



Dave Yost • Auditor of State

**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS
BUTLER COUNTY**

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**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS
BUTLER COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2016**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal CFDA Number	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE		
<i>Passed Through Ohio Department of Education</i>		
Child Nutrition Cluster - Cash Assistance		
National School Breakfast Program	10.553	\$ 28,468
National School Lunch Program	10.555	100,382
Total Child Nutrition Cluster		128,850
 Total U.S. Department of Agriculture		 128,850
U.S. DEPARTMENT OF EDUCATION		
<i>Direct Program</i>		
Student Financial Aid Cluster		
Federal Direct Student Loan Program	84.268	983,926
Federal Pell Grant Program	84.063	541,425
Total Student Financial Aid Cluster		1,525,351
<i>Passed Through Ohio Department of Education</i>		
Career and Technical Education - Basic Grants		
Carl Perkins Secondary	84.048	695,624
Carl Perkins Adult	84.048	328,017
Total Career and Technical Education - Basic Grants		1,023,641
Improving Teacher Quality - Title II-A	84.367	18,748
Adult Basic Education Grant	84.002	245,260
 Total U.S. Department of Education		 2,813,000
 Total Expenditures of Federal Awards		 \$2,941,850

The accompanying notes are an integral part of this schedule.

**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS
BUTLER COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Butler Technology and Career Development Schools (the School) under programs of the federal government for the year ended June 30, 2016. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the School, it is not intended to and does not present the financial position, changes in net position, or cash flows of the School.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles contained in OMB Circular A-87 *Cost Principles for State, Local, and Indian Tribal Governments* (codified in 2 CFR Part 225), or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The School has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE C - CHILD NUTRITION CLUSTER

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

NOTE D - MATCHING REQUIREMENTS

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

Source: We inquired with Treasurer Paul Carpenter on 12/7/16

Purpose: To document the Federal Schedule Notes

Conclusion: Audit objectives met.



Dave Yost • Auditor of State

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

Butler Technology and Career Development Schools
Butler County
3603 Hamilton Middletown Road
Hamilton, Ohio 45011

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Butler Technology and Career Development Schools, Butler County, (the School) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the School's basic financial statements and have issued our report thereon dated December 14, 2016.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Corporate Centre of Blue Ash, 11117 Kenwood Road, Blue Ash, Ohio 45242
Phone: 513-361-8550 or 800-368-7419 Fax: 513-361-8577

www.ohioauditor.gov

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the School's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

Columbus, Ohio

December 14, 2016



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Butler Technology and Career Development Schools
Butler County
3603 Hamilton Middletown Road
Hamilton, Ohio 45011

To the Board of Education:

Report on Compliance for the Major Federal Program

We have audited the Butler Technology and Career Development Schools' (the School) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the Butler Technology and Career Development Schools' major federal program for the year ended June 30, 2016. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the School's major federal program.

Management's Responsibility

The School's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

Auditor's Responsibility

Our responsibility is to opine on the School's compliance for the School's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on the Major Federal Program

In our opinion, the Butler Technology and Career Development Schools complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended June 30, 2016.

Report on Internal Control Over Compliance

The School's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the School's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the School's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Butler Technology and Career Development Schools, Butler County, (the School) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the School's basic financial statements and have issued our report thereon dated December 14, 2016. We conducted our audit to opine on the School's basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

Columbus, Ohio

December 14, 2016

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**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS
BUTLER COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2016**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material weaknesses in internal control reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under 2 CFR § 200.516(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	CFDA #84.048 Career Tech Grant
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee under 2 CFR §200.520?	Yes

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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Butler Technology & Career Development Schools



2016

Comprehensive Annual
Financial Report

Fiscal year ending June 30

Butler Technology and Career Development Schools
Butler County, Ohio



Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2016

Prepared by the Financial Services Division
Paul Carpenter, CFO

**Butler Technology and Career Development Schools
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2016**

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INTRODUCTORY SECTION



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an **Achievement of Excellence** organization

December 14, 2016

TO THE CITIZENS AND MEMBERS OF THE BOARD OF EDUCATION OF THE BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS:

The Comprehensive Annual Financial Report (CAFR) for the Butler Technology and Career Development Schools (School District) for the year ending June 30, 2016, is hereby submitted. This CAFR includes financial statements and other financial and statistical data and conforms to accounting principles generally accepted in the United States of America as they apply to governmental entities. Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation rests with the School District.

A complete CAFR is not required to be prepared, but by doing so it represents a commitment by the School District to achieve the highest nationally recognized standards of excellence in financial reporting as established by the Government Accounting Standards Board (GASB) and the Government Finance Officers Association (GFOA).

Generally Accepted Accounting Principles (GAAP) requires management to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The School District's MD&A can be found immediately following the report of the independent auditors.

This report will provide taxpayers of the Butler Technology and Career Development Schools with comprehensive financial data in a format that will enable them to gain a true understanding of the financial affairs of the School District.

PROFILE OF THE GOVERNMENT

As a joint vocational school (JVS) district organized under Section 3311.18 of the Ohio Revised Code, the School District provides career-technical education programs to ten member school districts in Butler and Hamilton Counties. The member school districts are Edgewood, Fairfield, Lakota, Madison, Middletown, Monroe, New Miami, Northwest, Ross, and Talawanda. The School District provides career-technical education programs to secondary and adult students within these districts and surrounding areas in southwest Ohio.

School Governance

The School District is governed by a ten (10)-member Board of Education representing each participating member school district. Each of the member school districts has direct representation through board members (elected to their local school district board) and appointed to serve on the School District Board for a two-year term. The School District Board holds power and authority for the management and control of the School District (Section 3311.19 (A) of the Ohio Revised Code). Section 3311.19 (D) vests the School District's Board of Education the same powers, duties, and authorities as granted by law to a board of education of a city school district and all provisions of law that applies to a city school district (excluding jurisdiction by a city civil service commission).

The Board serves as the taxing authority, contracting body, and policy initiator for the operation of the School District and is also responsible for the tax budget and the annual operating budget. The Board has only those powers and authority conferred upon it by the Ohio Revised Code.

School Leadership

The Chief Executive Officer (CEO) of the School District, also known as the Superintendent, is directly responsible to the Board for all educational and support operations of the School District. The Board employed Mr. William Miller as the School District's Superintendent for a two-year period effective March 7, 2013 through July 31, 2015. Mr. Miller has been an educator for over 30 years, and was most recently the Associate Director of Curriculum with the School District. Mr. Miller has over 20 years of experience as an Ohio school administrator. Mr. Miller resigned his position at the end of December 2015, and interim CEO Laura Sage was hired for the remainder of the contract year.

The Board employed Paul Carpenter as Chief Financial Officer (also known as the Treasurer) of the School District and he is directly responsible to the Board for all financial operations, investments, and maintains custody of all School District funds as well as serving as Secretary to the Board. Mr. Carpenter was appointed effective October 12, 2015, and received a contract that ran through July 31, 2019. Since that time, the Board has extended Mr. Carpenter's contract to run through July 31, 2020. Mr. Carpenter has served as a school CFO since 2009 and holds a Bachelor of Science in Business Administration in Finance from the University of Dayton.

All other School District employees are responsible to the Chief Executive Officer and are employed by the Board upon the recommendation of the Chief Executive Officer.

School Facilities

The School District operates one major facility for career-technical programs; the D. Russel Lee Career Technology Center. D. Russel Lee provides over 650 students a variety of secondary workforce development programs designed to give high school students technical and academic skills. In addition, the School District operates similar, but smaller career-tech programs in leased facilities at the Butler Tech Bioscience Center, Butler Tech Natural Science Center and the Butler Tech School of the Arts. The School District operates over 100 satellite programs, located in the members' school buildings, and provides over 13,000 middle and high school students career-technical programs needed in today's global economy.

As part of their programs, students are involved in career-technical student organizations that allow students to participate in both skill events and leadership activities.

In addition to middle school and high school programs, the School District is a state designated Adult Education Full Service Center offering various career enhancement and career development programs to over 5,000 adults who enroll in these programs yearly. Career enhancement programs provide adult students with opportunities to receive education in specific skill areas in a 4-6 week period. These courses can be used to enhance current skills or generate new skills that are useful in the workplace.

FACTORS AFFECTING FINANCIAL CONDITION

Residential and commercial growth has been limited in Butler County, yet is still considered to be one of the fastest growing counties in Ohio. The County was recently ranked by Forbes Magazine as one of the top 100 locations in the country to live and work. Business expansion at the Union Centre interchange with I-75 continues as new companies expand into the area. New job opportunities, low tax rates and the fact that the County is located within a central metroplex between the Cincinnati and Dayton areas have made this a desirable area for homeowners and businesses.

The economic outlook for Butler County is positive with the presence and strength of longstanding Butler County companies, such as Cincinnati Financial Corporation, AK Steel, GE Aviation, and the Ohio Casualty Insurance Company, which employ approximately 3,280, 2,412, 2,000 and 1,209 people respectively. Financial services, paper manufacturing, retail stores, and medical companies as well as educational and governmental organizations complete the list of top employers. All of these larger companies create the need for a variety of smaller businesses that are thriving in the growing atmosphere that the County is currently enjoying.

The School District endeavors to foster cooperative relationships with business and industry, professional organizations, associate school districts, and other interested, concerned groups and organizations. The purpose of cooperative relationships is to consider, plan, and implement educational programs designed to meet the common needs and interests of students.

Additionally, the School District has pursued closer relationships with all five Chambers of Commerce in Butler County. This included, but has not been limited to, administrators from the School District being elected to seats on the Board of Directors of two of these Chambers. Relationships such as these have led to more formal business-school partnerships, and serve to build closer ties with a significant stakeholder group for the School District.

One way in which the School District involves the business community is through program advisory committees. These committees are comprised of individuals who agree to serve as advisors for one or more career-technical programs. Membership may include former students, parents of current students, and representatives of business, industry, labor, and community agencies. These members can provide valuable advice, guidance, and assistance in providing opportunities for students to understand and learn the basic skills necessary to succeed.

MAJOR INITIATIVES AND ACCOMPLISHMENTS

Bioscience Center Construction

The School District completed its construction of the new Bioscience Educational Center in August, 2015. The 32,000 square foot school focuses on training in careers in the healthcare industry including Medical Assisting, Exercise Science, Biomedical Engineering, and Dental Assisting.

As part of the sale of bonds, Moody's issued a rating of Aaa based on the financial strength of the School District.

District Expands Programming

In the 2015-16 year, the School District continued the implementation of STEM, that is focuses on science, technology, engineering, and math, and expanded associate school programming. The expansion of these programs is aligned with the workforce needs of the State and the current funding model.

One-to-One Computer Initiative

The School District has continued the fully implemented technology initiative that provides laptop computers to all students in full-time programs. This initiative allows the district to continue a teaching model of blended learning and problem-based learning that allows students to perform at significantly higher levels than more traditional classroom instructional methods.

FINANCIAL INFORMATION

The School District's accounting system is organized on a "fund" basis. Each fund is a distinct, self-balancing accounting entity. Records for general governmental operations are maintained on a cash basis system of accounting as prescribed by the Auditor of State. Cash basis accounting differs from generally accepted accounting principles (GAAP), as promulgated by the Governmental Accounting Standards Board (GASB). GAAP, as more fully described in the notes to the financial statements, provides for a modified accrual basis of accounting for the governmental funds, and for full accrual basis of accounting for the proprietary funds and both governmental and business-type activities.

Internal Controls

Management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the School District are protected from loss, theft or misuse. These controls also ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of control should not exceed the benefits likely to be derived from its implementation; and (2) the valuation of cost and benefits requires estimates and judgments by management.

Single Audit Act

As a recipient of federal and state financial assistance, the School District is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management of the School District.

Budgetary Controls

The School District maintains its accounts, appropriations and other financial records in accordance with the procedures established and prescribed by the Auditor of State. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriation resolution approved by the Board of Directors. Activities of all funds are included in the annual appropriation resolution. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. The School District also maintains an encumbrance accounting system to assist in budgetary control. Unencumbered appropriations lapse at year-end. Encumbered amounts at year-end are carried forward to succeeding years and not re-appropriated. As demonstrated by the statements and schedules included in the financial section of this report, the School District continues to meet its responsibility for sound financial management.

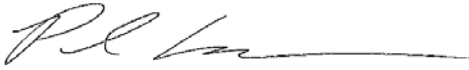
Long-Term Planning

The School District utilizes a five-year financial forecast as a tool for planning future programming changes and adjustments. The forecast is also used to indicate trends or patterns that are monitored by management on a quarterly basis. The forecast is adopted in October of each fiscal year and updated the following May.

ACKNOWLEDGEMENTS

The preparation of this report was made possible by the dedicated service of the entire Financial Services' staff and Central Office Leadership staff. Finally, a word of thanks is necessary to recognize the commitment to excellence in financial management and reporting by all the members of the Butler Technology and Career Development Schools Board of Education.

Respectfully,



Paul Carpenter
Chief Financial Officer

Butler Technology and Career Development Schools
3603 Hamilton-Middletown Road • Hamilton, Ohio 45011
(p) 513.868.1911 (f) 513.868.9348

Serving Edgewood • Fairfield • Lakota • Madison • Middletown • Monroe • New Miami • Northwest • Ross • Talawanda

www.butlertech.org

**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS,
OHIO**

LIST OF PRINCIPAL OFFICIALS

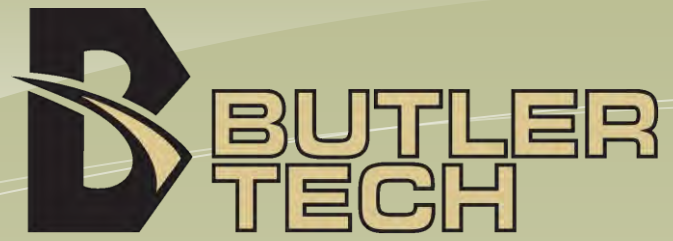
JUNE 30, 2016

BOARD OF EDUCATION

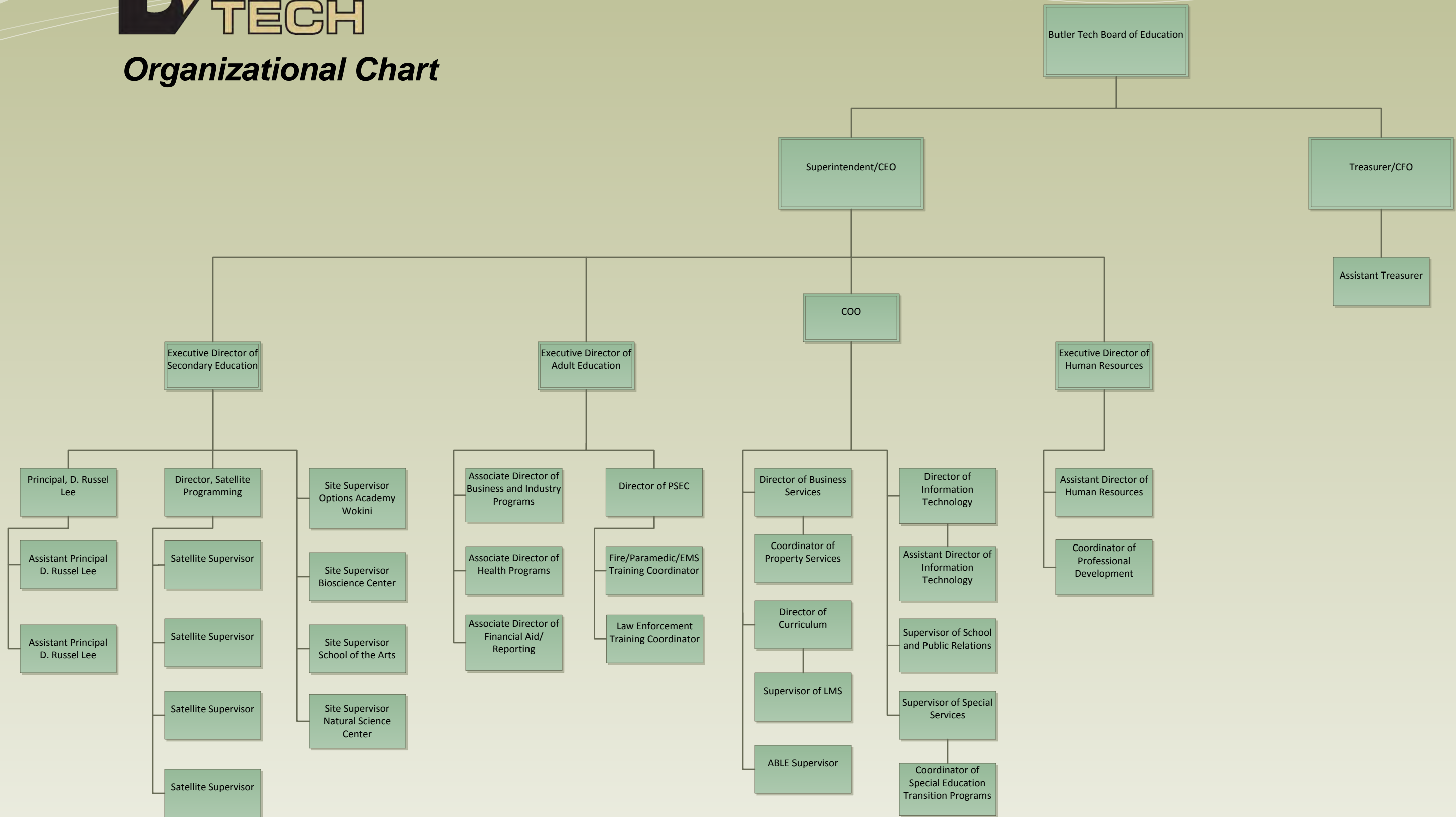
Title	Name	District	Term Expires	Initial Appointment
President	Peter Robinson	Madison	12/31/16	2013
Vice President	Gregory Tyus	Middletown	12/31/17	2011
Member	Jim Detzel	Northwest	12/31/16	2010
Member	Brett Guido	Monroe	12/31/17	2010
Member	Keith Klinefelter	Ross	12/31/16	2016
Member	Jim Miller	Edgewood	12/31/17	2012
Member	Michael Berding	Fairfield	12/31/17	2015
Member	Lynda O'Connor	Lakota	12/31/16	2012
Member	Sue Price	New Miami	12/31/17	1997
Member	Lois Vollmer	Talawanda	12/31/16	2008

ADMINISTRATIVE OFFICIALS

Interim Chief Executive Officer	Laura Sage
Chief Financial Officer	Paul Carpenter
Chief Operating Officer	David Helms



Organizational Chart



FINANCIAL SECTION



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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Butler Technology and Career Development Schools
Butler County
3603 Hamilton Middletown Road
Hamilton, Ohio 45011

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Butler Technology and Career Development Schools, Butler County, Ohio (the School), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Butler Technology and Career Development Schools, Butler County, Ohio, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted to opine on the School's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling statements and schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2016, on our consideration of the School's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

Columbus, Ohio

December 14, 2016

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**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
Year Ended June 30, 2016**

This discussion and analysis provides key information from management highlighting the overall financial performance of the Butler Technology and Career Development Schools ("School District") for the year ended June 30, 2016. This is meant to be an easily readable summary of the most important financial information regarding the accompanying financial statements. Please read it in conjunction with the transmittal letter and the School District's financial statements.

Financial Highlights

Major financial highlights for fiscal year 2016 are listed below:

- The liabilities and deferred inflows of resources of the School District exceeded its assets and deferred outflows of resources at year-end by \$1,502,129 driven primarily by recognition of its proportionate share of net pension liabilities.
- The School District's total net position increased during the fiscal year by \$5,015,866, or 77%.
- The School District's total expenses were \$44,377,534, an increase of only \$233,236.
- Program revenues of \$8,150,964 reduced the net cost of the School District's functions to be financed from the School District's general revenues to \$36,226,570.
- The School District's General Fund increased by \$4,267,071, or 38%. The School District's unassigned fund balance of the General Fund totaled \$10,486,511 at the fiscal year end, or 29% of General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the School District's basic financial statements. The School District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the School District's finances in a manner similar to a private-sector business.

The statement of net position presents information on all of the School District's assets, deferred outflows of resources, liabilities and deferred inflows of resource, with the difference between these reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

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The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal years (e.g. uncollected taxes and earned but unused vacation leave). Both of the government-wide financial statements distinguish functions of the School District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the School District include instruction, support services, administration, operation and maintenance of plant, and extracurricular activities. The primary business-type activities of the School District include adult education, food services, school supplies, and rotary activities.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the School District can be divided into three categories: governmental funds, proprietary funds, and 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. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for government activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between government funds and governmental activities.

The School District accounts for its activities using many individual funds. The most significant funds are reported in separate columns in the governmental fund financial statements. These statements provide detailed information about the individual major funds – unlike the government-wide financial statements, which report on the School District as a whole. Some funds are required to be established by State law. However, the School District may also establish separate funds to show that it is meeting legal responsibilities for using certain grants or other money.

Proprietary funds. The School District utilizes enterprise funds, which report the same functions presented as business-type activities in the government-wide financial statements. The School District uses enterprise funds to account for its adult education, food services programs, school supplies, and rotary activities. Enterprise funds provide the same information as the government-wide financial statements, only in more detail.

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Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the School District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also contains required supplementary information concerning the budget for the General Fund and pensions. Combining statements related to nonmajor governmental and proprietary funds are presented immediately following the required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

A. Net position at year-end

The following table presents a condensed summary of the School District's overall financial position at June 30, 2016 and 2015:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>FY2016</u>	<u>FY2015</u>	<u>FY2016</u>	<u>FY2015</u>	<u>FY2016</u>	<u>FY2015</u>
Current and other assets	\$ 34,338,529	34,236,485	1,141,854	744,703	35,480,383	34,981,188
Capital assets	53,755,215	53,732,205	584,284	656,080	54,339,499	54,388,285
Total assets	88,093,744	87,968,690	1,726,138	1,400,783	89,819,882	89,369,473
Deferred outflows	5,569,454	3,925,012	608,681	434,286	6,178,135	4,359,298
Long-term liabilities:						
Net pension liability	55,342,847	50,879,490	6,149,205	6,288,477	61,492,052	57,167,967
Other long-term liabilities	10,965,181	11,537,752	157,374	174,124	11,122,555	11,711,876
Other liabilities	4,428,712	4,804,990	179,843	240,756	4,608,555	5,045,746
Total liabilities	70,736,740	67,222,232	6,486,422	6,703,357	77,223,162	73,925,589
Deferred inflows	19,578,173	25,182,803	698,811	1,138,374	20,276,984	26,321,177
Net position:						
Net investment						
in capital assets	44,376,064	43,963,860	584,284	656,080	44,960,348	44,619,940
Restricted:						
For capital purposes	648,639	690,151	-	-	648,639	690,151
Other purposes	533,300	276,122	-	-	533,300	276,122
Unrestricted (deficit)	(42,209,718)	(45,441,466)	(5,434,698)	(6,662,742)	(47,644,416)	(52,104,208)
Total net position	\$ 3,348,285	(511,333)	(4,850,414)	(6,006,662)	(1,502,129)	(6,517,995)

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During 2015, the School District adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*, which significantly revised accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the School District's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability*. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under the new standards required by GASB 68, the net pension liability equals the School District's proportionate share of each plan's collective:

1. Present value of estimated future pension benefits attributable to active and inactive employees' past service
- 2 Minus plan assets available to pay these benefits

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the School District is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

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

In accordance with GASB 68, the School District's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's *change* in net pension liability not accounted for as deferred inflows/outflows.

