

**BUTLER TECHNOLOGY AND CAREER
DEVELOPMENT SCHOOLS**

Single Audit Reports

June 30, 2003



**Auditor of State
Betty Montgomery**

Board of Education
Butler Technology and Career Development Schools

We have reviewed the Independent Auditor's Report of the Butler Technology and Career Development Schools, Butler County, prepared by Clark, Schaefer, Hackett & Co., for the audit period July 1, 2002 through June 30, 2003. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

January 6, 2004

This Page is Intentionally Left Blank.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS

Table of Contents

	Page
Schedule of Expenditures of Federal Awards	1
Report on Compliance and Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	2
Report on Compliance with Requirements Applicable to each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133	3-4
Schedule of Findings and Questioned Costs	5
Schedule of Prior Audit Findings	6

This Page is Intentionally Left Blank.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2003

<u>Federal Grantor/Program Title</u>	<u>Pass Through Entity Number</u>	<u>Federal CFDA Number</u>	<u>Receipts</u>	<u>Expenditures</u>
<u>U.S. Department of Education:</u>				
Pell Grant	n/a	84.063	384,783	384,783
Passed through Ohio Department of Education:				
Vocational Education Basic Grant	20-C1/C2-01/02	84.048	662,702	678,370
Eisenhower Professional Development Grant	MS-S1-01/02	84.281	-	8,274
Innovative Education Program Strategies	C2-S1-01/02	84.298	<u>916</u>	<u>-</u>
Total U.S. Department of Education			<u>1,048,401</u>	<u>1,071,427</u>
Total Federal Awards			\$ <u>1,048,401</u>	<u>1,071,427</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The schedule of expenditures of federal awards is a summary of the activity of the School District's federal award programs. The schedule has been prepared on the cash basis of accounting.

Clark, Schaefer, Hackett & Co.
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS

**REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Education
Butler Technology and Career Development Schools:

We have audited the financial statements of the Butler Technology and Career Development Schools as of and for the year ended June 30, 2003, and have issued our report thereon dated October 16, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Butler Technology and Career Development Schools financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Butler Technology and Career Development Schools internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses.

This report is intended for the information of management, the Board of Education, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than those specified parties.

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
October 16, 2003

Clark, Schaefer, Hackett & Co.

CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Education
Butler Technology and Career Development Schools:

Compliance

We have audited the compliance of Butler Technology and Career Development Schools with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2003. Butler Technology and Career Development Schools' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School District's management. Our responsibility is to express an opinion on the School District's compliance based on our audit.

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

In our opinion, Butler Technology and Career Development Schools complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2003.

Internal Control Over Compliance

The management of Butler Technology and Career Development Schools is responsible for establishing and maintaining effective control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Butler Technology and Career Development Schools' internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of Butler Technology and Career Development Schools as of and for the year ended June 30, 2003, and have issued our report thereon dated October 16, 2003. Our audit was performed for the purpose of forming opinions on the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements of Butler Technology and Career Development Schools. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements.

This report is intended for the information of management, the Board of Education, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
October 16, 2003

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS

Schedule of Findings and Questioned Costs

Year Ended June 30, 2003

Section I - Summary of Auditors' Results

Financial Statements

Type of report issued on financial statements:	unqualified
Internal control over financial reporting:	
Material weakness(es) identified?	none
Reportable condition(s) identified not considered to be material weaknesses?	none
Noncompliance material to financial statements noted?	none

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	none
Reportable condition(s) identified not considered to be material weaknesses?	none
Type of auditors' report issued on compliance for major programs:	unqualified
Any audit findings that are required to be reported in accordance with Circular A-133, Section .510(a)?	none
Identification of major programs:	
<i>CFDA 84.048 Vocational Education – Basic Grants to State</i>	
Dollar threshold to distinguish between Type A and Type B Programs:	\$300,000
Auditee qualified as low-risk auditee?	yes

Section II - Financial Statement Findings

None.

Section III - Federal Award Findings and Questioned Costs

None.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS

Schedule of Prior Audit Findings

Year Ended June 30, 2003

The prior audit disclosed no instances of noncompliance with requirements of major federal programs. In addition, no reportable conditions or material weaknesses with respect to internal controls over compliance with requirements that could have a direct and material effect on a major federal program were reported in the prior year.

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

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

Year Ended June 30, 2003

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS

BUTLER COUNTY, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2003

Prepared by:
Chief Financial Officer

Wayne D. Bethel

**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 YEAR ENDED JUNE 30, 2003**

TABLE OF CONTENTS

	<u>Page</u>
 <u>INTRODUCTORY SECTION</u>	
Letter of Transmittal	i
List of Principal Officials	viii
Certificate of Achievement for Excellence in Financial Reporting	ix
Organization Chart	x
 <u>FINANCIAL SECTION</u>	
Independent Auditors' Report	1
Management's Discussion and Analysis	3
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Assets	15
Statement of Activities	16
Fund Financial Statements:	
Balance Sheet - Governmental Funds	18
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	20
Statement of Net Assets - Proprietary Funds	22
Statement of Revenues, Expenses, and Changes in Fund Net Assets - Proprietary Funds	23
Statement of Cash Flows - Proprietary Funds	24
Statement of Net Assets - Fiduciary Funds	25
Statement of Changes in Fiduciary Net Assets	26
Notes to the Basic Financial Statements	27
Required Supplementary Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Budget (Non-GAAP Budgetary Basis) - General Fund	49
Notes to Required Supplementary Information	50
Supplemental Section:	
Fund Descriptions	52
Combining Balance Sheet - Nonmajor Special Revenue Funds	56
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds	58

TABLE OF CONTENTS

(Continued)

	<u>Page</u>
Schedules of Revenue, Expenditures, and Changes in Fund Balance	
- Budget and Actual (Budget Basis) for the following funds:	
Public School Support Fund	60
Other Grant Fund	61
Termination Benefits Fund	62
Post Secondary Vocational Education Fund	63
Teacher Development Fund	64
Management Information Systems Fund	65
One Net Fund	66
Schoolnet Professional Development Grant Fund	67
Career Development Fund	68
Miscellaneous State Grants Fund	69
Education for Economic Security Act Fund	70
Vocational Education Fund	71
Chapter II Fund	72
Drug Free Schools Fund	73
Telecom Fund	74
Debt Service Fund	75
Permanent Improvement Fund	76
Building Fund	77
Combining Statement of Net Assets - Nonmajor Enterprise Funds	78
Combining Statement of Revenues, Expenses and Changes in Fund Net	
Assets - Nonmajor Enterprise Funds	79
Combining Statement of Cash Flows - Nonmajor Enterprise Funds	80
Combining Statement of Net Assets - Agency Funds	81
Combining Statement of Changes in Fiduciary Assets - Agency Funds	82

STATISTICAL SECTION

General Fund Expenditures by Function	83
General Fund Revenues by Source	84
Property Tax Levies and Collections	85
Assessed and Estimated Actual Values of Taxable Property	86
Property Tax Rates - Direct and Overlapping Governments	87
Ratio of Net General Bonded Debt to Assessed Value and Net General	
Obligation Bonded Debt Per Capita	89
Computation of Overlapping Debt	90
Computation of Legal Debt Margin	91
Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to	
Total General Fund Expenditures	92
Construction, Bank Deposits and Property Values	93
Principal Taxpayers	94
Demographic Statistics - Last Ten Years	95

*Butler Technology and Career
Development Schools, Ohio*

INTRODUCTORY SECTION

This Page is Intentionally Left Blank.



BOARD OF EDUCATION

Mike Oler (Fairfield)
President

Sharon Anderson (Edgewood)
Vice-President

Dr. Donald Barnhart (Talawanda)

Thomas Birdwell (Monroe)

Alberta Derrough (Madison)

Richard Emery (Ross)

Katie McNeil (Middletown)

Sue Price (New Miami)

Daniel Warncke (Lakota)

October 16, 2003

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

State law requires that the Butler Technology and Career Development Schools (School District) annually publish a complete set of financial statements for the results of its fiscal operations, presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards. This report meets the state requirements for the auditor's opinion and the minimum basic financial statements, and it goes a step further by providing this Comprehensive Annual Financial Report (CAFR). This CAFR provides the reader additional information regarding the School District's finances. The report is comprised of the following three major sections:

1. **The Introductory Section** includes the table of contents, this letter of transmittal, a list of elected officials and key administrative personnel, an organizational chart, and the Certificate of Achievement for Excellence in Financial Reporting.
2. **The Financial Section** contains the Independent Auditors' Report, Management's Discussion and Analysis, and the School District's basic financial statements, which include explanatory notes thereto, and Required Supplementary Information. This section also includes additional supplementary information including the combining financial statements and the individual fund budget-versus-actual schedules.
3. **The Statistical Section** presents social, economic and historical data in a multi-year format which can be used to identify financial trends and data relative to the fiscal capacity of 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).

This report consists of management's representations concerning the finances of the School District. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile reliable information for the preparation of the School District's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits,

the School District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. Management asserts that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The School District's financial statements have been audited by Clark, Schaefer, Hackett, and Co., Certified Public Accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the School District for the year ended June 30, 2002 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the School District's financial statements for the year ended June 30, 2002, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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.

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 nine member school districts. The member school districts are Edgewood, Fairfield, Lakota, Madison, Middletown, Monroe, New Miami, Ross, and Talawanda. The School District provides career-technical education programs to secondary and adult students.

The School District is governed by a nine (9)-member board of directors representing the nine participating Butler County school districts. 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.

The Chief Executive Officer of the School District is directly responsible to the Board for all educational and support operations of the School District. The Board employed Robert D. Sommers, Ph.D. as the School District's Superintendent (now known as the Chief Executive Officer) effective January 1, 2002. Dr. Sommers has been an educator for 23 years, beginning

his career as an industrial arts and agricultural educator. From 1986 to 2001, he was an educational administrator with the Ohio Department of Education, where he rose to the position of Associate Director in the Office of Career-Technical and Adult Education. Dr. Sommers earned his Bachelor of Science degree in Education from Miami University in Oxford, Ohio. He went on to earn both a Master's Degree in Agricultural Education as well as a Doctor of Philosophy in Education Administration and Leadership from the Ohio State University

The Board employed Wayne D. Bethel as Treasurer (now known as the Chief Financial Officer) 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. Bethel was initially hired by the School District as interim Treasurer effective December 1, 1997 through December 31, 1997 and was appointed as Treasurer on January 1, 1998. Mr. Bethel was subsequently awarded a four-year contract as Treasurer, which will expire December 31, 2003. Mr. Bethel has served as a school Treasurer since 1975 and holds a B.B.A. from Wheeling Jesuit College, and an associate degree in accounting from Belmont Technical College. Mr. Bethel is recognized by the Ohio Association of School Business Officials as a registered School Business Fiscal Officer.

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.

D. Russel Lee Career~Technology Center provides its' 692 students a variety of secondary workforce development programs designed to give high school students technical and academic skills. The School District's 97 Satellite programs, located in the members' school buildings, provide 6,193 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 4,700 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.

Additionally, Adult Education consultative programs focus on customized training for business and industry and are comprised of three programs which deliver a variety of workforce training solutions including: Customized Office Skills Training, Diversified Industrial Training, and Safety and Compliance Training. During the 2002-2003 year consultative units offered 92 programs and trained 1,576 individuals in classes customized to meet the needs of individual businesses.

The Police Training Institute (PTI) became a division of the Butler Technology and Career Development Schools in January 2001. PTI is responsible for providing advanced law enforcement training opportunities to working law enforcement officers throughout the United States. To date, 686 students representing 119 different agencies have been served.

The annual budget is the foundation for the School District's financial planning and control. Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a

proposed operating budget for the fiscal year commencing the following July 1. The District maintains its accounts, appropriations and other financial records in accordance with the procedures established and prescribed by the Ohio 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 Education. Activities of all funds are included in the annual appropriation resolution. The level of budgetary control (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 as one technique of accomplishing budgetary control. Encumbered amounts at year-end are carried forward to succeeding years and are not reappropriated. As demonstrated by the schedules included in the financial section of this report, the School District continues to meet its responsibility of sound financial management.

FACTORS AFFECTING FINANCIAL CONDITION

Local Economy. Expanding residential and commercial growth has fueled Butler County 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. Housing starts in the unincorporated areas of West Chester, Liberty and Fairfield Townships continue to expand to meet the burgeoning demand. 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 created significant growth.

The favorable economic outlook for Butler County has augmented the presence and strength of longstanding Butler County companies, such as AK Steel, Cincinnati Financial Corporation, and the Ohio Casualty Insurance Company, which employ approximately 4,250, 2,000, and 1,500 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.

Long-term financial factors. A five-year plan was developed and presented to the Board with the permanent appropriations in September. This plan documented that since January 1996, salaries and benefits dropped from eighty-one per cent of the total annual operating budget to fifty-six per cent. By following the five-year spending plan, the School District can develop a strategic plan supported by a spending plan to meet future needs of the School District. Although the School District is not in financial difficulty, the five-year plan will serve as a guide in providing financial data and documentation necessary in making decisions affecting the annual budget and future financial integrity of the School District.

House Bill 282 that went into effect on July 1, 1999 changed the funding of vocational education from unit reimbursement to ADM funding. This change in funding aligns vocational school funding with that of a comprehensive school. The new funding method will now allow us to change our budget process to correspond with the new funding method. All General Fund programs budgets will be based upon the number of approved full-time equivalent students (FTE) that are in each program as of the October EMIS count. Each budget is calculated based upon a predetermined cost per program times the number of approved FTE's in the program. At

the start of the school year the prior years FTE's are used to compute the budget, and modified up or down once we receive the final FTE count from the State.

The 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.

The district engaged in a major strategic planning process during the 2001-2002 school year, and the plan was approved by the Board in May 2002. In the 2002-2003 school year, the District continued to pursue the goals outlined in the plan. Perhaps most significantly, the District exceeded its planned pace of achievement on the Baldrige Criteria for Performance Excellence. As a result, the strategic plan goal of scoring 200 on the criteria during the lifetime of the strategic plan was revised upward to 350.

Additionally, the 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 District being elected to seats on the Board of Directors of two of these Chambers. Relationships such as these have let to more formal business-school partnerships, and serve to build closer ties with a significant stakeholder group for the District.

The business-school partnerships are formal, voluntary relationships between the District and businesses. These partnerships bring together businesses and the District in order to address specific educational goals and objectives. They also give the District insight into the educational and training needs of business and industry.

One way in which the 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

New Career Technical Programs

In order to better meet the needs of all students, the School District implemented the following new secondary programs that provide expanded career-technical education in areas consistent with community needs and the new emerging workforce:

2-Year Training Programs

Teachers Academy	Lakota East High School
Networking	Lakota East High School
E-Commerce	Ross High School
Bio-Tech	Talawanda High School
Interactive Media	Talawanda High School

Foundations Programs

Arts and Communications	Fairfield High School
Business Foundations	Fairfield Freshman High School
	Lakota East High School
Interactive Media	Talawanda High School

Work and Family Life Programs

Three Programs at Fairfield Middle School
Lakota Plains

Career-Based Intervention Programs

Madison High School

Other New Programs

Butler Tech Online
Options Academy

Construction of Public Safety Educational Complex

Beginning in 2002-2003, the District embarked on a major construction project designed to provide new facilities for programs designed to educate public safety personnel. The District acquired a 44.6 acre parcel of land located approximately two miles north of the current campus. Plans for this site include a 50,000 square foot building to house classrooms, offices and an indoor firearms training facility. Additional features will include a five-story fire rescue training tower, and a 205,000 square foot driving training pad. As the fiscal year ended, initial ground clearing activity had begun. The facility is projected to be complete in the fall of 2004.

Cash management policies and practices. The School District's cash management program addresses the issues of safety, liquidity and yield while maximizing returns. The District utilizes U.S. Treasury notes, certificates of deposit, commercial paper and repurchase agreements for long-term investments for cash, which is not readily needed.

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 2003, the School District contracted with the Ohio School Plan for general liability insurance with \$3,000,000.00 each occurrence limit and a \$5,000,000.00 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 Ohio Association of School Business Officials 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. The Sheakley firm provides administrative, cost control and actuarial services to the GRP.

