropriated</b>	<u>259,922</u>	<u>259,922</u>	<u>259,922</u>	<u>-</u>
<b>Fund Balance at End of Year</b>	<u>\$ 7,946,711</u>	<u>\$ 5,398,450</u>	<u>\$ 7,972,860</u>	<u>\$ 2,574,410</u>



Butler County, Ohio  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance-Budget and Actual  
Mental Retardation-Special Revenue Fund  
Budget Basis  
For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 19,938,000	\$ 18,538,070	\$ 18,538,070	\$ -
Charges for Services	290,000	468,590	469,898	1,308
Intergovernmental	10,772,912	12,882,676	13,089,988	207,312
Payment in Lieu of Taxes	-	32,809	32,809	-
Other	160,000	5,530	5,533	3
<b>Total Revenues</b>	<b>31,160,912</b>	<b>31,927,675</b>	<b>32,136,298</b>	<b>208,623</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Health</b>				
<b>Mental Retardation</b>				
Personal Services	17,343,000	17,351,000	15,132,649	2,218,351
Materials and Supplies	1,408,631	1,408,630	1,008,477	400,153
Contractual Services	9,244,802	9,294,802	6,955,685	2,339,117
Capital Outlay	701,317	751,317	-	751,317
Other	3,692,774	3,592,774	2,262,379	1,330,395
<b>Total Expenditures</b>	<b>32,390,524</b>	<b>32,398,523</b>	<b>25,359,190</b>	<b>7,039,333</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(1,229,612)</b>	<b>(470,848)</b>	<b>6,777,108</b>	<b>7,247,956</b>
<b>Other Financing Sources (Uses):</b>				
Other Financing Sources	-	24,687	24,717	30
Transfers - In	667,000	-	-	-
Transfers - Out	(667,000)	(500,000)	-	500,000
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(475,313)</b>	<b>24,717</b>	<b>500,030</b>
<b>Net Change in Fund Balance</b>	<b>(1,229,612)</b>	<b>(946,161)</b>	<b>6,801,825</b>	<b>7,747,986</b>
<b>Fund Balance at Beginning of Year</b>	<b>7,787,585</b>	<b>7,787,585</b>	<b>7,787,585</b>	<b>-</b>
<b>Prior Year Encumbrances Appropriated</b>	<b>725,524</b>	<b>725,524</b>	<b>725,524</b>	<b>-</b>
<b>Fund Balance at End of Year</b>	<b>\$ 7,283,497</b>	<b>\$ 7,566,948</b>	<b>\$ 15,314,934</b>	<b>\$ 7,747,986</b>

Butler County, Ohio  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance-Budget and Actual  
Job and Family Services-Special Revenue Fund  
Budget Basis  
For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>				
Intergovernmental	\$ 23,530,826	\$ 29,242,948	\$ 29,246,377	\$ 3,429
Other	2,975,000	1,334,815	1,355,262	20,447
<b>Total Revenues</b>	<b>26,505,826</b>	<b>30,577,763</b>	<b>30,601,639</b>	<b>23,876</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Human Services</b>				
<b>Job and Family Services</b>				
Personal Services	9,731,154	10,086,452	9,802,288	284,164
Materials and Supplies	737,201	492,081	447,662	44,419
Contractual Services	16,986,650	21,124,656	20,501,828	622,828
Other	2,224,040	3,174,872	3,136,434	38,438
<b>Total Expenditures</b>	<b>29,679,045</b>	<b>34,878,061</b>	<b>33,888,212</b>	<b>989,849</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(3,173,219)</b>	<b>(4,300,298)</b>	<b>(3,286,573)</b>	<b>1,013,725</b>
<b>Other Financing Sources:</b>				
Other Financing Sources	69,200	606,929	607,458	529
Transfers - In	1,481,264	1,427,549	1,427,549	-
<b>Total Other Financing Sources</b>	<b>1,550,464</b>	<b>2,034,478</b>	<b>2,035,007</b>	<b>529</b>
<b>Net Change in Fund Balance</b>	<b>(1,622,755)</b>	<b>(2,265,820)</b>	<b>(1,251,566)</b>	<b>1,014,254</b>
<b>Fund Balance at Beginning of Year</b>	<b>1,145,983</b>	<b>1,145,983</b>	<b>1,145,983</b>	<b>-</b>
<b>Prior Year Encumbrances Appropriated</b>	<b>1,676,510</b>	<b>1,676,510</b>	<b>1,676,510</b>	<b>-</b>
<b>Fund Balance at End of Year</b>	<b>\$ 1,199,738</b>	<b>\$ 556,673</b>	<b>\$ 1,570,927</b>	<b>\$ 1,014,254</b>

Butler County, Ohio  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance-Budget and Actual  
Children Services Board-Special Revenue Fund  
Budget Basis  
For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 12,788,302	\$ 13,282,760	\$ 13,282,760	\$ -
Intergovernmental	10,862,393	10,255,463	10,256,868	1,405
Payment in Lieu of Taxes	-	16,498	16,498	-
Other	6,020	16,234	16,234	-
<b>Total Revenues</b>	<b>23,656,715</b>	<b>23,570,955</b>	<b>23,572,360</b>	<b>1,405</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Human Services</b>				
<b>Children Services</b>				
Personal Services	10,396,318	11,310,631	9,952,706	1,357,925
Materials and Supplies	293,773	318,774	183,664	135,110
Contractual Services	13,330,204	14,740,203	14,090,141	650,062
Capital Outlay	25,000	25,000	25,000	-
Other	1,033,767	1,033,767	726,579	307,188
<b>Total Expenditures</b>	<b>25,079,062</b>	<b>27,428,375</b>	<b>24,978,090</b>	<b>2,450,285</b>
<b>Excess of Revenues (Under) Expenditures</b>	<b>(1,422,347)</b>	<b>(3,857,420)</b>	<b>(1,405,730)</b>	<b>2,451,690</b>
<b>Other Financing Sources:</b>				
Other Financing Sources	3,563	11,612	11,612	-
<b>Total Other Financing Sources</b>	<b>3,563</b>	<b>11,612</b>	<b>11,612</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>(1,418,784)</b>	<b>(3,845,808)</b>	<b>(1,394,118)</b>	<b>2,451,690</b>
<b>Fund Balance at Beginning of Year</b>	<b>4,416,496</b>	<b>4,416,496</b>	<b>4,416,496</b>	<b>-</b>
<b>Prior Year Encumbrances Appropriated</b>	<b>1,948,895</b>	<b>1,948,895</b>	<b>1,948,895</b>	<b>-</b>
<b>Fund Balance at End of Year</b>	<b>\$ 4,946,607</b>	<b>\$ 2,519,583</b>	<b>\$ 4,971,273</b>	<b>\$ 2,451,690</b>

Butler County, Ohio  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance-Budget and Actual  
Bond Retirement-Debt Service Fund  
Budget Basis  
For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>				
Special Assessments	\$ 1,853,000	\$ 2,345,983	\$ 2,345,987	\$ 4
Total Revenues	<u>1,853,000</u>	<u>2,345,983</u>	<u>2,345,987</u>	<u>4</u>
<b>Expenditures:</b>				
<b>Debt Service:</b>				
Principal Retirement	716,220	910,000	910,000	-
Interest and Fiscal Charges	892,383	1,107,526	972,202	135,324
Total Expenditures	<u>1,608,603</u>	<u>2,017,526</u>	<u>1,882,202</u>	<u>135,324</u>
Excess of Revenues Over (Under) Expenditures	<u>244,397</u>	<u>328,457</u>	<u>463,785</u>	<u>135,328</u>
<b>Other Financing Sources:</b>				
Transfers - In	-	358	358	-
Total Other Financing Sources	<u>-</u>	<u>358</u>	<u>358</u>	<u>-</u>
Net Change in Fund Balance	244,397	328,815	464,143	135,328
Fund Balance at Beginning of Year	1,429,503	1,429,503	1,429,503	-
Fund Balance at End of Year	<u>\$ 1,673,900</u>	<u>\$ 1,758,318</u>	<u>\$ 1,893,646</u>	<u>\$ 135,328</u>

Butler County, Ohio  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance-Budget and Actual  
Buildings Construction and Renovations-Capital Projects Fund  
Budget Basis  
For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ 118,721	\$ 118,721	\$ -
Interest	-	2,321	2,439	118
<b>Total Revenues</b>	<b>-</b>	<b>121,042</b>	<b>121,160</b>	<b>118</b>
<b>Expenditures:</b>				
<b>Capital Outlay</b>				
<b>Buildings Construction and Renovations</b>				
Contractual Services	56,000	207,362	170,983	36,379
Capital Outlay	39,000	-	-	-
Other	-	1,284	1,284	-
<b>Debt Service:</b>				
Principal Retirement	7,294,500	7,294,500	7,294,500	-
Interest and Fiscal Charges	147,590	199,782	199,743	39
<b>Total Expenditures</b>	<b>7,537,090</b>	<b>7,702,928</b>	<b>7,666,510</b>	<b>36,418</b>
<b>Excess of Revenues (Under) Expenditures</b>	<b>(7,537,090)</b>	<b>(7,581,886)</b>	<b>(7,545,350)</b>	<b>36,536</b>
<b>Other Financing Sources:</b>				
Notes Issued	7,268,100	7,004,500	7,004,500	-
Premium on Debt Issued	36,400	56,740	56,740	-
Transfers - In	140,400	423,275	423,275	-
<b>Total Other Financing Sources</b>	<b>7,444,900</b>	<b>7,484,515</b>	<b>7,484,515</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>(92,190)</b>	<b>(97,371)</b>	<b>(60,835)</b>	<b>36,536</b>
<b>Fund Balance at Beginning of Year</b>	<b>88,852</b>	<b>88,852</b>	<b>88,852</b>	<b>-</b>
<b>Prior Year Encumbrances Appropriated</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance at End of Year</b>	<b>\$ (3,338)</b>	<b>\$ (8,519)</b>	<b>\$ 28,017</b>	<b>\$ 36,536</b>

Butler County, Ohio  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance-Budget and Actual  
Road Improvement -Capital Projects Fund  
Budget Basis  
For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ 4,362,645	\$ 4,362,645	\$ -
Special Assessments	28,000	16,517	16,517	-
Interest	-	37,233	44,750	7,517
Other	30,000	-	-	-
<b>Total Revenues</b>	<b>58,000</b>	<b>4,416,395</b>	<b>4,423,912</b>	<b>7,517</b>
<b>Expenditures:</b>				
<b>Capital Outlay</b>				
<b>Road Improvement</b>				
Contractual Services	3,864,135	4,174,588	3,812,010	362,578
Other	-	10,000	-	10,000
<b>Debt Service:</b>				
Principal Retirement	13,325,000	13,325,000	13,305,000	20,000
Interest and Fiscal Charges	346,256	437,039	357,900	79,139
<b>Total Expenditures</b>	<b>17,535,391</b>	<b>17,946,627</b>	<b>17,474,910</b>	<b>471,717</b>
<b>Excess of Revenues (Under) Expenditures</b>	<b>(17,477,391)</b>	<b>(13,530,232)</b>	<b>(13,050,998)</b>	<b>479,234</b>
<b>Other Financing Sources (Uses):</b>				
Other Financing Sources	-	450	450	-
Notes Issued	13,321,000	10,445,000	10,445,000	-
Advances - In	22,700	-	-	-
Advances - Out	-	(30,000)	(30,000)	-
Premium on Debt Issued	66,525	100,665	100,665	-
Transfers - In	150,500	542,705	542,705	-
Transfers - Out	(30,000)	(358)	(358)	-
<b>Total Other Financing Sources (Uses)</b>	<b>13,530,725</b>	<b>11,058,462</b>	<b>11,058,462</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>(3,946,666)</b>	<b>(2,471,770)</b>	<b>(1,992,536)</b>	<b>479,234</b>
<b>Fund Balance at Beginning of Year</b>	<b>3,695,292</b>	<b>3,695,292</b>	<b>3,695,292</b>	<b>-</b>
<b>Prior Year Encumbrances Appropriated</b>	<b>64,135</b>	<b>64,135</b>	<b>64,135</b>	<b>-</b>
<b>Fund Balance at End of Year</b>	<b>\$ (187,239)</b>	<b>\$ 1,287,657</b>	<b>\$ 1,766,891</b>	<b>\$ 479,234</b>