At year-end, investment in capital assets, net of accumulated depreciation and related debt used to acquire the assets were \$44,960,348. These capital assets are used to provide services to the students and are not available for future spending. Although the School District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

Additionally, \$1,181,939 of the School District's net position represents resources that are subject to external restriction on how they may be spent. The external restriction will not affect the availability of fund resources for future use. Primarily as a result of recognizing its proportionate share of net pension liabilities required under GASB 68, the School District's unrestricted net position ended the fiscal year with a total deficit of \$47,644,416.

Total assets increased by about \$450,000, or less than 1%. Total liabilities, excluding net pension liabilities, decreased by approximately \$1 million, or 6%. The School District experienced a decrease in accounts payable, as project costs on the Bioscience building wrapped up during the fiscal year, and in other long-term liabilities, as the School District continued to meet its debt service requirements. The increase in net pension liability of \$4.3 million was due to decreases in investment earnings in both pension plans during the measurement period.

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B. Governmental and Business-type Activities during fiscal year 2016

The following table presents a condensed summary of the School District's activities during fiscal years 2016 and 2015 and the resulting change in net position:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>FY2016</u>	<u>FY2015</u>	<u>FY2016</u>	<u>FY2015</u>	<u>FY2016</u>	<u>FY2015</u>
Revenues:						
Program revenues:						
Charges for services and sales	\$ 610,796	394,184	4,798,360	3,742,244	5,409,156	4,136,428
Operating grants and contributions	<u>1,935,235</u>	<u>1,791,959</u>	<u>806,573</u>	<u>828,802</u>	<u>2,741,808</u>	<u>2,620,761</u>
Total program revenues	<u>2,546,031</u>	<u>2,186,143</u>	<u>5,604,933</u>	<u>4,571,046</u>	<u>8,150,964</u>	<u>6,757,189</u>
General revenues:						
Property taxes	13,916,352	11,420,055	-	-	13,916,352	11,420,055
Grants and entitlements	26,909,509	25,138,579	-	-	26,909,509	25,138,579
Investment earnings	129,352	98,404	-	-	129,352	98,404
Miscellaneous	<u>287,223</u>	<u>323,758</u>	<u>-</u>	<u>-</u>	<u>287,223</u>	<u>323,758</u>
Total general revenues	<u>41,242,436</u>	<u>36,980,796</u>	<u>-</u>	<u>-</u>	<u>41,242,436</u>	<u>36,980,796</u>
Total revenues	<u>43,788,467</u>	<u>39,166,939</u>	<u>5,604,933</u>	<u>4,571,046</u>	<u>49,393,400</u>	<u>43,737,985</u>
Expenses:						
Instruction	23,564,275	23,665,410	-	-	23,564,275	23,665,410
Support services	15,372,088	15,281,226	-	-	15,372,088	15,281,226
Non-instructional services	448,857	408,793	-	-	448,857	408,793
Interest and fiscal charges	293,629	293,012	-	-	293,629	293,012
Adult education	-	-	4,164,435	3,928,637	4,164,435	3,928,637
Food services	-	-	396,796	311,745	396,796	311,745
Other enterprise	<u>-</u>	<u>-</u>	<u>137,454</u>	<u>255,475</u>	<u>137,454</u>	<u>255,475</u>
Total expenses	<u>39,678,849</u>	<u>39,648,441</u>	<u>4,698,685</u>	<u>4,495,857</u>	<u>44,377,534</u>	<u>44,144,298</u>
Excess (deficit) before transfers	4,109,618	(481,502)	906,248	75,189	5,015,866	(406,313)
Transfers	<u>(250,000)</u>	<u>-</u>	<u>250,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	3,859,618	(481,502)	1,156,248	75,189	5,015,866	(406,313)
Beginning net position	(511,333)	332,097	(6,006,662)	(6,081,851)	(6,517,995)	(5,749,754)
Restatement, see Note 17	<u>-</u>	<u>(361,928)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(361,928)</u>
Ending net position	<u>\$ 3,348,285</u>	<u>(511,333)</u>	<u>(4,850,414)</u>	<u>(6,006,662)</u>	<u>(1,502,129)</u>	<u>(6,517,995)</u>

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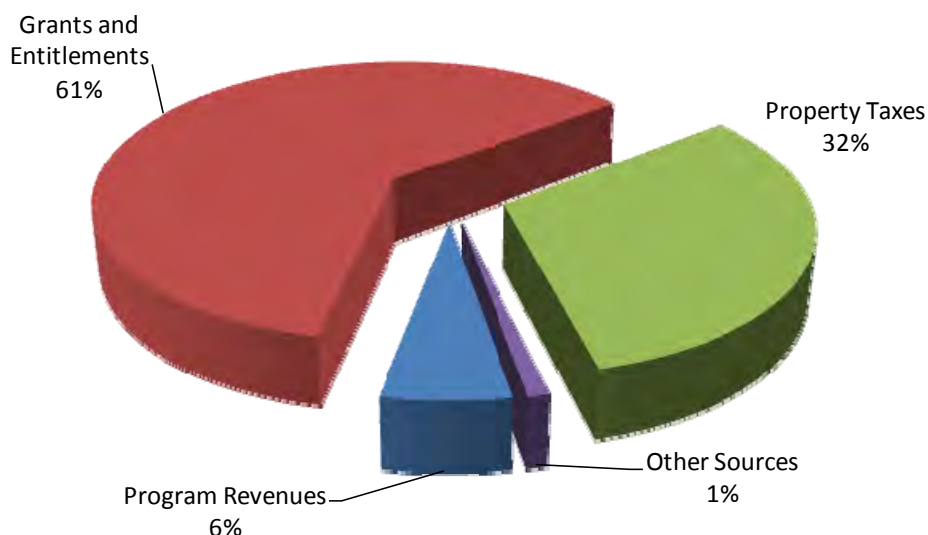
Overall, total revenues of the School District increased by approximately \$5.7 million, or 13%, from the previous fiscal year. Total expenses decreased only by approximately \$133,000, or less than 1%, from the previous fiscal year. Significant items that contributed to these changes include the following:

- Tax revenue increased by about \$2.5 million. On the cash basis, tax revenue only increased by about \$140,000. GAAP-basis tax revenue includes amounts that were available for advance by the county auditors, which can fluctuate from year-to-year depending on timing of collections and distributions. Fiscal year 2015's amount includes the reversal of \$2.4 million in taxes available for advance at the end of June 30, 2014 and an accrual of \$528,000 available to advance as of June 30, 2015.
- Grants and entitlements revenue increased by approximately \$1.8 million due to increased State funding associated with an increase in open enrollment.
- Program revenues increased by about \$1.4 million. \$733,000 of this was driven primarily by an increase in enrollment, increasing tuition and fees revenue. The remaining \$660,000 was attributable to the recognition of a change in accounting estimate associated with allocations of net pension liabilities (see Note 1.O. for more information).
- Adult education expenses increased by approximately \$236,000, due to increased operational costs associated with increased program enrollment.

Of the total governmental activities revenues of \$43,788,467, \$2,546,031 (6%) is from program revenue. This means that the government relies on general revenues to fund the majority of the cost of services provided to the citizens. The School District's operations are reliant upon its property tax levy and the state's foundation program, with 32% of revenues (\$13,916,352) coming from property tax levies and 61% (\$26,909,509) coming from state funding.

Governmental Activities

Revenue Sources for 2016 Fiscal Year



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Governmental Activities

The following table presents the total cost of each of the government's primary services, and the comparative net cost after deducting the revenues generated by each function. Approximately 6% of the cost of the general government programs was recouped in program revenues. Instruction costs were \$23,564,275, but program revenue contributed to fund 6% of those costs. Thus, general revenues of \$22,245,272 were used to support the remainder of the instruction costs.

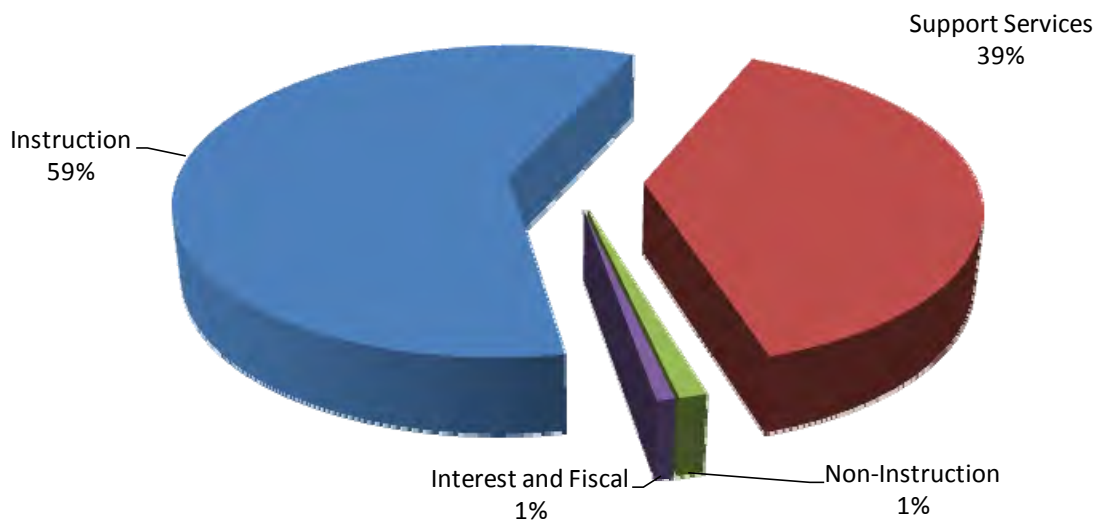
The School District's governmental activities net position increased by \$3,859,618.

Governmental Activities

	<u>Total Cost of Services</u>	<u>Program Revenue</u>	<u>Revenues as a % of Total Costs</u>	<u>Net Cost of Services</u>
Instruction	\$ 23,564,275	1,319,003	6%	22,245,272
Support services	15,372,088	1,227,028	8%	14,145,060
Non-instructional services	448,857	-	0%	448,857
Interest and fiscal charges	293,629	-	0%	293,629
Total	\$ 39,678,849	2,546,031	6%	37,132,818

Governmental Activities

Cost of Services by Category for 2016 Fiscal Year



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Business-type Activities

The following table presents the total cost of each of the School District's business segments and the net cost after deducting the revenues generated by each segment. Overall, our adult programs increased due to increased program enrollment. The increase in food services was attributable to providing food service at the new Bioscience building. The increase in other enterprise activities was due to recognition of a change in accounting estimate (see Note 1.O. for more information).

Business-type Activities					
		<u>Total Cost of Services</u>	<u>Program Revenue</u>	<u>Revenues as a % of Total Costs</u>	<u>Net Cost (Revenue) of Services</u>
Adult education	\$	4,164,435	4,477,385	108%	(312,950)
Food services		396,796	330,497	83%	66,299
Other enterprise		<u>137,454</u>	<u>797,051</u>	580%	<u>(659,597)</u>
Total	\$	<u><u>4,698,685</u></u>	<u><u>5,604,933</u></u>	<u><u>119%</u></u>	<u><u>(906,248)</u></u>

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S INDIVIDUAL FUNDS

Governmental funds

The School District has one major governmental fund: the General Fund. Assets of this fund comprise \$33,443,393 (95%) of the total \$35,310,219 governmental funds' assets. The following provides an analysis of the General Fund:

The General Fund's fund balance at June 30, 2016 was \$15,624,935, including \$10,486,511 of unassigned balance, which represents 29% of General Fund expenditures for fiscal year 2016. The General Fund balance increased \$4,267,071, or 38%, from the previous year due to an increase in funding from the State, associated with increased open enrollment, decrease in capital spending within the vocational educational instruction, and elimination of positions in the central support services area.

Proprietary funds

The School District has one major proprietary fund – the Adult Education Fund. Net position at June 30, 2016 was a deficit of \$5.1 million. The Adult Education Fund experienced net income of \$313,451, compared to net income of \$122,902 in fiscal year 2015, due to increases in program enrollment.

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GENERAL FUND BUDGETARY HIGHLIGHTS

The School District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund. The schedule comparing the School District's original and final budgets and actual results are included in the required supplementary information after the Notes to the Basic Financial Statements.

For the 2016 year, actual revenues exceeded estimates by 6%. Actual expenditures for the year were approximately 13% less than budgeted. The budget for intergovernmental revenue came in higher than from the original and final budgets due to due to unanticipated increases in State funding associated with increases open enrollment. The expenditure budget remained consistent from the original to the final budget, decreasing by about 3%. Significant items that contributed to these changes include the following:

- Vocational instruction expenditures budget was reduced by \$1,908,794 between the original and final budget, with actual expenditures coming in \$3,068,935 under budget due to lower than initially planned capital spending and not using the contingency budget appropriated in this function.
- Instructional staff support services came in \$1,529,739 less than budgeted due to lower staffing levels and position modifications.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. At June 30, 2016, the School District had \$54,339,499 invested in a broad range of capital assets, including land, buildings, equipment, vehicles and construction in progress. The Bioscience project was completed during the fiscal year and was placed into service. See Note 5 to the financial statements for more detail.

**Capital Assets at Year-End
(Net of Depreciation)**

		<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
		<u>FY2016</u>	<u>FY2015</u>	<u>FY2016</u>	<u>FY2015</u>	<u>FY2016</u>	<u>FY2015</u>
Land	\$	4,810,261	4,810,261	-	-	4,810,261	4,810,261
Construction in progress		-	10,370,752	-	-	-	10,370,752
Land improvements		1,355,223	1,330,670	-	-	1,355,223	1,330,670
Building and improvements		43,887,489	34,014,209	57,927	61,614	43,945,416	34,075,823
Furniture and equipment		3,378,633	2,959,976	501,471	565,971	3,880,104	3,525,947
Vehicles		310,505	207,024	24,886	28,495	335,391	235,519
Books		13,104	39,313	-	-	13,104	39,313
Total	\$	<u>53,755,215</u>	<u>53,732,205</u>	<u>584,284</u>	<u>656,080</u>	<u>54,339,499</u>	<u>54,388,285</u>

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Management's Discussion and Analysis
Year Ended June 30, 2016
Unaudited

Debt

During fiscal year 2014, the School District issued \$8.1 million in general obligation bonds to refinance \$3 million in outstanding bond anticipation notes and finance construction of a new bioscience building. The School District also issued \$1.935 million in general obligation bonds to finance energy conservation improvements. The amount outstanding as of June 30, 2016 was \$9.2 million, with \$380,000 due in December 2016.

The School District utilized a section of the Ohio Revised Code that permits school districts to issue unvoted indebtedness not to exceed 1/10 of 1% of the property valuation of the School District. See Note 10 to the financial statements.

ECONOMIC FACTORS

The School District's decline in the assessed valuation of the local tax base has stabilized over the past couple years, and although there wasn't significant growth, there also wasn't a significant decline that had been previously experienced. State funding, which is based upon House Bill 64 was passed in June 2015 for fiscal year 2016 and 2017 funding. A "guarantee" and "gains cap" remained in place for the new funding formula along with the base dollar amount and weighted amounts slightly changing. What used to be known as the "October count" has now changed to a more "percent of time educated" model which has had an impact on career centers. This coupled with a change in the way credits are viewed and the "five credit hour rule" has complicated State funding for career centers. Starting in fiscal year 2017, the weighted or "tiered" funding will fall outside of the guarantee and cap which will either potentially increase or decrease overall State funding for career centers depending on enrollment and programming offered, even if they have historically been on the guarantee, flat funded, or capped. With this being the second year of the biennium budget, there are a lot of unknowns regarding potential changes in the funding formula, component amounts, and the guarantee/cap.

REQUESTS FOR ADDITIONAL INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. Anyone having questions about this report or need additional financial information may contact Paul Carpenter, Chief Financial Officer for the Butler Technology and Career Development Schools at 3603 Hamilton-Middletown Road, Hamilton, OH, 45011 or by phone at 513-868-1911.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Statement of Net Position

June 30, 2016

	Governmental Activities	Business- Type Activities	Total
Assets:			
Equity in pooled cash and investments	\$ 18,998,789	\$ 1,081,379	\$ 20,080,168
Receivables:			
Taxes	14,020,117	-	14,020,117
Accounts	31,379	60,475	91,854
Intergovernmental	323,251	-	323,251
Interest	51,425	-	51,425
Restricted assets	913,568	-	913,568
Nondepreciable capital assets	4,810,261	-	4,810,261
Depreciable capital assets, net	48,944,954	584,284	49,529,238
Total assets	<u>88,093,744</u>	<u>1,726,138</u>	<u>89,819,882</u>
Deferred Outflows of Resources:			
Pensions	5,569,454	608,681	6,178,135
Liabilities:			
Accounts payable	628,207	75,892	704,099
Accrued wages and benefits	3,775,401	103,951	3,879,352
Accrued interest payable	25,104	-	25,104
Long-term liabilities:			
Due within one year	459,996	23,655	483,651
Due more than one year:			
Net pension liability	55,342,847	6,149,205	61,492,052
Other amounts due more than one year	10,505,185	133,719	10,638,904
Total liabilities	<u>70,736,740</u>	<u>6,486,422</u>	<u>77,223,162</u>
Deferred Inflows of Resources:			
Pensions	6,289,303	698,811	6,988,114
Taxes levied for next fiscal year	13,288,870	-	13,288,870
Total deferred inflows of resources	<u>19,578,173</u>	<u>698,811</u>	<u>20,276,984</u>
Net Position:			
Net investment in capital assets	44,376,064	584,284	44,960,348
Restricted for:			
Capital projects	648,639	-	648,639
Local grant programs	10,248	-	10,248
State grant programs	270,737	-	270,737
Federal grant programs	252,315	-	252,315
Unrestricted (deficit)	(42,209,718)	(5,434,698)	(47,644,416)
Total net position	<u>\$ 3,348,285</u>	<u>\$ (4,850,414)</u>	<u>\$ (1,502,129)</u>

See accompanying notes to the basic financial statements.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Statement of Activities
Year Ended June 30, 2016

	Program Revenues		Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 160,786	\$ -	\$ -	\$ (160,786)	\$ -	\$ (160,786)
Vocational education	23,105,194	610,796	708,207	(21,786,191)	-	(21,786,191)
Other	298,295	-	-	(298,295)	-	(298,295)
Support services:						
Pupil	1,893,981	-	781,467	(1,112,514)	-	(1,112,514)
Instructional staff	3,318,931	-	224,091	(3,094,840)	-	(3,094,840)
General administration	157,862	-	-	(157,862)	-	(157,862)
School administration	1,932,653	-	134,042	(1,798,611)	-	(1,798,611)
Fiscal	1,336,993	-	-	(1,336,993)	-	(1,336,993)
Business	323,104	-	-	(323,104)	-	(323,104)
Operation and maintenance of plant	3,733,950	-	-	(3,733,950)	-	(3,733,950)
Pupil transportation	80,528	-	-	(80,528)	-	(80,528)
Central	2,594,086	-	87,428	(2,506,658)	-	(2,506,658)
Non-instructional services:						
Extracurricular activities	425,866	-	-	(425,866)	-	(425,866)
Community service	22,991	-	-	(22,991)	-	(22,991)
Interest and fiscal charges	293,629	-	-	(293,629)	-	(293,629)
Total Governmental Activities	<u>39,678,849</u>	<u>610,796</u>	<u>1,935,235</u>	<u>(37,132,818)</u>	<u>-</u>	<u>(37,132,818)</u>
Business-Type Activities:						
Food service	396,796	199,069	131,428	-	(66,299)	(66,299)
Adult education	4,164,435	3,802,240	675,145	-	312,950	312,950
Other enterprise activities	137,454	797,051	-	-	659,597	659,597
Total Business-Type Activities	<u>4,698,685</u>	<u>4,798,360</u>	<u>806,573</u>	<u>-</u>	<u>906,248</u>	<u>906,248</u>
	<u>\$ 44,377,534</u>	<u>\$ 5,409,156</u>	<u>\$ 2,741,808</u>	<u>(37,132,818)</u>	<u>906,248</u>	<u>(36,226,570)</u>
General Revenues:						
Property taxes levied for general purposes				13,916,352	-	13,916,352
Grants and entitlements				26,909,509	-	26,909,509
Investment earnings				129,352	-	129,352
Miscellaneous				287,223	-	287,223
Transfers				(250,000)	250,000	-
Total general revenues and transfers				40,992,436	250,000	41,242,436
Change in net position				3,859,618	1,156,248	5,015,866
Net position beginning of year, restated				(511,333)	(6,006,662)	(6,517,995)
Net position end of year				<u>\$ 3,348,285</u>	<u>\$ (4,850,414)</u>	<u>\$ (1,502,129)</u>

See accompanying notes to the basic financial statements.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Balance Sheet

Governmental Funds

June 30, 2016

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:			
Equity in pooled cash and investments	\$ 17,455,214	\$ 1,543,575	\$ 18,998,789
Restricted cash	913,568	-	913,568
Receivables:			
Taxes	14,020,117	-	14,020,117
Accounts	31,379	-	31,379
Accrued interest	51,425	-	51,425
Intergovernmental	-	323,251	323,251
Interfund receivable	971,690	-	971,690
Total assets	<u>\$ 33,443,393</u>	<u>\$ 1,866,826</u>	<u>\$ 35,310,219</u>
Liabilities:			
Accounts payable	\$ 593,928	\$ 34,279	\$ 628,207
Accrued wages and benefits	3,732,732	42,669	3,775,401
Interfund payable	-	971,690	971,690
Compensated absences payable	11,138	-	11,138
Total liabilities	<u>4,337,798</u>	<u>1,048,638</u>	<u>5,386,436</u>
Deferred Inflows of Resources:			
Taxes levied for next fiscal year	13,288,870	-	13,288,870
Unavailable revenue	191,790	309,405	501,195
Total deferred inflows of resources	<u>13,480,660</u>	<u>309,405</u>	<u>13,790,065</u>
Fund Balances:			
Restricted	1,837,460	872,534	2,709,994
Committed	391,992	-	391,992
Assigned	2,908,972	-	2,908,972
Unassigned	10,486,511	(363,751)	10,122,760
Total fund balances	<u>15,624,935</u>	<u>508,783</u>	<u>16,133,718</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 33,443,393</u>	<u>\$ 1,866,826</u>	<u>\$ 35,310,219</u>

See accompanying notes to the basic financial statements.

Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2016

Total Governmental Fund Balances	\$ 16,133,718
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	53,755,215
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Other long-term assets are not available to pay for current-period expenditures and therefore are unavailable in the funds.	501,195
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Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:

Bonds payable	9,195,000	
Unamortized premiums	184,151	
Compensated absences	1,574,892	
Accrued interest	25,104	(10,979,147)

The net pension liability is not due and payable in the current period, therefore, the liability and related deferred outflows and inflows of resources are not reported in the governmental funds:

Deferred outflows - pensions	5,569,454	
Deferred inflows - pensions	(6,289,303)	
Net pension liability	(55,342,847)	(56,062,696)

Net Position of Governmental Activities	<u>\$ 3,348,285</u>
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See accompanying notes to the basic financial statements.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

Year Ended June 30, 2016

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Taxes	\$ 13,975,514	\$ -	\$ 13,975,514
Tuition and fees	610,796	-	610,796
Investment income	110,083	8,402	118,485
Intergovernmental	26,909,509	1,791,680	28,701,189
Miscellaneous	271,330	16,157	287,487
Total revenues	<u>41,877,232</u>	<u>1,816,239</u>	<u>43,693,471</u>
Expenditures:			
Current:			
Instruction:			
Regular	173,093	-	173,093
Vocational education	21,423,084	437,165	21,860,249
Other	-	220,320	220,320
Support services:			
Pupil	1,168,012	720,177	1,888,189
Instructional staff	3,153,627	194,768	3,348,395
General administration	157,918	-	157,918
School administration	1,813,000	135,983	1,948,983
Fiscal	1,325,525	14,485	1,340,010
Business	316,315	-	316,315
Operation and maintenance of plant	3,819,371	12,765	3,832,136
Pupil transportation	71,168	-	71,168
Central	2,441,278	89,836	2,531,114
Non-instructional services:			
Extracurricular	425,866	-	425,866
Community service	22,991	-	22,991
Capital outlay	340,774	1,135,853	1,476,627
Debt Service:			
Principal	-	380,000	380,000
Interest and fiscal charges	-	303,139	303,139
Total expenditures	<u>36,652,022</u>	<u>3,644,491</u>	<u>40,296,513</u>
Excess of revenues over (under) expenditures	<u>5,225,210</u>	<u>(1,828,252)</u>	<u>3,396,958</u>
Other financing sources (uses):			
Transfers in	-	708,139	708,139
Transfers out	(958,139)	-	(958,139)
Total other financing sources (uses)	<u>(958,139)</u>	<u>708,139</u>	<u>(250,000)</u>
Net change in fund balances	4,267,071	(1,120,113)	3,146,958
Fund balance, beginning of year, restated	11,357,864	1,628,896	12,986,760
Fund balance, end of year	<u>\$ 15,624,935</u>	<u>\$ 508,783</u>	<u>\$ 16,133,718</u>

See accompanying notes to the basic financial statements.

Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended June 30, 2016

Net Change in Fund Balances - Total Governmental Funds	\$	3,146,958
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital asset additions		2,698,873
Depreciation expense		(2,675,599)
Revenue in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		95,260
In the statement of activities, loss on disposal of capital assets is reported, whereas only proceeds from sales are reported in the funds.		(264)
Some expenses reported in the statement of activities do not require the use current financial resources and therefore are not reported expenditures in governmental funds:		
Compensated absences		102,622
Interest on long-term debt		316
Amortization of bond premiums		9,194
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		380,000
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows.		3,315,115
Except for amounts reported as deferred outflows or inflows of resources, changes in the net pension liability are reported as pension expense in the statement of activities.		<u>(3,212,857)</u>
Change in Net Position of Governmental Activities	\$	<u>3,859,618</u>

See accompanying notes to the basic financial statements.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Statement of Net Position

Enterprise Funds

June 30, 2016

	Adult Education Fund	Other Enterprise Funds	Total
Assets:			
Current assets:			
Equity in pooled cash and investments	\$ 760,662	\$ 320,717	\$ 1,081,379
Receivables:			
Accounts	60,295	180	60,475
Total current assets	<u>820,957</u>	<u>320,897</u>	<u>1,141,854</u>
Noncurrent assets:			
Capital assets, net	584,284	-	584,284
Total assets	<u>1,405,241</u>	<u>320,897</u>	<u>1,726,138</u>
Deferred Outflows of Resources:			
Pensions	<u>608,681</u>	-	<u>608,681</u>
Liabilities:			
Current liabilities:			
Accounts payable	49,165	26,727	75,892
Accrued wages and benefits	94,802	9,149	103,951
Compensated absences	23,655	-	23,655
Total current liabilities	<u>167,622</u>	<u>35,876</u>	<u>203,498</u>
Long-term liabilities:			
Compensated absences	133,719	-	133,719
Net pension liability	6,149,205	-	6,149,205
Total liabilities	<u>6,450,546</u>	<u>35,876</u>	<u>6,486,422</u>
Deferred Inflows of Resources:			
Pensions	<u>698,811</u>	-	<u>698,811</u>
Net Position:			
Investment in capital assets	584,284	-	584,284
Unrestricted (deficit)	<u>(5,719,719)</u>	<u>285,021</u>	<u>(5,434,698)</u>
Total net position	<u>\$ (5,135,435)</u>	<u>\$ 285,021</u>	<u>\$ (4,850,414)</u>

See accompanying notes to the basic financial statements.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Statement of Revenues, Expenses and Changes in Fund Net Position

Enterprise Funds

Year Ended June 30, 2016

	Adult Education Fund	Other Enterprise Funds	Total
Operating revenues:			
Charges for services	\$ 3,776,364	\$ 263,386	\$ 4,039,750
Other operating revenues	<u>25,876</u>	<u>732,734</u>	<u>758,610</u>
Total operating revenues	<u>3,802,240</u>	<u>996,120</u>	<u>4,798,360</u>
Operating expenses:			
Salaries and wages	2,272,284	-	2,272,284
Fringe benefits	511,208	-	511,208
Contractual services	656,180	457,796	1,113,976
Materials and supplies	576,196	57,492	633,688
Depreciation	103,555	-	103,555
Other expenses	<u>45,012</u>	<u>18,962</u>	<u>63,974</u>
Total operating expenses	<u>4,164,435</u>	<u>534,250</u>	<u>4,698,685</u>
Operating income (loss)	(362,195)	461,870	99,675
Nonoperating revenues (expenses):			
State and federal grants	675,145	131,408	806,553
Interest income	<u>-</u>	<u>20</u>	<u>20</u>
Total nonoperating revenues	<u>675,145</u>	<u>131,428</u>	<u>806,573</u>
Net income before transfers	312,950	593,298	906,248
Transfers in	<u>-</u>	<u>250,000</u>	<u>250,000</u>
Change in net position	312,950	843,298	1,156,248
Net position, beginning of year	<u>(5,448,385)</u>	<u>(558,277)</u>	<u>(6,006,662)</u>
Net position, end of year	<u>\$ (5,135,435)</u>	<u>\$ 285,021</u>	<u>\$ (4,850,414)</u>

See accompanying notes to the basic financial statements.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Statement of Cash Flows

Enterprise Funds

Year Ended June 30, 2016

	Adult Education Fund	Other Enterprise Funds	Total
Cash flows from operating activities:			
Cash received from customers	\$ 3,881,367	\$ 263,206	\$ 4,144,573
Cash received from other operating sources	-	72,022	72,022
Cash payments for personal services	(2,886,811)	(10,777)	(2,897,588)
Cash payments for contract services	(674,755)	(439,111)	(1,113,866)
Cash payments for supplies and materials	(589,437)	(43,828)	(633,265)
Cash payments for other expenses	(85,633)	(33,472)	(119,105)
Net cash from operating activities	<u>(355,269)</u>	<u>(191,960)</u>	<u>(547,229)</u>
Cash flows from noncapital financing activities:			
Transfers	-	250,000	250,000
Cash received from state and federal grants	675,145	131,408	806,553
Net cash from noncapital financing activities	<u>675,145</u>	<u>381,408</u>	<u>1,056,553</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets	<u>(33,190)</u>	-	<u>(33,190)</u>
Cash flows from investing activities:			
Investment income	<u>-</u>	<u>20</u>	<u>20</u>
Net change in cash and investments	286,686	189,468	476,154
Cash and investments at beginning of year	473,976	131,249	605,225
Cash and investments at end of year	<u>\$ 760,662</u>	<u>\$ 320,717</u>	<u>\$ 1,081,379</u>
Reconciliation of operating income (loss) to net cash from operating activities:			
Operating income (loss)	\$ (362,195)	\$ 461,870	\$ 99,675
Adjustments to reconcile operating income (loss) to net cash from operating activities:			
Depreciation	103,555	-	103,555
Loss on disposal of capital assets	1,431	-	1,431
Changes in assets, liabilities and deferrals:			
Accounts receivable	79,127	(124)	79,003
Accounts payable	(73,868)	24,272	(49,596)
Accrued wages and benefits	5,893	(17,210)	(11,317)
Compensated absences payable	(16,750)	-	(16,750)
Net pension liability	432,408	(571,680)	(139,272)
Deferred outflows - pensions	(188,796)	14,401	(174,395)
Deferred inflows - pensions	(336,074)	(103,489)	(439,563)
Net cash from operating activities	<u>\$ (355,269)</u>	<u>\$ (191,960)</u>	<u>\$ (547,229)</u>

See accompanying notes to the basic financial statements.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Statement of Net Position

Fiduciary Funds

June 30, 2016

	<u>Private Purpose Trust Fund</u>	<u>Agency Funds</u>
Assets		
Equity in pooled cash and investments	\$ 218,164	\$ 5,513,075
Intergovernmental receivable	<u>-</u>	<u>62,572</u>
Total assets	<u>218,164</u>	<u>5,575,647</u>
Liabilities		
Due to student groups	-	335,937
Due to other governments	<u>-</u>	<u>5,239,710</u>
Total liabilities	<u>-</u>	<u>\$ 5,575,647</u>
Net Position		
Held in trust	<u>\$ 218,164</u>	

See accompanying notes to the basic financial statements.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

Year Ended June 30, 2016

	<u>Private- Purpose Trust Fund</u>
Additions:	
Investment income	\$ 1,212
Contributions	<u>15,297</u>
Total additions	<u>16,509</u>
Deductions:	
Benefits	<u>13,333</u>
Total deductions	<u>13,333</u>
Change in net position	3,176
Net position, beginning of year	<u>214,988</u>
Net position, end of year	<u>\$ 218,164</u>

See accompanying notes to the basic financial statements.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The School District is a joint vocational school district organized under Section 3311.18 of the Ohio Revised Code. The School District provides vocational education for ten school districts serving an eligible student population of approximately 27,000 throughout southwestern Ohio. The School District fosters cooperative relationships with business and industry, professional organizations, participating school districts, and other interested, concerned groups and organizations to consider, plan and implement educational programs designed to meet the common needs and interests of students.

The reporting entity is comprised of the primary government. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the School District. Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt, or the levying of taxes. The School District has no component units.

The School District serves as fiscal agent for legally separate Southwest Ohio Computer Association (SWOCA), but is not financially accountable. Therefore, SWOCA has been included in the School District's financial statements as an agency fund.

B. Basis of Presentation

Government-wide Financial Statements. The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government except for fiduciary funds. The statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—*continued*

B. Basis of Presentation - *continued*

The government-wide statements are prepared using the economic resources measurement focus, which differs from the manner in which the governmental fund financial statements are prepared. Therefore, the governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the School District and for each function of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the School District.

Fund Financial Statements. Fund financial statements report detailed information about the School District. The focus of governmental and proprietary financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, current liabilities, and deferred inflows of resources are generally included on the balance sheet. Operating statements of these funds present sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets, liabilities and deferred outflows and inflows of resources associated with the operation of these funds are included on the balance sheet. Proprietary fund operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in total assets.

Operating revenues and expenses generally result from providing services and producing and delivering services in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—*continued*

C. Fund Accounting

The School District uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain School District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the School District are grouped into the categories governmental, proprietary and fiduciary.

Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets, liabilities and deferred inflows of resources is reported as fund balance. The following is the School District's only major governmental fund:

General Fund - The general fund is used to account for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the School District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Proprietary funds are used to account for the School District's ongoing activities that are similar to those found in the private sector where the intent of the governing body is that the cost of providing goods and services to the general public be financed or recovered primarily through user charges. The School District has one major proprietary fund:

Adult Education Fund - Accounts for revenues and expenses involved in upgrading and retraining out-of-school youth and adults for the purpose of improving their skills and knowledge in their current or planned occupation.

Fiduciary Funds report on net position and changes in net position. The School District's fiduciary funds consist of a private-purpose trust fund and agency funds. The private-purpose trust fund accounts for scholarship programs for students and is accounted for on a flow of economic resources measurement focus similar to proprietary funds. These assets are not available for the School District's use. Agency funds, used to account for student activities, SWOCA, and District Agency activities, are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—*continued*

D. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements and relates to the timing of the measurements made.

The modified accrual basis of accounting is used by the governmental funds. On a modified accrual basis, revenues are recorded when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. The available period for the School District is sixty days after fiscal year end. Under the modified accrual basis, the following revenue sources are deemed both measurable and available: interest, tuition, student fees, and grants.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable except for unmatured principal and interest on general long-term debt which is recognized when due. Allocations of cost, such as depreciation, are not recognized in the governmental funds.

Government-wide financial statements are prepared using the accrual basis of accounting. Also, proprietary funds and fiduciary funds utilize accrual accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Revenues - Exchange and Non-exchange transactions. Revenue 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.

Non-exchange transactions, in which the School District receives value without directly giving value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes were levied.

Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—*continued*

D. Basis of Accounting - *continued*

Deferred Inflows of Resources. In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources until that time. For the School District, deferred inflows of resources include property taxes, unavailable revenue and pensions. Receivables for property taxes represent amounts that are measurable as of June 30, 2016, but are intended to finance fiscal year 2017 operations. These amounts have been recorded as deferred inflows of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental fund financial statements and represents receivables that will not be collected within the available period (sixty days after fiscal year-end). Deferred inflows of resources from pensions are reported on the government-wide statement of net position (see Note 7).

Deferred Outflows of Resources. In addition to assets, the statement of financial position will sometimes report a separate section of deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources are reported on the government-wide statement of net position for pensions (see Note 7).

E. Cash and Cash Equivalents

To improve cash management, all cash received by the School District is pooled in a central bank account. Monies for all funds are maintained in this account or temporarily used to purchase short-term investments. Individual fund integrity is maintained through School District records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Investments" on the balance sheet. During 2016, investments were limited to federal agency securities, STAR Ohio, and money market funds.

The Governmental Accounting Standards Board Statement No. 72 (GASB 72), "Fair Value Measurement and Application", requires that investments, with certain exceptions, be recorded at their fair value and that changes in the fair value be reported in the operating statement. The School District recorded investments held at June 30, 2016 at the fair value.

Under existing Ohio statutes, all investment earnings accrue to the general fund except those specifically related to agency funds, certain trust funds, and those other funds individually authorized by Board resolution. Interest earnings are allocated to these funds based on average monthly cash balance.

For purposes of the statement of cash flows and for presentation on the balance sheet, investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are considered to be cash equivalents.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—*continued*

F. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type columns in the government-wide financial statements. The School District defines capital assets as those with an individual cost of more than \$1,000 and an estimated useful life in excess of one year. All capital assets are capitalized at cost or estimated historical cost where no historical records exist. Donated capital assets are recorded at their estimated fair values as of the date received. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

When capital assets are purchased, they are capitalized and depreciated in the government-wide statements and the proprietary fund statements. Capital assets are reported as expenditures of the current period in the governmental fund financial statements.

All reported capital assets except land and construction in progress are depreciated. Depreciation is computed using the straight-line method over the following useful lives:

Buildings and improvements	20-40 years
Furniture and equipment	3-10 years
Vehicles	10 years

G. Interfund Balances

On fund financials, receivables and payables resulting from short-term interfund loans are classified as "interfund receivable/payable." These amounts are eliminated in the governmental activities column of the statement of net position.

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

H. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the School District's termination policy.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—*continued*

H. Compensated Absences - *continued*

The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, a liability is recorded only for the portion of unpaid compensated absences that has matured, for example, as a result of employee resignations and retirements.

I. Accrued Liabilities and Long-Term Obligations

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

Governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources with the exception of compensated absences as noted above.

J. Pensions

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

K. Restricted Assets

Restricted assets in the general fund represent cash and cash equivalents set aside to establish reserves for capital maintenance and improvements and budget stabilization.

L. Fund Balances

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

Nonspendable – The nonspendable fund balance category includes amounts that cannot be spent because they are not in a spendable form, or legally or contractually required to be maintained intact. The “not in a spendable form” criterion includes items that are not expected to be converted to cash. The School District did not have any nonspendable balances at year-end.

Restricted – Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—*continued*

L. Fund Balances - *continued*

Committed – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School District's highest level of decision-making authority. The Board of Education is the highest level of decision-making authority for the School District that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Assigned – Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the School District Board of Education. State statute authorizes the Chief Financial Officer to assign fund balance for purchases on order provided those amounts have been lawfully appropriated.

Unassigned – Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

M. Net Position

Net position represents assets and deferred outflows of resources, reduced by liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—*continued*

M. Net Position - *continued*

The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

N. Estimates

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

O. Change in Accounting Estimate

The School District made a change in accounting estimate during the fiscal year associated with its allocation of net pension liabilities and related deferrals; no longer allocating amounts to the Nonmajor Other Enterprise Rotary Fund since it was no longer incurring salary and benefit expenses. The effect of the change was accounted for as an other operating revenue in the Fund.

2. DEPOSITS AND INVESTMENTS

State statutes classify monies held by the School District into three categories.

Active deposits are public deposits necessary to meet current demands on the Treasury. Such monies must be maintained either as cash in the School District 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 two-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of 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 that 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 certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including pass book accounts. Protection of the School District's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment, or by a single collateral pool established by the financial institution to secure the repayment of all public monies on deposit.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2016

2. DEPOSITS AND INVESTMENTS—*continued*

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

1. United States Treasury notes, bills, bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by the 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 provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio); and,
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time.

Investments in stripped principal or interest obligations reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

The State Treasury Assets Reserve of Ohio (STAR Ohio), is an investment pool managed by the State Treasurer's Office that allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does not operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at the net asset value per share provided by STAR Ohio on an amortized cost basis at June 30, 2016, which approximates fair value.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2016

2. DEPOSITS AND INVESTMENTS—*continued*

The following information classifies deposits and investments by categories of risk as defined in GASB Statement 3, "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements" and amended by GASB Statement No. 40 "Deposit and Investment Risk Disclosures":

Deposits

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District's custodial credit risk policy requires that deposits be collateralized as required by ORC Chapter 135. At year-end, \$8,716,871 of the School District's bank balance of \$10,078,960 was exposed to custodial credit risk since it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the School District's name.

Investments

The School District's investments at June 30, 2016 are summarized as follows:

	Balance at 6/30/16	Weighted Average Maturity (Years)	Concentration of Credit Risk
FHLB	\$ 3,278,033	2.42	19.41%
FNMA	3,045,422	2.51	18.04%
FFCB	2,282,643	1.93	13.52%
FHLMC	2,156,495	2.35	12.77%
U.S. Treasury	1,004,100	3.08	5.95%
STAR Ohio	4,507,875	n/a	26.69%
Money market	611,420	n/a	3.62%
	<u>\$ 16,885,988</u>	<u>-</u>	<u>100.00%</u>

Credit Risk

It is the School District's policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments which have a credit quality rating of the top 2 ratings by nationally recognized statistical rating organizations. The School District's investments in U.S. Agency securities were rated AA+ by Standard & Poor's and Aaa by Moody's. Investments in STAR Ohio were rated AAAm by Standard & Poor's.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2016

2. DEPOSITS AND INVESTMENTS—continued

Concentration of Credit Risk

The School District's policy places no limit on the amount it may invest in any one issuer.

Interest Rate Risk

In accordance with the investment policy, the School District manages its exposure to declines in fair value by limiting the weighted average maturity of its investment portfolio to five years.

Fair Value Measurements

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The School District had the following reoccurring fair value measurements as of June 30, 2016:

<u>Investments by Fair Value Level</u>	Balance at 6/30/16	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities				
U.S. Treasury Note	\$ 1,004,100	\$ 1,004,100	\$ -	\$ -
U.S. Agency Obligations	10,762,593	-	10,762,593	-
	<u>\$ 11,766,693</u>	<u>\$ 1,004,100</u>	<u>\$ 10,762,593</u>	<u>\$ -</u>

Investments classified in Level 1 of the fair value hierarchy are valued using quoted market prices. Investments classified in Level 2 of the fair value hierarchy are valued using pricing sources, as provided by the investment managers.

3. PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the School District. Real property tax revenue received in calendar year 2016 represents collections of calendar year 2015 taxes. Real property taxes received in calendar year 2016 were levied after April 1, 2015, on the assessed value listed as of the prior January 1, 2015, the lien date. Assessed values for real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternative payment dates to be established.

Public utility property taxes revenue received in calendar year 2016 represent collections of calendar year 2015 taxes. Public utility real and tangible personal property taxes received in calendar year 2016 became a lien on December 31, 2014, were levied after April 1, 2015 and are collected in calendar year 2016 with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2016

3. PROPERTY TAXES—continued

The School District receives property taxes from Butler and Hamilton counties. The County Auditors periodically advance to the School District its portion of taxes collected. Second-half real property tax payments collected by the counties by June 30, 2016 are available to finance fiscal year 2016 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property and public utility taxes that became measurable as of June 30, 2016. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred inflows of resources for that portion not intended to finance current year operations.