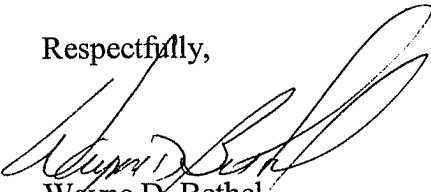
The School District participates in the Butler County Health Plan (the Trust), a group insurance purchasing pool, in order to provide dental and medical benefits to employees, their dependents and designated beneficiaries and to set aside funds for such purposes. The Trustee provides insurance policies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

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Butler Technology and Career Development Schools for its comprehensive annual financial report for the fiscal year ended June 30, 2002. This was the fifth consecutive year that the School District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report was made possible by the dedicated service of the entire Treasurer's 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,



Wayne D. Bethel
Chief Financial Officer

Robert D. Sommers, Ph.D.
Chief Executive Officer

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

LIST OF PRINCIPAL OFFICIALS

JUNE 30, 2003

BOARD OF EDUCATION

President	Michael Oler	Fairfield City School District
Vice President	Sharon Anderson	Edgewood City School District
Board Member	Dr. Donald Barnhart	Talawanda City School District
Board Member	Thomas Birdwell	Monroe Local School District
Board Member	Alberta Derrough	Madison Local School District
Board Member	Richard Emery	Ross Local School District
Board Member	Katie McNeil	Middletown/Monroe City Schools
Board Member	Sue Price	New Miami Local School District
Board Member	Daniel Warncke	Lakota Local School District

ADMINISTRATIVE OFFICIALS

Chief Executive Officer	Robert D. Sommers, Ph.D.
Treasurer	Wayne D. Bethel
Senior Vice President	Denise Kalmus

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Butler County Joint
Vocational School
District, Ohio

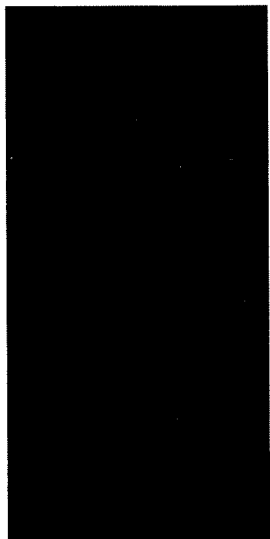
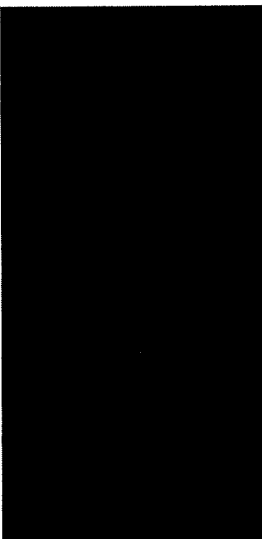
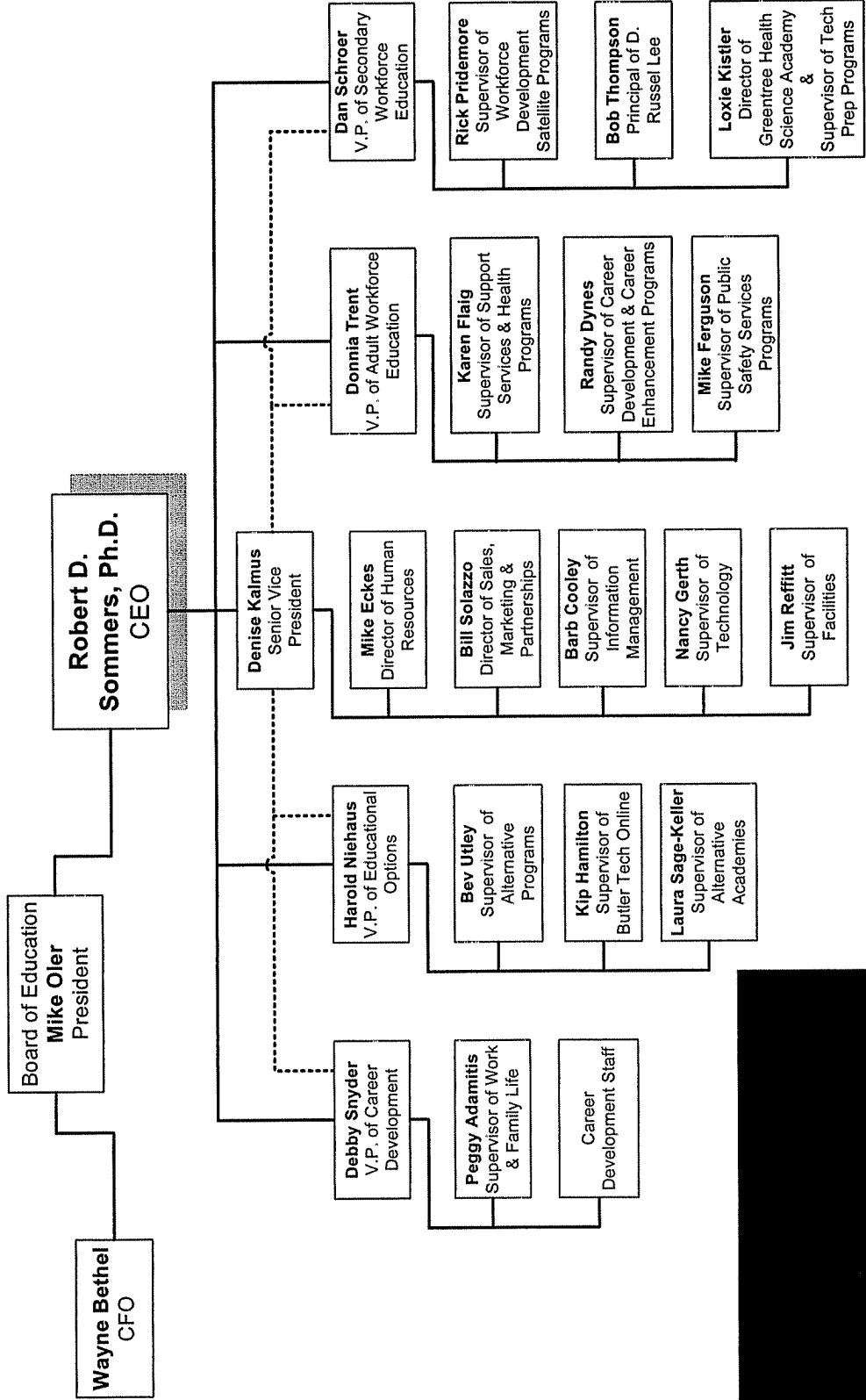
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2002

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



President

Executive Director



*Butler Technology and Career
Development Schools, Ohio*

FINANCIAL SECTION

This Page is Intentionally Left Blank.



Clark, Schaefer, Hackett & Co.
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Butler Technology and Career Development Schools, Ohio:

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 the Butler Technology and Career Development Schools, Ohio as of and for the year ended June 30, 2003, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Butler Technology and Career Development Schools, Ohio as of June 30, 2003, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 16, 2003 on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Clark, Schaefer, Hackett & Co.
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

The Management's Discussion and Analysis and the budgetary information on pages 3 to 13 and 49 to 50, respectively, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
October 16, 2003



BOARD OF EDUCATION

Mike Oler (Fairfield)
President
Sharon Anderson (Edgewood)
Vice-President
Dr. Donald Barnhart (Talawanda)
Thomas Birdwell (Monroe)
Alberta Derrough (Madison)
Richard Emery (Ross)
Katie McNeil (Middletown)
Sue Price (New Miami)
Daniel Warncke (Lakota)

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

This discussion and analysis provides key information from management highlighting the overall financial performance of the Butler County Technology and Career Development Schools ("School District") for the year ended June 30, 2003. 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 2003 are listed below:

- ✓ The assets of the School District exceeded its liabilities at year-end by \$37.2 million. Of this amount, \$9.1 million may be used to meet the government's ongoing obligations to citizens and creditors.
- ✓ In total, net assets increased by \$3.9 million.
- ✓ The District had \$17.8 million in expenses related to governmental activities; only \$1.0 million of these expenses were offset by program specific charges for services, grants or contributions. General revenue of \$20.7 million, made up primarily of property taxes and State Foundation payments, were adequate to provide for these programs.
- ✓ The General Fund balance decreased by \$3.7 million from \$12.5 million in fiscal year 2002 to \$8.8 million in fiscal year ended June 30, 2003

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

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Management's Discussion and Analysis
Year Ended June 30, 2003
Unaudited

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets 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 business-type activities of the School District include adult education and food services.

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 an enterprise fund to account for its adult education program. Proprietary funds provide the same information as the government-wide financial statements, only in more detail.

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.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Management's Discussion and Analysis
Year Ended June 30, 2003
Unaudited

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. Combining statements related to nonmajor governmental and proprietary funds are presented immediately following the required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

A. Net assets at year-end

The following table presents a condensed summary of the School District's overall financial position at June 30, 2003:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>FY03</u>	<u>FY02</u>	<u>FY03</u>	<u>FY02</u>	<u>FY03</u>	<u>FY02</u>
Current and other assets	\$ 34,888,826	31,957,256	1,175,010	1,120,943	36,063,836	33,078,199
Capital assets	<u>21,424,876</u>	<u>17,758,099</u>	<u>113,006</u>	<u>135,389</u>	<u>21,537,882</u>	<u>17,893,488</u>
Total assets	<u>56,313,702</u>	<u>49,715,355</u>	<u>1,288,016</u>	<u>1,256,332</u>	<u>57,601,718</u>	<u>50,971,687</u>
Long-term debt outstanding	8,194,387	5,927,894	122,847	89,799	8,317,234	6,017,693
Other liabilities	<u>11,996,341</u>	<u>11,482,250</u>	<u>124,657</u>	<u>176,584</u>	<u>12,120,998</u>	<u>11,658,834</u>
Total liabilities	<u>20,190,728</u>	<u>17,410,144</u>	<u>247,504</u>	<u>266,383</u>	<u>20,438,232</u>	<u>17,676,527</u>
Net assets:						
Invested in capital assets, net of debt	20,182,485	12,647,995	113,066	135,389	20,295,551	12,783,384
Restricted:						
For capital purposes	7,620,368	7,722,845	-	-	7,620,368	7,722,845
Other purposes	197,063	56,364	-	-	197,063	56,364
Unrestricted	<u>8,123,058</u>	<u>11,878,007</u>	<u>927,446</u>	<u>854,560</u>	<u>9,050,504</u>	<u>12,732,567</u>
Total net assets	\$ <u>36,122,974</u>	<u>32,305,211</u>	<u>1,040,512</u>	<u>989,949</u>	<u>37,163,486</u>	<u>33,295,160</u>

The School District issued \$6 million in unvoted bonds for the construction of the new Public Safety Services facility and the proceeds had not been spent and were included in cash balances at June 30, 2003. In addition, the School District retired \$3 million in outstanding bonds. These two transactions are the primary reasons for the increase in current assets of the governmental activities as well as the increase in governmental activities' long-term debt outstanding at June 30, 2003.

The increase in other liabilities of the governmental activities is related primarily to deferred revenue recorded in conjunction with booking property taxes receivable. Only the amount collected and held for advance as of June 30, 2003 by the County Auditor is recorded as income and this can vary from year to year based on the date tax bills are sent by the County Auditor.

The School District invested in \$4.7 million in capital assets while paying off \$3 million of debt related to the construction of building improvements resulting in the increase in net assets invested of capital assets, net of debt for the governmental activities. No expenses were incurred by the School District on the new \$6 million bond issue in fiscal year 2003, which left the full amount of the bond proceeds in cash.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Management's Discussion and Analysis
Year Ended June 30, 2003
Unaudited

B. Governmental and Business-type Activities during fiscal year 2003

The following table presents a condensed summary of the School District's activities during fiscal year 2003 and the resulting change in net assets:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>FY03</u>	<u>FY02</u>	<u>FY03</u>	<u>FY02</u>	<u>FY03</u>	<u>FY02</u>
Revenues:						
Program revenues:						
Charges for services and sales	\$ 47,272	58,820	2,799,289	2,518,383	2,846,561	2,577,203
Operating grants and contributions	<u>967,859</u>	<u>745,037</u>	<u>965,537</u>	<u>897,072</u>	<u>1,933,396</u>	<u>1,642,109</u>
Total program revenues	<u>1,015,131</u>	<u>803,857</u>	<u>3,764,826</u>	<u>3,415,455</u>	<u>4,779,957</u>	<u>4,219,312</u>
General revenues:						
Property taxes	9,836,458	8,205,078	-	-	9,836,458	8,205,078
Grants and entitlements	10,191,754	9,664,383	-	-	10,191,754	9,664,383
Investment earnings	544,303	1,127,189	41	84	544,344	1,127,273
Miscellaneous	<u>172,795</u>	<u>174,207</u>	<u>-</u>	<u>-</u>	<u>172,795</u>	<u>174,207</u>
Total general revenues	<u>20,745,310</u>	<u>19,170,857</u>	<u>41</u>	<u>84</u>	<u>20,745,351</u>	<u>19,170,941</u>
Total revenues	<u>21,760,441</u>	<u>19,974,714</u>	<u>3,764,867</u>	<u>3,415,539</u>	<u>25,525,308</u>	<u>23,390,253</u>
Expenses:						
Instruction	10,686,938	9,988,936	-	-	10,686,938	9,988,936
Support services:						
Pupil	804,163	539,492	-	-	804,163	539,492
Instructional staff	943,852	543,890	-	-	943,852	543,890
General administration	148,582	108,017	-	-	148,582	108,017
School administration	1,389,565	998,374	-	-	1,389,565	998,374
Fiscal	565,943	566,909	-	-	565,943	566,909
Business	36,128	33,186	-	-	36,128	33,186
Operation and maintenance of plant	1,467,596	1,266,864	-	-	1,467,596	1,266,864
Pupil transportation	10,418	66,090	-	-	10,418	66,090
Central	1,474,572	639,936	-	-	1,474,572	639,936
Non-instructional services	106,694	87,092	-	-	106,694	87,092
Interest and fiscal charges	158,228	238,361	-	-	158,228	238,361
Adult education	-	-	3,518,449	2,731,344	3,518,449	2,731,344
Food services	-	-	175,184	202,356	175,184	202,356
Other enterprise	<u>-</u>	<u>-</u>	<u>170,671</u>	<u>476,069</u>	<u>170,671</u>	<u>476,069</u>
Total expenses	<u>17,792,679</u>	<u>15,077,147</u>	<u>3,864,304</u>	<u>3,409,769</u>	<u>21,656,983</u>	<u>18,486,916</u>
Transfers	<u>(150,000)</u>	<u>(282,500)</u>	<u>150,000</u>	<u>282,500</u>	<u>-</u>	<u>-</u>
Increase in net assets	\$ <u>3,817,762</u>	<u>4,615,067</u>	<u>50,563</u>	<u>288,270</u>	<u>3,868,325</u>	<u>4,903,337</u>

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Management's Discussion and Analysis

Year Ended June 30, 2003

Unaudited

Of the total governmental activities revenues of \$21,760,441, \$1,015,131 (5%) 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. Of those general revenues, 45% (\$9,836,458) comes from property tax levies and 47% (\$10,191,754) is from state and federal funding. The School District's operations are reliant upon its property tax levy and the state's foundation program.

The charges for services of the business type activities increased as a result of increased enrollment and tuition fees for our Adult Workforce Development programs.

The investment earnings decreased primarily to lower market interest rates during the current fiscal year. Investments are held primarily in U.S. Agency securities. As of June 30, 2003 we were only averaging 3.03% return on our investments.

Instruction expenses of the governmental activities increased due to a 5% salary increase for teachers in accordance with the negotiated agreement as well as the addition of 5 new satellite programs.

Pupil expenses of the governmental activities because of a 5% salary increase in accordance with the negotiated agreement, re-establishment of the school nurse position, and additional depreciation in the current year.

The governmental activities' instructional staff expenses increase is related to a 5% salary increase in accordance with the negotiated agreement, a change in new focus on the use of grant money, and the addition of a Health Services supervisor.

The increase in school administration expenses of the governmental activities is related to annual salary increases and the addition of four Vice Presidents.

Central expenses of the governmental activities increased due to the focus on marketing, addition of a human resources director, and increase in technology support.