Butler County, Ohio  
Schedule of Revenues, Expenses, and  
Changes in Fund Equity-Budget and Actual  
Sewer -Enterprise Fund  
Budget Basis  
For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>				
Charges for Services	\$ 18,928,200	\$ 17,996,916	\$ 18,272,113	\$ 275,197
Contributed Capital	7,159,000	8,845,797	9,196,888	351,091
Special Assessments	136,000	281,729	281,729	-
Interest Income	100,551	260,982	261,886	904
Grants	-	2,453,789	2,453,864	75
Other Non-Operating Revenues	346,000	184,686	184,686	-
Other Operating Revenues	213,000	878,650	903,650	25,000
Premium on Debt Issued	-	2,014,066	2,014,066	-
Accrued Interest on Debt Issued	-	36,936	36,936	-
Bonds Issued	1,750,000	20,175,000	20,175,000	-
Notes Issued	7,400,000	7,500,000	7,500,000	-
<b>Total Revenues</b>	<b>36,032,751</b>	<b>60,628,551</b>	<b>61,280,818</b>	<b>652,267</b>
<b>Expenses:</b>				
Personal Services	7,890,426	7,464,453	7,203,483	260,970
Contractual Services	30,780,330	31,265,463	28,307,286	2,958,177
Materials and Supplies	1,274,646	1,692,797	1,487,084	205,713
Other Operating Expenses	710,207	926,707	839,553	87,154
Capital Outlay	819,300	387,342	340,835	46,507
<b>Debt Service:</b>				
Principal Retirement	12,836,000	11,400,112	11,400,112	-
Interest and Fiscal Charges	3,268,000	4,009,568	4,008,669	899
Payment to Refunded Bond Escrow Agent	-	20,983,483	20,983,483	-
<b>Total Expenses</b>	<b>57,578,909</b>	<b>78,129,925</b>	<b>74,570,505</b>	<b>3,559,420</b>
Excess of Revenues (Under) Expenses	(21,546,158)	(17,501,374)	(13,289,687)	4,211,687
Transfers - In	5,510,000	-	-	-
Transfers - Out	(5,510,000)	(102,772)	(31,372)	71,400
<b>Net Change in Fund Equity</b>	<b>(21,546,158)</b>	<b>(17,604,146)</b>	<b>(13,321,059)</b>	<b>4,283,087</b>
Fund Equity at Beginning of Year	33,174,736	33,174,736	33,174,736	-
Prior Year Encumbrances Appropriated	4,095,663	4,095,663	4,095,663	-
<b>Fund Equity at End of Year</b>	<b>\$ 15,724,241</b>	<b>\$ 19,666,253</b>	<b>\$ 23,949,340</b>	<b>\$ 4,283,087</b>

Butler County, Ohio  
Schedule of Revenues, Expenses, and  
Changes in Fund Equity-Budget and Actual  
Water -Enterprise Fund  
Budget Basis  
For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>				
Charges for Services	\$ 19,586,680	\$ 21,201,191	\$ 21,440,357	\$ 239,166
Contributed Capital	4,221,000	4,334,241	4,629,241	295,000
Special Assessments	100,000	220,117	220,117	-
Interest Income	126,000	117,152	134,766	17,614
Grants	-	441,510	441,510	-
Other Non-Operating Revenues	461,000	373,640	373,910	270
Other Operating Revenues	129,000	9,441,575	9,453,589	12,014
Premium on Debt Issued	-	1,220,122	1,220,122	-
Accrued Interest on Debt Issued	-	46,284	46,284	-
Bonds Issued	16,560,000	28,020,294	28,085,000	64,706
Notes Issued	4,870,000	8,400,000	8,400,000	-
Total Revenues	<u>46,053,680</u>	<u>73,816,126</u>	<u>74,444,896</u>	<u>628,770</u>
<b>Expenses:</b>				
Personal Services	4,551,557	4,579,588	4,467,062	112,526
Contractual Services	21,444,814	26,393,417	20,975,319	5,418,098
Materials and Supplies	849,915	1,017,982	840,250	177,732
Other Operating Expenses	581,256	1,877,814	1,734,253	143,561
Capital Outlay	151,200	299,525	155,872	143,653
<b>Debt Service:</b>				
Principal Retirement	15,470,000	18,031,764	17,897,756	134,008
Interest and Fiscal Charges	3,570,000	4,271,252	4,195,127	76,125
Payment to Refunded Bond Escrow Agent	-	13,563,964	13,563,964	-
Total Expenses	<u>46,618,742</u>	<u>70,035,306</u>	<u>63,829,603</u>	<u>6,205,703</u>
Excess of Revenues Over (Under) Expenses	(565,062)	3,780,820	10,615,293	6,834,473
Advances - In	1,136,000	-	-	-
Advances - Out	<u>(1,136,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Equity	(565,062)	3,780,820	10,615,293	6,834,473
Fund Equity at Beginning of Year	16,332,026	16,332,026	16,332,026	-
Prior Year Encumbrances Appropriated	1,150,955	1,150,955	1,150,955	-
Fund Equity at End of Year	<u>\$ 16,917,919</u>	<u>\$ 21,263,801</u>	<u>\$ 28,098,274</u>	<u>\$ 6,834,473</u>



Butler County, Ohio  
Schedule of Revenues, Expenses, and  
Changes in Fund Equity-Budget and Actual  
GSC Parking Facility-Enterprise Fund  
Budget Basis  
For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>				
Charges for Services	\$ 160,000	\$ 168,175	\$ 171,038	\$ 2,863
Other Operating Revenues	-	325	325	-
<b>Total Revenues</b>	<b>160,000</b>	<b>168,500</b>	<b>171,363</b>	<b>2,863</b>
<b>Expenses:</b>				
Personal Services	63,580	61,850	60,253	1,597
Contractual Services	11,000	5,000	2,952	2,048
Materials and Supplies	4,000	2,600	1,826	774
Other Operating Expenses	5,800	100,730	98,193	2,537
<b>Total Expenses</b>	<b>84,380</b>	<b>170,180</b>	<b>163,224</b>	<b>6,956</b>
 <b>Excess of Revenues Over (Under) Expenses</b>	 <b>75,620</b>	 <b>(1,680)</b>	 <b>8,139</b>	 <b>9,819</b>
 <b>Fund Equity at Beginning of Year</b>	 <b>1,787</b>	 <b>1,787</b>	 <b>1,787</b>	 <b>-</b>
<b>Prior Year Encumbrances Appropriated</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Equity at End of Year</b>	<b>\$ 77,407</b>	<b>\$ 107</b>	<b>\$ 9,926</b>	<b>\$ 9,819</b>

Butler County, Ohio  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance-Budget and Actual  
Real Estate Assessment-Special Revenue Fund  
Budget Basis  
For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>				
Charges for Services	\$ 3,020,600	\$ 3,059,076	\$ 3,059,675	\$ 599
<b>Total Revenues</b>	<b>3,020,600</b>	<b>3,059,076</b>	<b>3,059,675</b>	<b>599</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General Government:</b>				
<b>Legislative and Executive</b>				
<b>Real Estate Assessment</b>				
Personal Services	2,217,550	2,629,550	2,491,131	138,419
Materials and Supplies	109,091	151,827	125,166	26,661
Contractual Services	357,161	476,861	447,431	29,430
Capital Outlay	75,000	47,263	47,263	-
Other	10,060	10,060	2,182	7,878
<b>Total Expenditures</b>	<b>2,768,862</b>	<b>3,315,561</b>	<b>3,113,173</b>	<b>202,388</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>251,738</b>	<b>(256,485)</b>	<b>(53,498)</b>	<b>202,987</b>
<b>Other Financing Sources:</b>				
Other Financing Sources	-	24	24	-
<b>Total Other Financing Sources</b>	<b>-</b>	<b>24</b>	<b>24</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>251,738</b>	<b>(256,461)</b>	<b>(53,474)</b>	<b>202,987</b>
<b>Fund Balance at Beginning of Year</b>	<b>855,349</b>	<b>855,349</b>	<b>855,349</b>	<b>-</b>
<b>Prior Year Encumbrances Appropriated</b>	<b>46,312</b>	<b>46,312</b>	<b>46,312</b>	<b>-</b>
<b>Fund Balance at End of Year</b>	<b>\$ 1,153,399</b>	<b>\$ 645,200</b>	<b>\$ 848,187</b>	<b>\$ 202,987</b>

Butler County, Ohio  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance-Budget and Actual  
All Other Legislative and Executive-Special Revenue Fund  
Budget Basis  
For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 297,000	\$ 325,423	\$ 332,914	\$ 7,491
Charges for Services	2,916,500	3,088,783	3,121,552	32,769
Intergovernmental	7,000	80,349	80,349	-
Interest	10,000	43,646	43,643	(3)
Payment in Lieu of Taxes	500	415	415	-
Other	-	2,200	2,200	-
<b>Total Revenues</b>	<b>3,231,000</b>	<b>3,540,816</b>	<b>3,581,073</b>	<b>40,257</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General Government:</b>				
Legislative and Executive				
Other Legislative and Executive				
Personal Services	2,262,488	2,320,784	2,210,113	110,671
Materials and Supplies	105,659	191,580	167,889	23,691
Contractual Services	624,656	722,106	656,089	66,017
Capital Outlay	17,074	96,500	69,775	26,725
Other	371,104	435,792	425,555	10,237
<b>Total Expenditures</b>	<b>3,380,981</b>	<b>3,766,762</b>	<b>3,529,421</b>	<b>237,341</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(149,981)</b>	<b>(225,946)</b>	<b>51,652</b>	<b>277,598</b>
<b>Other Financing Sources (Uses):</b>				
Other Financing Sources	-	1,740	1,743	3
Transfers - Out	-	(152,500)	(152,500)	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(150,760)</b>	<b>(150,757)</b>	<b>3</b>
<b>Net Change in Fund Balance</b>	<b>(149,981)</b>	<b>(376,706)</b>	<b>(99,105)</b>	<b>277,601</b>
<b>Fund Balance at Beginning of Year</b>	<b>2,039,179</b>	<b>2,039,179</b>	<b>2,039,179</b>	<b>-</b>
<b>Prior Year Encumbrances Appropriated</b>	<b>24,627</b>	<b>24,627</b>	<b>24,627</b>	<b>-</b>
<b>Fund Balance at End of Year</b>	<b>\$ 1,913,825</b>	<b>\$ 1,687,100</b>	<b>\$ 1,964,701</b>	<b>\$ 277,601</b>

Butler County, Ohio  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance-Budget and Actual  
All Other Judicial-Special Revenue Fund  
Budget Basis  
For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>				
Charges for Services	\$ 1,227,180	\$ 1,569,314	\$ 1,569,724	\$ 410
Fines and Forfeitures	28,000	32,667	33,567	900
Other	-	211	432	221
<b>Total Revenues</b>	<b>1,255,180</b>	<b>1,602,192</b>	<b>1,603,723</b>	<b>1,531</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General Government:</b>				
<b>Judicial</b>				
<b>Other Judicial</b>				
Personal Services	764,241	967,868	939,612	28,256
Materials and Supplies	245,130	333,937	235,577	98,360
Contractual Services	311,201	568,692	480,950	87,742
Capital Outlay	98,000	-	-	-
Other	141,182	36,182	19,141	17,041
<b>Total Expenditures</b>	<b>1,559,754</b>	<b>1,906,679</b>	<b>1,675,280</b>	<b>231,399</b>
<b>Excess of Revenues (Under) Expenditures</b>	<b>(304,574)</b>	<b>(304,487)</b>	<b>(71,557)</b>	<b>232,930</b>
<b>Other Financing (Uses):</b>				
Transfers - Out	-	(1,518)	-	1,518
<b>Total Other Financing (Uses)</b>	<b>-</b>	<b>(1,518)</b>	<b>-</b>	<b>1,518</b>
<b>Net Change in Fund Balance</b>	<b>(304,574)</b>	<b>(306,005)</b>	<b>(71,557)</b>	<b>234,448</b>
<b>Fund Balance at Beginning of Year</b>	<b>1,855,613</b>	<b>1,855,613</b>	<b>1,855,613</b>	<b>-</b>
<b>Prior Year Encumbrances Appropriated</b>	<b>31,138</b>	<b>31,138</b>	<b>31,138</b>	<b>-</b>
<b>Fund Balance at End of Year</b>	<b>\$ 1,582,177</b>	<b>\$ 1,580,746</b>	<b>\$ 1,815,194</b>	<b>\$ 234,448</b>

Butler County, Ohio  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance-Budget and Actual  
All Other Public Safety-Special Revenue Fund  
Budget Basis  
For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>				
Charges for Services	\$ 3,062,569	\$ 2,640,211	\$ 2,668,097	\$ 27,886
Licenses and Permits	50,000	48,361	49,420	1,059
Fines and Forfeitures	5,000	3,300	3,425	125
Intergovernmental	6,275,486	6,484,325	6,692,752	208,427
Other	20,000	6,867	6,867	-
<b>Total Revenues</b>	<b>9,413,055</b>	<b>9,183,064</b>	<b>9,420,561</b>	<b>237,497</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Public Safety</b>				
Other Public Safety				
Personal Services	5,289,404	4,900,761	4,723,668	177,093
Materials and Supplies	1,038,352	904,931	799,795	105,136
Contractual Services	3,314,698	4,031,132	3,758,631	272,501
Capital Outlay	86,500	19,884	19,884	-
Other	359,153	185,829	115,500	70,329
<b>Total Expenditures</b>	<b>10,088,107</b>	<b>10,042,537</b>	<b>9,417,478</b>	<b>625,059</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(675,052)</b>	<b>(859,473)</b>	<b>3,083</b>	<b>862,556</b>
<b>Other Financing Sources:</b>				
Other Financing Sources	86,200	34,012	34,944	932
Transfers - In	40,000	19,708	19,708	-
<b>Total Other Financing Sources</b>	<b>126,200</b>	<b>53,720</b>	<b>54,652</b>	<b>932</b>
<b>Net Change in Fund Balance</b>	<b>(548,852)</b>	<b>(805,753)</b>	<b>57,735</b>	<b>863,488</b>
<b>Fund Balance at Beginning of Year</b>	<b>1,961,479</b>	<b>1,961,479</b>	<b>1,961,479</b>	<b>-</b>
<b>Prior Year Encumbrances Appropriated</b>	<b>80,979</b>	<b>80,979</b>	<b>80,979</b>	<b>-</b>
<b>Fund Balance at End of Year</b>	<b>\$ 1,493,606</b>	<b>\$ 1,236,705</b>	<b>\$ 2,100,193</b>	<b>\$ 863,488</b>