The assessed values upon which fiscal year 2016 taxes were collected are:

	<u>2015 Second-Half Collections</u>		<u>2016 First-Half Collections</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential and Other Real Estate	\$ 7,523,949,600	93.55%	\$ 7,607,422,480	93.55%
Public Utility	<u>518,426,110</u>	6.45%	<u>524,896,620</u>	6.45%
Total Assessed Value	<u>\$ 8,042,375,710</u>	100.00%	<u>\$ 8,132,319,100</u>	100.00%
Tax rate per \$1,000 of assessed valuation	\$1.93		\$1.93	

4. INTERFUND TRANSACTIONS

Interfund transactions for the year ended June 30, 2016, consisted of the following:

	<u>Interfund</u>		<u>Transfers</u>	
	<u>Receivables</u>	<u>Payables</u>	<u>In</u>	<u>Out</u>
General Fund	\$ 971,690	\$ -	\$ -	\$ 958,139
Other Governmental Funds	-	971,690	708,139	-
Other Enterprise Funds	<u>-</u>	<u>-</u>	<u>250,000</u>	<u>-</u>
Total	<u>\$ 971,690</u>	<u>\$ 971,690</u>	<u>\$ 958,139</u>	<u>\$ 958,139</u>

The interfund loans were made to provide operating capital. Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and (3) maintain debt service.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2016

5. CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2016 was as follows:

	Balance 7/1/15	Additions	Disposals	Transfers	Balance 6/30/16
Governmental Activities:					
Capital assets not being depreciated:					
Land	\$ 4,810,261	\$ -	\$ -	\$ -	\$ 4,810,261
Construction in progress	10,370,752	1,192,211	-	(11,562,963)	-
Subtotal	<u>15,181,013</u>	<u>1,192,211</u>	<u>-</u>	<u>(11,562,963)</u>	<u>4,810,261</u>
Capital assets being depreciated:					
Land improvements	2,640,695	174,808	-	-	2,815,503
Building and improvements	51,029,665	138,359	-	11,562,963	62,730,987
Furniture and equipment	13,593,166	1,032,561	(1,131)	-	14,624,596
Vehicles	1,032,884	160,934	(23,500)	-	1,170,318
Books	500,516	-	-	-	500,516
Subtotal	<u>68,796,926</u>	<u>1,506,662</u>	<u>(24,631)</u>	<u>11,562,963</u>	<u>81,841,920</u>
Totals at historical cost	<u>83,977,939</u>	<u>2,698,873</u>	<u>(24,631)</u>	<u>-</u>	<u>86,652,181</u>
Less accumulated depreciation:					
Land improvements	1,310,025	150,255	-	-	1,460,280
Building and improvements	17,015,456	1,828,042	-	-	18,843,498
Furniture and equipment	10,633,190	613,640	(867)	-	11,245,963
Vehicles	825,860	57,453	(23,500)	-	859,813
Books	461,203	26,209	-	-	487,412
Total accumulated depreciation	<u>30,245,734</u>	<u>2,675,599</u>	<u>(24,367)</u>	<u>-</u>	<u>32,896,966</u>
Capital assets, net	<u>\$ 53,732,205</u>	<u>\$ 23,274</u>	<u>\$ (264)</u>	<u>\$ -</u>	<u>\$ 53,755,215</u>
Business-type Activities:					
Building and improvements	\$ 83,731	\$ -	\$ -	\$ -	\$ 83,731
Furniture and equipment	1,487,497	33,190	(2,655)	-	1,518,032
Vehicles	133,018	-	-	-	133,018
Totals at historical cost	<u>1,704,246</u>	<u>33,190</u>	<u>(2,655)</u>	<u>-</u>	<u>1,734,781</u>
Less accumulated depreciation:					
Building and improvements	22,117	3,687	-	-	25,804
Furniture and equipment	921,526	96,259	(1,224)	-	1,016,561
Vehicles	104,523	3,609	-	-	108,132
Total accumulated depreciation	<u>1,048,166</u>	<u>103,555</u>	<u>(1,224)</u>	<u>-</u>	<u>1,150,497</u>
Capital assets, net	<u>\$ 656,080</u>	<u>\$ (70,365)</u>	<u>\$ (1,431)</u>	<u>\$ -</u>	<u>\$ 584,284</u>

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2016

5. CAPITAL ASSETS—*continued*

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Vocational education	\$ 2,132,970
Support services:	
Pupil	814
Instructional staff	507
School administration	14,964
Fiscal	3,601
Business	1,626
Operation and maintenance of plant	389,146
Pupil transportation	9,896
Central	122,075
Total depreciation expense	<u>\$ 2,675,599</u>

Depreciation expense of \$103,555 was charged to the adult education segment.

6. RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2016, the School District contracted with the Ohio School Plan for general liability insurance with \$3,000,000 each occurrence limit and a \$5,000,000 aggregate. Buildings, contents and school vehicles are protected through a local insurance agent. There were no significant reductions in insurance coverage in the prior year. Settlements have not exceeded insurance coverage during the past three fiscal years.

The School District participates in the Butler Health Plan (BHP), a group insurance purchasing pool, in order to provide dental, life, medical, and disability benefits to employees, their dependents and designated beneficiaries and to set aside funds for such purposes. The Trustee provides insurance policies in whole or in part through one or more group insurance policies.

The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria.

7. PENSION PLANS

Net Pension Liability

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

The net pension liability represents the School District's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

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

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for contractually-required contributions outstanding at the end of the year is included in *accrued wages and benefits payable* on both the accrual and modified accrual bases of accounting.

Plan Description - School Employees Retirement System (SERS)

Plan Description – School District non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS' fiduciary net position. That report can be obtained by visiting the SERS website at www.ohsers.org under Employers/Audit Resources.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2016

7. PENSION PLANS—continued

Age and service requirements for retirement are as follows:

Benefits	Eligible to Retire on or before August 1, 2017*	Eligible to Retire on or after August 1, 2017
Full Benefits	Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially Reduced Benefits	Age 60 with 5 years of service credit Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

* Members with 25 years of service credit as of August 1, 2017 will be included in this plan.

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on year of service; 2.2% for the first 30 years of service and 2.5% for years of service credit over 30. Final average salary is the average of the highest three years of salary.

One year after an effective benefit date, a benefit recipient is entitled to a three percent cost-of-living adjustment (COLA). This same COLA is added each year to the base benefit amount on the anniversary date of the benefit.

Funding Policy – Plan members are required to contribute 10% of their annual covered salary and the School District is required to contribute 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS’ Retirement Board up to statutory maximum amounts of 10% for plan members and 14% for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System’s funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2016, the allocation to pension, death benefits, and Medicare B was 14%.

The School District’s contractually required contribution to SERS was \$941,543 for fiscal year 2016.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – School District licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS’ fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at www.strsoh.org.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2016

7. PENSION PLANS—*continued*

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2% of final average salary for the five highest years of earnings multiplied by all years of service. With certain exceptions, the basic benefit is increased each year by 2% of the original base benefit. For members retiring August 1, 2013, or later, the first 2% is paid on the fifth anniversary of the retirement benefit. Members are eligible to retire at age 60 with 5 years of qualifying service credit, or age 55 with 25 years of service, or 30 years of service regardless of age. Age and service requirements for retirement will increase effective August 1, 2015, and will continue to increase periodically until they reach age 60 with 35 years of service or age 65 with five year of service on August 1, 2026.

The DC Plan allows members to place all their member contributions and 9.5% of the 14% employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.5% of the 14% employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, member contributions are allocated among investment choices by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with 5 years of services. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50.

New members who choose the DC plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's Combined Plan account to a lifetime benefit results in STRS bearing the risk of investment gain or loss on the account. STRS has therefore included all three plan options as one defined benefit plan for GASB 68 reporting purposes.

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least ten years of qualifying service credit that apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2016

7. PENSION PLANS—continued

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The statutory maximum employee contribution rate was increased 1% July 1, 2014, and will be increased 1% each year until it reaches 14% on July 1, 2016. For the fiscal year ended June 30, 2016, plan members were required to contribute 13% of their annual covered salary. The School District was required to contribute 14%; the entire 14% was the portion used to fund pension obligations. The fiscal year 2016 contribution rates were equal to the statutory maximum rates.

The School District's contractually required contribution to STRS was approximately \$2,731,771 for fiscal year 2016.

Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources for Pensions

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on the School District's share of contributions to the pension plan relative to the projected contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportionate Share of the Net Pension Liability	\$11,361,330	\$50,130,722	\$61,492,052
Proportion of the Net Pension Liability	0.1991086%	0.18138939%	
Pension Expense	\$1,081,638	\$1,736,188	\$2,817,826

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2016

7. PENSION PLANS—continued

At June 30, 2016, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$ 153,798	\$ 2,307,198	\$ 2,460,996
Change in School District's proportionate share	43,825	-	43,825
School District's contributions subsequent of the measurement date	<u>941,543</u>	<u>2,731,771</u>	<u>3,673,314</u>
Total Deferred Outflows of Resources	<u>\$ 1,139,166</u>	<u>\$ 5,038,969</u>	<u>\$ 6,178,135</u>
Deferred Inflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$ 539,434	\$ 4,025,606	\$ 4,565,040
Change in School District's proportionate share	<u>-</u>	<u>2,423,074</u>	<u>2,423,074</u>
Total Deferred Inflows of Resources	<u>\$ 539,434</u>	<u>\$ 6,448,680</u>	<u>\$ 6,988,114</u>

\$3,673,314 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the year ending June 30, 2017. Other amounts reported as deferred outflows and inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
2017	\$ (172,183)	\$ (1,552,173)	\$ (1,724,356)
2018	(172,183)	(1,552,173)	(1,724,356)
2019	(173,042)	(1,552,172)	(1,725,214)
2020	<u>175,597</u>	<u>515,036</u>	<u>690,633</u>
	<u>\$ (341,811)</u>	<u>\$ (4,141,482)</u>	<u>\$ (4,483,293)</u>

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2016

7. PENSION PLANS—*continued*

Actuarial Assumptions - SERS

SERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment termination). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2015, are presented below:

Wage Inflation	3.25%
Future Salary Increases, including Inflation	4.00% to 22.00%
COLA or Ad Hoc COLA	3%
Investment Rate of Return	7.75% net of investment expense, including inflation
Actuarial Cost Method	Entry Age Normal

For post-retirement mortality, the table used in evaluating allowances to be paid is the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables are used for the period after disability retirement.

The most recent experience study was completed June 30, 2010.

The long-term return expectation for the Pension Plan Investments has been determined using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. The target allocation and best estimates of arithmetic real rates of return for each major assets class are summarized in the following table:

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2016

7. PENSION PLANS—continued

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash	1.00 %	0.00 %
U.S. Stocks	22.50	5.00
Non-U.S. Stock	22.50	5.50
Fixed Income	19.00	1.50
Private Equity	10.00	10.00
Real Estate	10.00	5.00
Multi-Asset Strategies	15.00	7.50
Total	100.00 %	

Discount Rate – Total pension liability was calculated using the discount rate of 7.75%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.75%). Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.75%, as well as what each plan’s net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.75%), or one percentage point higher (8.75%) than the current rate.

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
School District's proportionate share of the net pension liability	\$15,754,082	\$11,361,330	\$7,662,270

Actuarial Assumptions - STRS

The total pension liability in the July 1, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Projected Salary Increases	2.75% at age 70 to 12.25% at age 20
Investment Rate of Return	7.75% net of investment expenses
COLA	2% simple applied as follows: for members retiring before August 1, 2013, 2% per year; for members retiring August 1, 2013 or later, 2% COLA paid on fifth anniversary of retirement date.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2016

7. PENSION PLANS—continued

Mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89 and not set back from age 90 and above.

Actuarial assumptions used in the June 30, 2015, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

The 10 year expected real rate of return on pension plan investments was determined by STRS' investment consultant by developing best estimates of expected future real rates of return for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized as follows:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Domestic Equity	31.00 %	8.00 %
International Equity	26.00	7.85
Alternatives	14.00	8.00
Fixed Income	18.00	3.75
Real Estate	10.00	6.75
Liquidity Reserves	1.00	3.00
Total	100.00 %	

Discount Rate – The discount rate used to measure the total pension liability was 7.75% as of June 30, 2015. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2015. Therefore, the long-term expected rate of return on pension plan investments of 7.75% was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2015.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following table presents the School District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.75%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.75%) or one-percentage-point higher (8.75%) than the current rate:

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2016

7. PENSION PLANS—*continued*

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
School District's proportionate share of the net pension liability	\$69,635,354	\$50,130,722	\$33,636,647

Social Security System

All employees not otherwise covered by SERS or STRS have an option to choose Social Security or SERS/STRS. As of June 30, 2016, some members of the Board of Education have elected Social Security. The School District's liability is 6.2% of wages paid.

8. POSTEMPLOYMENT BENEFITS

School Employees Retirement System

Health Care Plan – Sections 3309.375 and 3309.69 of the Ohio Revised Code permit SERS to offer health care benefits to eligible retirees and beneficiaries. SERS' Retirement Board reserves the right to change or discontinue any health plan or program. SERS offers several types of health plans from various vendors, including HMOs, PPOs, Medicare Advantage and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively.

The Ohio Revised Code provides the statutory authority to fund SERS' postemployment benefits through employer contributions. Active members do not make contributions to the postemployment benefit plan.

The Health Care Fund was established under, and is administered in accordance with Internal Revenue Code 105(e). Each year after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder for the employer 14% contribution to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2016, the health care allocation is 0.00%. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. By statute, no employer shall pay a health care surcharge greater than 2.0% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for health care surcharge. For fiscal year 2016, this amount was \$23,000. The surcharge, added to the unallocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. For fiscal year 2016, the School District's surcharge obligation was \$21,908.

None of the 14% employer contribution was allocated to the Health Care Fund for the fiscal year 2016. The School District's contributions for health care for the fiscal years June 30, 2015 and 2014 were \$55,000 and \$8,000, respectively.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2016

8. POSTEMPLOYMENT BENEFITS—*continued*

The SERS Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

State Teachers Retirement System

Plan Description – The School District participates in the cost-sharing multiple-employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Plan. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal years 2016 and 2015, STRS did not allocate any employer contributions to post-employment health care. The School District's contributions for health care for fiscal year ended June 30, 2014 was \$204,000.

9. EMPLOYEE BENEFITS

Compensated Absences

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time. Teachers, administrators, and classified employees earn sick leave at the rate of one and one fourth days per month. Sick leave may be accumulated up to maximum of 225 days for teachers and classified staff and 230 days for administrators. Upon retirement, payment is made for 35% of the employee's accumulated sick leave.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2016

10. LONG-TERM LIABILITIES

The changes in the School District's long-term liabilities during fiscal year 2016 were as follows:

	Principal Outstanding 7/1/15	Additions	Reductions	Principal Outstanding 6/30/16	Amounts Due in One Year
Governmental Activities:					
General obligation bonds:					
School Improvement	\$ 7,780,000	\$ -	\$ (255,000)	\$ 7,525,000	\$ 255,000
Energy Conservation	1,795,000	-	(125,000)	1,670,000	125,000
Unamortized premiums	193,345	-	(9,194)	184,151	-
Compensated absences	1,769,407	149,406	(332,783)	1,586,030	79,996
Net pension liability:					
STRS	41,962,627	3,155,023	-	45,117,650	-
SERS	8,916,863	1,308,334	-	10,225,197	-
Total	<u>\$62,417,242</u>	<u>\$ 4,612,763</u>	<u>\$ (721,977)</u>	<u>\$66,308,028</u>	<u>\$ 459,996</u>
Business-type Activities:					
Compensated absences	\$ 174,124	\$ 4,606	\$ (21,356)	\$ 157,374	\$ 23,655
Net pension liability:					
STRS	5,186,393	-	(173,321)	5,013,072	-
SERS	1,102,084	34,049	-	1,136,133	-
Total	<u>\$ 6,462,601</u>	<u>\$ 38,655</u>	<u>\$ (194,677)</u>	<u>\$ 6,306,579</u>	<u>\$ 23,655</u>

In March 2014, the School District issued \$8,100,000 in general obligation school improvement bonds to provide funds for the acquisition and construction of career-technical labs for various health-related programs as well as traditional classrooms for academic instruction and to retire outstanding bond anticipation notes. The issuance is composed of serial bonds and term bonds that bear interest rates ranging between 1.0% to 4.50% and mature on December 31, 2037.

In April 2014, the School District issued \$1,935,000 in general obligation school energy conservation improvement bonds to provide funds for the acquisition, constructing, and installing energy conservation measures. The issuance is composed of serial bonds and term bonds that bear interest rates ranging between 1.0% to 4.0% and maturing on December 1, 2028.

Compensated absences are generally liquidated from the General Fund and Adult Education Fund.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2016

10. LONG-TERM LIABILITIES—continued

The debt service requirements for the School District's bonds are as follows:

Year ending June 30,	School Improvement		Energy Conservation		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 255,000	\$ 141,720	\$ 125,000	\$ 42,619	\$ 380,000	\$ 184,339
2018	260,000	253,495	125,000	41,056	385,000	294,551
2019	265,000	249,558	130,000	38,818	395,000	288,376
2020	270,000	244,870	115,000	36,368	385,000	281,238
2021	275,000	239,420	120,000	34,018	395,000	273,438
2022-2026	1,470,000	1,084,800	635,000	124,302	2,105,000	1,209,102
2027-2031	1,700,000	831,148	420,000	24,925	2,120,000	856,073
2032-2036	2,070,000	452,838	-	-	2,070,000	452,838
2037-2038	960,000	43,650	-	-	960,000	43,650
	<u>\$ 7,525,000</u>	<u>\$ 3,541,499</u>	<u>\$1,670,000</u>	<u>\$ 342,106</u>	<u>\$ 9,195,000</u>	<u>\$ 3,883,605</u>

11. FUND BALANCES

Fund balance is classified as restricted, committed, assigned and/or unassigned based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	General Fund	Other Governmental Funds	Total Governmental Funds
Restricted for			
Classroom Facilities Maintenance	\$ 1,837,460	\$ -	\$ 1,837,460
Motorcycle Safety & Education	-	101,579	101,579
Other Purposes	-	122,316	122,316
Capital Improvements	-	648,639	648,639
<i>Total Restricted</i>	<u>1,837,460</u>	<u>872,534</u>	<u>2,709,994</u>
Committed to			
Capital Improvements	<u>391,992</u>	-	<u>391,992</u>
Assigned to			
Public School Support	45,942	-	45,942
Encumbrances	969,730	-	969,730
Budget Resource	1,893,300	-	1,893,300
<i>Total Assigned</i>	<u>2,908,972</u>	-	<u>2,908,972</u>
Unassigned (Deficit)	<u>10,486,511</u>	<u>(363,751)</u>	<u>10,122,760</u>
Total Fund Balance	<u>\$ 15,624,935</u>	<u>\$ 508,783</u>	<u>\$ 16,133,718</u>

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2016

12. FUND BALANCE DEFICITS

At June 30, 2016, the following funds had a deficit fund balance:

Other Governmental Funds:	
Bioscience Building Fund	\$ 255,947
High Schools That Work Fund	6,150
Adult Basic Education Fund	43,124
Vocational Education Fund	58,530

The deficit fund balances were created by the application of generally accepted accounting principles. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

13. JOINTLY GOVERNED ORGANIZATION

Southwestern Ohio Computer Association

The Southwestern Ohio Computer Association (SWOCA), a jointly governed organization, was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts. Each of the member schools of the three county consortium supports SWOCA based upon per pupil charge dependent upon the software package utilized. SWOCA is governed by a board of directors consisting of the superintendents and treasurers of member school districts. The degree of control exercised by any participating School District is limited to its representation on the Board. To obtain financial information, write to the Southwestern Ohio Computer Association, at 3603 Hamilton-Middletown, Hamilton, Ohio 45011.

14. INSURANCE PURCHASING POOLS

Butler Health Plan

The School District participates in the Butler Health Plan (BHP), an insurance purchasing pool, formed to provide affordable and desirable dental, life, medical, and other disability group insurance for member's employees, eligible dependents and designated beneficiaries. The Board of Directors consists of one representative from each of the participating members and is elected by the vote of a majority of the member school districts. Financial information can be obtained from BHP at 400 North Erie Boulevard, Suite B, Hamilton, OH 45011.

Ohio School Plan

The Ohio School Plan (OSP) is an insurance purchasing pool among school districts in Ohio formed for the purpose of establishing a group primary and excess insurance/self-insurance and risk management program. Members agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverage provided by OSP. This coverage includes comprehensive general liability, automobile liability, certain property insurance and public officials' errors and omissions liability insurance. The affairs of the corporation are managed by a 13-member Board of Directors made up of school administrators. The School District does not have an equity interest in OSP.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2016

14. INSURANCE PURCHASING POOLS—*continued*

Ohio School Boards Association Workers' Compensation Group Rating Plan

The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a three member Board of Directors consisting of the President, the President-Elect and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

15. COMMITMENTS AND CONTINGENCIES

Encumbrances

The School District utilizes encumbrance accounting to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. The School District's outstanding encumbrance amounts outstanding at June 30, 2016 were:

General Fund	\$	1,363,396
Bioscience Building Fund		104,950
Other Governmental Funds		309,269

Grants

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2016.

16. REQUIRED SET-ASIDES

The School District is required by State Statute to annually set aside in the general fund an amount based on the statutory formula for the acquisition and construction of capital improvements. Amounts not spent by year-end or offset by similarly restricted resources received during the year must be held in cash at year-end. The following cash basis information describes the change in the year-end set aside amounts for capital acquisition and budget stabilization. Disclosure of this information is required by State statute.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2016

16. REQUIRED SET-ASIDES—*continued*

	<u>Capital Improvements</u>	<u>Budget Stabilization</u>
Set-aside reserve balance as of June 30, 2015	\$ -	\$ 913,568
Current year set-aside requirement	540,987	-
Current year qualifying expenditures	<u>(552,036)</u>	<u>-</u>
Total	<u>\$ (11,049)</u>	<u>\$ 913,568</u>
 Set-aside reserve balance as of June 30, 2016	 <u>\$ (11,049)</u>	 <u>\$ 913,568</u>

The Ohio General Assembly eliminated the requirement for the budget stabilization reserve, and effective April 10, 2001, the Board of Education could choose to eliminate the reserve with the exception of rebates received from the Bureau of Workers Compensation. The School District chose not to reduce its budget stabilization reserve.