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 \$10,686,938 but program revenue contributed to fund 1% of those costs. Thus, general revenues of \$10,617,563 were used to support of remainder of the instruction costs.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Management's Discussion and Analysis
Year Ended June 30, 2003
Unaudited

The School District's governmental activities net assets increased by \$3,817,762 due primarily to an investment in capital assets of \$3,710,804.

		Governmental Activities			
		<u>Total Cost</u>	<u>Program</u>	<u>Revenues</u>	<u>Net Cost</u>
		<u>of Services</u>	<u>Revenue</u>	<u>as a % of</u>	<u>of Services</u>
				<u>Total Costs</u>	
Instruction	\$	10,686,938	69,375	1%	10,617,563
Support services		6,840,819	945,756	14%	5,895,063
Non-instructional services		106,694	-	0%	106,694
Interest and fiscal charges		<u>158,228</u>	<u>-</u>	0%	<u>158,228</u>
Total	\$	<u>17,792,679</u>	<u>1,015,131</u>	<u>6%</u>	<u>16,777,548</u>

Business-type Activities

Net assets of the business-type activities increased by \$50,563 primarily due to operating subsidies provided from the general fund in the form of transfers of \$150,000 to the adult education and other enterprise funds. Net expense for all business-type activities was \$99,478.

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. Tuition charges and operating grants fully paid for 96% of the costs of Adult Education and had \$134,982 in net expense. Charges for food services substantially covered the program costs.

		Business-type Activities			
		<u>Total Cost</u>	<u>Program</u>	<u>Revenues</u>	<u>Net Cost</u>
		<u>of Services</u>	<u>Revenue</u>	<u>as a % of</u>	<u>(Revenue)</u>
				<u>Total Costs</u>	<u>of Services</u>
Adult education	\$	3,518,449	3,383,467	96%	(134,982)
Food services		175,184	174,922	100%	(262)
Other enterprise		<u>170,671</u>	<u>206,437</u>	121%	<u>35,766</u>
Total	\$	<u>3,864,304</u>	<u>3,764,826</u>	<u>97%</u>	<u>(99,478)</u>

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S INDIVIDUAL FUNDS

Governmental funds

The School District has four major governmental funds: General Fund, Debt Service Fund, Permanent Improvement Fund and Building Fund. Assets of these four funds comprise \$34,387,329 (98%) of the total \$34,997,348 governmental funds assets. The following provides an analysis of these major funds:

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Management's Discussion and Analysis
Year Ended June 30, 2003
Unaudited

General Fund. Fund balance at June 30, 2003 was \$8,760,478, including \$6,605,896 of unreserved balance, which represents 34% of expenditures for fiscal year 2003. Other financing uses represent primarily operating and capital transfers, including \$500,000 to the Permanent Improvement Fund. These transfers, totaling \$950,000, along with significant capital outlay expenditures, are the primary reasons for the decrease in fund balance of \$3,746,473. Historically, the School District has been able to finance significant construction and capital improvements with General Fund surpluses.

Debt Service Fund. This fund is used to retire general obligation bonds as well as notes payable to the State Department of Vocational Education.

Permanent Improvement Fund. The General Fund transferred \$500,000 to this fund during fiscal year 2003 to fund future capital improvements.

Building Fund. The School District issued \$6,000,000 of school improvement bonds during fiscal year 2003 for the construction of a new facility.

GENERAL FUND BUDGETARY HIGHLIGHTS

The schedule comparing the School District's original and final budgets and actual results are included in the required supplementary information. Differences between the original and final budget relate primarily to the following:

An additional \$1,500,000 of taxes was allocated to the debt service fund in order to pay long-term debt. Interest earnings were conservatively estimated due to current market conditions but actual performance was better than anticipated. Intergovernmental revenue increased due to greater state foundation revenue and the Homestead/Rollback reimbursement was more than anticipated.

All program budgets in the General Fund are based upon the number of approved FTE's (Full-time Equivalency) students in each program as of the October EMIS count. Each budget is calculated by multiplying the cost per program times the number of approved FTE's in that program. At the start of the school year, the prior year FTE's are used to determine the budget, and modified up or down once we receive the new FTE count. For FY 2003 the net effect of this process was a decrease of \$67,600 in the appropriation.

The School District has restricted accounts that are not appropriated to program budgets each year. Appropriations are held in the Vocational Instructional account and transferred out when needed. These accounts are:

Restricted educational supplies – The Board provides on a as need basis additional funding for new program start up during it's first year and tracks this cost by using a 511 code in the job segment of the account structure. At the end of the fiscal year the 511 accounts are zeroed out. This allows us to track the actual program cost, but does not interfere with the programs operational budget. For FY 2003 we added \$4,423 to the FY 2003 Appropriations to fund this account.

Restricted Textbook Account - The Board pays for the purchase of all adopted textbooks by placing the amount of funds needed based on program enrollment into the appropriate program account using a 521 code in the job segment of the account structure. At the end of the fiscal year the 521 accounts are zeroed out. This allows us to track the actual program cost, but does not interfere with the programs operational budget. For FY 2003 we added \$107,407 to the FY 2003 Appropriations to fund this account.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Management's Discussion and Analysis
Year Ended June 30, 2003
Unaudited

Capital Outlay Restricted Account - The Board pays for the purchase of all capital equipment to comply with the 75% Rule by placing the amount of funds needed into the appropriate program account using a 640 code in the job segment of the account structure. At the end of the fiscal year the 640 accounts are zeroed out. This allows us to track the actual program cost, but does not interfere with the programs operational budget. For FY 2003 we added \$1,404,540 to the appropriations to fund this account.

Furniture Restricted Account – The Board pays for the purchase of all non-program specific furniture by placing the amount of funds needed into the appropriate program account using a 690 code in the job segment of the account structure. At the end of the fiscal year the 690 accounts are zeroed out. This allows us to track the actual program cost, but does not interfere with the programs operational budget. For FY 2003 we added \$153,592 to the appropriations to fund this account.

Additional transfers were made out of the Vocational Instructional account to adjust for salary, fringe benefit and construction costs.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. At June 30, 2003, the School District had \$21,537,882 invested in a broad range of capital assets, including land, buildings, equipment and vehicles. The total increase in the School District's investment in capital assets for the current fiscal year was 20%. See Note 6 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>FY03</u>	<u>FY02</u>	<u>FY03</u>	<u>FY02</u>	<u>FY03</u>	<u>FY02</u>
Land	\$	2,987,968	509,672	-	-	2,987,968	509,672
Construction in progress		746,580	-	-	-	746,580	-
Buildings		11,339,801	11,675,875	-	-	11,339,801	11,675,875
Building improvements		2,854,504	2,650,824	-	-	2,854,504	2,650,824
Furniture and equipment		3,126,936	2,516,132	113,006	135,389	3,239,942	2,651,521
Vehicles		<u>369,087</u>	<u>405,596</u>	<u>-</u>	<u>-</u>	<u>369,087</u>	<u>405,596</u>
Total	\$	<u>21,424,876</u>	<u>17,758,099</u>	<u>113,006</u>	<u>135,389</u>	<u>21,537,882</u>	<u>17,893,488</u>

Major capital asset events during the current fiscal year included:

Renovation/Addition to D. Russel Lee Career~Technology Center

Fiscal year 2003 saw the substantial completion of a major renovations program to update the facilities of the D. Russel Lee Career~Technology Center.

Public Safety Services Facility

During the fiscal year, the School District purchased 45 acres of land on which to construct a Public Safety Services facility. We also issued \$6 million in unvoted bonds related to this construction, which will be used primarily in the year ending June 30, 2004.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Management's Discussion and Analysis
Year Ended June 30, 2003
Unaudited

H.B. 282 - 75% Rule: Use of Vocational Education Additional Weighted Funds

State Vocational Education Additional Weighted Costs Funds shall only be expended on costs associated with the delivery of vocational programming to vocational students. At least 75% of such funds must be spent on curriculum development and purchase, student assessment, instructional resources and supplies, Vocational Student Organization dues or expenses, work-site learning experience costs, extended vocational programming, equipment purchases or leases, professional development, industry-based program certification, student credentialing, and other unique costs directly associated to vocational education, excluding indirect costs and administrative costs. The funds expended shall not be used for personnel costs with the exception of extended vocational programming.

Vocational Education Associated Services shall be defined as those non-administrative expenditures a school district expends on vocational students for apprenticeship coordination, coordination of vocational programming development, such as, but not limited to, career pathways, high schools that work, tech prep, placement coordination, and vocational evaluation. Expenditures under this rule may include expenditures for personnel and purchased services. Indirect and administrative costs shall not be included as approved expenditures. The School District's primary focus for the use of these funds is to upgrade all of our equipment in existing programs and the purchase of equipment for all of the new programs.

Debt

The School District issued \$6,000,000 of general obligation bonds during fiscal year 2003. The total general obligation bonds outstanding at year-end were \$6,495,000 with \$2,100,000 due within one year. The School District's school improvement general obligation bonds mature in December 2008. See Note 11 to the financial statements.

The School District was able to issue bonds without going to the voters and requesting an increase in their taxes. We were able to take advantage of 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. In addition, the Board adopted a debt-restructuring plan that will allow us to pay off the debt of the new facility in three years.

ECONOMIC FACTORS

A challenge facing the School District is the future of state funds. On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision reaffirmed earlier decisions that Ohio's current school-funding system is unconstitutional. The Supreme Court relinquished jurisdiction over the case and directed "...the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient..." The School District is currently unable to determine what effect, if any, this decision will have on its future State funding and on its financial operations.

Property Taxes

Real Estate, Public Utility Real Property and Personal Tangible Property taxes are based on property valuations that are adjusted every three years. There was a reappraisal in 2002 and there will be an update in 2005. For the tax year 2003, the Butler Technology and Career Development Schools values increased 15.00% and will generate additional tax revenue. Over the last three years the Butler Technology and Career Development Schools has realized a 7.5% average annual increase in property values.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Management's Discussion and Analysis

Year Ended June 30, 2003

Unaudited

Tax Abatements

Ohio Revised Code 5709 requires the inclusion of joint vocational school districts when creating tax incentive review councils, but does not require any type of formula tax relief as is provided for city, local or exempted village school districts. While the code permits the joint vocational school to be at the bargaining table, they have no power or authority to demand tax compensation or participate in School Donation Agreements to compensate for the loss of property tax revenue. The Ohio Attorney General issued opinion 200-030 which states in part, "a joint vocational school district does not have notification, veto, negotiation, or compensation rights under the tax abatement statutes, that grant such rights to city, local or exempted village school districts." Therefore, anytime the County Commissioners or a municipal corporation offer tax abatements or exemptions for economic development purposes, the joint vocational school will realize a direct loss in tax revenue. Furthermore, since notification is not required, it is reasonable to assume that such abatements would be done without the vocational school's knowledge, making it impossible to include such actions in a financial plan.

Personal Property Tax Reductions per H.B. 283

H.B. 283 was adopted in 1999 and will reduce the assessed valuation of the inventory component of Personal Property tax from 25% to 0% by the year 2031. Generally, the assessed valuation of the inventory component of Personal Property taxes will be reduced by 1%, beginning with the January 1, 2002 tax levy. However, beginning January 1, 2007, assessed values on the inventory component of Personal Property taxes will be the lesser of 24%, or the current assessed value. Personal Property taxes will then be reduced by 1% each year, beginning in 2008, until the assessed value is 0% ending no later than the year 2031.

No legislation has been passed to replace the loss of Personal Property taxes from the State of Ohio revenues. The loss of revenue in future years cannot be estimated with a high degree of accuracy as Business Tangible Personal Property Tax Returns are confidential and subject to changes in economic condition annually.

Public Utility Tax Assessment and Refund

On September 2, 1999, Columbia Gas of Ohio filed a constitutional equal protection case with the Ohio Supreme Court to reduce its assessed value on Personal Property tax from 88% assessed value to 25%, going back to the 1993 tax returns. The outcome of this case could have three significant ramifications to all school districts in the state. First, there would be refunds estimated as much as \$323.3 million, plus interest, due to Columbia Gas of Ohio. Second, other utility companies would follow suit in filing similar actions to lower their assessed values to 25%, going back to the 1993 returns. Thirdly, assessed values on Public Utility Personal Property would be lowered to 25% for future years. The outcome of this case is undeterminable at this time, but could have a significant impact on School District revenues.

Electric Utility Deregulation H.B. 5 / S.B. 3 Effective 7/6/99

Effective January 1, 2001, non-municipal owned electric utilities and rural co-ops will be deregulated in the state of Ohio. Pending the results of the Columbia Gas Supreme Court case filed September 2, 1999, the distribution and transmission of Personal Property will continue to be assessed at 88%. All other electric company personal property will be reduced from 100% assessed value to 25% (from 50% to 25% for rural co-ops). This will significantly reduce revenues to certain school districts and moderately affect others. Districts on the SF-3 formula will receive some additional state revenues to offset the value loss. Cap districts will likely not receive any mitigation of the tax loss through additional SF-3 revenues.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Management's Discussion and Analysis

Year Ended June 30, 2003

Unaudited

Effective May 1, 2001, a Kilowatt Hour (KWH) tax will begin to be collected. 37.8% of these new dollars would be deposited in a new Property Tax Replacement Fund (PTRF). 70% of the PTRF will be paid to school districts that lost revenue as determined by the Ohio Department of Taxation. The first distribution will cover the costs of fixed amount levies such as debt issuers and emergency levies. The next distribution would cover the cost of fixed rate levies from 2002 through 2006, after which time, a phase out formula would begin.

Since there is no historical data on PTRF collections, distributions, or a definitive study by a school district on the impact of the assessed value reductions, beginning in 2001, the impact on lower property taxes or the amount of additional PTRF revenue from the State of Ohio cannot be estimated. All guarantees of reimbursement from the PTRF will expire by the year 2016, with the exception of debt levies.

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. If you have questions about this report or need additional financial information, contact the Treasurer's office at the Butler Technology and Career Development Schools, 3603 Hamilton-Middletown Road, Hamilton, OH, 45011.