Butler County, Ohio  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance-Budget and Actual  
Child Support Enforcement-Special Revenue Fund  
Budget Basis  
For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>				
Charges for Services	\$ 1,000,000	\$ 1,031,987	\$ 1,031,987	\$ -
Intergovernmental	6,060,000	5,084,640	5,084,680	40
Other	2,000	359	359	-
<b>Total Revenues</b>	<b>7,062,000</b>	<b>6,116,986</b>	<b>6,117,026</b>	<b>40</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Human Services</b>				
<b>Child Support Enforcement</b>				
Personal Services	4,329,000	4,334,000	4,262,902	71,098
Materials and Supplies	115,000	121,000	106,453	14,547
Contractual Services	2,259,609	1,534,416	1,398,816	135,600
Other	343,323	482,766	481,424	1,342
<b>Total Expenditures</b>	<b>7,046,932</b>	<b>6,472,182</b>	<b>6,249,595</b>	<b>222,587</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>15,068</b>	<b>(355,196)</b>	<b>(132,569)</b>	<b>222,627</b>
<b>Other Financing Sources:</b>				
Other Financing Sources	6,000	86,724	88,409	1,685
<b>Total Other Financing Sources</b>	<b>6,000</b>	<b>86,724</b>	<b>88,409</b>	<b>1,685</b>
<b>Net Change in Fund Balance</b>	<b>21,068</b>	<b>(268,472)</b>	<b>(44,160)</b>	<b>224,312</b>
<b>Fund Balance at Beginning of Year</b>	<b>190,541</b>	<b>190,541</b>	<b>190,541</b>	<b>-</b>
<b>Prior Year Encumbrances Appropriated</b>	<b>77,932</b>	<b>77,932</b>	<b>77,932</b>	<b>-</b>
<b>Fund Balance at End of Year</b>	<b>\$ 289,541</b>	<b>\$ 1</b>	<b>\$ 224,313</b>	<b>\$ 224,312</b>

Butler County, Ohio  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance-Budget and Actual  
Motor Vehicle-Special Revenue Fund  
Budget Basis  
For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 2,270,000	\$ 2,297,203	\$ 2,297,203	\$ -
Charges for Services	675,000	1,094,583	1,094,925	342
Fines and Forfeitures	268,000	246,244	246,244	-
Intergovernmental	10,160,000	14,458,948	14,686,126	227,178
Special Assessments	-	3,711	3,711	-
Other	1,040,000	331,121	331,121	-
<b>Total Revenues</b>	<b>14,413,000</b>	<b>18,431,810</b>	<b>18,659,330</b>	<b>227,520</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Public Works</b>				
<b>Motor Vehicle</b>				
Personal Services	4,933,108	4,933,332	4,666,806	266,526
Materials and Supplies	1,285,405	1,131,444	1,050,998	80,446
Contractual Services	15,281,290	14,538,290	12,056,096	2,482,194
Capital Outlay	404,860	1,369,821	1,352,073	17,748
Other	707,000	707,000	140,630	566,370
<b>Debt Service:</b>				
Principal Retirement	590,000	590,000	590,000	-
Interest and Fiscal Charges	282,000	216,098	20,800	195,298
<b>Total Expenditures</b>	<b>23,483,663</b>	<b>23,485,985</b>	<b>19,877,403</b>	<b>3,608,582</b>
<b>Excess of Revenues (Under) Expenditures</b>	<b>(9,070,663)</b>	<b>(5,054,175)</b>	<b>(1,218,073)</b>	<b>3,836,102</b>
<b>Other Financing Sources (Uses):</b>				
Other Financing Sources	305,000	27,239	27,239	-
Notes Issued	505,000	505,000	505,000	-
Premium on Debt Issued	1,000	4,495	4,495	-
Transfers - Out	-	(499,361)	(499,361)	-
<b>Total Other Financing Sources (Uses)</b>	<b>811,000</b>	<b>37,373</b>	<b>37,373</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>(8,259,663)</b>	<b>(5,016,802)</b>	<b>(1,180,700)</b>	<b>3,836,102</b>
<b>Fund Balance at Beginning of Year</b>	<b>6,117,419</b>	<b>6,117,419</b>	<b>6,117,419</b>	<b>-</b>
<b>Prior Year Encumbrances Appropriated</b>	<b>5,260,581</b>	<b>5,260,581</b>	<b>5,260,581</b>	<b>-</b>
<b>Fund Balance at End of Year</b>	<b>\$ 3,118,337</b>	<b>\$ 6,361,198</b>	<b>\$ 10,197,300</b>	<b>\$ 3,836,102</b>

Butler County, Ohio  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance-Budget and Actual  
All Other Public Works-Special Revenue Fund  
Budget Basis  
For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>				
Charges for Services	\$ 2,548,000	\$ 146,974	\$ 147,602	\$ 628
Intergovernmental	2,762,480	3,843,241	3,843,242	1
Special Assessments	1,400,000	1,521,529	1,521,529	-
Interest	38,000	35,635	37,832	2,197
Other	229,693	133,793	137,040	3,247
<b>Total Revenues</b>	<b>6,978,173</b>	<b>5,681,172</b>	<b>5,687,245</b>	<b>6,073</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Public Works</b>				
<b>Other Public Works</b>				
Personal Services	769,048	731,127	621,404	109,723
Materials and Supplies	189,010	162,851	83,092	79,759
Contractual Services	3,321,517	3,717,805	3,441,721	276,084
Capital Outlay	2,762,900	1,505,058	1,492,158	12,900
Other	820,859	593,369	259,494	333,875
<b>Debt Service:</b>				
Principal Retirement	2,150,000	2,150,000	2,150,000	-
Interest and Fiscal Charges	59,125	65,125	64,960	165
<b>Total Expenditures</b>	<b>10,072,459</b>	<b>8,925,335</b>	<b>8,112,829</b>	<b>812,506</b>
<b>Excess of Revenues (Under) Expenditures</b>	<b>(3,094,286)</b>	<b>(3,244,163)</b>	<b>(2,425,584)</b>	<b>818,579</b>
<b>Other Financing Sources (Uses):</b>				
Other Financing Sources	-	486	486	-
Proceeds of Notes	2,153,300	2,150,000	2,150,000	-
Premium on Debt Issued	11,000	18,705	18,705	-
Transfers - In	171,695	30,000	30,000	-
Transfers - Out	-	(382,682)	(381,885)	797
<b>Total Other Financing Sources (Uses)</b>	<b>2,335,995</b>	<b>1,816,509</b>	<b>1,817,306</b>	<b>797</b>
<b>Net Change in Fund Balance</b>	<b>(758,291)</b>	<b>(1,427,654)</b>	<b>(608,278)</b>	<b>819,376</b>
<b>Fund Balance at Beginning of Year</b>	<b>2,978,621</b>	<b>2,978,621</b>	<b>2,978,621</b>	<b>-</b>
<b>Prior Year Encumbrances Appropriated</b>	<b>30,644</b>	<b>30,644</b>	<b>30,644</b>	<b>-</b>
<b>Fund Balance at End of Year</b>	<b>\$ 2,250,974</b>	<b>\$ 1,581,611</b>	<b>\$ 2,400,987</b>	<b>\$ 819,376</b>



Butler County, Ohio  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance-Budget and Actual  
Alcohol and Drug Addiction -Special Revenue Fund  
Budget Basis  
For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>				
Charges for Services	\$ 94,800	\$ 71,100	\$ 94,800	\$ 23,700
Intergovernmental	5,149,982	5,139,020	5,829,430	690,410
Other	-	6,943	6,943	-
<b>Total Revenues</b>	<b>5,244,782</b>	<b>5,217,063</b>	<b>5,931,173</b>	<b>714,110</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Health</b>				
<b>Alcohol and Drug Addiction</b>				
Personal Services	365,792	355,171	348,622	6,549
Materials and Supplies	3,500	29,665	12,482	17,183
Contractual Services	5,144,791	5,421,023	5,337,899	83,124
Other	71,986	27,215	25,215	2,000
<b>Total Expenditures</b>	<b>5,586,069</b>	<b>5,833,074</b>	<b>5,724,218</b>	<b>108,856</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(341,287)</b>	<b>(616,011)</b>	<b>206,955</b>	<b>822,966</b>
<b>Other Financing Sources:</b>				
Transfers - In	110,000	-	-	-
<b>Total Other Financing Sources</b>	<b>110,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>(231,287)</b>	<b>(616,011)</b>	<b>206,955</b>	<b>822,966</b>
<b>Fund Balance at Beginning of Year</b>	<b>632,649</b>	<b>632,649</b>	<b>632,649</b>	<b>-</b>
<b>Prior Year Encumbrances Appropriated</b>	<b>231,287</b>	<b>231,287</b>	<b>231,287</b>	<b>-</b>
<b>Fund Balance at End of Year</b>	<b>\$ 632,649</b>	<b>\$ 247,925</b>	<b>\$ 1,070,891</b>	<b>\$ 822,966</b>

Butler County, Ohio  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance-Budget and Actual  
Mental Health-Special Revenue Fund  
Budget Basis  
For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 2,156,189	\$ 1,996,189	\$ 1,995,357	\$ (832)
Charges for Services	96,521	96,521	96,405	(116)
Intergovernmental	14,744,064	13,568,215	14,316,739	748,524
Payment in Lieu of Taxes	3,910	3,910	3,910	-
Other	447,376	447,376	455,654	8,278
<b>Total Revenues</b>	<b>17,448,060</b>	<b>16,112,211</b>	<b>16,868,065</b>	<b>755,854</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Health</b>				
<b>Mental Health</b>				
Personal Services	668,809	669,065	592,485	76,580
Materials and Supplies	83,651	83,652	39,726	43,926
Contractual Services	21,282,409	19,873,204	18,860,775	1,012,429
Capital Outlay	-	18,099	18,099	-
Other	62,325	62,325	22,419	39,906
<b>Total Expenditures</b>	<b>22,097,194</b>	<b>20,706,345</b>	<b>19,533,504</b>	<b>1,172,841</b>
<b>Excess of Revenues (Under) Expenditures</b>	<b>(4,649,134)</b>	<b>(4,594,134)</b>	<b>(2,665,439)</b>	<b>1,928,695</b>
<b>Other Financing Sources:</b>				
Other Financing Sources	221,440	166,440	166,433	(7)
<b>Total Other Financing Sources</b>	<b>221,440</b>	<b>166,440</b>	<b>166,433</b>	<b>(7)</b>
<b>Net Change in Fund Balance</b>	<b>(4,427,694)</b>	<b>(4,427,694)</b>	<b>(2,499,006)</b>	<b>1,928,688</b>
<b>Fund Balance at Beginning of Year</b>	<b>1,913,417</b>	<b>1,913,417</b>	<b>1,913,417</b>	<b>-</b>
<b>Prior Year Encumbrances Appropriated</b>	<b>2,427,694</b>	<b>2,427,694</b>	<b>2,427,694</b>	<b>-</b>
<b>Fund Balance (Deficit) at End of Year</b>	<b>\$ (86,583)</b>	<b>\$ (86,583)</b>	<b>\$ 1,842,105</b>	<b>\$ 1,928,688</b>

Butler County, Ohio  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance-Budget and Actual  
All Other Health-Special Revenue Fund  
Budget Basis  
For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>				
Charges for Services	\$ -	\$ 48	\$ 48	\$ -
Licenses and Permits	403,000	476,562	505,781	29,219
Fines and Forfeitures	23,000	20,336	20,336	-
Other	4,000	-	-	-
<b>Total Revenues</b>	<b>430,000</b>	<b>496,946</b>	<b>526,165</b>	<b>29,219</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Health</b>				
<b>Other Health</b>				
Personal Services	230,940	251,813	248,827	2,986
Materials and Supplies	16,150	21,550	17,678	3,872
Contractual Services	15,000	15,000	12,030	2,970
Other	171,552	178,471	177,992	479
<b>Total Expenditures</b>	<b>433,642</b>	<b>466,834</b>	<b>456,527</b>	<b>10,307</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(3,642)</b>	<b>30,112</b>	<b>69,638</b>	<b>39,526</b>
<b>Other Financing (Uses):</b>				
Advances-Out	-	(25,000)	(25,000)	-
<b>Total Other Financing (Uses)</b>	<b>-</b>	<b>(25,000)</b>	<b>(25,000)</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>(3,642)</b>	<b>5,112</b>	<b>44,638</b>	<b>39,526</b>
<b>Fund Balance at Beginning of Year</b>	<b>60,457</b>	<b>60,457</b>	<b>60,457</b>	<b>-</b>
<b>Prior Year Encumbrances Appropriated</b>	<b>3,150</b>	<b>3,150</b>	<b>3,150</b>	<b>-</b>
<b>Fund Balance at End of Year</b>	<b>\$ 59,965</b>	<b>\$ 68,719</b>	<b>\$ 108,245</b>	<b>\$ 39,526</b>

