

**BUTLER TECHNOLOGY AND CAREER  
DEVELOPMENT SCHOOLS**

Single Audit Reports

Year Ended June 30, 2008





# Mary Taylor, CPA

Auditor of State

Board of Education  
Butler Technology and Career Development Schools  
3603 Hamilton-Middletown Road  
Hamilton, Ohio 45011

We have reviewed the *Independent Auditors' Report* of the Butler Technology and Career Development Schools, Butler County, prepared by Clark, Schaefer, Hackett & Co., for the audit period July 1, 2007 through June 30, 2008. 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.

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

February 9, 2009

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**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS**

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2008

<u>Federal Grantor/Program Title</u>	<u>Pass Through Entity Number</u>	<u>Federal CFDA Number</u>	<u>Federal Revenues</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Education:</u>				
Federal Pell Grant Program	n/a	84.063	\$ 463,477	463,477
<i>(Passed through Ohio Department of Education)</i>				
Career and Technical Education - Basic Grants to States	20C1-2007	84.048	820	35,687
Career and Technical Education - Basic Grants to States	20C1-2008	84.048	595,939	606,798
			<u>596,759</u>	<u>642,485</u>
Safe and Drug-Free Schools and Communities - State Grants	DRS1-2007	84.186	1,850	4,984
Safe and Drug-Free Schools and Communities - State Grants	DRS1-2008	84.186	14,774	13,674
			<u>16,624</u>	<u>18,658</u>
State Grants for Innovative Programs	C2S1-2007	84.298	(6,110)	10,642
State Grants for Innovative Programs	C2S1-2008	84.298	7,180	21,265
			<u>1,070</u>	<u>31,907</u>
Vocational Education - Occupational & Employment Information	n/a	84.346	1,812	2,098
Improving Teacher Quality State Grants	TRS1-2007	84.367	(4,994)	5,121
Improving Teacher Quality State Grants	TRS1-2008	84.367	20,146	17,021
			<u>15,152</u>	<u>22,142</u>
Total U.S. Department of Education			<u>1,094,894</u>	<u>1,180,767</u>
Total Federal Awards			\$ <u>1,094,894</u>	<u>1,180,767</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.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON 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 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 (the "School District") as of and for the year ended June 30, 2008, which collectively comprise the School District's basic financial statements and have issued our report thereon dated December 24, 2008. 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency labeled as 2008-1 and described in the accompanying schedule of findings and questioned costs to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that the significant deficiency described above is not a material weakness.

### **Compliance And Other Matters**

As part of obtaining reasonable assurance about whether the School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the School District in a separate letter dated December 24, 2008.

The School District's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the School District's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the School District's management, the Board of Education, others within the entity, the Ohio Auditor of State 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, Hachett & Co.*

Cincinnati, Ohio  
December 24, 2008

## **REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON 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 the Butler Technology and Career Development Schools (the "School District") 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, 2008. The School District's 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 the School District's 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, the School District 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, 2008.

### **Internal Control Over Compliance**

The management of the School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School District's internal control over compliance with the 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the School District, as of and for the year ended June 30, 2008, and have issued our report thereon dated December 24, 2008. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the School District's basic 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the School District's management, the Board of Education, others within the entity, the Ohio Auditor of State 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, Hachett & Co.*

Cincinnati, Ohio  
December 24, 2008

## BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2008

### Section I – Summary of Auditors’ Results

#### Financial Statements

Type of auditors’ report issued:	unqualified
Internal control over financial reporting:	
• Material weakness(es) identified?	none
• Significant deficiency(ies) identified not considered to be material weaknesses?	yes
Noncompliance material to the financial statements noted?	none

#### Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	none
• Significant deficiency(ies) 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 510(a) of Circular A-133?	no
Identification of major programs:	
<i>CFDA 84.063 – Federal Pell Grant Program</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

#### **Finding 2008-1 – Restated Financial Statements**

As disclosed in Note 2 of the financial statements, the School District restated governmental and business-type activities net assets as of June 30, 2007 by (\$276,875) and \$355,197, respectively due to errors in the reporting of capital assets. During the year ended June 30, 2008, the School District completed a physical appraisal which resulted in corrections to the School District’s capital asset records, which were the basis for the amounts previously reported on the financial statements for the year ended June 30, 2007.

**Management response:** *During a conversion of the reporting software used for the School District’s fixed asset records, it was noted that some items were not recorded under business-type activities. The restatement of these assets did not have a material effect on the School District’s net assets as a whole.*

**Section III – Federal Award Findings and Questioned Costs**

None.