(THIS PAGE INTENTIONALLY LEFT BLANK)

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Statement of Net Assets

June 30, 2003

	Governmental Activities	Business- Type Activities	Total
Assets:			
Equity in pooled cash and investments	\$ 23,654,613	1,109,054	24,763,667
Receivables:			
Taxes	10,474,838	-	10,474,838
Accounts	21,686	65,956	87,642
Intergovernmental	130,593	-	130,593
Interest	128,513	-	128,513
Prepaid items	10,630	-	10,630
Restricted assets	467,953	-	467,953
Nondepreciable capital assets	3,734,548	-	3,734,548
Depreciable capital assets, net	<u>17,690,328</u>	<u>113,006</u>	<u>17,803,334</u>
Total assets	<u>56,313,702</u>	<u>1,288,016</u>	<u>57,601,718</u>
Liabilities:			
Accounts payable	263,473	35,092	298,565
Accrued wages	1,578,330	89,565	1,667,895
Deferred revenue	10,130,838	-	10,130,838
Accrued interest payable	23,700	-	23,700
Noncurrent liabilities:			
Due within one year	2,316,248	-	2,316,248
Due within more than one year	<u>5,878,139</u>	<u>122,847</u>	<u>6,000,986</u>
Total liabilities	<u>20,190,728</u>	<u>247,504</u>	<u>20,438,232</u>
Net Assets:			
Invested in capital assets, net of related debt	20,182,485	113,066	20,295,551
Restricted for:			
Capital projects	7,620,368	-	7,620,368
Other purposes	197,063	-	197,063
Unrestricted	<u>8,123,058</u>	<u>927,446</u>	<u>9,050,504</u>
Total net assets	<u>\$ 36,122,974</u>	<u>1,040,512</u>	<u>37,163,486</u>

See accompanying notes to the basic financial statements.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Statement of Activities

Year Ended June 30, 2003

	Expenses	Program Revenues	
		Charges for Services and Sales	Operating Grants and Contributions
Governmental Activities:			
Instruction:			
Regular	\$ 312,742	-	-
Vocational education	10,302,778	47,272	22,103
Special education	71,418	-	-
Support services:			
Pupil	804,163	-	246,349
Instructional staff	943,852	-	425,389
General administration	148,582	-	-
School administration	1,389,565	-	-
Fiscal	565,943	-	-
Business	36,128	-	-
Operation and maintenance of plant	1,467,596	-	-
Pupil transportation	10,418	-	-
Central	1,474,572	-	274,018
Non-instructional services:			
Extracurricular activities	82,949	-	-
Community service	23,745	-	-
Interest on long-term debt	158,228	-	-
Total Governmental Activities	<u>17,792,679</u>	<u>47,272</u>	<u>967,859</u>
Business-Type Activities:			
Food Service	175,184	174,922	-
Uniform School Supplies	14,399	17,880	-
Adult Education	3,518,449	2,417,930	965,537
Rotary	156,272	188,557	-
Total Business-Type Activities	<u>3,864,304</u>	<u>2,799,289</u>	<u>965,537</u>
	\$ <u>21,656,983</u>	<u>2,846,561</u>	<u>1,933,396</u>
General Revenues:			
Property taxes levied for general purposes			
Property taxes levied for debt service			
Grants and entitlements not restricted to specific programs			
Investment earnings			
Miscellaneous			
Transfers			
Total general revenues and transfers			
Change in net assets			
Net assets beginning of year			
Net assets end of year			

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and
Changes in Net Assets

	Governmental Activities	Business-Type Activities	Total
\$	(312,742)	-	(312,742)
	(10,233,403)	-	(10,233,403)
	(71,418)	-	(71,418)
	(557,814)	-	(557,814)
	(518,463)	-	(518,463)
	(148,582)	-	(148,582)
	(1,389,565)	-	(1,389,565)
	(565,943)	-	(565,943)
	(36,128)	-	(36,128)
	(1,467,596)	-	(1,467,596)
	(10,418)	-	(10,418)
	(1,200,554)	-	(1,200,554)
	(82,949)	-	(82,949)
	(23,745)	-	(23,745)
	(158,228)	-	(158,228)
	<u>(16,777,548)</u>	<u>-</u>	<u>(16,777,548)</u>
	-	(262)	(262)
	-	3,481	3,481
	-	(134,982)	(134,982)
	-	32,285	32,285
	<u>-</u>	<u>(99,478)</u>	<u>(99,478)</u>
	<u>(16,777,548)</u>	<u>(99,478)</u>	<u>(16,877,026)</u>
	5,825,805	-	5,825,805
	4,010,653	-	4,010,653
	10,191,754	-	10,191,754
	544,303	41	544,344
	172,795	-	172,795
	(150,000)	150,000	-
	<u>20,595,310</u>	<u>150,041</u>	<u>20,745,351</u>
	3,817,762	50,563	3,868,325
	<u>32,305,212</u>	<u>989,949</u>	<u>33,295,161</u>
\$	<u>36,122,974</u>	<u>1,040,512</u>	<u>37,163,486</u>

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Balance Sheet
 Governmental Funds
 June 30, 2003

	General	Debt Service	Permanent Improvement Fund	Building Fund	Other Governmental Funds
Assets:					
Cash and equity in pooled cash and investments	\$ 9,459,971	-	4,704,186	9,018,307	472,149
Restricted cash, deposits and investments	467,953	-	-	-	-
Receivables:					
Taxes	7,553,110	2,921,728	-	-	-
Accounts	908	-	13,190	711	6,877
Accrued interest	128,513	-	-	-	-
Intergovernmental	-	-	-	-	130,593
Interfund receivable	108,522	-	-	-	-
Prepaid items	10,630	-	-	-	-
Total assets	17,729,607	2,921,728	4,717,376	9,019,018	609,619
 Liabilities:					
Accounts payable	147,447	-	-	116,026	-
Accrued wages and benefits	1,549,724	-	-	-	28,606
Interfund payable	-	-	-	-	108,522
Compensated absences payable	-	-	-	-	43,788
Deferred revenue	7,271,958	2,921,728	-	-	130,593
Total liabilities	8,969,129	2,921,728	-	116,026	311,509
 Fund Balances:					
Reserved for:					
Encumbrances	1,331,999	-	1,993	109,757	-
Prepaid items	10,630	-	-	-	-
Budget stabilization	467,953	-	-	-	-
Property taxes	344,000	-	-	-	-
Unreserved, reported in:					
General Fund	6,605,896	-	-	-	-
Special Revenue Funds	-	-	-	-	298,110
Capital Projects Funds	-	-	4,715,383	8,793,235	-
Total fund balances	8,760,478	-	4,717,376	8,902,992	298,110
 Total liabilities and fund balances	 \$ 17,729,607	 2,921,728	 4,717,376	 9,019,018	 609,619

See accompanying notes to the basic financial statements.

Reconciliation of Total Governmental Fund Balances to
Net Assets of Governmental Activities
June 30, 2003

Total Governmental Funds	Total Governmental Fund Balances	\$ 22,678,956
	Amounts reported for governmental activities in the statement of net assets are different because:	
23,654,613		
467,953	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	21,424,876
10,474,838	Other long-term assets are not available to pay for current-period expenditures and therefore are not reported in the funds.	193,441
21,686		
128,513		
130,593		
108,522	Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
10,630		
<u>34,997,348</u>		
	General obligation bonds	6,495,000
263,473	Notes payable	747,391
1,578,330	Compensated absences	908,208
108,522	Accrued interest payable	<u>23,700</u>
43,788		
<u>10,324,279</u>	Total	<u>(8,174,299)</u>
<u>12,318,392</u>		
	Net Assets of Governmental Activities	\$ <u>36,122,974</u>
1,443,749		
10,630		
467,953		
344,000		
6,605,896		
298,110		
<u>13,508,618</u>		
<u>22,678,956</u>		
<u>34,997,348</u>		

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

Year Ended June 30, 2003

	General	Debt Service	Permanent Improvement Fund	Building Fund	Other Governmental Funds
Revenues:					
Taxes	\$ 5,825,805	4,010,653	-	-	-
Tuition and fees	-	-	-	-	47,272
Investment income	541,994	-	56,318	(17,733)	236
Intergovernmental	10,191,754	-	-	-	819,253
Miscellaneous	215,260	-	62,553	21,240	4,148
Total revenues	<u>16,774,813</u>	<u>4,010,653</u>	<u>118,871</u>	<u>3,507</u>	<u>870,909</u>
Expenditures:					
Current:					
Instruction:					
Regular	322,362	-	-	-	-
Vocational education	10,317,332	-	-	-	97,554
Special education	-	-	-	-	70,956
Support services:					
Pupil	601,401	-	-	-	187,946
Instructional staff	577,696	-	-	-	355,940
General administration	165,382	-	-	-	-
School administration	1,232,389	-	-	-	26,546
Fiscal	541,252	-	-	-	-
Business	35,968	-	-	-	-
Operation and maintenance of plant	1,511,534	-	-	-	-
Pupil transportation	10,384	-	-	-	-
Central	929,307	-	107,919	-	282,491
Non-instructional services:					
Extracurricular	80,781	-	-	-	2,168
Community service	29,809	-	-	-	-
Capital outlay	3,194,701	-	-	616,936	-
Debt Service:					
Principal	20,460	3,847,253	-	-	-
Interest and fiscal charges	528	163,400	-	-	-
Total expenditures	<u>19,571,286</u>	<u>4,010,653</u>	<u>107,919</u>	<u>616,936</u>	<u>1,023,601</u>
Excess of revenues over (under) expenditures	<u>(2,796,473)</u>	<u>-</u>	<u>10,952</u>	<u>(613,429)</u>	<u>(152,692)</u>
Other financing sources (uses):					
Transfers in	-	-	500,000	-	300,000
Transfers out	(950,000)	-	-	-	-
Proceeds from sale of bonds	-	-	-	6,000,000	-
Total other financing sources (uses)	<u>(950,000)</u>	<u>-</u>	<u>500,000</u>	<u>6,000,000</u>	<u>300,000</u>
Net change in fund balances	(3,746,473)	-	510,952	5,386,571	147,308
Fund balance, beginning of year	<u>12,506,951</u>	<u>-</u>	<u>4,206,424</u>	<u>3,516,421</u>	<u>150,802</u>
Fund balance, end of year	\$ <u>8,760,478</u>	<u>-</u>	<u>4,717,376</u>	<u>8,902,992</u>	<u>298,110</u>

See accompanying notes to the basic financial statements.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Statement of Net Assets

Proprietary Funds

June 30, 2003

	Adult Education Fund	Non-major Enterprise Funds	Total
	<u> </u>	<u> </u>	<u> </u>
Assets:			
Current assets:			
Equity in pooled cash and investments	\$ 860,947	248,107	1,109,054
Receivables:			
Accounts	<u>53,512</u>	<u>12,444</u>	<u>65,956</u>
Total current assets	<u>914,459</u>	<u>260,551</u>	<u>1,175,010</u>
Noncurrent assets:			
Capital assets, net	<u>113,006</u>	<u>-</u>	<u>113,006</u>
Total assets	<u>1,027,465</u>	<u>260,551</u>	<u>1,288,016</u>
Liabilities:			
Current liabilities:			
Accounts payable	30,749	4,343	35,092
Accrued wages	<u>89,289</u>	<u>276</u>	<u>89,565</u>
Total current liabilities	<u>120,038</u>	<u>4,619</u>	<u>124,657</u>
Noncurrent liabilities:			
Compensated absences	<u>122,847</u>	<u>-</u>	<u>122,847</u>
Total liabilities	<u>242,885</u>	<u>4,619</u>	<u>247,504</u>
Net Assets:			
Invested in capital assets, net of related debt	113,066	-	113,066
Unrestricted	<u>671,514</u>	<u>255,932</u>	<u>927,446</u>
Total net assets	\$ <u>784,580</u>	<u>255,932</u>	<u>1,040,512</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 Assets

Proprietary Funds

Year Ended June 30, 2003

	Adult Education Fund	Non-major Enterprise Funds	Total
Operating revenues:			
Charges for services	\$ 2,324,746	222,472	2,547,218
Other operating revenues	92,684	158,887	251,571
Total operating revenues	<u>2,417,430</u>	<u>381,359</u>	<u>2,798,789</u>
Operating expenses:			
Salaries and wages	1,852,553	124,243	1,976,796
Fringe benefits	458,794	9,550	468,344
Contractual services	254,113	70,699	324,812
Materials and supplies	461,545	127,532	589,077
Depreciation	20,227	-	20,227
Other expenses	470,717	13,831	484,548
Total operating expenses	<u>3,517,949</u>	<u>345,855</u>	<u>3,863,804</u>
Operating income (loss)	(1,100,519)	35,504	(1,065,015)
Nonoperating revenues:			
Operating grants	965,537	-	965,537
Interest income	-	41	41
Total nonoperating revenues	<u>965,537</u>	<u>41</u>	<u>965,578</u>
Net income (loss) before transfers	(134,982)	35,545	(99,437)
Transfers in	125,000	25,000	150,000
Net income (loss)	(9,982)	60,545	50,563
Net assets, beginning of year	794,562	195,387	989,949
Net assets, end of year	\$ <u>784,580</u>	<u>255,932</u>	<u>1,040,512</u>

See accompanying notes to the basic financial statements.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Statement of Cash Flows

Proprietary Funds

Year Ended June 30, 2003

	Adult Education Fund	Non-major Enterprise Funds	Total
Cash flows from operating activities:			
Cash received from customers	\$ 2,319,493	211,222	2,530,715
Cash received from other operating sources	92,684	158,887	251,571
Cash payments for personal services	(2,326,295)	(152,164)	(2,478,459)
Cash payments for contract services	(223,364)	(87,008)	(310,372)
Cash payments for supplies and materials	(461,544)	(127,532)	(589,076)
Cash payments for other expenses	(468,562)	(13,831)	(482,393)
Net cash used by operating activities	(1,067,588)	(10,426)	(1,078,014)
Cash flows from noncapital financing activities:			
Transfers	125,000	25,000	150,000
Repayment of interfund loans	-	(18,299)	(18,299)
Cash received from operating grants	965,537	-	965,537
Net cash provided by noncapital financing activities	1,090,537	6,701	1,097,238
Cash flows from investing activities:			
Investment income	-	41	41
Net change in cash and cash equivalents	22,949	(3,684)	19,265
Cash and cash equivalents at beginning of year	837,998	251,791	1,089,789
Cash and cash equivalents at end of year	\$ 860,947	248,107	1,109,054
 Reconciliation of operating loss to net cash used by operating activities:			
Operating income (loss)	\$ (1,100,519)	35,504	(1,065,015)
Adjustments to reconcile operating loss to net cash used by operating activities:			
Depreciation	20,227	-	20,227
Loss on disposal of capital assets	2,156	-	2,156
Changes in assets and liabilities:			
Accounts receivable	(5,253)	(11,250)	(16,503)
Accounts payable	24,452	(26,119)	(1,667)
Accrued wages and benefits	(41,699)	(8,561)	(50,260)
Compensated absences payable	33,048	-	33,048
Net cash used by operating activities	\$ (1,067,588)	(10,426)	(1,078,014)

See accompanying notes to the basic financial statements.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Statement of Net Assets

Fiduciary Funds

June 30, 2003

		Private Purpose Trusts	Agency Funds	Total
ASSETS				
Equity in pooled cash and investments	\$	<u>95,006</u>	<u>2,186,933</u>	<u>2,281,939</u>
Total assets		<u>95,006</u>	<u>2,186,933</u>	<u>2,281,939</u>
LIABILITIES				
Due to student groups		-	82,922	82,922
Due to other governments		-	<u>2,104,011</u>	<u>2,104,011</u>
Total liabilities		-	<u>2,186,933</u>	<u>2,186,933</u>
NET ASSETS				
Held in trust	\$	<u>95,006</u>	<u>-</u>	<u>95,006</u>

See accompanying notes to the basic financial statements.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Statement of Changes in Fiduciary Net Assets

Fiduciary Funds

Year Ended June 30, 2003

	<u>Private- Purpose Trust Fund</u>
Additions:	
Interest	\$ 189
Contributions	<u>14,000</u>
Total additions	<u>14,189</u>
Deductions:	
Benefits	<u>13,048</u>
Total deductions	<u>13,048</u>
Change in net assets	1,141
Net assets, beginning of year	<u>93,865</u>
Net assets, end of year	\$ <u><u>95,006</u></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, 2003

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. Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent they do not conflict with or contradict GASB pronouncements. 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 nine school districts serving an eligible student population of approximately 4,200 throughout southwestern Ohio. The 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.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2003

B. 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 and liabilities is reported as fund balance. The following are the School District's major governmental funds:

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.

Debt Service Fund - Used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Permanent Improvement Fund - The permanent improvement fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by trust funds.

Building Fund - The building fund is used to account for all transactions related to the construction of a new building and significant building renovations.

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 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.

Fiduciary Funds report on net assets and changes in net assets. The School District's fiduciary funds consist of private-purpose trust funds and agency funds. The School District's only private-purpose trust fund accounts for scholarship programs for students. These assets are not available for the School District's use. Agency funds 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, 2003

C. Basis of Presentation

Government-wide Financial Statements The statement of net assets 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.

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 and current liabilities 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 and liabilities 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.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2003

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.

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 and agency 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: property taxes available for advance, 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 the private-purpose trust fund 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, 2003

Deferred Revenue Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Property taxes measurable as of June 30, 2003 which are intended to finance fiscal year 2004 operations, and delinquent property taxes whose availability is indeterminable, have been recorded as deferred revenue. On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

E. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified.

All funds, other than agency funds, are legally required to be budgeted and appropriated. The primary level of budgetary control is at the fund level. Any budgetary modifications at this level may only be made by resolution of the Board of Education. However, for the purpose of additional analysis, the budgetary financial statements have been presented at the function level.

Tax Budget Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The express purpose of this budget document is to reflect the need for existing (or increased) tax rates. By no later than January 20, the Board-adopted budget is filed with the Butler County Budget Commission for rate determination.

Estimated Resources Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the County Budget Commission and receives the Commission's certificate of estimated resources, which states the projected revenue of each fund. Prior to June 30, the School District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2003.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2003

Appropriations Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution must be legally enacted by the Board of Education at the fund level of expenditures, which is the legal level of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the School District. The appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals at the level of control. Any revisions that alter the total of any fund appropriation must be approved by the Board of Education. The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources. The budget figures, which appear in the statements of budgetary comparisons, represent the final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the year for all funds other than agency funds, consistent with statutory provisions. The Board passed supplemental appropriations during the fiscal year.