Butler County, Ohio  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance-Budget and Actual  
County Care Facility-Special Revenue Fund  
Budget Basis  
For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>				
Charges for Services	\$ 774,100	\$ 909,247	\$ 878,804	\$ (30,443)
Intergovernmental	6,616,560	6,202,422	6,115,969	(86,453)
Other	-	1,813	6,658	4,845
<b>Total Revenues</b>	<b>7,390,660</b>	<b>7,113,482</b>	<b>7,001,431</b>	<b>(112,051)</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Human Services</b>				
<b>County Care Facility</b>				
Personal Services	5,522,716	5,611,730	5,591,179	20,551
Materials and Supplies	885,029	790,029	755,560	34,469
Contractual Services	682,684	531,195	495,993	35,202
Capital Outlay	211,205	211,205	135,405	75,800
Other	174,000	154,000	148,085	5,915
<b>Total Expenditures</b>	<b>7,475,634</b>	<b>7,298,159</b>	<b>7,126,222</b>	<b>171,937</b>
<b>Net Change in Fund Balance</b>	<b>(84,974)</b>	<b>(184,677)</b>	<b>(124,791)</b>	<b>59,886</b>
<b>Fund Balance at Beginning of Year</b>	<b>56,760</b>	<b>56,760</b>	<b>56,760</b>	<b>-</b>
<b>Prior Year Encumbrances Appropriated</b>	<b>127,918</b>	<b>127,918</b>	<b>127,918</b>	<b>-</b>
<b>Fund Balance at End of Year</b>	<b>\$ 99,704</b>	<b>\$ 1</b>	<b>\$ 59,887</b>	<b>\$ 59,886</b>

Butler County, Ohio  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance-Budget and Actual  
Elderly Services Levy-Special Revenue Fund  
Budget Basis  
For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 7,300,000	\$ 7,742,759	\$ 7,742,847	\$ 88
Intergovernmental	400,000	844,940	844,940	-
Payment in Lieu of Taxes	16,498	17,849	17,849	-
<b>Total Revenues</b>	<b>7,716,498</b>	<b>8,605,548</b>	<b>8,605,636</b>	<b>88</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Human Services</b>				
Eldery Services Levy				
Contractual Services	7,700,000	7,700,000	7,699,035	965
<b>Total Expenditures</b>	<b>7,700,000</b>	<b>7,700,000</b>	<b>7,699,035</b>	<b>965</b>
<b>Net Change in Fund Balance</b>	<b>16,498</b>	<b>905,548</b>	<b>906,601</b>	<b>1,053</b>
<b>Fund Balance at Beginning of Year</b>	<b>631,189</b>	<b>631,189</b>	<b>631,189</b>	<b>-</b>
<b>Prior Year Encumbrances Appropriated</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance at End of Year</b>	<b>\$ 647,687</b>	<b>\$ 1,536,737</b>	<b>\$ 1,537,790</b>	<b>\$ 1,053</b>

Butler County, Ohio  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance-Budget and Actual  
All Other Human Services-Special Revenue Fund  
Budget Basis  
For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>				
Intergovernmental	\$ 179,561	\$ 196,675	\$ 196,676	\$ 1
Other	2,000	2,666	2,666	-
<b>Total Revenues</b>	<b>181,561</b>	<b>199,341</b>	<b>199,342</b>	<b>1</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Human Services</b>				
<b>Other Human Services</b>				
Personal Services	234,194	226,780	223,425	3,355
Materials and Supplies	1,626	1,921	1,621	300
Contractual Services	6,572	31,959	30,263	1,696
Other	6,794	2,856	729	2,127
<b>Total Expenditures</b>	<b>249,186</b>	<b>263,516</b>	<b>256,038</b>	<b>7,478</b>
<b>Excess of Revenues (Under) Expenditures</b>	<b>(67,625)</b>	<b>(64,175)</b>	<b>(56,696)</b>	<b>7,479</b>
<b>Other Financing Sources</b>				
Transfers - In	65,822	53,159	53,159	-
<b>Total Other Financing Sources</b>	<b>65,822</b>	<b>53,159</b>	<b>53,159</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>(1,803)</b>	<b>(11,016)</b>	<b>(3,537)</b>	<b>7,479</b>
<b>Fund Balance at Beginning of Year</b>	<b>35,666</b>	<b>35,666</b>	<b>35,666</b>	<b>-</b>
<b>Prior Year Encumbrances Appropriated</b>	<b>403</b>	<b>403</b>	<b>403</b>	<b>-</b>
<b>Fund Balance at End of Year</b>	<b>\$ 34,266</b>	<b>\$ 25,053</b>	<b>\$ 32,532</b>	<b>\$ 7,479</b>

Butler County, Ohio  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance-Budget and Actual  
Stormwater Management Study-Capital Projects Fund  
Budget Basis  
For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>				
Interest	\$ -	\$ 3,500	\$ 3,500	\$ -
Total Revenues	<u>-</u>	<u>3,500</u>	<u>3,500</u>	<u>-</u>
<b>Expenditures:</b>				
<b>Capital Outlay</b>				
Stormwater Management Study				
Contractual Services	121,478	-	-	-
<b>Debt Service:</b>				
Principal Retirement	525,000	525,000	525,000	-
Interest and Fiscal Charges	10,500	15,707	15,707	-
Total Expenditures	<u>656,978</u>	<u>540,707</u>	<u>540,707</u>	<u>-</u>
Excess of Revenues (Under) Expenditures	<u>(656,978)</u>	<u>(537,207)</u>	<u>(537,207)</u>	<u>-</u>
<b>Other Financing Sources:</b>				
Notes Issued	535,500	-	-	-
Premium on Debt Issued	2,500	-	-	-
Transfers - In	-	381,885	381,885	-
Total Other Financing Sources	<u>538,000</u>	<u>381,885</u>	<u>381,885</u>	<u>-</u>
Net Change in Fund Balance	(118,978)	(155,322)	(155,322)	-
Fund Balance at Beginning of Year	133,844	133,844	133,844	-
Prior Year Encumbrances Appropriated	21,478	21,478	21,478	-
Fund Balance at End of Year	<u>\$ 36,344</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Butler County, Ohio  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance-Budget and Actual  
Technology-Capital Projects Fund  
Budget Basis  
For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>				
Interest	\$ -	\$ 2,060	\$ 2,060	\$ -
Total Revenues	<u>-</u>	<u>2,060</u>	<u>2,060</u>	<u>-</u>
<b>Expenditures:</b>				
<b>Capital Outlay</b>				
<b>Technology</b>				
Personal Services	-	1,950	1,950	-
Contractual Services	-	17,857	17,618	239
<b>Debt Service:</b>				
Principal Retirement	7,095,500	7,095,500	7,095,500	-
Interest and Fiscal Charges	126,385	189,441	189,441	-
Total Expenditures	<u>7,221,885</u>	<u>7,304,748</u>	<u>7,304,509</u>	<u>239</u>
Excess of Revenues (Under) Expenditures	<u>(7,221,885)</u>	<u>(7,302,688)</u>	<u>(7,302,449)</u>	<u>239</u>
<b>Other Financing Sources:</b>				
Notes Issued	7,138,000	7,095,500	7,095,500	-
Premium on Debt Issued	34,990	29,856	29,856	-
Transfers - In	53,000	87,870	87,870	-
Total Other Financing Sources	<u>7,225,990</u>	<u>7,213,226</u>	<u>7,213,226</u>	<u>-</u>
Net Change in Fund Balance	4,105	(89,462)	(89,223)	239
Fund Balance at Beginning of Year	89,463	89,463	89,463	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance at End of Year	<u>\$ 93,568</u>	<u>\$ 1</u>	<u>\$ 240</u>	<u>\$ 239</u>



Butler County, Ohio  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance-Budget and Actual  
Other Capital Improvement Funds-Capital Projects Fund  
Budget Basis  
For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ 19,801	\$ 19,801	\$ -
Interest	-	7,406	13,365	5,959
<b>Total Revenues</b>	<b>-</b>	<b>27,207</b>	<b>33,166</b>	<b>5,959</b>
<b>Expenditures:</b>				
<b>Capital Outlay</b>				
<b>Other Capital Improvement</b>				
Contractual Services	61,000	1,950,801	1,907,162	43,639
Capital Outlay	-	109,500	109,419	81
<b>Debt Service:</b>				
Principal Retirement	3,165,000	4,309,000	4,309,000	-
Interest and Fiscal Charges	79,125	124,974	124,813	161
<b>Total Expenditures</b>	<b>3,305,125</b>	<b>6,494,275</b>	<b>6,450,394</b>	<b>43,881</b>
<b>Excess of Revenues (Under) Expenditures</b>	<b>(3,305,125)</b>	<b>(6,467,068)</b>	<b>(6,417,228)</b>	<b>49,840</b>
<b>Other Financing Sources:</b>				
Other Financing Sources	-	57,223	57,223	-
Special Assessment Bonds Issued	-	1,144,000	1,144,000	-
Notes Issued	3,173,125	5,045,000	5,045,000	-
Premium on Debt Issued	15,600	39,420	39,420	-
Transfers - In	57,000	140,372	140,372	-
<b>Total Other Financing Sources</b>	<b>3,245,725</b>	<b>6,426,015</b>	<b>6,426,015</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>(59,400)</b>	<b>(41,053)</b>	<b>8,787</b>	<b>49,840</b>
<b>Fund Balance at Beginning of Year</b>	<b>63,196</b>	<b>63,196</b>	<b>63,196</b>	<b>-</b>
<b>Prior Year Encumbrances Appropriated</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance at End of Year</b>	<b>\$ 3,796</b>	<b>\$ 22,143</b>	<b>\$ 71,983</b>	<b>\$ 49,840</b>

Butler County, Ohio  
Schedule of Revenues, Expenses, and  
Changes in Fund Equity-Budget and Actual  
Workers Compensation Benefit-Internal Service Fund  
Budget Basis  
For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>				
Charges for Services	\$ 880,000	\$ 929,945	\$ 930,173	\$ 228
Other Operating Revenues	-	159,312	159,312	-
<b>Total Revenues</b>	<b>880,000</b>	<b>1,089,257</b>	<b>1,089,485</b>	<b>228</b>
<b>Expenses:</b>				
Personal Services	294,280	302,780	298,866	3,914
Contractual Services	515,001	665,873	660,493	5,380
Claims and Judgments	500,000	500,000	438,072	61,928
Other Operating Expenses	7,500	6,500	643	5,857
<b>Total Expenses</b>	<b>1,316,781</b>	<b>1,475,153</b>	<b>1,398,074</b>	<b>77,079</b>
<b>Excess of Revenues (Under) Expenses</b>	<b>(436,781)</b>	<b>(385,896)</b>	<b>(308,589)</b>	<b>77,307</b>
<b>Fund Equity at Beginning of Year</b>	<b>1,780,431</b>	<b>1,780,431</b>	<b>1,780,431</b>	<b>-</b>
<b>Prior Year Encumbrances Appropriated</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>-</b>
<b>Fund Equity at End of Year</b>	<b>\$ 1,343,651</b>	<b>\$ 1,394,536</b>	<b>\$ 1,471,843</b>	<b>\$ 77,307</b>

Butler County, Ohio  
Schedule of Revenues, Expenses, and  
Changes in Fund Equity-Budget and Actual  
Employee Health Insurance-Internal Service Fund  
Budget Basis  
For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>				
Other Non-Operating Revenues	\$ -	\$ 106,153	\$ 106,153	\$ -
Total Revenues	-	106,153	106,153	-
<b>Expenses:</b>				
Contractual Services	-	1,100	1,041	59
Total Expenses	-	1,100	1,041	59
Excess of Revenues Over Expenses	-	105,053	105,112	59
Advances-Out	(172,102)	(172,102)	(172,102)	-
Net Change in Fund Equity	(172,102)	(67,049)	(66,990)	59
Fund Equity at Beginning of Year	173,912	173,912	173,912	-
Fund Equity at End of Year	\$ 1,810	\$ 106,863	\$ 106,922	\$ 59

Butler County, Ohio  
Schedule of Revenues, Expenses, and  
Changes in Fund Equity-Budget and Actual  
Health Insurance-Internal Service Fund  
Budget Basis  
For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>				
Charges for Services	\$ 12,260,000	\$ 11,966,781	\$ 11,968,807	\$ 2,026
Total Revenues	<u>12,260,000</u>	<u>11,966,781</u>	<u>11,968,807</u>	<u>2,026</u>
<b>Expenses:</b>				
Personal Services	153,240	217,246	215,978	1,268
Contractual Services	11,767,600	11,944,540	11,769,578	174,962
Other Operating Expenses	5,000	1,627	1,626	1
Total Expenses	<u>11,925,840</u>	<u>12,163,413</u>	<u>11,987,182</u>	<u>176,231</u>
Excess of Revenues Over (Under) Expenses	334,160	(196,632)	(18,375)	178,257
Advances-In	<u>-</u>	<u>150,000</u>	<u>150,000</u>	<u>-</u>
Net Change in Fund Equity	334,160	(46,632)	131,625	178,257
Fund Equity at Beginning of Year	46,959	46,959	46,959	-
Fund Equity at End of Year	<u>\$ 381,119</u>	<u>\$ 327</u>	<u>\$ 178,584</u>	<u>\$ 178,257</u>

# STATISTICAL SECTION

## Consumer Services and Deputy Registrar

These divisions provide a variety of services to consumers including ensuring that measuring devices such as gas pumps, utility meters, and cash registers are calibrated; issuing licenses for vendors, cigarette sales, and dogs; and issuing drivers licenses and license plates.