17. RESTATEMENT

The School District revised its accrued wages and benefits calculations to include a pension contribution accrual component. The adjustments to accrued wages and benefits had the following effect on fund balance and net position:

	<u>General Fund</u>
Fund Balance at June 30, 2015	\$ 11,719,792
Adjustments:	
Accrued wages and benefits adjustment	<u>(361,928)</u>
Restated Fund Balance at June 30, 2015	<u>\$ 11,357,864</u>
	<u>Governmental Activities</u>
Net Position at June 30, 2015	\$ (149,405)
Adjustments:	
Accrued wages and benefits adjustment	<u>(361,928)</u>
Restated Net Position at June 30, 2015	<u>\$ (511,333)</u>

**Required
Supplementary
Information**

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance -

Budget and Actual (Non-GAAP Budgetary Basis)

Year Ended June 30, 2016

	General Fund			Variance With Final Budget
	<u>Budgeted Amounts</u>		Actual	
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 14,590,000	\$ 13,800,000	\$ 13,940,954	\$ 140,954
Tuition	423,000	400,000	607,061	207,061
Interest	85,000	80,000	102,235	22,235
Intergovernmental	26,500,000	25,080,000	27,124,491	2,044,491
Miscellaneous	122,640	90,000	169,859	79,859
Total revenues	<u>41,720,640</u>	<u>39,450,000</u>	<u>41,944,600</u>	<u>2,494,600</u>
Expenditures:				
Current:				
Instruction:				
Regular	7,351	2,709	190,772	(188,063)
Vocational	26,678,949	24,770,155	21,701,220	3,068,935
Support services:				
Pupil	1,162,235	1,173,014	1,191,349	(18,335)
Instructional staff	4,697,333	4,694,093	3,164,354	1,529,739
General administration	119,496	199,108	192,126	6,982
School administration	2,502,424	2,239,983	1,824,894	415,089
Fiscal	1,210,544	1,486,840	1,338,202	148,638
Business	316,115	319,115	310,556	8,559
Operation and maintenance of plant	3,893,330	4,174,889	3,943,850	231,039
Pupil transportation	93,362	93,362	69,277	24,085
Central	2,699,069	2,585,045	2,512,514	72,531
Non-instructional services:				
Extracurricular activities	456,909	600,909	524,480	76,429
Food services	2,500	2,000	23,491	(21,491)
Facilities acquisition and construction	458,320	428,320	260,974	167,346
Total expenditures	<u>44,297,937</u>	<u>42,769,542</u>	<u>37,248,059</u>	<u>5,521,483</u>
Excess of revenues over (under) expenditures	<u>(2,577,297)</u>	<u>(3,319,542)</u>	<u>4,696,541</u>	<u>8,016,083</u>
Other financing sources (uses)				
Transfers out	-	(1,835,000)	(2,280,201)	(445,201)
Advances in	-	-	274,536	274,536
Advances out	-	(110,000)	(231,144)	(121,144)
Other financing sources (uses)	(451,559)	(34,954)	51,495	86,449
Total other financing sources (uses)	<u>(451,559)</u>	<u>(1,979,954)</u>	<u>(2,185,314)</u>	<u>(205,360)</u>
Net change in fund balance	<u>(3,028,856)</u>	<u>(5,299,496)</u>	<u>2,511,227</u>	<u>\$ 7,810,723</u>
Fund balance - beginning of year	10,458,672	10,458,672	10,458,672	
Prior year carryover appropriations	1,749,496	1,749,496	1,749,496	
Fund balance - end of year	<u>\$ 9,179,312</u>	<u>\$ 6,908,672</u>	<u>\$ 14,719,395</u>	

See accompanying notes to required supplementary information.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Notes to Required Budgetary Supplementary Information

Year Ended June 30, 2016

Note A Budgetary Basis of Accounting

While the School District is reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis) is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

Certain funds accounted for as separate funds internally with legally adopted budgets (budget basis) do not meet the definition of special revenue funds under GASB Statement No. 54 and were reported with the General Fund (GAAP basis).

Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).

Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

Encumbrances are treated as expenditures for all funds (budget basis) rather than as expenditures when liquidated (GAAP basis).

The adjustments necessary to convert the results of operations for the year ended June 30, 2016, on the GAAP basis to the budget basis are as follows:

	General Fund
Net change in fund balance - GAAP Basis	\$ 3,895,359
Increase / (decrease):	
Due to inclusion of Public School Support Fund	(18,475)
Due to inclusion of Classroom Facilities Maintenance Fund	(303,075)
Due to inclusion of Termination Benefits Fund	(483,648)
Due to revenues	90,664
Due to expenditures	633,244
Due to other financing sources	60,554
Due to encumbrances	<u>(1,363,396)</u>
Net change in fund balance - Budget Basis	\$ <u>2,511,227</u>

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS

Required Supplementary Information

Schedule of School District's Proportionate Share of the Net Pension Liability

School Employees Retirement System of Ohio

Last Three Measurement Periods (1)

	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.1991086%	0.197966%	0.197966%
School District's Proportionate Share of the Net Pension Liability	\$ 11,361,330	\$ 10,018,947	\$ 11,772,403
School District's Covered-Employee Payroll	\$ 7,118,930	\$ 5,810,599	\$ 5,228,736
School District's Proportionate Share of Net Pension Liability as a Percentage of its Covered-Employee Payroll	159.59%	172.43%	225.15%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.16%	71.70%	65.52%

(1) Information prior to 2013 is not available. The School District will continue to present information for years available until a full ten-year trend is compiled.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS

Required Supplementary Information

Schedule of School District's Proportionate Share of the Net Pension Liability

State Teachers Retirement System of Ohio

Last Three Measurement Periods (1)

	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.18138939%	0.19384174%	0.19384174%
School District's Proportionate Share of the Net Pension Liability	\$ 50,130,722	\$ 47,149,020	\$ 56,163,603
School District's Covered-Employee Payroll	\$ 20,584,564	\$ 21,328,754	\$ 21,627,946
School District's Proportionate Share of Net Pension Liability as a Percentage of its Covered-Employee Payroll	243.54%	221.06%	259.68%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.09%	74.70%	69.30%

(1) Information prior to 2013 is not available. The School District will continue to present information for years available until a full ten-year trend is compiled.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS

Required Supplementary Information
Schedule of School District Contributions
School Employees Retirement System of Ohio
Last Four Fiscal Years (1)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contributions	\$ 941,543	\$ 938,275	\$ 805,349	\$ 723,657
Contributions in Relation to the Contractually Required Contributions	<u>(941,543)</u>	<u>(938,275)</u>	<u>(805,349)</u>	<u>(723,657)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District Covered- Employee Payroll	\$ 6,725,307	\$ 7,118,930	\$ 5,810,599	\$ 5,228,736
Contributions as a Percentage of Covered- Employee Payroll	14.00%	13.18%	13.86%	13.84%

(1) The School District elected not to present information prior to 2013. The School District will continue to present information for years available until a full ten-year trend is compiled.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS

Required Supplementary Information
Schedule of School District Contributions
State Teachers Retirement System of Ohio
Last Four Fiscal Years (1)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contributions	\$ 2,731,771	\$ 2,881,839	\$ 2,772,738	\$ 2,811,633
Contributions in Relation to the Contractually Required Contributions	<u>(2,731,771)</u>	<u>(2,881,839)</u>	<u>(2,772,738)</u>	<u>(2,811,633)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District Covered- Employee Payroll	\$ 19,512,650	\$ 20,584,564	\$ 21,328,754	\$ 21,627,946
Contributions as a Percentage of Covered- Employee Payroll	14.00%	14.00%	13.00%	13.00%

(1) The School District elected not to present information prior to 2013. The School District will continue to present information for years available until a full ten-year trend is compiled.

Supplement Section

Combining Statements And Individual Fund Schedules

Butler Technology and Career Development Schools, Ohio

GENERAL FUND

The General Fund is the operating fund of the School District and is used to account for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the School District for any purpose provided it is expended or transferred according to the general laws of Ohio.

With the implementation of GASB Statement No. 54, certain funds that the School District prepares legally adopted budgets for no longer meet the definition to be reported as Special Revenue Funds and have been included with the General Fund in the governmental fund financial statements. The School District has only presented the budget schedules for these funds:

The **Public School Support Fund** accounts for specific local revenue sources generated by the individual school buildings. Expenditures include field trips, materials, equipment and other items to supplement co-curricular and extra-curricular programs.

The **Termination Benefits Fund** accounts for the accumulation of resources and payments of employee severance.

The **Classroom Facilities Maintenance Fund** accounts the maintenance funding and expenditures under the Ohio School Facilities Commission program.

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes. The following are descriptions of each Special Revenue Fund:

Nonmajor Special Revenue Funds:

The **Other Grant Fund** accounts for various state and local grants.

The **Post Secondary Vocational Education Fund** accounts for revenue and expenditures incurred in providing opportunities for adults to acquire adequate employment skills.

Butler Technology and Career Development Schools, Ohio

Nonmajor Special Revenue Funds (continued):

The **Motorcycle Safety & Education Fund** accounts for state funds for motorcycle training courses.

The **Data Communication Fund** accounts for state grants for Ohio Educational Computer Network Connections.

The **High Schools That Work Grant Fund** accounts for state funds for the school improvement initiative to raise student achievement in high school.

The **Adult Basic Education Fund** accounts for federal funds for adult education and literacy services.

The **Miscellaneous State Grants Fund** accounts for various monies received from state agencies which are not classified elsewhere.

The **Vocational Education Fund** accounts for federal funds used in the development of vocational education programs in the following categories: secondary, post-secondary, adult, disadvantaged and handicapped persons, cooperative education, advisory committees, and work-study projects.

The **Improving Teacher Quality Fund** accounts for federal designed to provide professional development for teachers and increasing the quality of teachers in the classroom.

DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Butler Technology and Career Development Schools, Ohio

CAPITAL PROJECTS FUNDS

The Capital Projects Funds are used to account for the financing and acquisition or construction of major capital facilities, such as new school buildings, additions to existing school buildings, or for major renovation projects, including equipment purchases:

Nonmajor Capital Projects Funds:

The **Permanent Improvement Fund** accounts for all transactions related to the acquiring, constructing, or improving of the infrastructure of buildings and grounds through permanent improvements.

The **Bioscience Building Fund** accounts for all transactions related to the construction of a health-related lab facility.

ENTERPRISE FUNDS

Enterprise Funds are established to account for operations that are financed and operated in a manner similar to private sector business where the intent is that the expense (including depreciation) of providing goods or services primarily or solely to the general public be financed or recovered primarily through user charges.

Major Enterprise Funds:

The **Vocational Adult Education Fund** accounts for revenue and expenditures involved in upgrading and retraining out-of-school youth and adults for the purpose of improving their skills and knowledge in their current or planned occupation.

Nonmajor Enterprise Funds:

The **Food Services Fund** accounts for the financial transactions related to the food service operation of the District.

The **Uniform School Supply Fund** accounts for the purchase and sale of school supplies as adopted by the Board of Education for use in the School District.

The **Rotary Fund** accounts for income and expenses made in connection with goods and services provided by the District.

Butler Technology and Career Development Schools, Ohio

PRIVATE-PURPOSE TRUST FUND

Private-purpose trust funds are used to report trust arrangements under which principal and income benefit individuals, private organizations or other governments.

The **Special Trust Fund** accounts for donations that are received to provide scholarships and awards to students.

AGENCY FUNDS

Agency funds are used to account for assets held in a custodial capacity.

The **Southwest Ohio Computer Association Fund** accounts for the activity and resources of the Southwest Ohio Computer Association for which the District serves as the fiscal agent.

The **Student Activities Funds** account for the resources that belong to various student groups in the District. The funds account for sales and other revenue generating activities by student groups which have students involved in the management of the program.

The **District Agency Fund** accounts for assets held by the District as an agent for individuals, private organizations, other governmental units, and/or other funds.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2016

	Nonmajor Special Revenue Funds	Nonmajor Debt <u>Service</u> Bond Retirement	Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and investments	\$ 400,883	\$ -	\$ 1,142,692	\$ 1,543,575
Receivables:				
Intergovernmental	<u>323,251</u>	-	-	<u>323,251</u>
Total assets	<u>\$ 724,134</u>	<u>\$ -</u>	<u>\$ 1,142,692</u>	<u>\$ 1,866,826</u>
Liabilities:				
Accounts payable	\$ 34,279	\$ -	\$ -	\$ 34,279
Accrued wages and benefits	42,669	-	-	42,669
Interfund payable	<u>221,690</u>	-	<u>750,000</u>	<u>971,690</u>
Total liabilities	<u>298,638</u>	<u>-</u>	<u>750,000</u>	<u>1,048,638</u>
Deferred Inflows of Resources:				
Unavailable revenue	<u>309,405</u>	-	-	<u>309,405</u>
Fund Balances:				
Restricted	223,895	-	648,639	872,534
Unassigned	<u>(107,804)</u>	-	<u>(255,947)</u>	<u>(363,751)</u>
Total fund balances	<u>116,091</u>	<u>-</u>	<u>392,692</u>	<u>508,783</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 724,134</u>	<u>\$ -</u>	<u>\$ 1,142,692</u>	<u>\$ 1,866,826</u>

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BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2016

	Nonmajor Special Revenue Funds	Nonmajor Debt <u>Service</u> Bond Retirement	Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
Revenues:				
Investment income	\$ -	\$ -	\$ 8,402	\$ 8,402
Intergovernmental	1,791,680	-	-	1,791,680
Miscellaneous	<u>5,832</u>	-	<u>10,325</u>	<u>16,157</u>
Total revenues	<u>1,797,512</u>	<u>-</u>	<u>18,727</u>	<u>1,816,239</u>
Expenditures:				
Current:				
Instruction:				
Vocational education	437,165	-	-	437,165
Other	220,320	-	-	220,320
Support services:				
Pupil	720,177	-	-	720,177
Instructional staff	194,768	-	-	194,768
School administration	135,983	-	-	135,983
Fiscal	14,485	-	-	14,485
Operations and maintenance of plant	-	-	12,765	12,765
Central	89,836	-	-	89,836
Capital outlay	-	-	1,135,853	1,135,853
Debt service:				
Principal	-	380,000	-	380,000
Interest and fiscal charges	-	303,139	-	303,139
Total expenditures	<u>1,812,734</u>	<u>683,139</u>	<u>1,148,618</u>	<u>3,644,491</u>
Excess of revenues over/(under) expenditures	<u>(15,222)</u>	<u>(683,139)</u>	<u>(1,129,891)</u>	<u>(1,828,252)</u>
Other financing sources				
Transfers in	<u>25,000</u>	<u>683,139</u>	<u>-</u>	<u>708,139</u>
Total other financing sources	<u>25,000</u>	<u>683,139</u>	<u>-</u>	<u>708,139</u>
Net change in fund balances	9,778	-	(1,129,891)	(1,120,113)
Fund balance, beginning of year	<u>106,313</u>	<u>-</u>	<u>1,522,583</u>	<u>1,628,896</u>
Fund balance, end of year	<u>\$ 116,091</u>	<u>\$ -</u>	<u>\$ 392,692</u>	<u>\$ 508,783</u>

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Combining Balance Sheet

Nonmajor Special Revenue Funds

June 30, 2016

	Other Grant	Post Secondary Vocational Education	Motorcycle Safety & Education	Data Communication	High Schools That Work
Assets:					
Equity in pooled cash and investments	\$ 10,248	\$ -	\$ 88,480	\$ -	\$ -
Receivables:					
Intergovernmental	<u>-</u>	<u>-</u>	<u>64,786</u>	<u>-</u>	<u>6,150</u>
Total assets	<u>10,248</u>	<u>-</u>	<u>153,266</u>	<u>-</u>	<u>6,150</u>
Liabilities:					
Accounts payable	-	-	75	-	-
Accrued wages and benefits	-	-	672	-	-
Interfund payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,150</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>747</u>	<u>-</u>	<u>6,150</u>
Deferred Inflows of Resources:					
Unavailable revenue	<u>-</u>	<u>-</u>	<u>50,940</u>	<u>-</u>	<u>6,150</u>
Fund Balances:					
Restricted	10,248	-	101,579		-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,150)</u>
Total fund balances	<u>10,248</u>	<u>-</u>	<u>101,579</u>	<u>-</u>	<u>(6,150)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 10,248</u>	<u>\$ -</u>	<u>\$ 153,266</u>	<u>\$ -</u>	<u>\$ 6,150</u>

(continued)

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Combining Balance Sheet

Nonmajor Special Revenue Funds - continued

June 30, 2016

	Adult Basic Education	Miscellaneous State Grants	Vocational Education	Improving Teacher Quality	<i>TOTAL</i>
Assets:					
Equity in pooled cash and investments	\$ 2,616	\$ 141,680	\$ 157,859	\$ -	\$ 400,883
Receivables:					
Intergovernmental	<u>71,493</u>	<u>-</u>	<u>180,822</u>	<u>-</u>	<u>323,251</u>
Total assets	<u>\$ 74,109</u>	<u>\$ 141,680</u>	<u>\$ 338,681</u>	<u>\$ -</u>	<u>\$ 724,134</u>
Liabilities:					
Accounts payable	\$ -	\$ 17,110	\$ 17,094	\$ -	\$ 34,279
Accrued wages and benefits	13,531	12,502	15,964	-	42,669
Interfund payable	<u>32,209</u>	<u>-</u>	<u>183,331</u>	<u>-</u>	<u>221,690</u>
Total liabilities	<u>45,740</u>	<u>29,612</u>	<u>216,389</u>	<u>-</u>	<u>298,638</u>
Deferred Inflows of Resources:					
Unavailable revenue	<u>71,493</u>	<u>-</u>	<u>180,822</u>	<u>-</u>	<u>309,405</u>
Fund Balances:					
Restricted	-	112,068	-	-	223,895
Unassigned	<u>(43,124)</u>	<u>-</u>	<u>(58,530)</u>	<u>-</u>	<u>(107,804)</u>
Total fund balances	<u>(43,124)</u>	<u>112,068</u>	<u>(58,530)</u>	<u>-</u>	<u>116,091</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 74,109</u>	<u>\$ 141,680</u>	<u>\$ 338,681</u>	<u>\$ -</u>	<u>\$ 724,134</u>

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended June 30, 2016

	Other Grant	Post Secondary Vocational Education	Motorcycle Safety & Education	Data Communication	High Schools That Work
Revenues:					
Intergovernmental	\$ -	\$ -	\$ 77,065	\$ 7,200	\$ 4,010
Miscellaneous	5,832	-	-	-	-
Total revenues	<u>5,832</u>	<u>-</u>	<u>77,065</u>	<u>7,200</u>	<u>4,010</u>
Expenditures:					
Current:					
Instruction:					
Vocational Education	6,655	-	-	-	8,951
Other	-	-	53,026	-	-
Support services:					
Pupil	-	25,000	-	-	-
Instructional staff	-	-	-	-	2,000
School administration	5,141	-	-	-	-
Fiscal	14,485	-	-	-	-
Central	861	-	-	7,200	-
Total expenditures	<u>27,142</u>	<u>25,000</u>	<u>53,026</u>	<u>7,200</u>	<u>10,951</u>
Excess of revenues over (under) expenditures	(21,310)	(25,000)	24,039	-	(6,941)
Other financing sources					
Transfers in	-	25,000	-	-	-
Total other financing sources	<u>-</u>	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(21,310)	-	24,039	-	(6,941)
Fund balance, beginning of year	31,558	-	77,540	-	791
Fund balance, end of year	<u>\$ 10,248</u>	<u>\$ -</u>	<u>\$ 101,579</u>	<u>\$ -</u>	<u>\$ (6,150)</u>

(continued)

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Special Revenue Funds - continued
Year Ended June 30, 2016

	Adult Basic Education	Miscellaneous State Grants	Vocational Education	Improving Teacher Quality	TOTAL
Revenues:					
Intergovernmental	\$ 302,409	\$ 459,155	\$ 936,470	\$ 5,371	\$ 1,791,680
Miscellaneous	-	-	-	-	5,832
Total revenues	<u>302,409</u>	<u>459,155</u>	<u>936,470</u>	<u>5,371</u>	<u>1,797,512</u>
Expenditures:					
Current:					
Instruction:					
Vocational Education	-	-	421,559	-	437,165
Other	166,180	1,114	-	-	220,320
Support services:					
Pupil	-	280,932	414,245	-	720,177
Instructional staff	77,052	65,041	45,280	5,395	194,768
School administration	98,342	-	32,500	-	135,983
Fiscal	-	-	-	-	14,485
Central	-	-	81,775	-	89,836
Total expenditures	<u>341,574</u>	<u>347,087</u>	<u>995,359</u>	<u>5,395</u>	<u>1,812,734</u>
Excess of revenues over (under) expenditures	(39,165)	112,068	(58,889)	(24)	(15,222)
Other financing sources					
Transfers in	-	-	-	-	25,000
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,000</u>
Net change in fund balances	(39,165)	112,068	(58,889)	(24)	9,778
Fund balance, beginning of year	(3,959)	-	359	24	106,313
Fund balance, end of year	<u>\$ (43,124)</u>	<u>\$ 112,068</u>	<u>\$ (58,530)</u>	<u>\$ -</u>	<u>\$ 116,091</u>

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT, SCHOOLS, OHIO

Combining Balance Sheet

Nonmajor Capital Projects Funds

June 30, 2016

	<u>Permanent Improvement</u>	<u>Bioscience Building</u>	<u>TOTAL</u>
Assets:			
Equity in pooled cash and investments	\$ 648,639	\$ 494,053	\$ 1,142,692
Total assets	<u>\$ 648,639</u>	<u>\$ 494,053</u>	<u>\$ 1,142,692</u>
Liabilities:			
Interfund payable	\$ -	\$ 750,000	\$ 750,000
Total liabilities	<u>-</u>	<u>750,000</u>	<u>750,000</u>
Fund Balances:			
Restricted	648,639	-	648,639
Unassigned	-	(255,947)	(255,947)
Total fund balances	<u>648,639</u>	<u>(255,947)</u>	<u>392,692</u>
Total liabilities and fund balances	<u>\$ 648,639</u>	<u>\$ 494,053</u>	<u>\$ 1,142,692</u>

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT, SCHOOLS, OHIO

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Capital Projects Funds
Year Ended June 30, 2016

	<u>Permanent Improvement</u>	<u>Bioscience Building</u>	<u>TOTAL</u>
Revenues:			
Investment income	\$ 4,029	\$ 4,373	\$ 8,402
Miscellaneous	<u>10,325</u>	<u>-</u>	<u>10,325</u>
Total revenues	<u>14,354</u>	<u>4,373</u>	<u>18,727</u>
Expenditures:			
Current:			
Support services:			
Operation and maintenance of plant	12,765	-	12,765
Capital outlay	<u>43,101</u>	<u>1,092,752</u>	<u>1,135,853</u>
Total expenditures	<u>55,866</u>	<u>1,092,752</u>	<u>1,148,618</u>
Net change in fund balances	(41,512)	(1,088,379)	(1,129,891)
Fund balance, beginning of year	<u>690,151</u>	<u>832,432</u>	<u>1,522,583</u>
Fund balance, end of year	<u>\$ 648,639</u>	<u>\$ (255,947)</u>	<u>\$ 392,692</u>

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Public School Support Fund (1)

Year Ended June 30, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Other local revenues	\$ 5,500	\$ 37,172	\$ 31,672
Total revenues	<u>5,500</u>	<u>37,172</u>	<u>31,672</u>
Expenditures:			
Current:			
Extracurricular activities	31,953	25,178	6,775
Total expenditures	<u>31,953</u>	<u>25,178</u>	<u>6,775</u>
Net change in fund balance	<u>(26,453)</u>	<u>11,994</u>	<u>\$ 38,447</u>
Fund balance, beginning of year	23,405	23,405	
Prior year encumbrances appropriated	<u>4,553</u>	<u>4,553</u>	
Fund balance, end of year	<u>\$ 1,505</u>	<u>\$ 39,952</u>	

(1) - For GAAP reporting, this fund is combined with the General Fund.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Termination Benefits Fund (1)