Encumbrances As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. On the GAAP basis, encumbrances outstanding at fiscal year end are reported as a reservation of fund balance for subsequent-year expenditures for governmental funds.

Lapsing of Appropriations At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriation. Encumbered appropriations are carried forward to the succeeding fiscal year and are not reappropriated.

F. 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 Cash Equivalents" on the balance sheet. During 2003, investments were limited to commercial paper, repurchase agreements, mutual funds and federal agency securities.

The Governmental Accounting Standards Board Statement No. 31 (GASB 31), "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", 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, other than repurchase agreements, held at June 30, 2003 at the fair value. Repurchase agreements are reported at cost.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2003

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 combined statement of cash flows and for presentation on the combined 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.

G. Prepaid Items

Payments made to vendors that will benefit periods beyond June 30, 2003, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

H. 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 are depreciated. Depreciation is computed using the straight-line method over the following useful lives:

Buildings	40 years
Building improvements	20 years
Equipment and furniture other than vehicles	3-10 years
Vehicles	10 years

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2003

I. 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 assets.

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

J. 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.

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 is expected to be paid using current available expendable financial resources.

K. 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.

L. Fund Balance Reserves

The School District records reservations for portions of fund equity that are legally segregated for specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balances indicates that portion of fund equity that is available for appropriation in future periods. Fund equity reserves are established for encumbrances, property taxes, prepaids, and budget reserve set-asides.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2003

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriations under State statutes. The reserve for budget stabilization represents money set-aside to protect against cyclical changes in revenues and expenditures.

M. Restricted Assets

Restricted assets in the general fund represent cash and cash equivalents set aside to establish a budget stabilization reserve. A corresponding fund balance reserve has also been established.

N. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

O. 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.

2. FUND BALANCE DEFICITS

At June 30, 2003, the following special revenue funds had deficit fund balances:

Post Secondary Vocational Education Fund	\$	2,700
Tech Prep Fund		17,571
EESA Fund		7,015
Vocational Education Fund		100,465
Drug Free Schools Fund	\$	2,500

The deficits 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.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2003

3. 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 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.

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;

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2003

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 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".

Deposits: At year-end, the carrying amount of the School District's deposits was \$3,076,801 and the bank balance was \$3,605,637 of which \$100,000 was covered by federal depository insurance and \$3,505,637 was uninsured and uncollateralized as defined by GASB. Although the securities serving as collateral were held by the pledging financial institution's trust department in the School District's name and all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements would potentially subject the School District to a successful claim by the Federal Deposit Insurance Corporation.

Investments: The School District's investments are categorized below to give an indication of the level of risk assumed by the School District at year-end. Category 1 includes investments that are insured or registered or for which the School District or its agent in the School District's name holds the securities. Category 2 includes uninsured and unregistered investments, which are held by the counter party's trust department or agent in the School District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counter party, or by its trust department or agent but not in the School District's name. The School District's investment in the U.S. Money Market Fund is unclassified because it is not evidenced by securities that exist in physical or book entry form.

		<u>Category 2</u>	<u>Category 3</u>	<u>Carrying Value</u>
U.S. Money Market Fund	\$	-	-	3,000
U.S. Agency securities		<u>24,433,758</u>	-	<u>24,433,758</u>
GASB Statement No. 3	\$	<u>24,433,758</u>	-	<u>24,436,758</u>

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2003

4. PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real, public utility, and tangible personal (used in business) property located in the School District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year were levied April 1 and are collected with real property taxes. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. All property is required to be revalued every six years.

Public utility property taxes are assessed on tangible personal property at 88 percent of true value (with certain exceptions) and on real property at 35 percent of true value. Tangible personal property taxes are levied after April 1 on the value listed as of December 31 of the current year. Tangible personal property assessments are 25 percent of true value.

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 alternate payment dates to be established. Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

The School District receives property taxes from Butler County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2003, are available to finance fiscal year 2004 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, tangible personal property, and public utility taxes that became measurable as of June 30, 2003. 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 revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2003, was \$344,000 in the General Fund.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2003

The assessed values upon which fiscal year 2003 taxes were collected are:

	<u>2002 Second- Half Collections</u>		<u>2003 First- Half Collections</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential and Other Real Estate	\$ 4,437,595,390	83.63%	5,210,103,900	85.38%
Public Utility	221,441,000	4.17%	245,776,370	4.03%
Tangible Personal Property	<u>647,381,596</u>	12.19%	<u>646,604,834</u>	10.60%
Total Assessed Value	\$ <u>5,306,417,986</u>	100.00%	<u>6,102,485,104</u>	100.00%

Tax rate per \$1,000 of assessed valuation	\$1.93	\$1.93
---	--------	--------

5. INTERFUND TRANSACTIONS

On the fund financial statements, the General Fund has a receivable of \$108,522 that consists of amounts due from non-major governmental funds. These interfund loans were made to provide operating capital. Interfund transfers for the year ended June 30, 2003, consisted of transfers from the General Fund to the following funds:

Permanent Improvement Fund	\$ 500,000
Adult Education Fund	125,000
Non-major Governmental Funds	300,000
Non-major Enterprise Funds	<u>25,000</u>
Total	\$ <u>950,000</u>

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.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2003

6. CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2003 was as follows:

	Balance 7/1/02	Additions	Disposals	Balance 6/30/03
Governmental Activities				
<i>Capital assets not being depreciated:</i>				
Land	\$ 509,672	2,478,296	-	2,987,968
Construction in progress	-	746,580	-	746,580
Subtotal	<u>509,672</u>	<u>3,224,876</u>	<u>-</u>	<u>3,734,548</u>
<i>Capital assets being depreciated:</i>				
Buildings	15,284,346	47,215	-	15,331,561
Building improvements	2,851,938	364,501	-	3,216,439
Furniture and equipment	4,484,631	1,012,561	(24,893)	5,472,299
Vehicles	519,318	48,000	(52,710)	514,608
Subtotal	<u>23,140,233</u>	<u>1,472,277</u>	<u>(77,603)</u>	<u>24,534,907</u>
Totals at historical cost	<u>23,649,905</u>	<u>4,697,153</u>	<u>(77,603)</u>	<u>28,269,455</u>
Less accumulated depreciation:				
Buildings	3,608,471	383,289	-	3,991,760
Building improvements	201,113	160,822	-	361,935
Furniture and equipment	1,968,500	396,275	(19,412)	2,345,363
Vehicles	113,722	45,963	(14,164)	145,521
Total accumulated depreciation	<u>5,891,806</u>	<u>986,349</u>	<u>(33,576)</u>	<u>6,844,579</u>
Capital assets, net	<u>\$ 17,758,099</u>	<u>3,710,804</u>	<u>(44,027)</u>	<u>21,424,876</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$ 6,489
Vocational	560,150
Support services:	
Pupil	3,782
Instructional staff	36,530
General administration	11,959
School administration	126,120
Fiscal	35,262
Central	206,057
Total depreciation expense	<u>\$ 986,349</u>

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2003

	Balance 7/1/02	Additions	Disposals	Balance 6/30/03
<i>Business-type Activities:</i>				
Furniture and equipment	\$ 212,855	-	(5,988)	206,867
Less accumulated depreciation	77,466	20,227	(3,832)	93,861
Capital assets, net	\$ 135,389	(20,227)	(2,156)	113,006

Depreciation expense of \$20,227 was charged to the adult education segment.

7. 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 2003, 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 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.

The School District participates in the Butler County Health Trust (the Trust), 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.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2003

8. DEFINED BENEFIT PENSION PLANS

School Employees Retirement System

The School District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer defined benefit retirement system administered by the School Employees Retirement Board. SERS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Chapter 3309 of the Ohio Revised Code establishes benefits. SERS issues a publicly available financial report that includes financial statements and required supplementary information for SERS. The report may be obtained by writing to SERS, 300 East Broad Street, Columbus, Ohio 43215.

Plan members are required to contribute 9% of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current rate is 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts by the SERS's Retirement Board. The School District's required contributions to SERS for the fiscal years ended June 30, 2003, 2002, and 2001 were approximately \$302,000, \$255,000 and \$237,000, respectively. 100% of the required contributions have been made for all three years.

State Teachers Retirement System

The School District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer defined benefit retirement system administered by the State Teachers Retirement Board. STRS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Chapter 3307 of the Ohio Revised Code establishes benefits. STRS issued a publicly available financial report that includes financial statements and required supplementary information for STRS. The report may be obtained by writing to the STRS, 275 East Broad Street, Columbus, Ohio 43215-3771.

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

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2003

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

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

Plan members are required to contribute 9.3% of their annual covered salary and the School District is required to contribute 14%. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. The School District's required contributions to STRS for the fiscal years ended June 30, 2003, 2002, and 2001 were approximately \$1,426,000, \$1,242,000 and \$1,097,000, respectively. 100% of the required contributions have been made for all three years.

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, 2003, some members of the Board of Education have elected Social Security. The Board's liability is 6.2% of wages paid.

9. POSTEMPLOYMENT BENEFITS

The School District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS), and to retired non-certified employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs, and reimbursement of Medicare premiums. Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by state statute and are funded on a pay-as-you-go basis.

STRS has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14% of covered payroll.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2003

For the year ended June 30, 2003, the board allocated employer contributions equal to 4.50% of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled approximately \$458,000 during fiscal year 2003. STRS pays health care benefits from the Health Care Reserve Fund. The balance in the fund was \$3.011 billion at June 30, 2002. For the year ended June 30, 2002, net health care costs paid by STRS were \$354.7 million and STRS had 105,300 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more years of qualifying service credit, disability, and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75% of the premium. For this fiscal year, employer contributions to fund health care benefits were 8.54% of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14% of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2003, the minimum pay has been established at \$12,400. The surcharge rate added to the unallocated portion of the 14% employer contribution rate provides for maintenance of the asset target level for the health care fund.

The target level for the health care reserve is 150% of annual health care expenses. Expenses for health care for the year ended June 30, 2002 were \$182.9 million and the target level was \$242.2 million. At June 30, 2002, SERS' net assets available for payment of health care benefits was \$335.2 million. SERS has approximately 50,000 participants currently receiving health care benefits. For the School District, this amount to fund health care benefits, including the surcharge, equaled approximately \$211,000 during the 2003 fiscal year.

10. 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 240 days for teachers, 225 days for classified staff and unlimited days for administrators. Upon retirement, payment is made for 25% of the employee's accumulated sick leave up to a maximum of 60 days for teachers and administrators, and 45 for classified employees.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2003

11. LONG-TERM LIABILITIES

The changes in the School District's long-term liabilities during fiscal year 2003 were as follows:

	Principal Outstanding 7/1/02	Additions	Reductions	Principal Outstanding 6/30/03	Amounts Due in One Year
<i>Governmental Activities:</i>					
General obligation bonds:					
Energy Conservation	\$ 595,000	-	(100,000)	495,000	100,000
School Improvement	3,000,000	6,000,000	(3,000,000)	6,000,000	2,000,000
Note payable	1,494,644	-	(747,253)	747,391	172,460
Capital lease	20,460	-	(20,460)	-	-
Compensated absences	817,790	931,988	(797,782)	951,996	43,788
Total	\$ 5,927,894	6,931,988	(4,665,495)	8,194,387	2,316,248
<i>Business-type Activities:</i>					
Compensated absences	\$ 89,799	120,650	(87,602)	122,847	-

Energy Conservation Bonds - In August of 1998, the School District issued unvoted bonds in the amount of \$995,000 at an interest rate of 4.34% and a maturity of December 1, 2007. The proceeds of the bonds were used to implement building, equipment repair and improvements that provide energy savings. This project was approved by the Ohio Department of Education in accordance with House Bill 264.

School Improvement Bonds - In March of 2001, the School District issued unvoted bonds in the amount of \$4,500,000 at an interest rate of 3.60%. The proceeds of the bonds were used to renovate and improve school buildings. These bonds were paid in full during the year ended June 30, 2003. In addition, the School District issued bonds in the amount of \$6,000,000 at an interest rate of 1.46% on March 1, 2003. The proceeds of these bonds will be used for renovations and construction of an additional building. As of June 30, 2003, these bond proceeds were unspent.

Notes Payable - The School District borrowed \$2,586,891 from the Ohio Department of Education Division of Vocational Education for construction and renovation of facilities. The interest-free loan will be repaid in thirty equal semi-annual payments of \$86,230 with a maturity of January 1, 2014. The School District paid additional principal during the year ended June 30, 2003.

Compensated absences are generally liquidated from the general fund.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2003

Principal and interest requirements to retire the Energy Conservation and School Improvement Bonds outstanding at June 30, 2003, are as follows:

Fiscal Year <u>Ending June 30,</u>		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2004	\$	2,100,000	78,600	2,178,600
2005		2,100,000	72,125	2,172,125
2006		2,100,000	41,725	2,141,725
2007		100,000	8,725	108,725
2008		<u>95,000</u>	<u>4,275</u>	<u>99,275</u>
Total	\$	<u>6,495,000</u>	<u>205,450</u>	<u>6,700,450</u>

Principal and interest requirements to retire the long-term note payable outstanding at June 30, 2003, are as follows:

Fiscal Year <u>Ending June 30,</u>		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2004	\$	172,460	-	172,460
2005		172,460	-	172,460
2006		172,460	-	172,460
2007		172,460	-	172,460
2008		<u>57,551</u>	-	<u>57,551</u>
Total	\$	<u>747,391</u>	<u>-</u>	<u>747,391</u>

The School District's voted legal debt margin was \$543,223,659 with an unvoted debt margin of \$102,485 at June 30, 2003.

12. 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.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2003

13. INSURANCE PURCHASING POOLS

Butler County Health Plan

The School District participates in the Butler County Health Plan (BCHP), 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 BCHP at P. O. Box 526, Middletown, Ohio 45042.

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.

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.

14. 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 purchase of textbooks and other instructional materials and an equal amount 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 and carried forward to be used for the same purposes in future years. The following cash basis information describes the change in the year-end set aside amounts for textbooks, 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, 2003

		<u>Textbooks</u>	<u>Capital Improvements</u>	<u>Budget Stabilization</u>
Set-aside balance as of June 30, 2002	\$	(3,488,430)	-	467,953
Current year set-aside requirement		236,723	236,723	-
Less qualifying disbursements and offsets		<u>(1,920,359)</u>	<u>(744,036)</u>	<u>-</u>
Total		<u>(5,172,066)</u>	<u>(507,313)</u>	<u>467,953</u>
Balance carried to FY2004		<u>(5,172,066)</u>	<u>-</u>	<u>467,953</u>
Reserve balance as of June 30, 2003	\$	<u>-</u>	<u>-</u>	<u>467,953</u>

Since the School District had offsets and qualifying disbursements during the year that reduced the set aside amount for textbooks and instructional materials to below zero, these extra amounts may be used to reduce the set aside requirements of future years. However, the excess qualifying disbursements of the capital improvement set-aside may not be used to reduce the capital improvement set aside requirements of future years. 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.

15. CONTINGENCIES

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, 2003.

16. SCHOOL FUNDING DECISION

On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision reaffirmed earlier decisions that Ohio's current school-funding system is unconstitutional. The Supreme Court relinquished jurisdiction over the case and directed "...the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient..." The School District is currently unable to determine what effect, if any, this decision will have on its future State funding and on its financial operations.