Roy Hatfield and Rob Gibson test a gas pump to ensure that it is accurately calibrated, a valuable service in light of recent gas prices.



Matt Williams (right) issues a new vendor license to an applicant.



Sherri Vandale takes a picture for a customer's drivers license.



Karen Hoit assists a customer at the Hamilton West License Bureau.

# Information Services

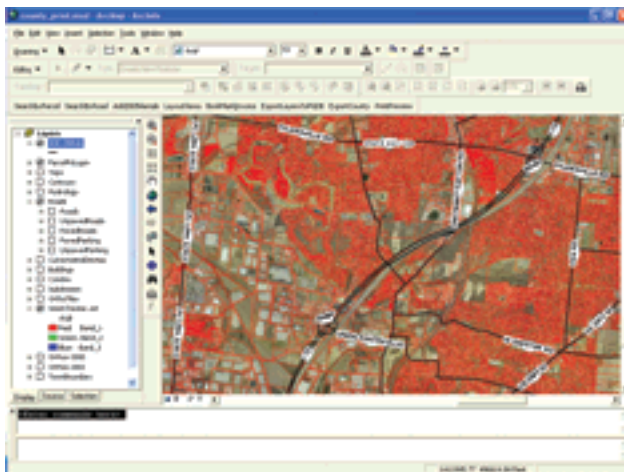
The Information Services division maintains the computer and networking systems in the County that provide the lifeblood to many departments and taxpayers. These systems include the Geographic Information System (GIS) which contains layers of geographic images, the fiber-optic network that links the infrastructure between all County buildings, and a wide array of systems tailored to the needs of each department as well as the County's websites, providing taxpayers with valuable information.



Greg Sullivan (right), the Director of Information Services, and Bob Goettelman (left), the director of Consumer Services, meet to discuss the assessment system.



Andy Steed works diligently at installing software for the fiscal services division.



The Information Services division maintains many systems to provide taxpayers with very useful information as well as provide each department with systems that support their business processes. Pictured above is the Geographic Information System which contains tax plat maps, engineering drawings, and topographical imagery into selectable layers for the entire County.



Mike Felerski reviews system performance of one of the County's servers, ensuring a good response time to system users.

## **STATISTICAL TABLES**

**The following unaudited statistical tables reflect social and economic data, financial trends and fiscal capacity of the County.**

Butler County, Ohio

General Fund Expenditures by Function

Table #1

Last Ten Years

Year	<u>General Government</u>										Total Expenditures
	Legislative and Executive	Judicial	Public Safety	Public Works	Health	Human Services	Conservation and Recreation	Capital Outlay	Other governmental and Debt Service		
1996	\$ 9,875,616	\$ 7,393,837	\$ 12,007,300	\$ 89,939	\$ 421,404	\$ 834,051	\$ 331,748	\$ -	\$ 8,469,931	\$ -	\$ 39,423,826
1997	11,405,024	7,970,550	15,032,125	304,231	431,165	697,480	363,291	-	1,194,977	-	37,398,843
1998	11,715,040	8,537,836	16,491,138	132,104	465,723	637,902	410,878	-	3,608,423	-	41,999,044
1999	15,882,253	9,338,592	18,123,975	560,725	226,008	536,729	446,976	-	1,639,532	-	46,754,790
2000	19,656,468	9,432,738	20,042,889	1,363,732	256,306	618,284	460,000	-	2,721,104	-	54,551,521
2001	16,677,516	10,127,737	22,079,882	706,687	361,115	773,668	487,768	-	2,498,272	-	53,712,645
2002	16,415,210	10,999,926	23,595,889	699,836	405,580	735,596	520,722	-	2,303,932	-	55,676,691
2003	21,242,009	11,143,923	26,901,568	182,599	492,938	933,727	531,971	-	2,304,562	-	63,733,297
2004	22,127,619	11,944,901	29,126,608	212,184	616,431	1,274,920	477,828	216,115	2,330,204	-	68,326,810
2005	25,793,695	12,925,223	28,507,771	1,880,808	205,532	1,227,548	517,825	-	26,708,825	-	97,767,227

Source: Butler County Auditor



Butler County, Ohio

General Fund Revenues by Source

Last Ten Years Table #2

Year	Taxes	Payments in Lieu of Taxes	Charges for Services	Licenses and Permits	Fines and Forfeitures	Inter-Governmental	Interest	Market Value of Investments	Contributions and Donations	Other Revenue	Total Revenue	Net Increase (Decrease)	
												in Fair Market Value	in Fair Market Value
1996	\$ 19,191,677	\$ -	\$ 8,633,088	\$ 29,345	\$ 547,684	\$ 8,645,138	\$ 4,470,120	\$ -	\$ -	\$ 204,546	\$ 41,721,598		
1997	20,576,274	-	9,368,048	30,770	612,973	6,313,690	4,533,974	296,905	-	196,361	41,928,995		
1998	21,612,489	-	11,456,868	28,660	733,919	7,309,054	6,569,217	58,276	-	228,643	47,997,126		
1999	23,425,639	-	11,955,350	27,748	705,753	7,789,996	5,856,076	(1,542,196)	-	95,802	48,314,168		
2000	25,663,966	-	12,597,086	29,286	1,360,883	8,366,906	6,979,162	1,622,284	-	594,972	57,214,545		
2001	26,511,429	-	13,623,090	22,680	993,498	8,171,414	6,537,455	1,007,475	-	1,756,965	58,624,006		
2002	25,897,508	-	13,161,903	20,665	1,106,088	10,163,295	4,684,763	(257,478)	-	1,306,340	56,083,084		
2003	29,542,959	-	25,920,096	27,126	1,236,123	7,800,798	2,707,335	(746,510)	-	721,160	67,209,087		
2004	30,658,240	27,798	28,187,005	24,317	1,295,416	7,785,697	3,011,875	(1,159,879)	-	499,600	70,330,069		
2005	33,870,013	26,563	22,849,714	22,791	1,292,864	11,567,872	4,753,201	(147,597)	57,442	3,044,734	77,337,597		

Source: Butler County Auditor

Butler County, Ohio

Property Tax Levies and Collections - Real and Public Utility Taxes

Last Ten Years Table #3

Tax Year (1)	Collection Year	Current Tax Levy (2)	Current Tax Collections (3)	Percent Collected	Delinquent Tax Collections	Total Tax Collections	Percent of		Outstanding Delinquent Taxes (4)	Percent of Outstanding Delinquent Taxes To Current Tax Levy
							Total Tax To Current Tax Levy	Total Tax Collections		
1995	1996	\$ 23,218,578	\$ 22,571,544	97.21%	\$ 584,343	\$ 23,155,887	99.73%	\$ 1,388,790	5.98%	
1996	1997	28,283,906	27,489,724	97.19	681,121	28,170,845	99.60	1,501,851	5.31	
1997	1998	28,283,906	28,152,592	99.54	686,905	28,839,497	101.96	946,260	3.35	
1998	1999	29,948,107	29,250,458	97.67	851,008	30,101,466	100.51	792,901	2.65	
1999	2000	32,781,175	30,576,335	93.27	708,757	31,285,092	95.44	2,288,984	6.98	
2000	2001	36,710,203	35,296,717	96.15	924,003	36,220,720	98.67	2,778,467	7.57	
2001	2002	39,050,967	37,431,914	95.85	1,166,797	38,598,711	98.84	3,230,723	8.27	
2002	2003	41,908,616	40,079,541	95.64	1,288,439	41,367,980	98.71	3,771,360	9.00	
2003	2004	48,245,395	46,139,554	95.64	1,642,553	47,782,107	99.04	4,234,648	8.78	
2004	2005	53,335,484	51,293,478	96.17	1,741,707	53,035,185	99.44	4,534,947	8.50	

- (1) Tax year and collection year apply only to real property taxes
- (2) Does not include the General Health District, a special district that is not a part of the County entity for reporting purposes.
- (3) State Reimbursements of Rollback and Homestead Exemptions are included.
- (4) Penalties and interest are included, since by Ohio law they become part of the tax obligation as assessment occurs.

Source: Butler County Auditor

**Butler County, Ohio**

**Tangible Personal Property Tax Collections**

**Last Ten Years**

**Table #4**

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<u>Year</u>	<u>Amount</u>
1996	\$ 5,018,529
1997	6,389,250
1998	6,375,154
1999	6,428,181
2000	6,201,168
2001	7,218,661
2002	7,701,265
2003	7,319,189
2004	7,671,480
2005	7,105,643

**Source: Butler County Auditor**

Butler County, Ohio  
 Department of Environmental Services  
 Revenue Bond Coverage  
 Sewer  
 Last Ten Years

Table #5

Year	Operating Revenues and Expenses				Capacity Fees	Non-Operating Revenue (Expense) Other	Net Non-Operating Rev (Exp)(2)	Total Available for Debt Service(3)	Debt Service Requirements (4)		
	Operating Revenues	Operating Expenses(1)	Operating Revenue	Net Non-Operating Revenue (Expense) Other					Principal	Interest	Total
1996	\$ 9,323,813	\$ 7,516,918	\$ 1,806,895	\$ 3,004,917	\$ 393,153	\$ 3,398,070	\$ 5,204,965	\$ 785,000	\$ 1,803,006	\$ 2,588,006	2.01
1997	10,642,424	7,539,261	3,103,163	3,290,768	411,812	3,702,580	6,805,743	1,175,000	2,055,204	3,230,204	2.11
1998	11,600,404	7,802,955	3,797,449	3,196,443	(178,016)	3,018,427	6,815,876	1,395,000	1,791,187	3,186,187	2.14
1999	12,192,298	8,193,435	3,998,863	4,534,624	1,923,475	6,458,099	10,456,962	1,650,000	3,191,305	4,841,305	2.16
2000	15,181,737	8,864,899	6,316,838	3,360,152	1,547,881	4,908,033	11,224,871	2,660,000	3,448,300	6,108,300	1.84
2001	15,970,470	10,185,500	5,784,970	4,587,703	457,824	5,045,527	10,830,497	2,775,000	3,335,335	6,110,335	1.77
2002	16,854,168	11,070,073	5,784,095	6,762,444	716,403	7,478,847	13,262,942	2,900,000	2,946,367	5,846,367	2.27
2003	16,947,133	11,944,257	5,002,876	7,958,313	612,134	8,570,447	13,573,323	3,040,000	3,077,642	6,117,642	2.22
2004	17,778,094	13,209,048	4,569,046	9,014,420	2,798,802	11,813,222	16,382,268	2,785,000	2,725,944	5,510,944	2.97
2005	18,451,160	14,517,963	3,933,197	9,196,888	10,040,054	19,236,942	23,170,139	3,645,000	2,772,472	6,417,472	3.61

- (1) Operating expenses are shown exclusive of depreciation, per bond covenant.
- (2) Net non-operating Rev(exp) are shown exclusive of interest and fiscal charges, per bond covenant.
- (3) Total Available for Debt Service equals Net Operating Revenue combined with Net Non-Operating Rev(exp).
- (4) Debt Service per bond redemption schedules.

Source: Butler County Auditor

Butler County, Ohio  
 Department of Environmental Services  
 Revenue Bond Coverage  
 Water  
 Last Ten Years

Table #6

Year	Operating Revenues and Expenses				Debt Service Requirements (4)				Coverage		
	Operating Revenues	Operating Expenses(1)	Net Operating Revenue	Capacity Fees	Net Non-Operating Revenue (Expense) Other	Operating Rev (Exp)(2)	Total Available for Debt Service(3)	Principal		Interest	Total
1996	\$ 10,657,124	\$ 10,715,205	\$ (58,081)	\$ 2,235,273	\$ 305,985	\$ 2,541,258	\$ 2,483,177	\$ 125,000	\$ 869,388	\$ 994,388	2.50
1997	12,990,411	10,094,113	2,896,298	2,612,401	314,114	2,926,515	5,822,813	525,000	1,081,854	1,606,854	3.62
1998	14,961,586	12,454,508	2,507,078	2,752,163	(1,177,096)	1,575,067	4,082,145	545,000	1,061,064	1,606,064	2.54
1999	16,118,567	16,488,844	(370,277)	3,752,395	(193,335)	3,559,060	3,188,783	565,000	1,417,921	1,982,921	1.61
2000	16,936,905	15,550,143	1,386,762	2,604,217	384,501	2,988,718	4,375,480	1,085,000	1,586,699	2,671,699	1.64
2001	17,900,347	17,594,434	305,913	2,830,333	318,154	3,148,487	3,454,400	1,125,000	1,562,237	2,687,237	1.29
2002	20,300,608	17,442,027	2,858,581	3,232,357	1,239,956	4,472,313	7,330,894	1,170,000	1,367,629	2,537,629	2.89
2003	16,675,326	14,266,723	2,408,603	3,368,055	1,318,859	4,686,914	7,095,517	1,215,000	1,459,589	2,674,589	2.65
2004	19,539,968	14,438,596	5,101,372	4,153,770	2,283,690	6,437,460	11,538,832	1,260,000	1,421,566	2,681,566	4.30
2005	22,029,345	18,879,165	3,150,180	4,629,241	9,158,934	13,788,175	16,938,355	1,485,000	1,370,366	2,855,366	5.93

- (1) Operating expenses are shown exclusive of depreciation, per bond covenant.
- (2) Net non-operating Rev(exp) are shown exclusive of interest and fiscal charges, per bond covenant.
- (3) Total Available for Debt Service equals Net Operating Revenue combined with Net Non-Operating Rev(exp).
- (4) Debt Service per bond redemption schedules.