Year Ended June 30, 2016

	Final Budget	Actual	Variance from Final Budget
Revenues:			
Earnings on investments	\$ -	\$ 92	\$ 92
Total revenues	<u>-</u>	<u>92</u>	<u>92</u>
Expenditures:			
Current:			
Instruction:			
Vocational	500,000	497,199	2,801
Total expenditures	<u>500,000</u>	<u>497,199</u>	<u>2,801</u>
Excess of revenues over (under) expenditures	<u>(500,000)</u>	<u>(497,107)</u>	<u>2,893</u>
Other financing sources:			
Transfers in	500,000	900,000	400,000
Total other financing sources	<u>500,000</u>	<u>900,000</u>	<u>400,000</u>
Net change in fund balance	<u>-</u>	<u>402,893</u>	<u>\$ 402,893</u>
Fund balance, beginning of year	<u>237</u>	<u>237</u>	
Fund balance, end of year	<u>\$ 237</u>	<u>\$ 403,130</u>	

(1) - For GAAP reporting, this fund is combined with the General Fund.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Classroom Facilities Maintenance Fund (1)

Year Ended June 30, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Expenditures:			
Current:			
Support services:			
Operation and maintenance - plant	\$ 388,166	\$ 4,855	\$ 383,311
Capital outlay	<u>192,050</u>	<u>79,800</u>	<u>112,250</u>
Total expenditures	<u>580,216</u>	<u>84,655</u>	<u>495,561</u>
 Excess of revenues over (under) expenditures	 (580,216)	 (84,655)	 495,561
 Other financing sources:			
Transfers in	<u>387,729</u>	<u>387,729</u>	<u>-</u>
Total other financing sources	<u>387,729</u>	<u>387,729</u>	<u>-</u>
 Net change in fund balance	 <u>(192,487)</u>	 <u>303,074</u>	 <u>\$ 495,561</u>
 Fund balance, beginning of year	 1,454,169	 1,454,169	
Prior year encumbrances appropriated	<u>80,216</u>	<u>80,216</u>	
 Fund balance, end of year	 <u>\$ 1,341,898</u>	 <u>\$ 1,837,459</u>	

(1) - For GAAP reporting, this fund is combined with the General Fund.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Other Grant Fund

Year Ended June 30, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Other local revenues	\$ 1,500	\$ 5,832	\$ 4,332
Total revenues	<u>1,500</u>	<u>5,832</u>	<u>4,332</u>
Expenditures:			
Current:			
Instruction:			
Vocational	11,407	7,984	3,423
Support Services:			
Instructional staff	21	-	21
School administratoin	5,341	5,341	-
Fiscal	14,485	14,485	-
Central	900	860	40
Total expenditures	<u>32,154</u>	<u>28,670</u>	<u>3,484</u>
Net change in fund balance	<u>(30,654)</u>	<u>(22,838)</u>	<u>\$ 7,816</u>
Fund balance, beginning of year	18,694	18,694	
Prior year encumbrances appropriated	<u>13,063</u>	<u>13,063</u>	
Fund balance, end of year	<u>\$ 1,103</u>	<u>\$ 8,919</u>	

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Post Secondary Vocational Education Fund

Year Ended June 30, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Expenditures:			
Current:			
Support services:			
Pupil	\$ 25,000	\$ 25,000	\$ -
Total expenditures	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Excess of revenues			
over (under) expenditures	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>
Other financing sources:			
Transfers in	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Total other financing sources	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>\$ -</u>
Fund balance, beginning of year	<u>-</u>	<u>-</u>	
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Motorcycle Safety & Education Fund

Year Ended June 30, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental	\$ 75,000	\$ 63,218	\$ (11,782)
Total revenues	<u>75,000</u>	<u>63,218</u>	<u>(11,782)</u>
Expenditures:			
Current:			
Instruction:			
Other	80,496	53,444	27,052
Total expenditures	<u>80,496</u>	<u>53,444</u>	<u>27,052</u>
Net change in fund balance	<u>(5,496)</u>	<u>9,774</u>	<u>\$ 15,270</u>
Fund balance, beginning of year	77,953	77,953	
Prior year encumbrances appropriated	<u>417</u>	<u>417</u>	
Fund balance, end of year	<u>\$ 72,874</u>	<u>\$ 88,144</u>	

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Data Communication Fund

Year Ended June 30, 2016

	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$ 7,200	\$ 7,200	\$ -
Total revenues	<u>7,200</u>	<u>7,200</u>	<u>-</u>
Expenditures:			
Current:			
Support services:			
Central	7,200	7,200	-
Total expenditures	<u>7,200</u>	<u>7,200</u>	<u>-</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>\$ -</u>
Fund balance, beginning of year	<u>-</u>	<u>-</u>	
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

High Schools That Work Grant Fund

Year Ended June 30, 2016

	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$ 10,160	\$ 4,010	\$ (6,150)
Total revenues	<u>10,160</u>	<u>4,010</u>	<u>(6,150)</u>
Expenditures:			
Current:			
Instruction:			
Vocational	8,951	8,951	-
Support services:			
Instructional staff	<u>2,000</u>	<u>2,000</u>	<u>-</u>
Total expenditures	<u>10,951</u>	<u>10,951</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>(791)</u>	<u>(6,941)</u>	<u>(6,150)</u>
Other financing sources (uses):			
Advances in	-	6,150	6,150
Advances out	<u>(6,205)</u>	<u>(6,205)</u>	<u>-</u>
Total other financing sources (uses)	<u>(6,205)</u>	<u>(55)</u>	<u>6,150</u>
Net change in fund balance	<u>(6,996)</u>	<u>(6,996)</u>	<u>\$ -</u>
Fund balance, beginning of year	5,421	5,421	
Prior year encumbrances appropriated	<u>1,575</u>	<u>1,575</u>	
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Adult Basic Education

Year Ended June 30, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental	\$ 373,901	\$ 302,409	\$ (71,492)
Total revenues	<u>373,901</u>	<u>302,409</u>	<u>(71,492)</u>
Expenditures:			
Current:			
Instruction:			
Other	191,777	168,651	23,126
Support services:			
Instructional staff	111,015	81,460	29,555
School administration	83,320	96,718	(13,398)
Total expenditures	<u>386,112</u>	<u>346,829</u>	<u>39,283</u>
Excess of revenues over (under) expenditures	<u>(12,211)</u>	<u>(44,420)</u>	<u>(32,209)</u>
Other financing sources (uses):			
Advances in	-	32,209	32,209
Advances out	<u>(29,226)</u>	<u>(29,226)</u>	<u>-</u>
Total other financing sources (uses)	<u>(29,226)</u>	<u>2,983</u>	<u>32,209</u>
Net change in fund balance	<u>(41,437)</u>	<u>(41,437)</u>	<u>\$ -</u>
Fund balance, beginning of year	5,749	5,749	
Prior year encumbrances appropriated	<u>35,688</u>	<u>35,688</u>	
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Miscellaneous State Grants

Year Ended June 30, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental	\$ 481,850	\$ 459,155	\$ (22,695)
Total revenues	<u>481,850</u>	<u>459,155</u>	<u>(22,695)</u>
Expenditures:			
Current:			
Instruction:			
Other	9,000	1,114	7,886
Support services:			
Pupil	393,000	393,000	-
Instructional staff	<u>88,850</u>	<u>65,041</u>	<u>23,809</u>
Total expenditures	<u>490,850</u>	<u>459,155</u>	<u>31,695</u>
Excess of revenues over (under) expenditures	(9,000)	-	9,000
Other financing sources (uses):			
Advances in	10,000	10,000	-
Advances out	<u>(88,850)</u>	<u>(98,850)</u>	<u>(10,000)</u>
Total other financing sources (uses)	<u>(78,850)</u>	<u>(88,850)</u>	<u>(10,000)</u>
Net change in fund balance	<u>(87,850)</u>	<u>(88,850)</u>	<u>\$ (1,000)</u>
Fund balance, beginning of year	-	-	
Prior year encumbrances appropriated	<u>88,850</u>	<u>88,850</u>	
Fund balance, end of year	<u>\$ 1,000</u>	<u>\$ -</u>	

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Vocational Education Fund

Year Ended June 30, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental	\$ 1,121,452	\$ 936,470	\$ (184,982)
Total revenues	<u>1,121,452</u>	<u>936,470</u>	<u>(184,982)</u>
Expenditures:			
Current:			
Instruction:			
Vocational	564,871	562,674	2,197
Support services:			
Pupil	442,368	442,368	-
Instructional staff	62,185	62,185	-
School administration	32,500	32,500	-
Central	81,774	81,774	-
Total expenditures	<u>1,183,698</u>	<u>1,181,501</u>	<u>2,197</u>
Excess of revenues over (under) expenditures	(62,246)	(245,031)	(182,785)
Other financing sources (uses):			
Advances in	-	182,785	182,785
Advances out	<u>(128,927)</u>	<u>(128,927)</u>	<u>-</u>
Total other financing sources (uses)	<u>(128,927)</u>	<u>53,858</u>	<u>182,785</u>
Net change in fund balance	<u>(191,173)</u>	<u>(191,173)</u>	<u>\$ -</u>
Fund balance, beginning of year	36,900	36,900	
Prior year encumbrances appropriated	<u>154,273</u>	<u>154,273</u>	
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Improving Teacher Quality Fund

Year Ended June 30, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental	\$ 5,371	\$ 5,371	\$ -
Total revenues	<u>5,371</u>	<u>5,371</u>	<u>-</u>
Expenditures:			
Current:			
Support services:			
Instructional staff	<u>5,395</u>	<u>5,395</u>	<u>-</u>
Total expenditures	<u>5,395</u>	<u>5,395</u>	<u>-</u>
Excess of revenues over (under) expenditures	(24)	(24)	-
Other financing sources (uses):			
Advances out	<u>(1,492)</u>	<u>(1,492)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,492)</u>	<u>(1,492)</u>	<u>-</u>
Net change in fund balance	<u>(1,516)</u>	<u>(1,516)</u>	<u>\$ -</u>
Fund balance, beginning of year	316	316	
Prior year encumbrances appropriated	<u>1,200</u>	<u>1,200</u>	
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Debt Service Fund

Year Ended June 30, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Expenditures:			
Debt service:			
Repayment of debt	\$ 683,139	\$ 683,139	\$ -
Total expenditures	<u>683,139</u>	<u>683,139</u>	<u>-</u>
Excess of revenues over (under) expenditures	(683,139)	(683,139)	-
Other financing sources:			
Transfers in	<u>683,139</u>	<u>683,139</u>	<u>-</u>
Total financing sources	<u>683,139</u>	<u>683,139</u>	<u>-</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>\$ -</u>
Fund balance, beginning of year	<u>-</u>	<u>-</u>	
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Permanent Improvement Fund

Year Ended June 30, 2016

	Final Budget	Actual	Variance from Final Budget
Revenues:			
Earnings on investments	\$ 2,050	\$ 4,029	\$ 1,979
Other local revenues	4,000	10,325	6,325
Total revenues	<u>6,050</u>	<u>14,354</u>	<u>8,304</u>
Expenditures:			
Support Services:			
Operations and maintenance	13,765	12,765	1,000
Capital outlay	529,335	43,101	486,234
Total expenditures	<u>543,100</u>	<u>55,866</u>	<u>487,234</u>
Net change in fund balance	<u>(537,050)</u>	<u>(41,512)</u>	<u>\$ 495,538</u>
Fund balance, beginning of year	647,051	647,051	
Prior year encumbrances appropriated	<u>43,100</u>	<u>43,100</u>	
Fund balance, end of year	<u>\$ 153,101</u>	<u>\$ 648,639</u>	

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Bioscience Building Fund

Year Ended June 30, 2016

	Final Budget	Actual	Variance from Final Budget
Revenues:			
Earnings on investments	\$ 6,500	\$ 4,373	\$ (2,127)
Total revenues	<u>6,500</u>	<u>4,373</u>	<u>(2,127)</u>
Expenditures:			
Capital outlay	<u>2,379,680</u>	<u>1,988,937</u>	<u>390,743</u>
Total expenditures	<u>2,379,680</u>	<u>1,988,937</u>	<u>390,743</u>
Net change in fund balance	<u>(2,373,180)</u>	<u>(1,984,564)</u>	<u>\$ 388,616</u>
Fund balance, beginning of year	293,987	293,987	
Prior year encumbrances appropriated	<u>2,079,680</u>	<u>2,079,680</u>	
Fund balance, end of year	<u>\$ 487</u>	<u>\$ 389,103</u>	

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Combining Statement of Net Position

Nonmajor Enterprise Funds

June 30, 2016

	Food Service	Uniform School Supply	Rotary	<i>TOTAL</i>
Assets:				
Equity in pooled cash and investments	\$ 221,813	\$ 29,752	\$ 69,152	\$ 320,717
Receivables:				
Accounts	<u>-</u>	<u>-</u>	<u>180</u>	<u>180</u>
Total assets	<u>221,813</u>	<u>29,752</u>	<u>69,332</u>	<u>320,897</u>
Liabilities:				
Current liabilities:				
Accounts payable	26,601	-	126	26,727
Accrued wages	<u>9,149</u>	<u>-</u>	<u>-</u>	<u>9,149</u>
Total liabilities	<u>35,750</u>	<u>-</u>	<u>126</u>	<u>35,876</u>
Net position:				
Unrestricted	<u>186,063</u>	<u>29,752</u>	<u>69,206</u>	<u>285,021</u>
Total net position	<u>\$ 186,063</u>	<u>\$ 29,752</u>	<u>\$ 69,206</u>	<u>\$ 285,021</u>

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Combining Statement of Revenues, Expenses and
Changes in Fund Net Position
Nonmajor Enterprise Funds
Year Ended June 30, 2016

	Food Service	Uniform School Supply	Rotary	TOTAL
Operating revenues:				
Charges for services	\$ 199,069	\$ -	\$ 64,317	\$ 263,386
Other operating revenues	-	-	732,734	732,734
Total operating revenues	<u>199,069</u>	<u>-</u>	<u>797,051</u>	<u>996,120</u>
Operating expenses:				
Contractual services	396,796	-	61,000	457,796
Materials and supplies	-	1,087	56,405	57,492
Other expenses	-	-	18,962	18,962
Total operating expenses	<u>396,796</u>	<u>1,087</u>	<u>136,367</u>	<u>534,250</u>
Operating income (loss)	(197,727)	(1,087)	660,684	461,870
Nonoperating revenues:				
State and federal grants	131,408	-	-	131,408
Interest income	20	-	-	20
Total nonoperating revenues	<u>131,428</u>	<u>-</u>	<u>-</u>	<u>131,428</u>
Net income (loss) before transfers	(66,299)	(1,087)	660,684	593,298
Transfers in	<u>250,000</u>	<u>-</u>	<u>-</u>	<u>250,000</u>
Change in net position	183,701	(1,087)	660,684	843,298
Net position, beginning of year	<u>2,362</u>	<u>30,839</u>	<u>(591,478)</u>	<u>(558,277)</u>
Net position, end of year	<u>\$ 186,063</u>	<u>\$ 29,752</u>	<u>\$ 69,206</u>	<u>\$ 285,021</u>

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

Year Ended June 30, 2016

	Food Service	Uniform School Supply	Rotary	TOTAL
Cash flows from operating activities:				
Cash received from customers	\$ 199,069	\$ -	\$ 64,137	\$ 263,206
Cash received from other operations	-	-	72,022	72,022
Cash payments for personal services	-	-	(10,777)	(10,777)
Cash payments for contract services	(371,063)	-	(68,048)	(439,111)
Cash payments for supplies and materials	-	(1,087)	(42,741)	(43,828)
Cash payments for other expenses	-	-	(33,472)	(33,472)
Net cash from operating activities	<u>(171,994)</u>	<u>(1,087)</u>	<u>(18,879)</u>	<u>(191,960)</u>
Cash flows from noncapital financing activities:				
Transfers	250,000	-	-	250,000
Cash received from state and federal grants	131,408	-	-	131,408
Net cash from noncapital financing activities	<u>381,408</u>	<u>-</u>	<u>-</u>	<u>381,408</u>
Cash flows from investing activities:				
Investment income	20	-	-	20
Net change in cash	209,434	(1,087)	(18,879)	189,468
Cash and investments, beginning of year	12,379	30,839	88,031	131,249
Cash and investments, end of year	<u>\$ 221,813</u>	<u>\$ 29,752</u>	<u>\$ 69,152</u>	<u>\$ 320,717</u>
Reconciliation of operating income (loss)				
to net cash from operating activities:				
Operating income (loss)	\$ (197,727)	\$ (1,087)	\$ 660,684	\$ 461,870
Adjustments to reconcile operating income (loss)				
to net cash from operating activities:				
Changes in assets, liabilities and deferrals:				
Accounts receivable	-	-	(124)	(124)
Accounts payable	26,601	-	(2,329)	24,272
Accrued wages and benefits	(868)	-	(16,342)	(17,210)
Net pension liability	-	-	(571,680)	(571,680)
Deferred outflows - pensions	-	-	14,401	14,401
Deferred inflows - pensions	-	-	(103,489)	(103,489)
Net cash from operating activities	<u>\$ (171,994)</u>	<u>\$ (1,087)</u>	<u>\$ (18,879)</u>	<u>\$ (191,960)</u>

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Combining Statement of Assets & Liabilities

Agency Funds

June 30, 2016

	<u>Agency Funds</u>			
	<u>SWOCA</u>	<u>Student Activities</u>	<u>District Agency</u>	<u>Total</u>
Assets:				
Equity in pooled cash and investments	\$ 5,045,718	335,731	131,626	5,513,075
Intergovernmental receivable	<u>62,366</u>	<u>206</u>	<u>-</u>	<u>62,572</u>
Total assets	<u>5,108,084</u>	<u>335,937</u>	<u>131,626</u>	<u>5,575,647</u>
Liabilities:				
Due to student groups	-	335,937	-	335,937
Due to other governments	<u>5,108,084</u>	<u>-</u>	<u>131,626</u>	<u>5,239,710</u>
Total liabilities	\$ <u>5,108,084</u>	<u>335,937</u>	<u>131,626</u>	<u>5,575,647</u>

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Combining Statement of Changes in Fiduciary Assets & Liabilities

Agency Funds

Year Ended June 30, 2016

	Beginning Balance 7/1/15	Additions	Deductions	Ending Balance 6/30/16
SWOCA FUND				
Assets:				
Equity in pooled cash and investments	\$ 6,918,076	6,394,495	8,266,853	5,045,718
Intergovernmental receivable	<u>50,207</u>	<u>62,366</u>	<u>50,207</u>	<u>62,366</u>
	<u>6,968,283</u>	<u>6,456,861</u>	<u>8,317,060</u>	<u>5,108,084</u>
Liabilities:				
Due to other governments	\$ <u>6,968,283</u>	<u>6,456,861</u>	<u>8,317,060</u>	<u>5,108,084</u>
STUDENT ACTIVITIES FUND				
Assets:				
Equity in pooled cash and investments	\$ 282,861	697,757	644,887	335,731
Intergovernmental receivable	<u>-</u>	<u>206</u>	<u>-</u>	<u>206</u>
	<u>282,861</u>	<u>697,963</u>	<u>644,887</u>	<u>335,937</u>
Liabilities:				
Due to student groups	\$ <u>282,861</u>	<u>697,963</u>	<u>644,887</u>	<u>335,937</u>
DISTRICT AGENCY FUND				
Assets:				
Equity in pooled cash and investments	\$ <u>131,309</u>	<u>1,532,106</u>	<u>1,531,789</u>	<u>131,626</u>
Liabilities:				
Due to other governments	\$ <u>131,309</u>	<u>1,532,106</u>	<u>1,531,789</u>	<u>131,626</u>
TOTAL				
Assets:				
Equity in pooled cash and investments	\$ 7,332,246	8,624,358	10,443,529	5,513,075
Intergovernmental receivable	<u>50,207</u>	<u>62,572</u>	<u>50,207</u>	<u>62,572</u>
	<u>7,382,453</u>	<u>8,686,930</u>	<u>10,493,736</u>	<u>5,575,647</u>
Liabilities:				
Due to student groups	282,861	697,963	644,887	335,937
Due to other governments	<u>7,099,592</u>	<u>7,988,967</u>	<u>9,848,849</u>	<u>5,239,710</u>
	<u>\$ 7,382,453</u>	<u>8,686,930</u>	<u>10,493,736</u>	<u>5,575,647</u>

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STATISTICAL SECTION



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Statistical Section

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

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the School District's financial position has changed over time. S-2 - S-6

Revenue Capacity

These schedules contain information to help the reader understand and assess the factors affecting the School District's ability to generate its most significant local revenue source, the property tax. S-7 - S-11

Debt Capacity

These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future. S-12 - S-15

Economic and Demographic Information

These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments. S-16 - S-17

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs. S-18 - S-20

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

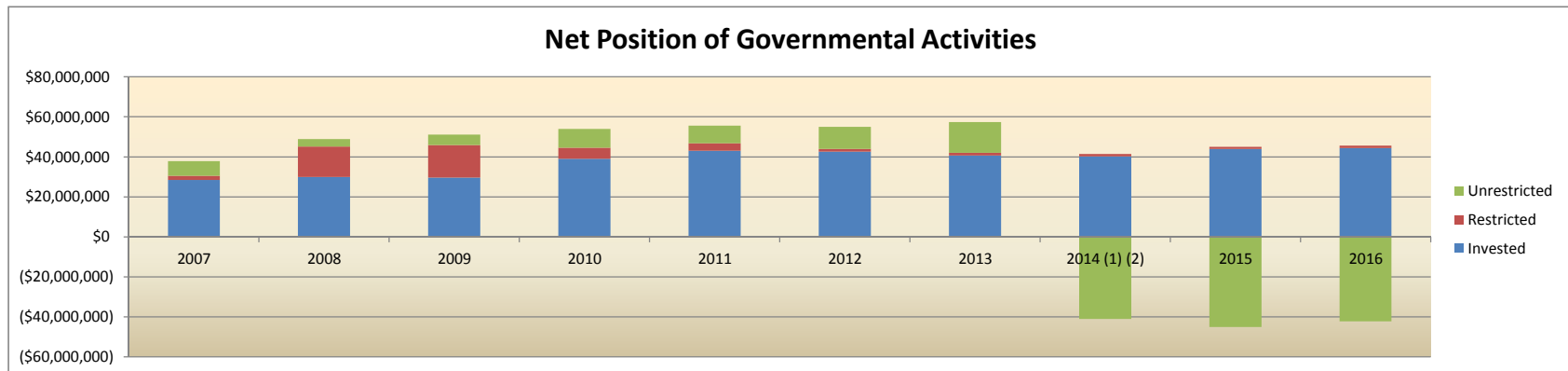
Butler Technology and Career Development Schools, Ohio
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014 (1) (2)	2015	2016
Governmental Activities:										
Net Investment in Capital Assets	\$28,381,012	\$29,981,357	\$29,597,814	\$39,077,202	\$43,045,739	\$42,618,511	\$40,712,239	\$40,177,067	\$43,963,860	\$44,376,064
Restricted for:										
Capital Projects	2,055,353	15,020,355	16,052,556	4,882,283	2,588,253	895,909	891,307	953,952	690,151	648,639
Other Purposes	119,597	128,940	192,864	515,736	1,129,821	364,274	394,071	243,754	276,122	533,300
Unrestricted (Deficit)	7,328,807	3,675,887	5,230,906	9,517,602	8,823,812	11,138,979	15,438,669	(41,042,676)	(45,079,538)	(42,209,718)
Total Governmental Activities Net Position	\$37,884,769	\$48,806,539	\$51,074,140	\$53,992,823	\$55,587,625	\$55,017,673	\$57,436,286	\$332,097	(\$149,405)	\$3,348,285
Business-type Activities:										
Investment in Capital Assets	\$496,891	\$517,146	\$531,000	\$444,630	\$824,185	\$743,736	\$571,836	\$476,866	\$656,080	\$584,284
Unrestricted (Deficit)	245,451	220,647	466,781	1,288,602	1,265,955	1,847,333	743,970	443,388	(6,662,742)	(5,434,698)
Total Business-type Activities Net Position	\$742,342	\$737,793	\$997,781	\$1,733,232	\$2,090,140	\$2,591,069	\$1,315,806	\$920,254	(\$6,006,662)	(\$4,850,414)
Primary Government:										
Net Investment in Capital Assets	\$28,877,903	\$30,498,503	\$30,128,814	\$39,521,832	\$43,869,924	\$43,362,247	\$41,284,075	\$40,653,933	\$44,619,940	\$44,960,348
Restricted	2,174,950	15,149,295	16,245,420	5,398,019	3,718,074	1,260,183	1,285,378	1,197,706	966,273	1,181,939
Unrestricted (Deficit)	7,574,258	3,896,534	5,697,687	10,806,204	10,089,767	12,986,312	16,182,639	(40,599,288)	(51,742,280)	(47,644,416)
Total Primary Government Net Position	\$38,627,111	\$49,544,332	\$52,071,921	\$55,726,055	\$57,677,765	\$57,608,742	\$58,752,092	\$1,252,351	(\$6,156,067)	(\$1,502,129)

Source: School District's financial statements

(1) The School District implemented GASB 68 in FY2015. Information prior to FY2014 was not available to restate.