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, 2003

	General Fund			
	Budgeted Amounts			Variance
	Original	Final	Actual	With Final Budget
Revenues:				
Taxes	7,340,084	5,954,805	5,954,805	-
Interest	556,673	680,089	680,089	-
Intergovernmental	9,615,190	10,191,753	10,191,753	-
Miscellaneous	70,680	32,525	32,525	-
Total revenues	17,582,627	16,859,172	16,859,172	-
Expenditures:				
Current:				
Instruction:				
Regular	281,106	314,972	314,806	166
Vocational	13,084,773	13,624,912	10,617,089	3,007,823
Support services:				
Pupil	238,856	594,728	561,930	32,798
Instructional staff	652,781	737,259	609,458	127,801
General administration	117,501	181,383	169,140	12,243
School administration	1,520,357	1,396,756	1,300,313	96,443
Fiscal	543,432	587,762	566,802	20,960
Business	39,653	36,968	35,968	1,000
Operation and maintenance of plant	1,310,744	1,721,491	1,696,401	25,090
Pupil transportation	12,882	11,448	10,384	1,064
Central	1,109,545	1,420,185	1,229,888	190,297
Non-instructional services:				
Extracurricular activities	84,338	109,520	94,948	14,572
Community services	6,644	23,809	23,809	-
Facilities acquisition and construction	2,589,341	4,128,736	3,706,089	422,647
Total expenditures	21,591,953	24,889,929	20,937,025	3,952,904
Excess of revenues over expenditures	(4,009,326)	(8,030,757)	(4,077,853)	3,952,904
Other financing sources (uses)				
Transfers out	(1,000,000)	(1,072,095)	(1,072,095)	-
Transfers in	-	123,669	123,669	-
Other financing sources (uses)	-	(175,747)	174,253	350,000
Total other financing sources (uses)	(1,000,000)	(1,124,173)	(774,173)	350,000
Net change in fund balance	(5,009,326)	(9,154,930)	(4,852,026)	4,302,904
Fund balance - beginning of year	12,530,154	12,530,154	12,530,154	
Prior year carryover appropriations	931,132	931,132	931,132	
Fund balance - end of year	8,451,960	4,306,356	8,609,260	

See accompanying notes to required supplemental information.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Notes to Required Supplementary Information

Year Ended June 30, 2003

Note A Budgetary Basis of Accounting

While the 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:

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 a reservation of fund balance for governmental fund types (GAAP basis).

The adjustments necessary to convert the results of operations for the year ended June 30, 2003, on the GAAP basis to the budget basis are as follows:

	<u>General Fund</u>
Net change in fund balance - GAAP Basis	\$ (3,746,473)
Increase / (decrease):	
Due to revenues	84,359
Due to expenditures	113,707
Due to other financing sources	175,827
Due to encumbrances	<u>(1,479,446)</u>
Excess of revenues and other sources over (under) expenditures and other uses - Budget Basis	\$ <u>(4,852,026)</u>

This Page is Intentionally Left Blank.

SUPPLEMENTAL 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.

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

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

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

The **Teacher Development Fund** accounts for state funded revenue and expenditures necessary for providing assistance to local school districts for the development of in-service programs.

The **Management Information Systems Fund** accounts for state funds provided to assist the District in implementing a staff, student, and financial reporting system as mandated by the Omnibus Education Reform Act of 1989.

The **One Net Fund** accounts for state grants for Ohio Educational Computer Network Connections.

The **Schoolnet Professional Development Fund** accounts for state grants for the provision of hardware, software, telecommunications services, and staff development to support educational uses of technology in the classroom.

Butler Technology and Career Development Schools, Ohio

Nonmajor Special Revenue Funds (continued):

The **Career Development Fund** accounts for state and federal grants which are provided to introduce various career opportunities to students.

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

The **Education for Economic Security Act (EESA) Fund** accounts for federal funds used for strengthening instruction in science, mathematics, modern foreign languages, English, the arts and computer learning.

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 **Chapter II Fund** accounts for federal funds supporting the implementation of programs such as computer education, gifted and talented programs, and staff development.

The **Drug Free Schools Fund** accounts for federal funds supporting the establishment, operation and improvement of programs for drug abuse prevention, early intervention and education in schools.

The **Telecom Fund** accounts for federal funds designated for telecommunications.

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:

Major 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 **Building Fund** accounts for all transactions related to the construction of new buildings.

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 Fund:

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 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 Special Revenue Funds
June 30, 2003

	Public School Support	Other Grant	Termination Benefits	Post Secondary Vocational Education	Teacher Develop- ment	Management Information Systems	One Net
Assets:							
Equity in pooled cash and investments	\$ 83,942	17,105	362,554	-	-	-	3,948
Net receivables:							
Accounts	-	-	-	-	-	-	-
Intergovernmental	-	-	-	2,700	-	-	-
Total assets	<u>83,942</u>	<u>17,105</u>	<u>362,554</u>	<u>2,700</u>	<u>-</u>	<u>-</u>	<u>3,948</u>
Liabilities:							
Accrued wages and benefits	-	-	-	-	-	-	-
Compensated absences payable	-	-	43,788	-	-	-	-
Deferred revenue	-	-	-	2,700	-	-	-
Interfund loans payable	-	-	-	2,700	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>43,788</u>	<u>5,400</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:							
Fund Balances							
Unreserved-undesignated	83,942	17,105	318,766	(2,700)	-	-	3,948
Total fund balances	<u>83,942</u>	<u>17,105</u>	<u>318,766</u>	<u>(2,700)</u>	<u>-</u>	<u>-</u>	<u>3,948</u>
Total liabilities and fund balances	\$ <u>83,942</u>	<u>17,105</u>	<u>362,554</u>	<u>2,700</u>	<u>-</u>	<u>-</u>	<u>3,948</u>

<u>SchoolNet Professional Development</u>	<u>Career Develop- ment</u>	<u>Misc. State Grants</u>	<u>EESA</u>	<u>Vocational Education</u>	<u>Chapter II</u>	<u>Drug Free Schools</u>	<u>Telecom Fund</u>	<u>TOTAL</u>
4,600	-	-	-	-	-	-	-	472,149
-	-	-	-	6,877	-	-	-	6,877
<u>-</u>	<u>17,571</u>	<u>-</u>	<u>8,274</u>	<u>99,548</u>	<u>-</u>	<u>2,500</u>	<u>-</u>	<u>130,593</u>
<u>4,600</u>	<u>17,571</u>	<u>-</u>	<u>8,274</u>	<u>106,425</u>	<u>-</u>	<u>2,500</u>	<u>-</u>	<u>609,619</u>
-	-	-	-	28,606	-	-	-	28,606
-	-	-	-	-	-	-	-	43,788
-	17,571	-	8,274	99,548	-	2,500	-	130,593
<u>-</u>	<u>17,571</u>	<u>-</u>	<u>7,015</u>	<u>78,736</u>	<u>-</u>	<u>2,500</u>	<u>-</u>	<u>108,522</u>
<u>-</u>	<u>35,142</u>	<u>-</u>	<u>15,289</u>	<u>206,890</u>	<u>-</u>	<u>5,000</u>	<u>-</u>	<u>311,509</u>
<u>4,600</u>	<u>(17,571)</u>	<u>-</u>	<u>(7,015)</u>	<u>(100,465)</u>	<u>-</u>	<u>(2,500)</u>	<u>-</u>	<u>298,110</u>
<u>4,600</u>	<u>(17,571)</u>	<u>-</u>	<u>(7,015)</u>	<u>(100,465)</u>	<u>-</u>	<u>(2,500)</u>	<u>-</u>	<u>298,110</u>
<u>4,600</u>	<u>17,571</u>	<u>-</u>	<u>8,274</u>	<u>106,425</u>	<u>-</u>	<u>2,500</u>	<u>-</u>	<u>609,619</u>

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Combining Statement of Revenues, Expenditures

and Changes in Fund Balances

All Nonmajor Special Revenue Funds

Year Ended June 30, 2003

	Public School Support	Other Grant	Termination Benefits	Post Secondary Vocational Education	Teacher Development	Management Information Systems
Revenues:						
Tuition and fees	\$ -	-	-	-	-	-
Interest	-	-	236	-	-	-
Intergovernmental	-	8,650	-	15,300	-	6,319
Miscellaneous	1,823	2,325	-	-	-	-
Total revenues	<u>1,823</u>	<u>10,975</u>	<u>236</u>	<u>15,300</u>	<u>-</u>	<u>6,319</u>
Expenditures:						
Current:						
Instruction:						
Vocational Education	-	3,820	80,585	-	-	-
Other	-	-	-	-	-	-
Support services:						
Pupil	-	200	-	-	-	-
Instructional staff	-	-	-	-	-	-
School administration	-	-	-	-	-	-
Central	-	-	-	16,321	6,544	6,319
Non-instructional services:						
Extracurricular activities	2,168	-	-	-	-	-
Total expenditures	<u>2,168</u>	<u>4,020</u>	<u>80,585</u>	<u>16,321</u>	<u>6,544</u>	<u>6,319</u>
Excess of revenues over (under) expenditures	(345)	6,955	(80,349)	(1,021)	(6,544)	-
Other financing sources (uses)						
Operating transfers in	-	-	300,000	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>300,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(345)	6,955	219,651	(1,021)	(6,544)	-
Fund balance, beginning of year	84,287	10,150	99,115	(1,679)	6,544	-
Fund balance, end of year	\$ <u>83,942</u>	<u>17,105</u>	<u>318,766</u>	<u>(2,700)</u>	<u>-</u>	<u>-</u>

<u>One Net</u>	<u>SchoolNet Professional Development</u>	<u>Career Development Fund</u>	<u>Misc. State Grants</u>	<u>EESA</u>	<u>Vocational Education</u>	<u>Chapter II</u>	<u>Drug Free Schools</u>	<u>Telecom Fund</u>	<u>TOTAL</u>
-	-	-	-	-	47,272	-	-	-	47,272
-	-	-	-	-	-	-	-	-	236
3,500	4,600	99,569	7,937	-	669,075	916	-	3,387	819,253
-	-	-	-	-	-	-	-	-	4,148
<u>3,500</u>	<u>4,600</u>	<u>99,569</u>	<u>7,937</u>	<u>-</u>	<u>716,347</u>	<u>916</u>	<u>-</u>	<u>3,387</u>	<u>870,909</u>
-	3,450	-	13,704	-	(3,780)	(225)	-	-	97,554
-	-	-	-	-	70,956	-	-	-	70,956
-	-	(14,296)	-	8,274	193,768	-	-	-	187,946
-	-	107,896	-	-	245,544	-	2,500	-	355,940
-	-	-	-	-	26,546	-	-	-	26,546
3,052	-	9,244	52,578	-	185,046	-	-	3,387	282,491
-	-	-	-	-	-	-	-	-	2,168
<u>3,052</u>	<u>3,450</u>	<u>102,844</u>	<u>66,282</u>	<u>8,274</u>	<u>718,080</u>	<u>(225)</u>	<u>2,500</u>	<u>3,387</u>	<u>1,023,601</u>
448	1,150	(3,275)	(58,345)	(8,274)	(1,733)	1,141	(2,500)	-	(152,692)
-	-	-	-	-	-	-	-	-	300,000
-	-	-	-	-	-	-	-	-	300,000
448	1,150	(3,275)	(58,345)	(8,274)	(1,733)	1,141	(2,500)	-	147,308
<u>3,500</u>	<u>3,450</u>	<u>(14,296)</u>	<u>58,345</u>	<u>1,259</u>	<u>(98,732)</u>	<u>(1,141)</u>	<u>-</u>	<u>-</u>	<u>150,802</u>
<u>3,948</u>	<u>4,600</u>	<u>(17,571)</u>	<u>-</u>	<u>(7,015)</u>	<u>(100,465)</u>	<u>-</u>	<u>(2,500)</u>	<u>-</u>	<u>298,110</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

Year Ended June 30, 2003

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
From local sources:			
Other local revenues	\$ 1,823	1,823	-
Total revenues	<u>1,823</u>	<u>1,823</u>	<u>-</u>
Expenditures:			
Current:			
Extracurricular activities	86,109	2,169	83,940
Total expenditures	<u>86,109</u>	<u>2,169</u>	<u>83,940</u>
Excess of revenues over (under) expenditures	<u>(84,286)</u>	<u>(346)</u>	<u>83,940</u>
Fund balance, beginning of year	84,286	84,286	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u>-</u>	<u>83,940</u>	

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, 2003

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
From local sources:			
Tuition	\$ 500	500	-
Other local revenues	1,825	1,825	-
Intergovernmental - state and local	<u>8,650</u>	<u>8,650</u>	<u>-</u>
Total revenues	<u>10,975</u>	<u>10,975</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Vocational	20,590	3,820	16,770
Support Services:			
Pupil	<u>533</u>	<u>200</u>	<u>333</u>
Total expenditures	<u>21,123</u>	<u>4,020</u>	<u>17,103</u>
Excess of revenues over (under) expenditures	<u>(10,148)</u>	<u>6,955</u>	<u>17,103</u>
Fund balance, beginning of year	8,152	8,152	
Prior year encumbrances appropriated	<u>1,996</u>	<u>1,996</u>	
Fund balance, end of year	\$ <u>-</u>	<u>17,103</u>	

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Termination Benefits Fund

Year Ended June 30, 2003

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Earnings on investments	\$ 236	236	-
Total revenues	<u>236</u>	<u>236</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Vocational	423,800	61,246	362,554
Total expenditures	<u>423,800</u>	<u>61,246</u>	<u>362,554</u>
Excess of revenues over (under) expenditures	<u>(423,564)</u>	<u>(61,010)</u>	<u>362,554</u>
Other financing sources:			
Transfers in	300,000	300,000	-
Total other financing sources	<u>300,000</u>	<u>300,000</u>	<u>-</u>
Excess of revenues and other sources over expenditures	(123,564)	238,990	362,554
Fund balance, beginning of year	123,564	123,564	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u>-</u>	<u>362,554</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, 2003

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental - state and local	\$ 18,000	15,300	(2,700)
Total revenues	<u>18,000</u>	<u>15,300</u>	<u>(2,700)</u>
Expenditures:			
Current:			
Central	<u>26,279</u>	<u>26,279</u>	<u>-</u>
Total expenditures	<u>26,279</u>	<u>26,279</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>(8,279)</u>	<u>(10,979)</u>	<u>(2,700)</u>
Fund balance, beginning of year	-	-	
Prior year encumbrances appropriated	<u>8,279</u>	<u>8,279</u>	
Fund balance, end of year	\$ <u>-</u>	<u>(2,700)</u>	

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Teacher Development Fund

Year Ended June 30, 2003

	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other local revenue	-	-	-
Total revenues	-	-	-
Expenditures:			
Current:			
Support Services:			
Instructional staff	-	-	-
Total expenditures	-	-	-
Excess of revenues over (under) expenditures	-	-	-
Other financing uses:			
Other financing uses	(6,543)	(6,543)	-
Total other financing uses	(6,543)	(6,543)	-
Excess of revenues over (under) expenditures and other (uses)	(6,543)	(6,543)	-
Fund balance, beginning of year	6,543	6,543	
Prior year encumbrances appropriated	-	-	
Fund balance, end of year	\$ -	-	

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Management Information Systems Fund

Year Ended June 30, 2003

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental - state and local	\$ 6,319	6,319	-
Total revenues	<u>6,319</u>	<u>6,319</u>	<u>-</u>
Expenditures:			
Current:			
Support services:			
Central	<u>6,319</u>	<u>6,319</u>	<u>-</u>
Total expenditures	<u>6,319</u>	<u>6,319</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, beginning of year	-	-	
Prior year encumbrances appropriated	<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)

One Net Fund

Year Ended June 30, 2003

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental - state and local	<u>3,500</u>	<u>3,500</u>	<u>-</u>
Total revenues	<u>3,500</u>	<u>3,500</u>	<u>-</u>
Expenditures:			
Current:			
Central	<u>7,000</u>	<u>3,052</u>	<u>3,948</u>
Total expenditures	<u>7,000</u>	<u>3,052</u>	<u>3,948</u>
Excess of revenues over (under) expenditures	<u>(3,500)</u>	<u>448</u>	<u>3,948</u>
Fund balance, beginning of year	3,500	3,500	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u>-</u>	<u>3,948</u>	

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Schoolnet Professional Development Grant Fund

Year Ended June 30, 2003

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental - state and local	\$ 4,600	4,600	-
Total revenues	<u>4,600</u>	<u>4,600</u>	<u>-</u>
Expenditures:			
Current:			
Instructional:			
Vocational education	<u>8,050</u>	<u>3,450</u>	<u>4,600</u>
Total expenditures	<u>8,050</u>	<u>3,450</u>	<u>4,600</u>
Excess of revenues over (under) expenditures	<u>(3,450)</u>	<u>1,150</u>	<u>4,600</u>
Fund balance, beginning of year	3,450	3,450	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u>-</u>	<u>4,600</u>	