Source: Butler County Auditor

**Butler County, Ohio**

**Permissive Sales Tax Collections  
(Cash Basis)  
Last Ten Years**

**Table #7**

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<u>Year</u>	<u>Amount</u>
1996	\$ 11,547,600
1997	12,015,456
1998	12,889,270
1999	14,252,234
2000	15,709,348
2001	16,102,332
2002	16,642,460
2003	17,182,889
2004	18,047,011
2005	19,503,113

**Source: Butler County Auditor**

Butler County, Ohio

Assessed Valuation and  
Estimated Actual Values of Taxable Property

Last Ten Years Table #8

Tax Year	Real Property (1)			Tangible Personal Property			Public Utilities Personal			Total		
	Assessed Value	Estimated Actual Value		Assessed Value	Estimated Actual Value		Assessed Value	Estimated Actual Value		Assessed Value	Estimated Actual Value	Ratio (2)
1995	\$3,547,997,320	\$10,137,135,200		\$549,465,585	\$2,197,862,340		\$377,164,450	\$428,595,966		\$4,474,627,355	\$12,763,593,506	35.06 %
1996	3,939,072,770	11,254,493,629		618,825,072	2,475,300,288		376,357,290	427,678,739		4,934,255,132	14,157,472,656	34.85
1997	4,068,350,540	11,623,858,686		680,964,144	2,723,856,576		370,135,330	420,608,330		5,119,450,014	14,768,323,592	34.67
1998	4,199,464,910	11,998,471,171		659,774,662	2,639,098,648		377,009,040	428,419,364		5,236,248,612	15,065,989,183	34.76
1999	4,764,719,420	13,613,484,057		694,566,748	2,778,266,992		381,459,890	433,477,148		5,840,746,058	16,825,228,197	34.71
2000	4,990,028,970	14,257,225,629		722,909,820	2,891,639,280		360,025,500	409,119,886		6,072,964,290	17,557,984,795	34.59
2001	5,144,613,220	14,698,894,914		766,473,543	3,065,894,172		237,777,970	270,202,239		6,148,864,733	18,034,991,325	34.09
2002	6,243,237,390	17,837,821,114		724,768,577	2,899,074,308		258,533,610	293,788,193		7,226,539,577	21,030,683,615	34.36
2003	6,175,495,560	17,644,273,029		739,614,001	2,958,456,004		246,408,050	280,009,148		7,161,517,611	20,882,738,181	34.29
2004	6,362,721,810	18,179,205,171		744,780,872	2,979,123,488		251,886,670	286,234,852		7,359,389,352	21,444,563,511	34.32

(1) Includes Public Utility Real Property.

(2) Ratio represents Total Estimated Actual Value to Total Assessed Value.

Source: Butler County Auditor

Butler County, Ohio  
Property Tax Rates - Direct and Overlapping Governments (1)

Last Ten Years Per \$1,000 of Assessed Value	Collection Year										Table #9	
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005		
County												
General Fund	\$ 1.92	\$ 1.92	\$ 1.92	\$ 1.92	\$ 1.92	\$ 1.92	\$ 1.92	\$ 1.92	\$ 1.92	\$ 1.92	\$ 1.92	\$ 1.92
Mental Retardation Levy	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Mental Health Levy	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Miami Conservancy Levy	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.02	0.02	0.02	0.02
Children Services Levy	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Senior Citizens	-	1.00	1.00	1.00	1.00	1.30	1.30	1.30	1.30	1.30	1.30	1.30
Total County	7.45	8.45	8.45	8.45	8.45	8.75	8.75	8.74	8.74	8.74	8.74	8.74
Townships												
Fairfield (2)	-	7.19	7.19	7.19	7.19	7.19	7.19	7.19	7.19	7.19	7.19	7.19
Fairfield - Fire District	-	12.19	12.19	12.19	12.19	12.19	12.19	12.19	12.19	12.19	12.19	12.19
Fairfield - Fairfield City	-	-	-	-	-	-	-	-	-	-	-	-
Hanover	2.72	2.72	2.72	2.72	2.72	2.72	2.72	2.72	2.72	2.72	2.72	2.72
Hanover - Millville Village	0.42	0.42	0.42	0.42	0.42	0.42	0.42	0.42	0.42	0.42	0.42	0.42
Lemon	-	-	-	-	-	-	-	-	-	-	-	-
Lemon - Monroe Village	-	-	-	-	-	-	-	-	-	-	-	-
Liberty	5.59	7.59	7.59	7.59	9.09	10.59	10.59	10.59	10.59	10.59	10.59	10.59
Liberty - Monroe Village	0.59	0.59	0.59	0.59	0.59	0.59	0.59	0.59	0.59	0.59	0.59	0.59
Madison	2.26	2.26	2.26	2.26	2.26	2.26	2.26	2.26	2.26	2.26	2.26	2.26
Milford	5.74	5.74	5.74	5.74	5.74	5.74	5.74	5.74	5.74	5.74	5.74	5.74
Milford - Somerville Village	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80
Morgan	5.22	5.22	5.22	5.22	6.22	6.22	6.22	6.22	6.22	6.22	6.22	6.22
Oxford	7.84	7.84	7.84	7.84	7.84	7.84	7.84	7.84	7.84	7.84	7.84	7.84
Oxford - College Corner Village	0.24	0.24	0.24	0.24	0.24	0.24	0.24	0.24	0.24	0.24	0.24	0.24
Oxford - Oxford City	0.24	0.24	0.24	0.24	0.24	0.24	0.24	0.24	0.24	0.24	0.24	0.24
Reily	5.39	5.39	5.39	5.39	7.39	7.39	7.39	7.39	7.39	7.39	7.39	7.39
Ross	5.72	5.72	5.72	5.72	5.72	5.72	5.72	5.72	5.72	5.72	5.72	5.72
Ross - Millville Village	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92
St. Clair	4.47	4.47	4.47	4.47	4.47	4.47	4.47	4.47	4.47	4.47	4.47	4.47
St. Clair - New Miami Village	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01
St. Clair - Sevenmile Village	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51
Wayne	4.58	4.58	4.58	3.58	3.58	3.58	3.58	3.58	3.58	3.58	3.58	4.88
Wayne - Jacksonburg Village	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51
Wayne - Sevenmile Village	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51
West Chester (3)	9.59	9.59	9.59	9.59	10.59	10.59	13.09	13.09	13.09	13.09	13.09	13.09
West Chester-Fairfield City	-	-	-	-	-	-	-	-	-	-	-	-
West Chester-Sharonville Corp	-	-	-	-	-	-	-	-	-	-	-	-

(continued)



Butler County, Ohio  
Property Tax Rates - Direct and Overlapping Governments (1)  
(continued)

Collection Year	Table #9									
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Last Ten Years										
Per \$1,000 of Assessed Value										
<b>School Districts</b>										
Fairfield City School District	\$ 55.16	\$ 53.56	\$ 53.56	\$ 54.16	\$ 54.16	\$ 54.23	\$ 54.11	\$ 53.82	\$ 53.82	\$ 58.66
Edgewood City School District	34.11	33.61	33.61	37.55	37.11	37.11	43.76	43.76	43.76	43.76
Lakota Local School District	56.24	56.14	56.14	56.14	55.14	61.88	61.88	60.84	60.04	60.04
Madison Local School District	31.09	30.94	30.94	30.94	35.94	36.29	36.54	32.14	31.99	31.94
Monroe Local School District (4)	-	-	-	-	-	34.98	43.36	41.88	40.68	40.05
New Miami Local School District	25.09	25.09	25.09	25.09	29.09	29.39	29.42	29.42	29.42	29.42
Ross Local School District	45.84	45.73	45.73	45.73	45.73	45.73	45.73	51.98	51.98	51.98
Talawanda City School District	46.30	43.80	43.80	43.80	43.80	50.30	50.30	50.30	51.49	51.49
Hamilton City School District	43.81	43.81	43.81	43.81	48.21	48.21	48.21	48.01	48.21	48.21
Middletown City School District	37.03	36.63	36.63	36.56	35.33	34.98	34.78	33.58	38.08	38.08
<b>Out-of-County School Districts</b>										
Northwest Local School District	42.98	50.18	50.18	50.18	50.13	49.80	49.80	49.64	49.64	49.64
Southwest Local School District	44.77	44.74	44.74	48.22	48.22	47.88	47.75	47.44	47.25	47.08
Princeton City School District	42.24	42.24	42.24	42.24	46.19	46.19	46.19	45.79	49.03	49.03
College Corner Local School District	40.10	32.10	32.10	32.10	32.10	32.10	32.10	32.10	32.10	32.10
Preble Shawnee Local School District	24.50	22.50	22.50	25.49	25.49	25.49	25.49	25.49	22.99	23.49
Mason Local School District	62.36	61.95	61.95	61.95	61.95	64.57	71.11	72.61	74.11	74.11
<b>Joint Vocational Schools</b>										
Butler County JVS	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93
Great Oaks JVS	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70
Montgomery County JVS	2.58	2.58	2.58	2.58	2.58	2.58	2.58	2.58	2.58	2.58

(continued)

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

Table #9

Collection Year	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Cities										
Fairfield	\$ 4.54	\$ 4.54	\$ 4.54	\$ 4.54	\$ 4.54	\$ 5.94	\$ 5.94	\$ 5.94	\$ 5.94	\$ 5.94
Indian Springs (5)	7.19	-	-	-	-	-	-	-	-	-
Oxford	3.65	3.65	3.65	3.65	3.65	3.65	3.65	3.65	3.65	3.65
Trenton	4.99	4.99	4.99	4.99	4.74	4.74	4.74	4.74	4.74	3.24
Hamilton	5.06	5.06	5.06	5.06	5.06	5.12	5.12	7.12	7.12	7.16
Middletown	6.31	6.31	6.31	6.36	4.14	5.86	5.86	5.86	5.88	5.88
Villages										
Millville	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30
Sevenmile	9.22	7.32	7.32	8.82	8.02	7.62	7.02	6.82	6.72	6.72
Monroe	7.85	7.85	7.85	7.85	7.85	9.85	9.85	9.85	9.85	9.85
Jacksonburg	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
New Miami	4.30	4.30	4.30	4.30	4.30	4.30	8.30	8.30	8.30	8.30
Somerville	3.09	3.09	3.09	3.09	3.09	3.09	3.09	3.09	3.09	3.09
College Corner	14.40	14.40	14.40	14.40	14.40	14.40	14.40	14.40	14.40	14.40

- (1) Property tax rates are determined by a combination of the county-wide tax rate and the applicable tax rates for the school district, township, municipality or other districts in which a given property is located.
- (2) Fairfield Township dissolved and became the City of Indian Springs in 1994.
- (3) Union Township dissolved and became West Chester Township in 2000.
- (4) Monroe local school district was combined with Middletown City school district from 1994 to 2000.  
 In 2001 City of Monroe schools changed from Middletown City School District to Monroe Local School District.
- (5) The City of Indian Springs dissolved and reverted to Fairfield Township in 1997.

Source: Butler County Auditor

Butler County, Ohio

Real and Tangible Personal Property  
Principal Taxpayers  
December 31, 2005

Table #10

Name of Taxpayer	Nature of Business	Real Estate Assessed Valuation	Personal Property Assessed Valuation	Total Assessed Valuation	Percent of Total County Assessed Valuation (2004 Collection Year)
Cincinnati Gas & Electric	Public Utility	\$ 240,538,550	\$ -	240,538,550	3.27 %
AK Steel	Business	17,575,720	128,984,010	146,559,730	1.99
Miller Brewing Company	Business	25,387,680	40,724,087	66,111,767	0.90
Cincinnati Bell	Public Utility	38,086,450	108,720	38,195,170	0.52
Dugan Financing LLD	Business	32,066,960	-	32,066,960	0.44
Cincinnati Financial Corp	Business	31,442,480	-	31,442,480	0.43
Duke Realty	Business	20,269,530	-	20,269,530	0.28
Meijer	Business	13,285,750	6,016,910	19,302,660	0.26
Security Capital	Business	19,234,380	-	19,234,380	0.26
Bay West Paper Corp	Business	1,824,270	12,537,430	14,361,700	0.20
<b>Totals</b>		<b>\$ 439,711,770</b>	<b>\$ 188,371,157</b>	<b>628,082,927</b>	<b>8.55 %</b>

Source: Butler County Auditor

Butler County, Ohio

Special Assessments Billed and Collected

Last Ten Years

Table #11

Collection Year	Amount Billed	Amount (1) Collected	Percent Collected
1996	\$ 1,049,245	\$ 921,655	87.84 %
1997	1,271,532	1,118,566	87.97
1998	1,272,282	1,074,099	84.42
1999	1,226,847	1,169,097	95.29
2000	1,699,336	1,540,991	90.68
2001	3,391,594	3,243,508	95.63
2002	2,029,954	1,935,767	95.36
2003	2,318,568	2,069,067	89.24
2004	4,230,689	3,990,829	94.33
2005	4,434,090	4,146,582	93.52

(1) Amount includes carryover accumulated delinquencies, Miami Conservancy and Acquirer Preservation Assessments.