(2) Net investment in capital assets were restated in FY14 for changes made to capital assets.



Butler Technology and Career Development Schools, Ohic
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015 (1)	2016
Expenses										
Governmental Activities:										
Regular Instruction	\$405,750	\$430,515	\$495,862	\$496,993	\$472,594	\$422,367	\$500,517	\$481,869	\$226,324	\$160,786
Special and Other Instruction	0	0	0	0	12,661	435,778	314,139	358,230	262,950	298,295
Vocational Instruction	19,373,433	20,309,130	21,835,399	22,904,144	23,288,842	23,800,763	23,650,511	25,452,898	23,176,136	23,105,194
Pupil Support	1,274,770	1,331,726	1,422,749	1,782,909	1,679,598	1,433,617	1,602,839	1,395,333	1,651,320	1,893,981
Instructional Staff Support	1,983,222	2,223,633	2,477,000	3,146,454	3,148,038	3,169,028	3,537,354	3,899,467	3,349,479	3,318,931
General Administration	98,619	134,713	97,081	138,519	114,950	110,795	91,240	109,782	94,859	157,862
School Administration	2,328,076	2,504,027	2,803,275	2,732,172	2,983,144	2,695,104	2,474,495	2,791,183	1,808,438	1,932,653
Fiscal	1,115,997	1,099,190	1,146,808	1,202,063	1,275,736	1,141,437	1,203,407	1,202,247	1,157,476	1,336,993
Business	28,357	55,441	72,779	46,170	65,665	61,389	66,100	67,187	271,019	323,104
Operation and Maintenance of Plant	2,340,466	2,766,776	5,353,989	3,256,654	4,541,283	3,904,580	3,667,405	3,704,559	4,078,865	3,733,950
Pupil Transportation	15,492	6,023	47,932	42,809	56,932	92,094	78,578	92,218	108,602	80,528
Central Services	2,523,129	2,966,328	3,157,421	3,091,845	2,864,006	3,251,592	3,251,261	3,242,966	2,761,168	2,594,086
Non-Instructional Activities	344,577	345,400	440,854	512,997	434,383	421,235	438,551	364,092	408,793	448,857
Interest and Fiscal Charges	140,025	87,865	112,300	125,608	80,300	67,944	50,200	300,405	293,012	293,629
Total Governmental Activities Expenses	31,971,913	34,260,767	39,463,449	39,479,337	41,018,132	41,007,723	40,926,597	43,462,436	39,648,441	39,678,849
Business-type Activities:										
Adult Education	5,631,466	5,919,428	5,705,081	4,979,265	5,196,340	4,104,139	4,230,402	4,209,914	3,928,637	4,164,435
Online Education	0	0	0	0	0	0	0	0	0	0
Food Service	329,512	461,207	415,596	402,961	409,632	348,431	324,819	319,149	311,745	396,796
Other Services	273,054	369,425	333,852	218,866	206,634	226,138	251,230	268,521	255,475	137,454
Total Business-type Activities Expenses	6,234,032	6,750,060	6,454,529	5,601,092	5,812,606	4,678,708	4,806,451	4,797,584	4,495,857	4,698,685
Total Primary Government Expenses	38,205,945	41,010,827	45,917,978	45,080,429	46,830,738	45,686,431	45,733,048	48,260,020	44,144,298	44,377,534
Program Revenues										
Governmental Activities:										
Charges for Services										
Vocational Education	677,250	548,865	944,698	989,476	766,682	747,031	633,780	556,216	394,184	610,796
Operating Grants and Contributions										
Vocational Education	83,689	39,309	388,232	347,545	305,541	615,507	461,645	624,780	638,335	708,207
Special and Other Instruction	0	0	0	0	0	0	0	0	104,096	0
Pupil Support	100,932	103,594	111,668	87,525	90,787	187,714	459,369	372,824	567,699	781,467
Instructional Staff Support	211,740	283,256	212,526	229,626	238,430	209,911	321,771	463,090	359,609	224,091
School Administration	30,527	28,648	48,507	191,879	389,633	239,150	36,340	95,604	39,390	134,042
Central Services	159,931	113,196	304,631	262,606	294,349	175,360	68,290	68,090	82,830	87,428
Extracurricular Activities	236,555	215,091	41,174	67	0	0	0	138	0	0
Total Governmental Activities Program Revenues	1,500,624	1,331,959	2,051,436	2,108,724	2,085,422	2,174,673	1,981,195	2,180,742	2,186,143	2,546,031
Business-type Activities:										
Charges for Services										
Adult Education	3,983,071	4,434,133	5,427,187	5,094,654	4,914,903	3,953,220	3,441,211	3,192,468	3,354,317	3,802,240
Online Education	0	0	0	0	0	0	0	0	0	0
Food Service	334,936	347,235	350,316	309,653	266,102	193,036	162,167	182,904	182,647	199,069
Other Services	221,093	208,747	210,408	212,047	199,296	244,006	230,123	220,885	205,280	797,051
Operating Grants and Contributions	1,325,765	1,374,482	413,496	495,189	614,213	669,375	687,687	743,914	828,802	806,573
Total Business-type Activities Program Revenues	5,864,865	6,364,597	6,401,407	6,111,543	5,994,514	5,059,637	4,521,188	4,340,171	4,571,046	5,604,933
Total Primary Government Program Revenues	7,365,489	7,696,556	8,452,843	8,220,267	8,079,936	7,234,310	6,502,383	6,520,913	6,757,189	8,150,964
Net (Expense)/Revenue										
Governmental Activities	(30,471,289)	(32,928,808)	(37,412,013)	(37,370,613)	(38,932,710)	(38,833,050)	(38,945,402)	(41,281,694)	(37,462,298)	(37,132,818)
Business-type Activities	(369,167)	(385,463)	(53,122)	510,451	181,908	380,929	(285,263)	(457,413)	75,189	906,248
Total Primary Government Net (Expense)/Revenue	(\$30,840,456)	(\$33,314,271)	(\$37,465,135)	(\$36,860,162)	(\$38,750,802)	(\$38,452,121)	(\$39,230,665)	(\$41,739,107)	(\$37,387,109)	(\$36,226,570)

Source: School District's financial statements

(continued)

(1) - Beginning in fiscal year 2015, the School District implemented the provisions of GASB Statement Nos. 68 and 71, which changed how pension expenses are recognized. Information to restate years prior to fiscal year 2015 was not available.

Butler Technology and Career Development Schools, Ohio
Changes in Net Position (continued)
 Last Ten Fiscal Years
 (accrual basis of accounting)

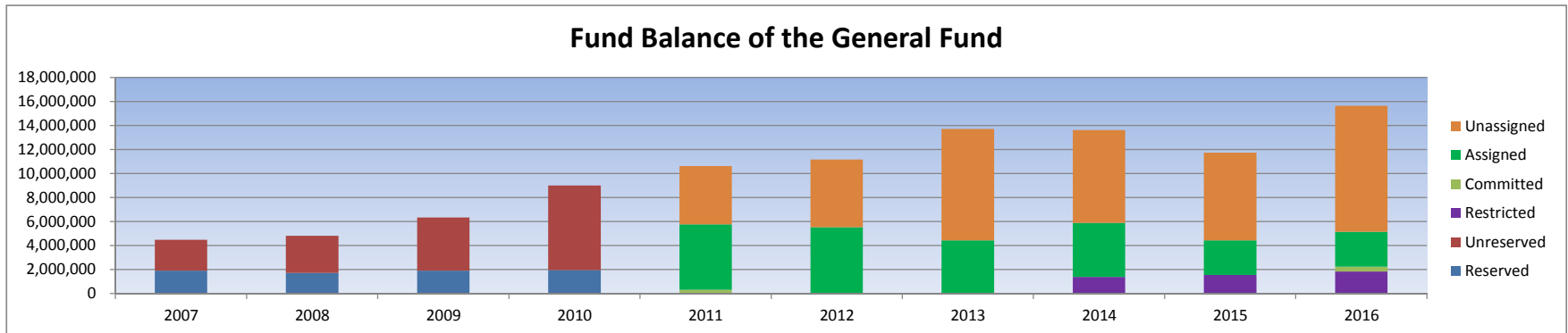
	2007	2008	2009	2010	2011	2012	2013	2014	2015 (1)	2016
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for:										
General Purposes	\$10,983,075	\$11,004,590	\$12,573,164	\$12,734,374	\$13,482,392	\$14,382,361	\$15,315,423	\$14,391,231	\$11,420,055	\$13,916,352
Debt Service	1,214,615	673,762	1,104,886	1,580,620	1,061,708	0	0	0	0	0
Grants and Entitlements:										
Restricted to Specific Programs	0	11,617,618	0	0	0	0	0	0	0	0
Not Restricted to Specific Programs	18,900,703	19,833,670	24,750,303	25,661,580	25,795,528	24,414,136	24,783,641	25,095,553	25,138,579	26,909,509
Investment Earnings	709,597	669,570	471,361	209,021	47,513	56,773	(51,686)	219,473	98,404	129,352
Miscellaneous	510,914	437,019	1,093,010	328,701	315,371	186,951	326,637	371,815	323,758	287,223
Transfers	(60,000)	(385,651)	(313,110)	(225,000)	(175,000)	(120,000)	990,000	(61,861)	0	(250,000)
Special Items	0	0	0	0	0	(657,123)	0	0	0	0
Total Governmental Activities	32,258,904	43,850,578	39,679,614	40,289,296	40,527,512	38,263,098	41,364,015	40,016,211	36,980,796	40,992,436
Business-type Activities:										
Investment Earnings	0	0	0	0	0	0	0	0	0	0
Transfers	60,000	385,651	313,110	225,000	175,000	120,000	(990,000)	61,861	0	250,000
Total Business-type Activities	60,000	385,651	313,110	225,000	175,000	120,000	(990,000)	61,861	0	250,000
Total Primary Government	32,318,904	44,236,229	39,992,724	40,514,296	40,702,512	38,383,098	40,374,015	40,078,072	36,980,796	41,242,436
Change in Net Position										
Governmental Activities	1,787,615	10,921,770	2,267,601	2,918,683	1,594,802	(569,952)	2,418,613	(1,265,483)	(481,502)	3,859,618
Business-type Activities	(309,167)	188	259,988	735,451	356,908	500,929	(1,275,263)	(395,552)	75,189	1,156,248
Total Primary Government Change in Net Position	\$1,478,448	\$10,921,958	\$2,527,589	\$3,654,134	\$1,951,710	(\$69,023)	\$1,143,350	(\$1,661,035)	(\$406,313)	\$5,015,866

Butler Technology and Career Development Schools, Ohio
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Reserved	\$1,900,923	\$1,708,313	\$1,891,963	\$1,942,690	\$0	\$0	\$0	\$0	\$0	\$0
Unreserved	2,563,211	3,101,126	4,437,398	7,058,759	0	0	0	0	0	0
Restricted	0	0	0	0	0	944,511	1,079,232	1,388,094	1,534,385	1,837,460
Committed	0	0	0	0	312,147	0	0	0	0	391,992
Assigned	0	0	0	0	5,450,546	5,522,239	4,419,119	4,476,782	2,879,577	2,908,972
Unassigned	0	0	0	0	4,846,070	5,631,944	9,296,363	7,745,335	7,305,830	10,486,511
Total General Fund	4,464,134	4,809,439	6,329,361	9,001,449	10,608,763	12,098,694	14,794,714	13,610,211	11,719,792	15,624,935
All Other Governmental Funds										
Reserved	124,682	135,900	11,946,351	3,134,964	0	0	0	0	0	0
Unreserved, Undesignated, Reported in:										
Special Revenue Funds	269,417	15,294	100,410	669,172	0	0	0	0	0	0
Capital Projects Funds	3,369,501	4,292,366	(5,605,198)	292,712	0	0	0	0	0	0
Restricted	0	0	0	0	1,077,422	104,346	168,321	6,063,609	800,423	872,534
Committed	0	0	0	0	1,077,422	104,346	168,321	3,839,698	832,432	0
Unassigned	0	0	0	0	(1,868,930)	(1,896,102)	(1,411,270)	(64,360)	(3,959)	(363,751)
Total All Other Governmental Funds	3,763,600	4,443,560	6,441,563	4,096,848	285,914	(1,687,410)	(1,074,628)	9,838,947	1,628,896	508,783
Total Governmental Funds	\$8,227,734	\$9,252,999	\$12,770,924	\$13,098,297	\$10,894,677	\$10,411,284	\$13,720,086	\$23,449,158	\$13,348,688	\$16,133,718

Source: School District's financial statements

Note: Beginning in fiscal year 2011, the School District implemented the provisions GASB Statement No. 54, which changed the governmental fund balance classifications. The School District has elected not to restate fund balance amounts for fiscal years prior to implementation.



Butler Technology and Career Development Schools, Ohio
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Property and Other Local Taxes	\$12,200,690	\$12,067,407	\$13,565,500	\$14,273,043	\$14,327,525	\$14,319,641	\$14,022,133	\$15,656,140	\$11,929,898	\$13,975,514
Intergovernmental	19,795,390	21,070,828	29,810,424	33,067,935	27,548,037	26,025,262	26,201,759	26,842,047	26,831,945	28,701,189
Interest	723,530	674,768	451,081	242,060	53,738	69,684	(48,275)	215,570	96,346	118,485
Tuition and Fees	677,250	548,865	944,698	989,476	766,682	747,031	633,780	556,216	394,184	610,796
Miscellaneous	510,759	500,130	1,102,910	328,701	315,371	186,951	326,637	371,815	323,758	287,487
Total Revenues	33,907,619	34,861,998	45,874,613	48,901,215	43,011,353	41,348,569	41,136,034	43,641,788	39,576,131	43,693,471
Expenditures										
Current:										
Instruction:										
Regular	402,203	418,007	488,922	506,074	476,740	442,474	499,131	479,298	246,669	173,093
Special and Other	31,348	32,539	195,574	72,470	68,816	174,654	53,926	68,809	274,450	220,320
Vocational	18,672,576	19,124,928	23,082,264	21,247,236	22,645,733	23,026,309	21,862,859	23,485,126	22,164,834	21,860,249
Support Services:										
Pupil	1,269,381	1,311,000	1,396,176	1,768,467	1,661,627	1,415,518	1,609,482	1,383,873	1,679,132	1,888,189
Instructional Staff	2,013,417	2,184,158	2,448,480	3,132,903	3,151,353	3,155,003	3,557,891	3,877,606	3,464,171	3,348,395
General Administration	98,619	86,559	97,081	89,221	114,950	110,795	91,240	109,782	95,457	157,918
School Administration	2,288,393	2,464,725	2,734,848	2,706,753	3,004,584	2,747,910	2,471,519	2,730,062	1,906,384	1,948,983
Fiscal	1,104,533	1,080,295	1,135,140	1,195,069	1,273,805	1,165,104	1,207,433	1,194,266	1,186,338	1,340,010
Business	28,214	54,222	72,477	45,782	65,789	61,069	66,501	65,817	278,957	316,315
Operation and Maintenance of Plant	2,404,615	2,699,097	3,331,443	3,339,782	3,503,623	3,701,102	3,297,084	3,865,974	3,913,144	3,832,136
Pupil Transportation	15,421	6,565	39,125	42,496	124,997	76,044	81,787	90,254	87,871	71,168
Central	2,267,188	2,922,594	3,016,627	2,985,969	2,934,894	3,235,035	3,185,186	3,103,710	2,934,946	2,531,114
Operation of Non-Instructional Services	52,255	52,939	101,971	89,957	101,984	18,740	13,354	14,386	21,122	22,991
Extracurricular Activities	292,322	292,461	338,883	423,040	332,399	402,495	425,197	349,706	387,671	425,866
Capital Outlay	832,832	535,928	3,452,267	10,578,015	6,575,801	281,567	408,417	2,838,308	10,261,360	1,476,627
Debt Service:										
Principal Retirement	100,000	95,000	0	0	0	0	0	0	460,000	380,000
Interest and Fiscal Charges	141,125	90,065	112,300	125,608	80,300	67,944	50,200	93,773	314,095	303,139
Issuance Costs	0	0	0	0	0	0	0	169,323	0	0
Total Expenditures	32,014,442	33,451,082	42,043,578	48,348,842	46,117,395	40,081,763	38,881,207	43,920,073	49,676,601	40,296,513
<i>Excess of Revenues Over</i> <i>(Under) Expenditures</i>	1,893,177	1,410,916	3,831,035	552,373	(3,106,042)	1,266,806	2,254,827	(278,285)	(10,100,470)	3,396,958
Other Financing Sources (Uses)										
Sale of Capital Assets	155	0	0	0	0	0	0	0	0	0
General Obligation Bonds Issued	0	0	0	0	0	0	0	10,035,000	0	0
Premium on Sale of Bonds	0	0	0	0	0	0	0	202,539	0	0
Transfers In	1,382,400	5,210,700	1,612,500	2,249,850	1,556,192	2,141,181	2,496,843	7,122,411	2,929,089	708,139
Transfers Out	(1,442,400)	(5,596,351)	(1,925,610)	(2,474,850)	(1,731,192)	(2,261,181)	(1,506,843)	(7,184,272)	(2,929,089)	(958,139)
Total Other Financing Sources (Uses)	(59,845)	(385,651)	(313,110)	(225,000)	(175,000)	(120,000)	990,000	10,175,678	0	(250,000)
Special Item	0	0	0	0	0	(657,123)	0	0	0	0
Net Change in Fund Balances	\$1,833,332	\$1,025,265	\$3,517,925	\$327,373	(\$3,281,042)	\$489,683	\$3,244,827	\$9,897,393	(\$10,100,470)	\$3,146,958
Debt Service as a % of Noncapital Exp.:	0.8%	0.6%	0.3%	0.3%	0.2%	0.2%	0.1%	0.2%	2.0%	1.8%

Source: School District's financial statements

Butler Technology and Career Development Schools, Ohio
Assessed and Estimated Actual Value of Taxable Property
Last Ten Years

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial/ Industrial/PU		Assessed Value	Estimated Actual Value
2007	4,878,850,690	1,337,782,960	17,761,810,429	228,898,010	260,111,375
2008	4,963,295,200	1,386,094,410	18,141,113,171	217,960,270	247,682,125
2009	6,573,876,420	1,889,988,460	24,182,471,086	254,888,530	289,646,057
2010	6,338,309,020	1,920,210,670	23,595,770,543	277,119,270	314,908,261
2011	6,334,525,560	1,800,624,650	23,243,286,314	362,973,839	412,470,272
2012	6,020,507,430	1,644,488,960	21,899,989,686	416,338,350	473,111,761
2013	6,021,481,460	1,610,472,950	21,805,584,029	487,241,240	553,683,227
2014	5,992,548,760	1,608,237,920	21,716,533,371	504,011,990	572,740,898
2015	5,943,674,430	1,580,275,170	21,496,998,857	518,426,110	589,120,580
2016	6,001,005,170	1,606,417,310	21,735,492,800	524,896,620	596,473,432 <i>(continued)</i>

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

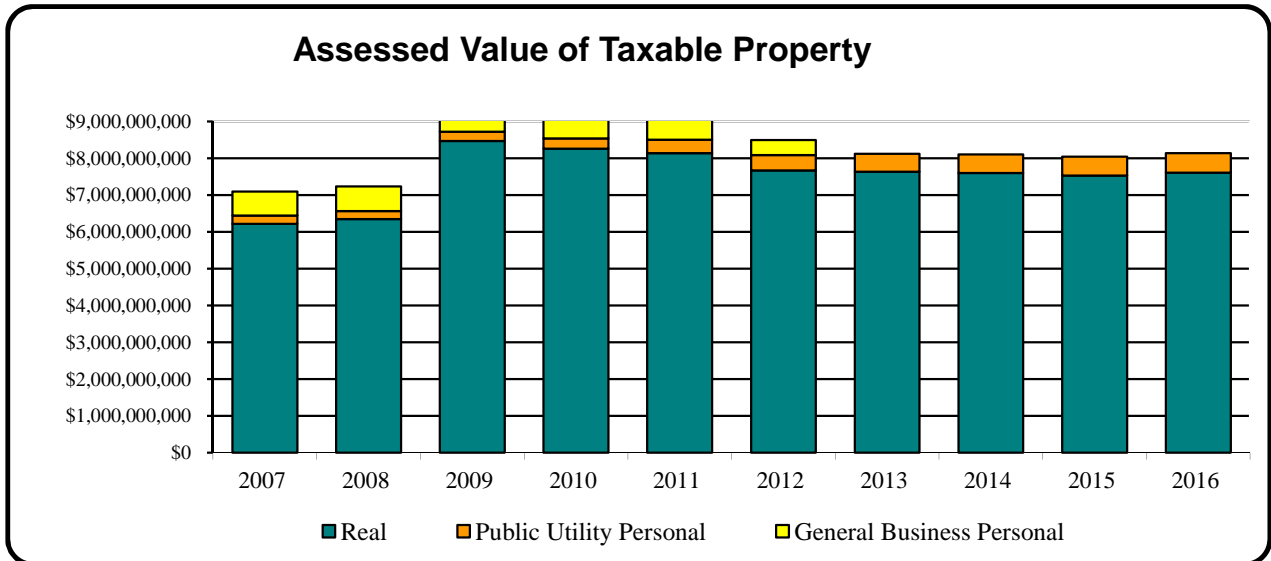
The assessed value of real property (including public utility real property) is 35 percent of estimated true value. Personal property tax is assessed on all tangible personal property used in business in Ohio. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property is assessed at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax is being phased out beginning in 2006. The listing percentage is 18.75 percent for 2006, 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10%, 2 1/2% and homestead exemptions before being billed. Beginning in the 2006 collection year, the 10% rollback for commercial/industrial property has been eliminated.