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Career Development Fund

Year Ended June 30, 2003

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental - state and local	\$ 117,140	99,569	(17,571)
Total revenues	<u>117,140</u>	<u>99,569</u>	<u>(17,571)</u>
Expenditures:			
Current:			
Support services:			
Pupils	<u>107,896</u>	<u>107,896</u>	<u>-</u>
Total expenditures	<u>107,896</u>	<u>107,896</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>9,244</u>	<u>(8,327)</u>	<u>(17,571)</u>
Other financing sources uses:			
Other financing uses	<u>(9,244)</u>	<u>(9,244)</u>	<u>-</u>
Excess of revenues over (under) expenditures and other (uses)	-	(17,571)	(17,571)
Fund balance, beginning of year	-	-	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u>-</u>	<u>(17,571)</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 Fund

Year Ended June 30, 2003

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental - state and local	\$ 14,737	14,737	-
Total revenues	<u>14,737</u>	<u>14,737</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Vocational	13,703	13,703	-
Total expenditures	<u>13,703</u>	<u>13,703</u>	<u>-</u>
Excess of revenues over (under) expenditures	1,034	1,034	-
Other financing sources:			
Other financing uses	<u>(52,578)</u>	<u>(52,578)</u>	<u>-</u>
Total other financing sources	<u>(52,578)</u>	<u>(52,578)</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures	(51,544)	(51,544)	-
Fund balance, beginning of year	51,379	51,379	
Prior year encumbrances appropriated	<u>165</u>	<u>165</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)

Education for Economic Security Act Fund

Year Ended June 30, 2003

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental - federal	\$ 8,274	-	(8,274)
Total revenues	<u>8,274</u>	<u>-</u>	<u>(8,274)</u>
Expenditures:			
Current:			
Support services:			
Pupil	<u>9,534</u>	<u>8,274</u>	<u>1,260</u>
Total expenditures	<u>9,534</u>	<u>8,274</u>	<u>1,260</u>
Excess of revenues over (under) expenditures	<u>(1,260)</u>	<u>(8,274)</u>	<u>(7,014)</u>
Fund balance, beginning of year	1,260	1,260	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u>-</u>	<u>(7,014)</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, 2003

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
From local sources:			
Tuition	\$ 48,262	40,395	(7,867)
Intergovernmental - state and local	40,700	40,700	-
Intergovernmental - federal	<u>764,498</u>	<u>649,951</u>	<u>(114,547)</u>
Total revenues	<u>853,460</u>	<u>731,046</u>	<u>(122,414)</u>
Expenditures:			
Current:			
Instruction:			
Vocational	16,613	3,307	13,306
Adult/continuing education	85,948	70,799	15,149
Support services:			
Pupil	203,977	203,757	220
Instructional staff	245,544	245,544	-
School administration	26,546	26,546	-
Central	<u>175,704</u>	<u>175,704</u>	<u>-</u>
Total expenditures	<u>754,332</u>	<u>725,657</u>	<u>28,675</u>
Excess of revenues over (under) expenditures	99,128	5,389	(93,739)
Other financing sources (uses):			
Transfers out	(7,574)	(7,574)	-
Other financing uses	<u>(18,013)</u>	<u>(18,013)</u>	<u>-</u>
Total other financing sources (uses)	<u>(25,587)</u>	<u>(25,587)</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other (uses)	73,541	(20,198)	(93,739)
Fund balance, beginning of year	(61,271)	(61,271)	
Prior year encumbrances appropriated	<u>2,730</u>	<u>2,730</u>	
Fund balance, end of year	\$ <u>15,000</u>	<u>(78,739)</u>	

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Chapter II Fund

Year Ended June 30, 2003

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental - federal	\$ 916	916	-
Total revenues	<u>916</u>	<u>916</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Vocational education	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	916	916	-
Fund balance, beginning of year	(1,436)	(1,436)	
Prior year encumbrances appropriated	<u>520</u>	<u>520</u>	
Fund balance, end of year	\$ <u><u>-</u></u>	<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)

Drug Free Schools

Year Ended June 30, 2003

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental - federal	\$ 2,500	-	(2,500)
Total revenues	<u>2,500</u>	<u>-</u>	<u>(2,500)</u>
Expenditures:			
Current:			
Support services:			
Instructional staff	2,500	2,500	-
Total expenditures	<u>2,500</u>	<u>2,500</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>(2,500)</u>	<u>(2,500)</u>
Fund balance, beginning of year	-	-	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u>-</u>	<u>(2,500)</u>	

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Telecom Fund

Year Ended June 30, 2003

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental - federal	\$ 3,387	3,387	-
Total revenues	<u>3,387</u>	<u>3,387</u>	<u>-</u>
Expenditures:			
Current:			
Support Services:			
Central	<u>3,387</u>	<u>3,387</u>	<u>-</u>
Total expenditures	<u>3,387</u>	<u>3,387</u>	<u>-</u>
Excess of revenues over expenditures	-	-	-
Fund balance, beginning of year	-	-	
Prior year encumbrances appropriated	<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)

Debt Service Fund

Year Ended June 30, 2003

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
From local sources:			
Taxes	\$ 4,010,653	4,010,653	-
Total revenues	<u>4,010,653</u>	<u>4,010,653</u>	<u>-</u>
Expenditures:			
Debt service:			
Repayment of debt	<u>4,010,653</u>	<u>4,010,653</u>	<u>-</u>
Total expenditures	<u>4,010,653</u>	<u>4,010,653</u>	<u>-</u>
Excess of revenues over expenditures	-	-	-
Fund balance, beginning of year	-	-	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u><u>-</u></u>	<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, 2003

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
From local sources:			
Earnings on investments	\$ 56,830	56,830	-
Other local revenues	<u>49,363</u>	<u>49,363</u>	<u>-</u>
Total revenues	<u>106,193</u>	<u>106,193</u>	<u>-</u>
Expenditures:			
Current:			
Support Services:			
Operations and maintenance	3,200	-	3,200
Central	109,912	109,912	-
Facilities acquisition and construction	<u>731,600</u>	<u>-</u>	<u>731,600</u>
Total expenditures	<u>844,712</u>	<u>109,912</u>	<u>734,800</u>
Excess of revenues over expenditures	<u>(738,519)</u>	<u>(3,719)</u>	<u>734,800</u>
Other financing sources:			
Transfers in	<u>500,000</u>	<u>500,000</u>	<u>-</u>
Total other financing sources	<u>500,000</u>	<u>500,000</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures	(238,519)	496,281	734,800
Fund balance, beginning of year	4,205,911	4,205,911	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u><u>3,967,392</u></u>	<u><u>4,702,192</u></u>	

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Building Fund

Year Ended June 30, 2003

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
From local sources:			
Earnings on investments	\$ 8,700	8,700	-
Total revenues	<u>8,700</u>	<u>8,700</u>	<u>-</u>
Expenditures:			
Facilities acquisition and construction	<u>7,677,055</u>	<u>772,506</u>	<u>6,904,549</u>
Total expenditures	<u>7,677,055</u>	<u>772,506</u>	<u>6,904,549</u>
Excess of revenues over (under) expenditures	<u>(7,668,355)</u>	<u>(763,806)</u>	<u>6,904,549</u>
Other financing sources:			
Sale of bonds	5,998,598	5,998,598	-
Other financing sources	<u>20,529</u>	<u>20,529</u>	<u>-</u>
Total other financing sources	<u>6,019,127</u>	<u>6,019,127</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures	(1,649,228)	5,255,321	6,904,549
Fund balance, beginning of year	3,539,090	3,539,090	
Prior year encumbrances appropriated	<u>24,545</u>	<u>24,545</u>	
Fund balance, end of year	\$ <u>1,914,407</u>	<u>8,818,956</u>	

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Combining Statement of Net Assets
Nonmajor Enterprise Funds
June 30, 2003

	<u>Food Service</u>	<u>Uniform School Supply</u>	<u>Rotary</u>	<u><i>TOTAL</i></u>
Assets:				
Equity in pooled cash and investments	\$ 9,507	34,038	204,562	248,107
Net receivables:				
Accounts	<u>1,171</u>	<u>58</u>	<u>11,215</u>	<u>12,444</u>
Total assets	<u><u>10,678</u></u>	<u><u>34,096</u></u>	<u><u>215,777</u></u>	<u><u>260,551</u></u>
Liabilities:				
Accounts payable	3,004	-	1,339	4,343
Accrued wages and benefits	<u>-</u>	<u>-</u>	<u>276</u>	<u>276</u>
Total liabilities	<u><u>3,004</u></u>	<u><u>-</u></u>	<u><u>1,615</u></u>	<u><u>4,619</u></u>
Net assets:				
Unrestricted	<u>7,674</u>	<u>34,096</u>	<u>214,162</u>	<u>255,932</u>
Total net assets	\$ <u><u>7,674</u></u>	<u><u>34,096</u></u>	<u><u>214,162</u></u>	<u><u>255,932</u></u>

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Combining Statement of Revenues, Expenses and
 Changes in Fund Net Assets
 Nonmajor Enterprise Funds
 Year Ended June 30, 2003

	Food Service	Uniform School Supply	Rotary	<i>TOTAL</i>
Operating revenues:				
Charges for services	\$ 174,922	17,880	29,670	222,472
Other operating revenues	<u>-</u>	<u>-</u>	<u>158,887</u>	<u>158,887</u>
Total operating revenues	<u>174,922</u>	<u>17,880</u>	<u>188,557</u>	<u>381,359</u>
 Operating expenses:				
Salaries and wages	59,095	-	65,148	124,243
Fringe benefits	18,182	-	(8,632)	9,550
Contractual services	21,960	-	48,739	70,699
Materials and supplies	73,630	14,399	39,503	127,532
Other operating expenses	<u>2,317</u>	<u>-</u>	<u>11,514</u>	<u>13,831</u>
Total operating expenses	<u>175,184</u>	<u>14,399</u>	<u>156,272</u>	<u>345,855</u>
Operating income (loss)	(262)	3,481	32,285	35,504
 Nonoperating revenues:				
Earnings on investment	<u>41</u>	<u>-</u>	<u>-</u>	<u>41</u>
Net income (loss) before transfers	(221)	3,481	32,285	35,545
Transfers in	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>25,000</u>
Net Income	24,779	3,481	32,285	60,545
Net assets, beginning of year	<u>(17,105)</u>	<u>30,615</u>	<u>181,877</u>	<u>195,387</u>
Net assets, end of year	\$ <u><u>7,674</u></u>	<u><u>34,096</u></u>	<u><u>214,162</u></u>	<u><u>255,932</u></u>

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

Year Ended June 30, 2003

	Food Service	Uniform School Supply	Rotary	<i>TOTAL</i>
Cash flows from operating activities:				
Cash received from fees	\$ 174,945	17,822	18,455	211,222
Cash received from other operations	-	-	158,887	158,887
Cash payments for personal services	(77,277)	-	(74,887)	(152,164)
Cash payments for contract services	(18,956)	-	(68,052)	(87,008)
Cash payments for supplies and materials	(73,630)	(14,399)	(39,503)	(127,532)
Cash payments for other expenses	(2,317)	-	(11,514)	(13,831)
Net cash provided (used) by operating activities	<u>2,765</u>	<u>3,423</u>	<u>(16,614)</u>	<u>(10,426)</u>
Cash flows from noncapital financing activities:				
Transfers from other funds	25,000	-	-	25,000
Interfund loans	(18,299)	-	-	(18,299)
Net cash provided by noncapital financing activities	<u>6,701</u>	<u>-</u>	<u>-</u>	<u>6,701</u>
Cash flows from investing activities:				
Interest received	41	-	-	41
Net cash provided by investing activities	<u>41</u>	<u>-</u>	<u>-</u>	<u>41</u>
Net increase (decrease) in cash	9,507	3,423	(16,614)	(3,684)
Cash, beginning of year	-	30,615	221,176	251,791
Cash, end of year	<u>9,507</u>	<u>34,038</u>	<u>204,562</u>	<u>248,107</u>
Reconciliation of operating income (loss)				
to net cash provided (used) by operating activities:				
Operating income (loss)	(262)	3,481	32,285	35,504
Adjustments to reconcile operating income (loss)				
to net cash provided (used) by operating activities:				
Changes in assets and liabilities:				
Accounts receivable	23	(58)	(11,215)	(11,250)
Accounts payable	3,004	-	(29,123)	(26,119)
Accrued wages and benefits	-	-	(8,561)	(8,561)
Net cash provided (used) by operating activities	<u>\$ 2,765</u>	<u>3,423</u>	<u>(16,614)</u>	<u>(10,426)</u>

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Combining Statement of Net Assets

Agency Funds

June 30, 2003

	<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	\$ <u>2,091,472</u>	<u>82,922</u>	<u>12,539</u>	<u>2,186,933</u>
Total assets	<u>2,091,472</u>	<u>82,922</u>	<u>12,539</u>	<u>2,186,933</u>
Liabilities:				
Due to student groups	-	82,922	-	82,922
Due to other governments	<u>2,091,472</u>	<u>-</u>	<u>12,539</u>	<u>2,104,011</u>
Total liabilities	\$ <u>2,091,472</u>	<u>82,922</u>	<u>12,539</u>	<u>2,186,933</u>

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Combining Statement of Changes in Fiduciary Assets

Agency Funds

Year Ended June 30, 2003

	Beginning Balance 7/1/02	Additions	Deductions	Ending Balance 6/30/03
SWOCA FUND				
Assets:				
Equity in pooled cash and investments \$	<u>2,252,727</u>	<u>2,427,032</u>	<u>2,588,287</u>	<u>2,091,472</u>
Liabilities:				
Due to other governments	<u>2,252,727</u>	<u>2,427,032</u>	<u>2,588,287</u>	<u>2,091,472</u>
<hr/>				
STUDENT ACTIVITIES FUND				
Assets:				
Equity in pooled cash and investments	<u>75,862</u>	<u>224,903</u>	<u>217,843</u>	<u>82,922</u>
Liabilities:				
Due to student groups	<u>75,862</u>	<u>224,903</u>	<u>217,843</u>	<u>82,922</u>
<hr/>				
DISTRICT AGENCY FUND				
Assets:				
Equity in pooled cash and investments	<u>11,745</u>	<u>385,577</u>	<u>384,783</u>	<u>12,539</u>
Liabilities:				
Due to other governments	<u>11,745</u>	<u>385,577</u>	<u>384,783</u>	<u>12,539</u>
<hr/>				
TOTAL				
Assets:				
Equity in pooled cash and investments	<u>2,340,334</u>	<u>3,037,512</u>	<u>3,190,913</u>	<u>2,186,933</u>
Liabilities:				
Due to other governments	2,264,472	2,812,609	2,973,070	2,104,011
Due to student groups	<u>75,862</u>	<u>224,903</u>	<u>217,843</u>	<u>82,922</u>
\$	<u>2,340,334</u>	<u>3,037,512</u>	<u>3,190,913</u>	<u>2,186,933</u>

*Butler Technology and Career
Development Schools, Ohio*

STATISTICAL SECTION

**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
GENERAL FUND EXPENDITURES BY FUNCTION
LAST TEN YEARS**

Year	Instruction	Support Services	Community Services	Extra-Curricular Activities	Facilities and Capital Outlay	Debt Service	Total
Fiscal 2003	\$ 10,639,694	5,605,313	29,809	80,781	3,194,701	20,988	19,571,286
Fiscal 2002	9,707,634	4,248,365	11,719	74,247	2,317,934	45,230	16,405,129
Fiscal 2001	7,928,079	3,487,847	20,480	39,949	966,777	68,834	12,511,966
Fiscal 2000	7,232,685	3,163,769	36,046	17,373	783,037	68,834	11,301,744
Fiscal 1999	8,508,927	3,485,138	-	21,503	1,035,387	68,834	13,119,789
Fiscal 1998	8,093,650	3,806,487	-	18,740	296,716	47,864	12,263,457
Fiscal 1997	8,549,132	3,949,107	-	14,912	165,452	23,586	12,702,189
Fiscal 1996	9,032,257	4,283,682	-	12,103	-	27,980	13,356,022
Fiscal 1995	5,672,205	3,085,606	-	9,207	-	287,980	9,054,998
Fiscal 1994	5,805,357	3,063,899	-	6,123	-	-	8,875,379

Source: District records.