Source: Butler County Auditor

Butler County, Ohio

Computation of Legal Debt Margin

December 31, 2005

Table #12

	Total Debt Limit (1)	Total Unvoted Debt Limit (2)
Assessed Value of County Collection Year 2005	\$ 7,359,389,352	\$ 7,359,389,352
Debt Limit	\$ 182,484,734	73,593,894
<b>Total Outstanding Debt:</b>		
General Obligation Bonds	\$ 48,247,784	\$ 48,247,784
General Obligation Notes	16,250,000	16,250,000
Judgement Bonds	34,290,000	34,290,000
Long Term Loans	6,412,135	6,412,135
Revenue Bonds	99,970,000	99,970,000
Sales Tax Bonds	28,265,000	28,265,000
Self Supporting Notes (4)	23,495,000	23,495,000
Special Assessment Debt	10,510,000	10,510,000
<b>Total</b>	<b>\$ 267,439,919</b>	<b>\$ 267,439,919</b>
<b>Exemptions:</b>		
Debt Service Fund Balance (3)		
General Obligation Detention Facility Bonds	\$ 26,915,000	\$ 26,915,000
General Obligation Bonds-Self Supporting (4)	837,784	837,784
Judgement Bonds	34,290,000	34,290,000
Juvenile Detention Expansion Notes	1,365,000	1,365,000
Long Term Loans	6,412,135	6,412,135
Revenue Bonds	99,970,000	99,970,000
Sales Tax Bonds	28,265,000	28,265,000
Self Supporting Notes (4)	23,495,000	23,495,000
Special Assessment Debt	10,510,000	10,510,000
<b>Total</b>	<b>\$ 232,059,919</b>	<b>\$ 232,059,919</b>
Net Debt	\$ 35,380,000	\$ 35,380,000
<b>Total Legal Debt Margin</b> (Debt Limitation minus Net Debt)	<b>\$ 147,104,734</b>	<b>\$ 38,213,894</b>

(1) The total debt limitation is calculated as follows:

3% of first \$100,000,000 of assessed value	\$ 3,000,000
1 1/2% of next \$200,000,000 of assessed value	3,000,000
2 1/2% of amount of assessed value in excess of \$300,000,000	176,484,734

**Total Debt Limitation**

**\$ 182,484,734**

(2) The Total Unvoted Debt Limitation is calculated as 1% of assessed value.

**\$ 73,593,894**

(3) The balance in the debt service fund is reserved for special assessment debt.

(4) Self-supporting notes are re-paid from sources other than the General Fund.

Note: Does not include capital leases or pension obligations.

Source: Butler County Auditor

Butler County, Ohio

Ratio of Net General Bonded Debt  
to Assessed Value and Net Bonded Debt per Capita

Last Ten Years Table #13

Year	(3) Population	(1) Assessed Value	(1)&(2) Gross General Bonded Debt	(1) Debt Service Monies Available	Debt Payable from Enterprise Funds	Net General Bonded Debt	Ratio of Net General Bonded Debt to Assessed Value	Net General Bonded Debt Per Capita
1996	320,500	\$ 4,474,627,355	\$ 10,708,368	-	\$ 2,268,368	\$ 8,440,000	0.18862 %	26.33 %
1997	328,263	4,934,255,132	19,224,966	-	2,044,966	17,180,000	0.34818	52.34
1998	331,065	5,119,450,014	18,641,564	-	1,821,564	16,820,000	0.32855	50.81
1999	334,011	5,236,248,612	18,043,162	-	1,598,162	16,445,000	0.31406	49.23
2000	332,807	5,840,746,058	17,136,564	-	1,371,564	15,765,000	0.26991	47.37
2001	333,486	6,072,964,290	16,204,966	-	1,144,966	15,060,000	0.24798	45.16
2002	340,543	6,148,864,733	47,922,784	-	912,784	47,010,000	0.76453	138.04
2003	343,207	7,226,539,577	46,167,784	-	687,784	45,480,000	0.62935	132.51
2004	346,560	7,161,517,611	57,157,784	-	462,784	56,695,000	0.79166	163.59
2005	350,412	7,359,389,352	48,247,784	-	837,784	47,410,000	0.64421	135.30

(1) Butler County Auditor.

(2) Includes all general obligation bonded debt.

(3) Butler County Economic Development Department. The 1996 through 1999 and 2001 through 2004 population is estimated.

Butler County, Ohio

Ratio of Annual Debt Service Expenditures  
for General Bonded Debt to Total General Fund Expenditures

Last Ten Years

Table #14

Year	Debt Principal	(1)&(2)	Debt Interest	(1)&(2)	Total Debt Service	General Fund Expenditures	Ratio of Debt Service to General Fund Expenditures
1996	\$ 105,000		\$ 38,085		143,085	\$ 39,423,826	0.36
1997	175,000		629,350		804,350	37,398,843	2.15
1998	360,000		2,294,615		2,654,615	41,999,044	6.32
1999	375,000		2,224,962		2,599,962	46,754,790	5.56
2000	1,595,000		2,206,950		3,801,950	54,551,521	6.97
2001	1,655,000		2,139,365		3,794,365	53,712,645	7.06
2002	1,660,000		2,067,293		3,727,293	55,676,691	6.69
2003	2,565,000		3,682,815		6,247,815	63,733,297	9.80
2004	3,075,000		3,326,390		6,401,390	68,326,810	9.37
2005	3,010,000		2,982,327		5,992,327	73,486,194	8.15

- (1) Does not include General Obligation Bonds paid from Enterprise funds.
- (2) Includes sales tax bonds paid from the general fund.

Source: Butler County Auditor

Butler County, Ohio

Computation of Direct and Overlapping  
General Obligation Bonded Debt  
December 31, 2005

Table #15

Name of Government	Amount Of Debt	(2) Percentage Applicable To Butler County	Amount Applicable To Butler County
Butler County	\$ 47,410,000 (1)	100.00 %	\$ 47,410,000
City of Fairfield	27,275,000	100.00	27,275,000
City of Hamilton	32,895,000	100.00	32,895,000
City of Middletown	25,375,000	100.00	25,375,000
City of Monroe	7,170,000	91.11	6,532,306
City of Oxford	3,285,000	100.00	3,285,000
Liberty Township	6,263,540	100.00	6,263,540
Hamilton City School District	41,625,000	100.00	41,625,000
Lakota School District	93,328,988	100.00	93,328,988
Middletown City School District	71,970,000	100.00	71,970,000
Butler County Joint Vocational Schoo	2,000,000	100.00	2,000,000
<b>SubTotal for overalapping</b>	<b>\$ 311,187,528</b>	<b>100.00</b>	<b>\$ 310,549,834</b>
<b>Total</b>	<b>\$ 358,597,528</b>	<b>100.00 %</b>	<b>\$ 357,959,834</b>

(1) Amount of debt was derived by taking gross general bonded debt (excluding those supported by enterprise funds). Amount of debt does not include any balances in debt service funds.

(2) Percent applicable to Butler County calculated using assessed valuation of taxing district in Butler County divided by total assessed valuation of taxing district.

Source: Butler County Auditor, Ohio Municipal Advisory Council



## Restricted Cash and Cash Equivalents

December 31, 2005

Table #16

	Beginning Balance 12/31/2004	Increase 2005	Decrease 2005	Interest Income Net of Fees	Ending Balance 12/31/2005
<b>General:</b>					
<b>1997 Sales Tax Bonds:</b>					
Bond + Interest	\$ 201,633	\$ 1,039,972	\$ (1,251,457)	\$ 9,852	\$ -
Reserve Account	2,285,046	-	(2,308,750)	23,704	-
Subtotal 1997 Bonds	2,486,679	1,039,972	(3,560,207)	33,556	-
<b>2005 Sales Tax Bonds:</b>					
Bond + Interest	\$ -	\$ 1,913,513	\$ (1,800,434)	\$ 21,334	\$ 134,413
Reserve Account	-	402,501	(404,694)	2,193	-
Subtotal 2005 Bonds	-	2,316,014	(2,205,128)	23,527	134,413
<b>Total General</b>	<b>\$ 2,486,679</b>	<b>\$ 3,355,986</b>	<b>\$ (5,765,335)</b>	<b>\$ 57,083</b>	<b>\$ 134,413</b>
<b>Sewer:</b>					
<b>1992 Revenue Bonds:</b>					
Bond + Interest (1)	\$ 2,820	\$ -	\$ (2,831)	\$ 11	\$ -
Reserve Account (1)	2,026,971	-	(2,034,902)	7,931	-
Subtotal 1992 Bonds	2,029,791	-	(2,037,733)	7,942	-
<b>1997 Revenue Bonds:</b>					
Bond + Interest	248	158,023	(153,409)	1,553	6,415
Reserve Account	197,162	-	(167,855)	2,747	32,054
Subtotal 1997 Bonds	197,410	158,023	(321,264)	4,300	38,469
<b>1998 Revenue Bonds:</b>					
Bond + Interest	4,047	2,375,247	(2,345,656)	23,911	57,549
Reserve Account	534,480	1,244,922	(421,685)	27,930	1,385,647
Subtotal 1998 Bonds	538,527	3,620,169	(2,767,341)	51,841	1,443,196
<b>1999 Revenue Bonds:</b>					
Bond + Interest (3)	2,832	2,345,601	(1,893,073)	19,032	474,392
Reserve Account	2,228,979	551,578	(1,773,355)	43,645	1,050,847
Subtotal 1999 Bonds	2,231,811	2,897,179	(3,666,428)	62,677	1,525,239
<b>2004 Revenue Bonds:</b>					
Bond + Interest (3)	180	1,547,212	(1,550,617)	13,979	10,754
Subtotal 2004 Bonds	180	1,547,212	(1,550,617)	13,979	10,754
<b>2005 Revenue Bonds:</b>					
Cost of Issuance	-	487,141	(474,898)	2,588	14,831
Bond + Interest (3)	-	380,992	(300,645)	1,621	81,968
Reserve Account	-	1,948,719	-	14,635	1,963,354
Subtotal 2004 Bonds	-	2,816,852	(775,543)	18,844	2,060,153
<b>Total Escrow - Sewer</b>	<b>\$ 4,997,719</b>	<b>\$ 11,039,435</b>	<b>\$ (11,118,926)</b>	<b>\$ 159,583</b>	<b>\$ 5,077,811</b>
<b>Water:</b>					
<b>1996 Revenue Bonds</b>					
Bond + Interest	\$ 3,574	\$ 695,175	\$ (700,456)	\$ 1,707	\$ -
Reserve Account	1,681,236	-	(1,689,948)	8,712	-
Subtotal 1996 Bonds	1,684,810	695,175	(2,390,404)	10,419	-
<b>1999 Revenue Bonds</b>					
Bond + Interest (2)	4,217	2,175,303	(2,170,655)	15,972	24,837
Reserve Account	1,553,927	-	(145,887)	37,349	1,445,389
Subtotal 1999 Bonds	1,558,144	2,175,303	(2,316,542)	53,321	1,470,226
<b>2005 Revenue Bonds</b>					
Bond + Interest (2)	-	1,937,406	(1,901,391)	14,634	50,649
Subtotal 2005 Bonds	-	1,937,406	(1,901,391)	14,634	50,649
<b>2005 Revenue Bonds</b>					
Bond + Interest (2)	-	357,946	(318,094)	2,324	42,176
Subtotal 2005 Bonds	-	357,946	(318,094)	2,324	42,176
<b>Total Escrow - Water</b>	<b>\$ 3,242,954</b>	<b>\$ 5,165,830</b>	<b>\$ (6,926,431)</b>	<b>\$ 80,698</b>	<b>\$ 1,563,051</b>
<b>Total Escrow - Enterprise</b>	<b>\$ 8,240,673</b>	<b>\$ 16,205,265</b>	<b>\$ (18,045,357)</b>	<b>\$ 240,281</b>	<b>\$ 6,640,862</b>
<b>Total Escrow - Trust Cash</b>	<b>\$ 10,727,352</b>	<b>\$ 19,561,251</b>	<b>\$ (23,810,692)</b>	<b>\$ 297,364</b>	<b>\$ 6,775,275</b>

(continued)

**Restricted Cash and Cash Equivalents**  
**(continued)**  
**December 31, 2005**

Table #16

	<u>Reconciliation of Restricted Cash</u>
<b>Governmental Funds:</b>	
Escrow-Bonds (2)	\$ 134,413
OPWC loan	69,850
<b>Total Governmental Restricted Cash</b>	<b>\$ 204,263</b>
<b>Sewer Fund:</b>	
Escrow-Bonds (2)	\$ 5,077,811
Replacement & Improvement Fund (3)	4,000,000
<b>Total Sewer Restricted Cash</b>	<b>\$ 9,077,811</b>
<b>Water Fund:</b>	
Escrow-Bonds (1)	\$ 1,563,051
Replacement & Improvement Fund (3)	2,000,000
Refundable Deposits (3)	99,995
<b>Total Water Restricted Cash</b>	<b>\$ 3,663,046</b>
<b>Enterprise Funds:</b>	
Escrow-Bonds	\$ 6,640,862
Replacement & Improvement Fund (3)	6,000,000
Refundable Deposits (3)	99,995
<b>Total Restricted Cash-Enterprise Funds</b>	<b>\$ 12,740,857</b>
<b>Total Restricted Cash:</b>	
Primary Government	<b>\$ 12,945,120</b>

(1) Includes cost of issue transactions, defeasance funding and note retirement.