Source: Ohio Department of Taxation

Butler Technology and Career Development Schools, Ohio
Assessed and Estimated Actual Value of Taxable Property (continued)
Last Ten Years

Tangible Personal Property		Total		
General Business		Assessed Value	Estimated Actual Value	Total Direct Rate
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Total Direct Rate
552,260,150	2,945,387,467	6,997,791,810	20,967,309,270	1.93
409,258,520	3,274,068,160	6,976,608,400	21,662,863,456	1.93
0	0	8,718,753,410	24,472,117,143	1.93
0	0	8,535,638,960	23,910,678,804	1.93
0	0	8,498,124,049	23,655,756,586	1.93
0	0	8,081,334,740	22,373,101,447	1.93
0	0	8,119,195,650	22,359,267,256	1.93
0	0	8,104,798,670	22,289,274,269	1.93
0	0	8,042,375,710	22,086,119,437	1.93
0	0	8,132,319,100	22,331,966,232	1.93



Butler Technology and Career Development Schools, Ohio
Property Tax Rates
(per \$1,000 of assessed value)
Last Ten Tax Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Voted Millage - by levy										
1972 Operating - continuing										
Residential/Agricultural Real	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43
Commercial/Industrial and Public Utility Real	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43
General Business and Public Utility Personal	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43
1977 Operating - continuing										
Residential/Agricultural Real	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Commercial/Industrial and Public Utility Real	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
General Business and Public Utility Personal	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Total voted millage by type of property										
Residential/Agricultural Real	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93
Commercial/Industrial and Public Utility Real	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93
General Business and Public Utility Personal	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93
Overlapping Rates by Taxing District (1)										
Townships (13) - Range of voted rates for 13 townships	2.26 - 13.09	2.26 - 14.59	2.26 - 14.59	2.26 - 14.59	2.26 - 14.59	4.46 - 14.59	4.26 - 14.59	4.26 - 14.59	4.47 - 14.59	4.47 - 14.59
Cities (11) - Range of voted rates for 11 cities and villages	2.0 - 14.4	2.0 - 14.4	2.0 - 14.4	2.0 - 14.4	2.0 - 14.4	2.0 - 14.4	2.0 - 14.4	2.0 - 21.4	2.0 - 9.32	2.0 - 9.32
School Districts (10) - Range of voted rates for 10 school districts	29.42 - 65.64	29.42 - 65.39	29.42 - 65.34	29.42 - 65.34	29.42 - 65.34	29.57 - 65.84	29.57 - 65.84	32.10 - 71.40	28.44 - 70.14	28.44 - 83.11
Butler County	9.44	10.95	9.75	9.75	9.72	9.72	9.72	9.72	9.72	9.72

The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue billed in that year (i.e., tax year 2013 will be collected in fiscal year 2014).

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

(1) Rates are presented in ranges for each type of political subdivision. Number of subdivisions indicated in title.

Source: Butler County Treasurer

Butler Technology and Career Development Schools, Ohio

Principal Taxpayers

2015 and 2006 (1)

Name of Taxpayer	2015 (1)	
	Assessed Value	Percent of Real Property Assessed Value
Duke Energy Ohio Inc.	\$ 236,872,140	2.95%
Rockies Express Pipeline LLC	109,904,180	1.37%
Duke Energy Indiana	38,441,110	0.48%
Duke Energy Kentucky Inc	32,438,140	0.40%
Duke Realty Ohio	13,515,000	0.17%
Butler Rural Electric	12,989,360	0.16%
MillerCoors LLC	12,326,270	0.15%
Boymel Family LLC	12,007,420	0.15%
Meijer Stores LTD PRT	11,701,020	0.15%
AK Steel Corporation	10,469,370	0.13%
Totals	<u>\$ 490,664,010</u>	<u>6.11%</u>
Total Assessed Valuation	<u>\$ 8,042,375,710</u>	

Name of Taxpayer	2006 (1)	
	Assessed Value	Percent of Real Property Assessed Value
Duke Energy Corporation	\$ 247,807,580	3.57%
AK Steel Corporation	129,140,250	1.86%
Miller Brewing Company	49,935,301	0.72%
Cincinnati Financial Insurance	16,913,280	0.24%
Cincinnati Bell Telephone	16,875,860	0.24%
Meijer Stores LTD	12,451,050	0.18%
Butler Rural Electric	11,891,700	0.17%
Ohio Casualty Insurance	11,139,210	0.16%
Worthington Steel Company	9,198,550	0.13%
Walmart Real Estate Business Trust	8,849,240	0.13%
Totals	<u>\$ 514,202,021</u>	<u>7.40%</u>
Total Assessed Valuation	<u>\$ 6,950,576,191</u>	

(1) The amounts presented represent the assessed values upon which fiscal years 2016 and 2007 collections were based.

Source: Office of the County Auditor, Butler County, Ohio

Butler Technology and Career Development Schools, Ohio
Property Tax Levies and Collections (1)
Last Ten Tax Years

<u>Collection Year (2)</u>	<u>Current Tax Levy</u>	<u>Current Tax Collections (3)</u>	<u>Percent of Current Tax Collections to Current Tax Levy</u>	<u>Delinquent Tax Collections (3)</u>	<u>Total Tax Collections</u>	<u>Percent of Total Tax Collections to Current Tax Levy</u>
2006	12,862,717	12,270,725	95.40%	466,758	12,737,483	99.03
2007	13,275,406	12,071,353	90.93%	494,533	12,565,886	94.66
2008	16,566,305	15,176,528	91.61%	770,546	15,947,074	96.26
2009	16,752,970	16,011,436	95.57%	606,634	16,618,070	99.19
2010	16,254,276	15,413,955	94.83%	388,870	15,802,825	97.22
2011	16,486,396	15,623,056	94.76%	593,031	16,216,087	98.36
2012	15,438,119	14,914,311	96.61%	459,303	15,373,614	99.58
2013	15,437,661	14,991,635	97.11%	434,599	15,426,234	99.93
2014	15,521,647	15,032,353	96.85%	449,088	15,481,441	99.74
2015	15,291,757	15,368,756	100.50%	241,715	15,610,471	102.08

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

(2) The 2016 information cannot be presented because all collections have not been made by June 30, 2016.

(3) The County has not identify tax collections by tax year, thus amounts could include collections from a previous collection year(s).

Source: Office of the County Auditor, Butler County, Ohio

Butler Technology and Career Development Schools, Ohio

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities*

June 30, 2015

	Debt Attributable to Governmental Activities	Percentage Applicable to School District (1)	Amount of Direct and Overlapping Debt
Overlapping Debt:			
Payable from Property Taxes			
<u>Counties:</u>			
Butler County	\$45,045,900	88.25%	39,753,007
Hamilton County	\$80,665,000	7.82%	6,308,003
Preble County	\$805,000	0.75%	6,038
Warren County	\$1,300,000	1.87%	24,310
<u>Cities:</u>			
City of Fairfield	18,395,000	100.00%	18,395,000
City of Forest Park	3,870,000	11.17%	432,279
City of Hamilton	2,410,000	3.67%	88,447
City of Middletown	12,760,934	95.68%	12,209,662
City of Monroe	10,715,000	100.00%	10,715,000
City of North College Hill	595,000	2.21%	13,150
City of Oxford	1,135,000	100.00%	1,135,000
City of Trenton	2,175,000	100.00%	2,175,000
<u>Townships:</u>			
Colerain Township	4,695,000	93.66%	4,397,337
Fairfield Township	9,820,000	100.00%	9,820,000
Liberty Township	8,397,000	100.00%	8,397,000
Springfield Township	8,510,000	12.79%	1,088,429
Turtle Creek Township	720,000	13.10%	94,320
Wayne Township	100,000	98.00%	98,000
West Chester Township	44,160,000	96.80%	42,746,880
<u>School Districts:</u>			
Edgewood City Schools	33,729,979	100.00%	33,729,979
Fairfield City Schools	79,813,000	100.00%	79,813,000
Lakota Local Schools	124,135,000	100.00%	124,135,000
Lebanon City Schools	55,024,987	0.05%	27,512
Madison Local Schools	9,250,215	100.00%	9,250,215
Middletown City Schools	54,587,934	100.00%	54,587,934
Monroe Local Schools	22,510,231	100.00%	22,510,231
New Miami Local Schools	1,041,985	100.00%	1,041,985
Northwest Local Schools	92,185,000	100.00%	92,185,000
Ross Local Schools	16,205,000	100.00%	16,205,000
Talawanda City Schools	41,625,000	100.00%	41,625,000
Warren Co. Career Center JVS	525,000	0.01%	53
Total Overlapping Debt	\$786,907,165		\$633,007,771
Direct Debt	9,195,000	100.00%	9,195,000
Total Direct and Overlapping Debt	\$796,102,165		\$642,202,771

Source: Ohio Municipal Advisory Council

(1) Percentages were determined by dividing the assessed valuation of the overlapping government located within the boundaries of the School District by the total assessed valuation of the government.

Butler Technology and Career Development Schools, Ohio
Computation of Legal Debt Margin
Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Tax Valuation	<u>\$6,997,791,810</u>	<u>\$6,976,608,400</u>	<u>\$8,718,753,410</u>	<u>\$8,535,638,960</u>	<u>\$8,498,124,049</u>	<u>\$8,081,334,740</u>	<u>\$8,119,195,650</u>	<u>\$8,104,798,670</u>	<u>\$8,042,375,710</u>	<u>\$8,132,319,100</u>
Debt Limit - 9% of Taxable Valuation (1)	<u>\$629,801,263</u>	<u>\$627,894,756</u>	<u>\$784,687,807</u>	<u>\$768,207,506</u>	<u>\$764,831,164</u>	<u>\$727,320,127</u>	<u>\$730,727,609</u>	<u>\$729,431,880</u>	<u>\$723,813,814</u>	<u>\$731,908,719</u>
Amount of Debt Applicable to Debt Limit										
General Obligation Bonds	0	0	0	0	0	0	0	10,035,000	9,575,000	9,195,000
Less Amount Available in Debt Service	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Amount of Debt Subject to Limit	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10,035,000</u>	<u>9,575,000</u>	<u>9,195,000</u>
Legal Debt Margin	<u>\$629,801,263</u>	<u>\$627,894,756</u>	<u>\$784,687,807</u>	<u>\$768,207,506</u>	<u>\$764,831,164</u>	<u>\$727,320,127</u>	<u>\$730,727,609</u>	<u>\$719,396,880</u>	<u>\$714,238,814</u>	<u>\$722,713,719</u>
Legal Debt Margin as a Percentage of the Debt Limit	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	98.62%	98.68%	98.74%
Unvoted Debt Limit - .10% of Taxable Valuation (1)	\$6,997,792	\$6,976,608	\$8,718,753	\$8,535,639	\$8,498,124	\$8,081,335	\$8,119,196	\$8,104,799	\$8,042,376	\$8,132,319
Amount of Debt Subject to Limit (2)	<u>(2,000,000)</u>	<u>(6,000,000)</u>	<u>(7,000,000)</u>	<u>(5,500,000)</u>	<u>(4,500,000)</u>	<u>(3,500,000)</u>	<u>(3,000,000)</u>	<u>(8,100,000)</u>	<u>(7,780,000)</u>	<u>(7,525,000)</u>
Unvoted Legal Debt Margin	<u>\$4,997,792</u>	<u>\$976,608</u>	<u>\$1,718,753</u>	<u>\$3,035,639</u>	<u>\$3,998,124</u>	<u>\$4,581,335</u>	<u>\$5,119,196</u>	<u>\$4,799</u>	<u>\$262,376</u>	<u>\$607,319</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	71.42%	14.00%	19.71%	35.56%	47.05%	56.69%	63.05%	0.06%	3.26%	7.47%

Source: Butler County Auditor and School District Financial Records

(1) Ohio Bond Law sets a limit of 9% for overall debt and 1/10 of 1% for unvoted debt.

(2) Under Ohio Revised Code Sec. 133.06(G), energy conservation securities cannot exceed nine-tenths of one per cent (0.90%) of its tax valuation

Butler Technology and Career Development Schools, Ohio
Ratio of Debt
to Assessed Value and Debt per Capita
Last Ten Fiscal Years

Fiscal Year	Population (1)	Estimated Actual Value of Taxable Property (2)	General Bonded Debt			Ratio of Net Bonded Debt to Estimated Actual Value	Net Bonded Debt per Capita
			General Bonded Debt Outstanding	Resources Available to Pay Principal	Net General Bonded Debt		
2007	353,486	\$20,967,309,270	\$95,000	0	\$95,000	0.00%	\$0.27
2008	357,908	\$21,662,863,456	\$0	0	\$0	0.00%	\$0.00
2009	360,765	\$24,472,117,143	\$0	0	\$0	0.00%	\$0.00
2010	363,184	\$23,910,678,804	\$0	0	\$0	0.00%	\$0.00
2011	368,630	\$23,655,756,586	\$0	0	\$0	0.00%	\$0.00
2012	369,999	\$22,373,101,447	\$0	0	\$0	0.00%	\$0.00
2013	370,589	\$22,359,267,256	\$0	0	\$0	0.00%	\$0.00
2014	371,272	\$22,289,274,269	\$10,237,539	0	\$10,237,539	0.05%	\$27.57
2015	374,158	\$22,086,119,437	\$9,768,345	0	\$9,768,345	0.04%	\$26.11
2016	376,353	\$22,331,966,232	\$9,379,151	0	\$9,379,151	0.04%	\$24.92 <i>(Continued)</i>

Sources (1) Demographic and Economic Statistics table
(2) Butler County Auditor

Butler Technology and Career Development Schools, Ohio

Ratio of Debt

to Assessed Value and Debt per Capita (continued)

Last Ten Fiscal Years

General Debt					
General Bonded Debt Outstanding	Capital Leases	Total Debt	Ratio of General Debt to Estimated Actual Value	General Debt Per Capita	Percentage of Personal Income
\$95,000	0	95,000	0.00%	\$0.27	0.00%
\$0	0	0	0.00%	\$0.00	0.00%
\$0	0	0	0.00%	\$0.00	0.00%
\$0	0	0	0.00%	\$0.00	0.00%
\$0	0	0	0.00%	\$0.00	0.00%
\$0	0	0	0.00%	\$0.00	0.00%
\$0	0	0	0.00%	\$0.00	0.00%
\$10,237,539	0	10,237,539	0.05%	\$27.57	0.07%
\$9,768,345	0	9,768,345	0.04%	\$26.11	0.06%
\$9,379,151	0	9,379,151	0.04%	\$24.92	Not Avail

Butler Technology and Career Development Schools, Ohio
Demographic and Economic Statistics
Last Ten Calendar Years

Year	Population (1)	Personal Income (in thousands) (2)	Per Capita Personal Income	Unemployment Rate (3)
2006	353,486	\$11,564,941,000	\$32,717	5.50%
2007	357,908	\$12,114,458,000	\$33,848	6.20%
2008	360,765	\$12,811,630,000	\$35,512	10.50%
2009	363,184	\$12,585,955,000	\$34,654	10.10%
2010	368,630	\$13,000,401,000	\$35,267	9.80%
2011	369,999	\$13,538,158,000	\$36,590	9.10%
2012	370,589	\$14,398,043,000	\$38,852	7.30%
2013	371,272	\$14,592,549,000	\$39,304	5.30%
2014	374,158	\$15,294,977,000	\$40,878	4.80%
2015	376,353	Not Available	Not Avail	4.60%

Sources: 1) U.S. Census Bureau, population estimates for Butler County
2) U.S. Department of Commerce, Bureau of Economic Analysis
for Butler County, Ohio.
3) Ohio Labor Market Information for Butler County, Ohio
Unemployment rate is for June of designated year
Note: Some previous year data has been changed to reflect data
sourced from the Butler County CAFR

Butler Technology and Career Development Schools, Ohio
Principal Employers
 2015 and 2006

Employer	Nature of Business	2015 (2)		
		Number of Employees (1)	Rank	Percentage of Total Employment
Miami University	Education	3,282	1	2.6%
Cincinnati Financial Corp	Financial	3,280	2	2.6%
AK Steel	Steel Manufacturing	2,412	3	1.9%
GE Aviation	Aerospace	2,000	4	1.6%
Lakota Local School District	Education	1,827	5	1.4%
Butler County Government	Government	1,700	6	1.3%
Mercy Regional Hospital	Health Care	1,210	7	1.0%
Ohio Casualty Insurance Group	Insurance	1,209	8	1.0%
Hamilton City Schools	Education	1,150	9	0.9%
Fort Hamilton Hospital	Health Care	1,017	10	0.8%
Total		19,087		15.1%
Total Employment within the School District		126,095		

Employer	Nature of Business	2006 (2)		
		Number of Employees (1)	Rank	Percentage of Total Employment
Miami University	Education	4,200	1	2.1%
AK Steel	Steel Manufacturing	4,100	2	2.1%
Cincinnati Insurance	Insurance	2,600	3	1.3%
Middletown Regional Hospital	Health Care	1,470	4	0.7%
Ohio Casualty Corp.	Insurance	1,300	5	0.7%
Fort Hamilton Hospital	Health Care	1,250	6	0.6%
Cornerstone/Frontgate	Distribution	1,000	7	0.5%
FKI Logistex	Manufacturing	871	8	0.4%
Pierre Foods	Distribution	659	9	0.3%
Smart Papers	Paper Manufacturing	650	10	0.3%
Total		18,100		9.0%
Total Employment within the School District		200,000		

Source:

(1) Butler County, Ohio CAFR

(2) The data available was presented on the respective calendar year.

Butler Technology and Career Development Schools, Ohio
School District Employees by Function/Program
Last Ten Fiscal Years

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Regular Instruction										
High School Classroom Teachers	43.00	43.00	43.00	40.00	37.00	31.50	33.50	32.00	34.00	40.00
Special Instruction										
High School Classroom Teachers	4.00	4.00	7.00	7.00	9.00	10.50	10.50	9.00	10.00	5.00
Vocational Instruction										
High School Classroom Teachers	149.00	150.00	182.00	163.00	170.00	159.00	156.00	161.00	165.00	181.00
Pupil Support Services										
Guidance Counselors	7.00	7.00	7.00	6.00	6.00	7.00	7.00	5.00	6.00	6.00
Librarians	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Nurse	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Administrators										
High School	5.00	5.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	5.00
Operation of Plant										
Custodians	6.00	6.00	10.00	10.00	12.00	11.00	12.00	13.00	12.00	11.00
Maintenance	2.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Pupil Transportation										
Van Drivers	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Food Service Program										
High School Cooks	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Student/Teacher Ratio	14.0	14.8	14.0	14.6	14.2	15.5	15.9	15.2	14.2	13.7

Method: Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee. The count is performed on September 1 of each year.

Note: The District contracts for food service operations therefore, no employees are reported for this area.

Source: School District Records

Butler Technology and Career Development Schools, Ohio
Educational Statistics
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<u>High School</u>										
Enrollment (1)	2,748	2,907	3,245	3,073	3,122	3,153	3,182	3,078	2,967	3,106
Technical Skill Attainment	85.6%	92.8%	80.3%	94.0%	89.0%	85.0%	90.2%	84.3%	88.1%	78.8%
Graduation Rate	97.6%	97.6%	95.8%	95.0%	99.0%	98.0%	99.2%	97.4%	98.7%	98.1%
Higher Education Enrollment	60.6%	65.9%	62.3%	65.0%	65.0%	51.0%	63.3%	63.3%	63.3%	55.0%
Dual Enrollment							42.4%	41.7%	98.3%	14.4%
Industry Credential Earned							13.6%	15.6%	25.4%	17.5%
Post Program Placement							81.9%	91.3%	94.6%	92.8%
<u>Adult Education</u>										
Enrollment (1)	1,131	1,113	1,206	1,158	1,070	813	718	747	781	793
Workforce Assessments	93.9%	94.0%	95.2%	94.0%	98.0%	97.0%	97.5%	93.0%	98.0%	96.0%
Related Employment or Education	94.2%	93.3%	92.0%	86.0%	89.0%	90.0%	83.0%	86.0%	N/A ⁽²⁾	86.0%

Source: School District Records

(1) Reported on a Full Time Equivalent Basis

(2) Data not available for 2014-15

Butler Technology and Career Development Schools, Ohio
Building Statistics
Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
D. Russel Lee Career Center										
Constructed in 1975, Addition in 1999										
Total Building Square Footage	244,933	244,933	244,933	244,933	280,935	280,935	280,935	280,935	280,935	280,935
Enrollment Grades 11-12	640	643	633	628	790	790	841	866	820	646
Student Capacity	750	750	750	750	850	850	850	850	850	850
Regular Instruction Classrooms	19	19	19	19	26	26	26	26	26	26
Regular Instruction Teachers	19	19	19	17	25	25	25	24	26	23
Vocational Education Classrooms	20	20	20	20	24	24	24	24	24	24
Vocational Education Teachers	20	20	20	20	24	24	25	24	24	18

Source: School District records

This Comprehensive Annual Financial Report was prepared by:

The Office of the Chief Financial Officer

Paul Carpenter, CFO

The Butler Technology Financial Services Division:

Holly Deaton	Assistant Treasurer
Susan Lauer	Senior Administrative Assistant
Hope Underwood	Accounting Specialist
Allyson Gudorf	Accounting Specialist
Tina Smith	Bookkeeper
Kelly Ries	Accounting Specialist
Cheryl McCreary	Accounting Specialist

Additional copies of this report or additional information about the Butler Technology and Career Development Schools may be obtained from:

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“Butler Tech - Redefining Education”

Our mission is to develop lifelong learners with marketable skills and knowledge by providing exceptional educational experiences and workforce services

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Dave Yost • Auditor of State

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS

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
JANUARY 10, 2017**