**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
GENERAL FUND REVENUES BY SOURCE
LAST TEN YEARS**

Year	Taxes	Tuition	Earnings on Investments	Inter- governmental	Other	Total
Fiscal 2003	\$ 5,825,805	-	541,994	10,191,754	215,260	16,774,813
Fiscal 2002	5,652,626	-	992,430	9,664,383	70,378	16,379,817
Fiscal 2001	9,081,804	9,218	1,127,656	8,678,683	159,412	19,056,773
Fiscal 2000	6,833,243	5,177	653,760	8,181,814	105,553	15,779,547
Fiscal 1999	8,974,891	-	554,556	7,282,256	158,274	16,969,977
Fiscal 1998	7,778,542	-	450,532	7,477,698	273,309	15,980,081
Fiscal 1997	6,910,796	1,535	245,026	6,943,825	137,805	14,238,987
Fiscal 1996	6,105,779	17,139	213,916	6,961,086	184,480	13,482,400
Fiscal 1995	4,830,344	7,304	182,078	4,486,736	103,272	9,609,734
Fiscal 1994	4,404,024	46,315	155,773	4,305,068	74,802	8,985,982

Source: District records.

**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
PROPERTY TAX LEVIES AND COLLECTIONS - REAL AND PUBLIC UTILITY PROPERTY
LAST TEN COLLECTION (CALENDAR) YEARS**

Year	Tax Levied (1)	Current Collection (2)	Percent Collected	Delinquent Collection	Total Tax Collection	Percent of Total Collections to Levy	Outstanding Delinquent Taxes (3)	Percent of Outstanding Delinquent Taxes to Tax Levied
2002	\$ 9,972,120	9,962,622	99.90%	323,724	10,286,346	103.15%	24,837	0.25%
2001	8,722,674	8,493,949	97.38%	256,853	8,750,802	100.32%	339,063	3.89%
2000	8,427,785	8,159,326	96.81%	183,980	8,343,306	99.00%	485,057	5.76%
1999	7,593,136	7,327,219	96.50%	208,671	7,535,890	99.25%	400,578	5.28%
1998	7,233,754	7,032,333	97.22%	164,771	7,197,104	99.49%	343,332	4.75%
1997	7,324,499	7,129,780	97.34%	171,723	7,301,503	99.69%	306,682	4.19%
1996	7,277,902	7,083,440	97.33%	180,013	7,263,453	99.80%	269,112	3.70%
1995	5,374,193	5,208,595	96.92%	131,498	5,340,093	99.37%	228,613	4.25%
1994	5,158,512	4,983,497	96.61%	116,257	5,099,754	98.86%	194,513	3.77%
1993	4,586,094	4,446,893	96.96%	135,135	4,582,028	99.91%	129,744	2.83%

Source: Butler County Auditor.

- (1) Taxes levied and collected are presented on a cash basis.
- (2) State reimbursements of rollback and homestead exemptions are included.
- (3) Penalties and interest are included, since by Ohio law they become part of the tax obligation as assessment occurs.

**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN CALENDAR YEARS (1)**

Year	Agricultural and Residential Real Estate	Other Real Estate	Public Utility Personal	Tangible Personal	Total Assessed Value	Estimated Actual Value	Ratio
2002	\$ 3,404,913,350	1,032,682,040	221,441,000	647,381,596	5,306,417,986	15,520,007,855	34.19%
2001	3,266,072,980	1,027,985,690	340,235,770	603,873,150	5,238,167,590	15,070,863,214	34.76%
2000	3,101,386,920	909,393,350	355,947,900	563,581,619	4,930,309,789	14,118,184,926	34.92%
1999	2,770,306,620	889,507,980	354,744,010	562,802,599	4,577,361,209	13,110,941,732	34.91%
1998	2,731,088,120	800,522,700	349,975,010	559,330,743	4,440,916,573	12,725,338,476	34.90%
1997	2,666,270,800	812,857,680	345,421,730	559,517,525	4,384,067,735	12,570,961,879	34.87%
1996	2,561,278,490	788,158,160	350,233,540	505,719,158	4,205,389,348	11,990,688,291	35.07%
1995	2,261,437,670	680,148,017	346,051,253	435,912,213	3,723,549,153	10,541,419,447	35.32%
1994	1,797,541,600	451,187,630	266,518,400	218,303,116	2,733,550,746	7,601,014,939	35.96%
1993	1,704,082,190	457,439,260	246,340,060	199,395,607	2,607,257,117	7,253,289,886	35.95%

Source: Butler County Auditor.

- (1) Butler County Auditor property tax records are maintained on a calendar year basis.
- (2) Middletown City School District became a member of the District in 1996.

**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
PROPERTY TAX RATES (PER \$1,000 OF ASSESSED VALUATION)
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN COLLECTION (CALENDAR YEARS)**

	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993
BCJVSD	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.94
Butler County	8.75	8.75	8.45	8.45	8.44	8.45	8.44	7.44	7.45	7.44
<u>Cities and Villages:</u>										
Fairfield	5.94	5.94	4.54	4.54	4.54	4.54	4.54	4.54	4.54	4.25
Millville	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30
Monroe	9.85	11.17	7.85	7.85	7.85	7.85	7.85	7.85	7.85	7.85
Somerville	3.09	3.09	3.09	3.09	3.09	3.09	3.09	3.09	3.09	3.09
Oxford	3.65	3.65	3.65	3.65	3.65	3.65	3.65	3.65	3.65	3.65
New Miami	8.30	8.30	4.30	4.30	4.30	4.30	4.30	4.30	4.30	4.30
Sevenmile	7.02	7.02	8.02	8.82	8.82	7.32	9.22	7.92	8.42	8.42
Hamilton	5.12	5.12	5.06	5.06	5.06	5.06	5.06	5.11	5.11	5.11
Middletown	5.86	5.86	4.14	6.36	6.36	6.31	6.31	6.38	-	-
Trenton	4.74	4.74	4.74	4.99	4.99	4.99	4.99	4.99	4.99	3.24
Jacksonburg	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
College Corner	14.40	14.40	14.40	14.40	14.40	14.40	14.40	14.40	14.40	14.40
Indian Springs	-	-	-	-	-	-	7.19	7.19	7.19	-
<u>School Districts:</u>										
Edgewood City Schools	43.76	43.76	37.11	37.55	37.55	33.61	34.11	34.61	35.36	35.61
Fairfield City Schools	54.11	54.11	54.16	54.16	54.16	53.56	55.16	55.16	55.16	50.76
Lakota Local Schools	61.88	61.88	55.14	56.14	56.14	56.14	56.24	50.14	51.74	48.14
Madison Local Schools	36.54	36.54	35.94	30.94	30.94	30.94	31.09	31.84	31.94	32.14
Middletown City Schools	34.78	34.78	35.33	36.56	36.56	36.63	37.03	38.20	-	-
Monroe Local Schools	43.36	43.36	-	-	-	-	-	-	-	-
New Miami Local Schools	29.42	29.42	29.09	25.09	25.09	25.09	25.09	25.09	25.84	25.84
Ross Local Schools	45.73	45.73	45.73	45.73	45.73	45.73	45.84	46.43	47.73	42.18
Talawanda Local Schools	50.30	50.30	43.80	43.80	43.80	43.80	46.30	51.80	51.80	51.80

Source: Butler County Auditor

- (1) Middletown City Schools became a member of the District in 1996.
- (2) Fairfield Township was incorporated as Indian Springs in 1993 but reverted back to a township in 1997.

**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
PROPERTY TAX RATES (PER \$1,000 OF ASSESSED VALUATION)
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN COLLECTION (CALENDAR YEARS)**

	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993
<u>Townships:</u>										
Fairfield Township	7.19	7.19	7.19	7.19	7.19	7.19	-	-	-	7.19
Fairfield F.D.	5.00	5.00	5.00	5.00	5.00	5.00	-	-	-	5.00
Fairfield Corp.	-	-	-	-	-	-	-	-	-	0.29
Hanover Township	2.72	2.72	2.72	2.72	2.72	2.72	2.72	2.72	2.72	2.72
Millville Corp.	0.42	0.42	0.42	0.42	0.42	0.42	0.42	0.42	0.42	0.42
Lemon Township	-	-	-	-	-	-	-	2.92	-	-
Monroe Corp.	-	-	-	-	-	-	-	0.60	-	-
Liberty Township	10.59	10.59	7.59	7.59	7.59	7.59	5.59	5.59	4.92	4.09
Monroe Corp.	0.59	0.59	0.59	0.59	0.59	0.59	0.59	0.59	0.59	2.09
Madison Township	2.26	2.26	2.26	2.26	2.26	2.26	2.26	2.26	2.26	2.26
Milford Township	5.74	5.74	5.74	5.74	5.74	5.74	5.74	5.74	5.74	5.74
Somerville Corp.	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80
Morgan Township	5.72	5.72	6.22	6.22	6.22	5.22	5.22	5.22	5.22	5.22
Oxford Township	7.84	7.84	7.84	7.84	7.84	7.84	7.84	5.84	5.84	5.84
Oxford Corp.	0.24	0.24	0.24	0.24	0.24	0.24	0.24	0.24	0.24	0.24
Reily Township	7.39	7.39	7.39	7.39	7.39	5.39	5.39	5.39	5.39	5.39
Ross Township	6.72	6.72	5.72	5.72	5.72	5.72	5.72	3.72	5.72	4.72
Millville Corp.	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92
St. Clair Township	4.47	4.47	4.47	4.47	4.47	4.47	4.47	4.47	4.47	4.47
New Miami Corp.	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01
Seven Mile Corp.	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51
Union Township	13.09	13.09	10.59	9.59	9.59	9.59	9.59	9.59	9.59	9.59
Fairfield Corp.	-	-	-	-	-	-	-	-	-	0.59
Wayne Township	3.58	3.58	3.58	3.58	3.58	4.58	4.58	4.58	3.58	5.08
Seven Mile Corp.	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51

Source: Butler County Auditor

- (1) Middletown City Schools became a member of the District in 1996.
- (2) Fairfield Township was incorporated as Indian Springs in 1993 but reverted back to a township in 1997.

**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
 RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE AND
 NET GENERAL OBLIGATION BONDED DEBT PER CAPITA
 LAST TEN CALENDAR YEARS**

Year	Net General Bonded Debt	Assessed Value	Population	Ratio of Debt to Assessed Value	Net Debt Per Capita
2002	\$ 3,595,000	5,306,417,986	349,490	0.07%	10.29
2001	5,195,000	5,238,167,590	332,807	0.10%	15.61
2000	795,000	4,930,309,789	335,560	0.02%	2.37
1999	895,000	4,577,361,209	332,623	0.02%	2.69
1998	-	4,440,916,573	330,411	0.00%	-
1997	-	4,384,067,735	326,749	0.00%	-
1996	140,000	4,205,389,348	323,358	0.00%	0.43
1995	350,000	3,723,549,153	319,458	0.01%	1.10
1994	200,000	2,733,550,746	315,763	0.01%	0.63
1993	300,000	2,607,257,117	311,776	0.01%	0.96

Source: Butler County Auditor and District records.

**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
 COMPUTATION OF OVERLAPPING DEBT
 JUNE 30, 2003**

Governmental Unit	General Obligation Debt Outstanding	Percent Applicable to District	Amount Applicable to District
Butler County	\$ 47,010,000	100.00%	47,010,000
Butler Technology and Career Development Schools	6,495,000	100.00%	6,495,000
City of Middletown	15,344,000	100.00%	15,344,000
City of Fairfield	18,665,000	100.00%	18,665,000
City of Oxford	<u>3,570,000</u>	100.00%	<u>3,570,000</u>
 Total Overlapping Debt	 \$ <u>91,084,000</u>		 <u>91,084,000</u>

Source: Butler County Auditor.

**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
 COMPUTATION OF LEGAL DEBT MARGIN
 JUNE 30, 2003**

Assessed valuation of District	\$ <u>6,102,485,104</u>
Voted Debt Limit - 9% of Assessed Value	549,223,659
Amount of Debt Applicable to Debt Limit:	
Net Bonded Debt	<u>-</u>
Voted Debt Margin	<u>549,223,659</u>
Unvoted Debt Limit - .1% of Assessed Value	6,102,485
Amount of Debt Applicable to Debt Limit:	<u>6,000,000</u>
Unvoted Debt Margin	\$ <u>102,485</u>

Source: County Auditor and School District Records

Note: Ohio Bond Law sets a limit of 9% for voted debt and 0.1% for unvoted debt.

Note: Bonds issued for Energy Conservation Projects are excludable when calculating legal debt margin.

**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL
OBLIGATION BONDED DEBT TO TOTAL GENERAL FUND EXPENDITURES
LAST TEN YEARS**

Year	Principal	Interest	Total Debt Service	Total General Fund Expenditures	Ratio of Debt Service to General Fund Expenditures
2003	\$ 3,100,000	163,400	3,263,400	19,571,286	16.67%
2002	1,600,000	205,125	1,805,125	16,405,129	11.00%
2001	100,000	34,325	134,325	12,511,966	1.07%
2000	100,000	36,325	136,325	11,301,744	1.21%
1999	100,000	31,566	131,566	13,119,789	1.00%
1998	-	-	-	12,207,807	0.00%
1997	140,000	5,436	145,436	12,702,189	1.14%
1996	120,000	10,355	130,355	13,356,022	0.98%
1995	120,000	15,070	135,070	9,054,998	1.49%
1994	100,000	9,500	109,500	8,875,379	1.23%

Source: School District Records.

**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
CONSTRUCTION, BANK DEPOSITS AND PROPERTY VALUES
LAST TEN YEARS**

Year		Property Values (1)	Construction Values (2)	Bank Deposits (3)
2002	\$	5,306,417,986	156,366,490	1,136,994,000
2001		5,238,167,590	188,219,910	1,141,635,000
2000		4,930,309,789	125,091,420	923,585,000
1999		4,577,361,209	123,319,530	864,105,000
1998		4,440,916,573	120,230,050	815,435,000
1997		4,384,067,735	126,282,560	783,398,000
1996		4,205,389,348	116,248,200	800,556,000
1995		3,723,549,153	118,963,340	737,683,000
1994		2,733,550,746	84,376,290	711,686,000
1993		2,607,257,117	76,694,870	724,213,000

(1) Middletown City School District was added to the Tax Values effective January 1, 1996. Source: Butler County Auditor.

(2) Source: Butler County Auditor.

(3) Includes all Butler County deposits. Source: Department of Data Service, Federal Reserve Bank of Cleveland.

**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
 PRINCIPAL TAXPAYERS - REAL AND TANGIBLE PERSONAL PROPERTY
 JUNE 30, 2003**

Name of Taxpayer	Assessed Value	Percent of Assessed Value
AK Steel	\$ 152,824,120	2.88%
Cincinnati Gas & Electric	147,650,420	2.78%
Miller Brewing Company	54,797,530	1.03%
Dugan Financing, LLC	43,650,720	0.82%
Cincinnati Bell Telephone	36,504,300	0.69%
Meijer Stores	20,125,560	0.38%
Bay West Paper Corp.	14,622,420	0.28%
CFC Investments	14,397,280	0.27%
Ohio Bell Telephone	9,729,350	0.18%
Worthington Steel	9,285,990	0.17%

Source: Butler County Auditor.

**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
 DEMOGRAPHIC STATISTICS
 LAST TEN YEARS**

Year	Population	Per Capita Income	School Enrollment	Annual Average Unemployment Percentage	
				Butler County	State of Ohio
2002	349,490	\$ 29,658	4,662	4.50%	5.90%
2001	332,807	27,916	4,219	3.20%	4.20%
2000	335,560	27,916	4,234	3.10%	4.11%
1999	332,623	24,896	4,457	3.30%	4.30%
1998	330,411	23,876	4,571	3.40%	4.40%
1997	326,749	23,093	4,685	3.50%	4.60%
1996	323,358	22,310	4,368	4.10%	4.90%
1995	319,458	21,527	2,443	4.00%	4.80%
1994	315,763	20,377	2,802	5.30%	5.50%
1993	311,776	19,679	2,457	6.60%	6.50%

Source: Ohio State University Extension Office, Ohio Bureau of Employment Services

- (1) In 1993, satellite operations were assumed from Fairfield and Edgewood City Schools.
- (2) In 1996, Middletown City School District became a member of the District.



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

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 22, 2004**