**Section IV – Summary of Prior Audit Findings and Questioned Costs**

None.

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

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

***Year Ended June 30, 2008***

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS

BUTLER COUNTY, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Prepared by:  
Chief Financial Officer

Edmund Pokora

*Butler Technology and Career  
Development Schools, Ohio*

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# **INTRODUCTORY SECTION**

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**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 YEAR ENDED JUNE 30, 2008**

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an Achievement of Excellence organization

December 29, 2008

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

The Comprehensive Annual Financial Report (CAFR) for the Butler Technology and Career Development Schools (School District) for the year ending June 30, 2008, is hereby submitted. Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation rests with the School District. 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 contains 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, 2008, 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, 2008, 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 ten member school districts in Butler and Hamilton Counties. The member school districts are Edgewood, Fairfield, Lakota, Madison, Middletown, Monroe, New Miami, Northwest, Ross, and Talawanda. The School District provides career-technical education programs to secondary and adult students within these districts and surrounding areas in southwest Ohio.

The School District is governed by an eleven (11)-member Board of Education representing each participating member school district. Each of the member school districts has direct representation through board members (elected to their local school district board) and appointed to serve on the School District Board for a two-year term. The School District Board holds power and authority for the management and control of the School District (Section 3311.19 (A) of the Ohio Revised Code). Section 3311.19 (D) vests the School District's Board of Education the same powers, duties, and authorities as granted by law to a board of education of a city school district and all provisions of law that applies to a city school district (excluding jurisdiction by a city civil service commission).

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

The Chief Executive Officer (CEO) 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 CEO (also known as the Superintendent) effective January 1, 2002. Dr. Sommers has been an educator for 28 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 Edmund R. Pokora as Chief Financial Officer (also known as the Treasurer) of the School District and he is directly responsible to the Board for all financial operations, investments, and maintains custody of all School District funds as well as serving as Secretary to the Board. Mr. Pokora was appointed effective May 10, 2004, and received a new contract that runs through January 1, 2011. Mr. Pokora has served as a school CFO since 1983 and holds a B.B.A. in Accounting from the University of Cincinnati. Mr. Pokora is recognized by the Ohio Association of School Business Officials as a Registered School Business Fiscal Officer (RSBFO).

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.

The School District operates two major facilities for career-technical programs: D. Russel Lee Career Technology Center and Greentree Health Science Academy. D. Russel Lee provides over 600 students a variety of secondary workforce development programs designed to give high school students technical and academic skills. The Greentree Academy is a joint venture with the Warren County Career Center that serves over 300 students in health related careers. In addition, the School District operates similar, but smaller career-tech programs at the Butler Tech Natural Science Academy, Options Academy-The Arts, and Project Search. The School District operates over 100 satellite programs, located in the members' school buildings, provides nearly 7,000 middle and high school students career-technical programs needed in today's global economy. As part of their programs, students are involved in career-technical student organizations that allow students to participate in both skill events and leadership activities.

In addition to middle school and high school programs, the School District is a state designated Adult Education Full Service Center offering various career enhancement and career development programs to over 13,000 adults who enroll in these programs yearly. Career enhancement programs provide adult students with opportunities to receive education in specific skill areas in a 4-6 week period. These courses can be used to enhance current skills or generate new skills that are useful in the workplace.

The annual budget is the foundation for the School District's financial planning and control. Prior to January 15, the CEO and CFO submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The School 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**

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 2,800, 2,600, and 1,300 people respectively. Financial services, paper manufacturing, retail stores, and medical companies as well as educational and governmental organizations complete the list of top employers. All of these larger companies create the need for a variety of smaller businesses that are thriving in the growing atmosphere that the County is currently enjoying.

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

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

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

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

## **MAJOR INITIATIVES**

During the 2007-08 school year, several major initiatives were underway within the School District. Some of these are highlighted below.

### **Northwest Local School District Joins Butler Tech**

In January 2008 the Northwest Local School District officially became a part of the career planning district of Butler Tech. For governance purposes, the Butler Tech Board of Education was expanded from nine to eleven members to include a representative from Northwest. To maintain an odd number of members, one additional seat on the board of education is for a one-year term and rotates annually among the member school districts. The district has now expanded to more than 500 square miles and for the first time includes students from outside of Butler County.