(2) Includes cost of issue transactions and note retirement.

(3) Maintained in County Treasury, but restricted for purpose.

Source: Butler County Auditor

## CIVILIAN LABOR FORCE ESTIMATES

(as of December 2005)

Year	Civilian Labor Force	Total Employment	Total Unemployment	Unemployment Rate
1996	172,900	166,700	6,200	3.6 %
1997	173,900	167,900	6,000	3.5
1998	178,400	172,500	5,900	3.3
1999	185,200	179,200	6,000	3.2
2000	189,300	183,600	5,700	3.0
2001	198,900	192,400	6,500	3.3
2002	197,000	188,400	8,600	4.4
2003	203,700	194,700	9,000	4.4
2004	203,100	195,500	7,700	3.8
2005	184,700	175,600	9,100	4.9

Distribution of Households  
By Income Bracket (2004 est.)

	Number	Percent
Under \$15,000	15,586	12.4 %
15,000-24,999	12,722	10.1
25,000-49,999	37,299	29.7
50,000-99,999	38,036	30.2
100,000-149,999	16,806	13.4
150,000 or over	5,291	4.2
	<u>125,740</u>	<u>100.00</u>

Total Number of Households	125,740
Average Persons per Households	2.67
Total Number of Families	90,521

Source: Butler County Economic Development Department, Ohio Labor Market Information Estimates, Ohio Bureau of Employment Services, through December 2005.

(continued)

Butler County, Ohio

Demographic Statistics  
(continued)  
December 31, 2005

Table #17

Year	Per Capita Personal Income Per Annum
1996	\$16,115
1997	18,051
1998	20,629
1999	21,144
2000	22,076
2003 est.	21,067
2004 est.	24,431

Population Growth

Year	Population
1970	226,207
1980	258,787
1990	291,479
2000	332,807
2003 est.	343,207
2004 est.	346,560
2005 est	350,412

Retail Sales by Store Group (2003)  
(not seasonally adjusted)

Store Group	Sales (000's)
Food	\$542,480
Restaurants/Bars	389,654
General Merchan	491,702
Furniture/Applian	94,966
Automotive	880,427
Total	\$2,399,229

Source: Butler County Economic Development Department, 2003 Survey of Buying Power

Butler County, Ohio

Property Value, Construction, and Bank Deposits

Last Ten Years

Table #18

Tax Year	NEW CONSTRUCTION (1)				REAL PROPERTY ASSESSED VALUE (3)			
	Agricultural/ Residential	Commercial/ Industrial	Total New Construction	Bank Deposits (2)	Agricultural/ Residential	Commercial/ Industrial	Tax Exempt	
1996	\$ 91,862,030	\$ 38,145,360	\$ 130,007,390	\$ 783,398,000	\$ 2,676,567,770	\$ 871,429,550	\$ 617,545,170	
1997	64,052,280	60,034,910	124,087,190	815,435,000	2,999,305,390	938,677,260	641,813,550	
1998	86,138,060	46,200,480	132,338,540	864,105,000	3,200,230,460	999,234,450	705,273,370	
1999	80,235,690	55,866,050	136,101,740	913,169,000	3,629,217,240	1,135,502,180	814,297,020	
2000	111,540,820	87,998,480	199,539,300	1,152,810,000	3,783,180,290	1,206,848,680	829,429,110	
2001	110,403,460	62,014,040	172,417,500	1,136,994,000	3,922,893,560	1,221,719,660	915,318,160	
2002	102,534,640	74,646,910	177,181,550	1,257,078,000	4,638,038,390	1,405,199,000	978,772,510	
2003	110,188,550	68,803,140	178,991,690	1,355,739,000	4,762,263,590	1,413,231,970	1,011,173,000	
2004	142,650,970	30,665,050	173,316,020	10,267,537,000	4,942,502,150	1,420,219,660	1,039,820,490	
2005	147,263,680	44,349,200	191,612,880	3,053,270,000	5,425,220,650	1,510,667,250	1,119,000,360	

(1) Includes all Butler County New Construction. Source: Butler County Auditor.

(2) Source for Bank Deposits: Department of Data Services, Federal Reserve Bank of Cleveland.

(3) Figures are 35% of real property value. Source: Butler County Auditor.

**Butler County, Ohio****Fifteen Largest Employers****December 31, 2005****Table #19**

	<b>Employer</b>	<b>Location</b>	<b>Nature of Business</b>	<b>Number of Employees</b>
(1)	<b>Miami University</b>	<b>Oxford</b>	<b>Education</b>	<b>4,250</b>
(2)	<b>AK Steel Corp</b>	<b>Middletown</b>	<b>Steel Manufacturing</b>	<b>3,142</b>
(3)	<b>Cincinnati Financial Corp.</b>	<b>Fairfield</b>	<b>Insurance</b>	<b>2,600</b>
(4)	<b>Butler County Government</b>	<b>Hamilton</b>	<b>Governmental</b>	<b>2,480</b>
(5)	<b>Fort Hamilton Memorial Hospital</b>	<b>Hamilton</b>	<b>Health Care</b>	<b>2,000</b>
(6)	<b>Middletown Regional Hospital</b>	<b>Middletown</b>	<b>Health Care</b>	<b>1,800</b>
(7)	<b>Mercy Regional Hospital</b>	<b>Fairfield</b>	<b>Health Care</b>	<b>1,601</b>
(8)	<b>Lakota Local School District</b>	<b>West Chester</b>	<b>Education</b>	<b>1,600</b>
(9)	<b>Middletown City School District</b>	<b>Middletown</b>	<b>Education</b>	<b>1,377</b>
(10)	<b>Ohio Casualty Insurance Co.</b>	<b>Hamilton/Fairfield</b>	<b>Insurance</b>	<b>1,300</b>
(11)	<b>Cornerstone Consolidated Svcs/Frontga</b>	<b>West Chester</b>	<b>Distribution</b>	<b>1,187</b>
(12)	<b>Hamilton City School District</b>	<b>Hamilton</b>	<b>Education</b>	<b>1,150</b>
(13)	<b>Dell Products L. P.</b>	<b>West Chester</b>	<b>Distribution</b>	<b>1,140</b>
(14)	<b>Fairfield City Schools</b>	<b>Fairfield</b>	<b>Education</b>	<b>1,052</b>
(15)	<b>Pierre Frozen Foods</b>	<b>Fairfield</b>	<b>Distribution</b>	<b>895</b>

Source: Butler County Economic Development Department

## Salaries of Principal Officials

December 31, 2005

Table #20

Office	Salary
<b>Elected Officials:</b>	
Board of Commissioners	\$ 71,483
Board of Commissioners	71,483
Board of Commissioners	71,483
Auditor	82,965
Clerk of Courts	63,403
Coroner	107,448
Engineer	112,130
Prosecuting Attorney	107,448
Recorder	60,605
Sheriff	87,933
Treasurer	63,403
<b>Appointed Officials:</b>	
County Administrator, Board of County Commissioners	\$ 115,577
Director - Butler County Department of Environmental Services	108,495
Butler County Department of Job & Family Services Director	100,341
Butler County Care Facility Administrator	82,560
Superintendent of Butler County Board of Mental Retardation	111,628
Executive Director of Butler County Community Mental Health Board	88,192
Executive Director of Butler County Alcohol and Drug Addiction Services Board	77,808
Executive Director of Butler County Childrens Service Board	112,362
Butler County Chief Dog Warden	46,056
Director of Butler County Department of Development	94,860

Source: Butler County Auditor

**Butler County, Ohio**

**Miscellaneous Statistics**

**December 31, 2005**

**Table #21**

<b>DATE OF INCORPORATION:</b>	<b>1803</b>	<b>WATER DEPARTMENT</b>	
	<b>One of the original eight counties in Ohio</b>	<b>Miles of Water Mains:</b>	<b>667</b>
<b>FORM OF GOVERNMENT:</b>	<b>County</b>	<b>SEWERS</b>	
		<b>Miles of Sanitary Sewers:</b>	
<b>COUNTY SEAT:</b>	<b>City of Hamilton, Ohio</b>	<b>Sewers:</b>	<b>791</b>
<b>AREA:</b>	<b>469 square miles</b>		
		<b>RECREATION and CULTURE</b>	
<b>RANK IN SIZE:</b>	<b>3,215</b>	<b>Number of Art Centers:</b>	<b>2</b>
		<b>Number of Parks:</b>	<b>23 (county)</b>
<b>NUMBER OF POLITICAL SUBDIVISIONS:</b>	<b>56</b>	<b>Number of Libraries:</b>	<b>6 (public)</b>
			<b>6 (Post Secondary Education)</b>
<b>NUMBER OF INTERSTATE HIGHWAYS:</b>	<b>1 (I-75)</b>	<b>BUTLER COUNTY EMPLOYEES</b>	
			<b>2,480</b>
<b>VOTER STATISTICS, ELECTION OF NOVEMBER 2005</b>		<b>HOSPITALS</b>	<b>4</b>
		<b>Beds:</b>	<b>868</b>
<b>Registered Voters:</b>	<b>230,873</b>	<b>Active Licensed Physicians:</b>	<b>631</b>
<b>Number of Voters, Last General Election:</b>	<b>86,172</b>	<b>EDUCATION (K-12)</b>	
<b>Percentage of Registered Voters Voting:</b>	<b>37.3%</b>	<b>Number of Buildings:</b>	<b>83</b>
		<b>Number of Teachers:</b>	<b>3,346</b>
		<b>Number of Students:</b>	<b>55,681</b>

**Source: Butler County Board of Elections, Butler County Engineer, Butler County Park Director, Butler County Sanitary Engineer, Butler County Board of Education, Butler County Auditor, and Butler County Hospitals.**



Butler County, Ohio

Governmental Activities Expenses by Function

Last Four Years

Table # 22

Year	Legislative and Executive	General Government							Conservation and Recreation	Other Intergovernmental and Debt Service	Total Expenses
		Judicial	Public Safety	Public Works	Health	Human Services					
2002	\$ 24,241,162	\$ 12,735,544	\$ 34,599,025	\$ 15,657,130	\$ 47,395,622	\$ 69,442,215	\$ 520,722	\$ 4,905,164	\$ 209,496,584		
2003	30,228,989	12,834,297	36,659,180	16,672,729	46,285,012	69,048,201	531,971	4,787,644	217,048,023		
2004	41,811,607	13,961,424	39,076,252	20,443,207	47,785,590	70,220,434	477,828	4,445,020	238,221,362		
2005	29,973,286	15,310,560	39,391,890	22,396,375	47,524,463	78,630,914	517,825	4,546,165	238,291,478		

Source: Butler County Auditor

Butler County, Ohio

Governmental Activities Revenues

Last Four Years

Table #23

<u>Program Revenues:</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
PR - Charges for Services	\$ 48,460,490	\$ 63,012,448	\$ 40,928,467	\$ 27,540,280
PR - Operating Grants and Contributions	90,046,804	85,877,036	86,762,956	83,874,604
PR - Capital Grants and Contributions	19,949,194	14,115,402	16,038,726	24,079,550
<u>General Revenues and Transfers:</u>				
Taxes	77,112,395	67,825,046	64,920,008	57,379,485
Intergovernmental	11,954,539	11,232,408	6,266,355	10,072,833
Interest	5,069,405	2,891,968	3,676,735	4,726,714
Net (Decrease) in Fair Market Value	(147,597)	(1,159,879)	(746,510)	(241,646)
Other Revenue	4,847,763	2,412,759	2,771,852	1,061,413
Transfers	31,372	-	-	-
<b>Total Revenues and Transfers:</b>	<b>\$ 257,324,365</b>	<b>\$ 246,207,188</b>	<b>\$ 220,618,589</b>	<b>\$ 208,493,233</b>



**Auditor of State  
Betty Montgomery**

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140

Telephone 614-466-4514  
800-282-0370

Facsimile 614-466-4490

## **FINANCIAL CONDITION**

### **BUTLER COUNTY**

#### **CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
SEPTEMBER 21, 2006**