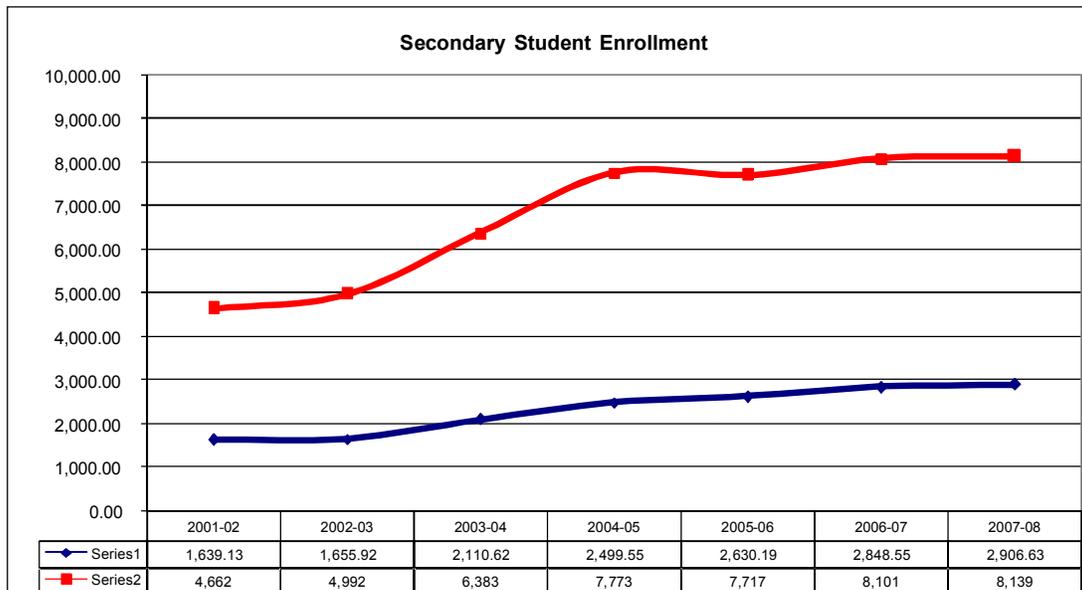
Student programs, instructional responsibilities, and the related revenues and expenses were transferred on July 1, 2008. It is estimated that 400 additional full-time equivalent students will enroll in programs operated by the School District. In addition, the local property tax base will increase an estimated \$1.7 billion or 25% over the FY08 valuation, adding additional revenue for program operations. For the 2008-09 school year the School District will operate 29 new programs located at the Colerain and Northwest Career-Technology Centers. The last time the School District expanded was in 1995 when the Middletown City School District transferred all career-technical programs to the School District.

### **D Russel Lee Renovation Project**

During the 2007-08 school year the School District entered into an agreement with the Ohio Schools Facilities Commission (OSFC) for an addition and renovation of the D Russel Lee Career-Technology Center. Open in 1975, the Career Center provides career-technical training to over 600 full-time high school students each school year. The School District also offers full and part-time adult education training to more than 2,000 residents. In addition to a renovation of the existing facility, the project will also include a 37,000 square foot classroom addition that will allow an additional 300 students to enroll in the Career Center. The total project cost is estimated at \$19.2 million with 63% of this amount being funded by the OSFC. Construction is estimated to begin in June 2009 and be completed by September 2010.

### **Enrollment Growth Continues**

The School District again experienced significant student growth in secondary programs and remained the second largest career-technical school district in the State of Ohio. On a full-time equivalent basis, the School District increased high school student enrollment from 1,639 in 2001-02 to 2,907 in 2007-08, an increase of over 77%. On a head-count basis, more than 8,000 high school students are being taught by the School District in one or more courses. The chart on the following page shows the increase in high school enrollment since the 2001-02 school year.



## FINANCIAL INFORMATION

**Cash Management Policies and Practices** The School District's cash management program addresses the issues of safety, liquidity and yield while maximizing returns. The School 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.

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

**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 2007, 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 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. 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**

### **GFOA Certificate of Achievement**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Butler Technology and Career Development Schools for its comprehensive annual financial report for the fiscal year ending June 30, 2007. This was the ninth 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.

### **ASBO Certificate of Excellence**

The Association of School Business Officials International (ASBO) awards a Certificate of Excellence in Financial Reporting to school districts that publish Comprehensive Annual Financial Reports, which substantially conform to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials. The award is granted only after an intensive review of the financial report by an all expert panel of certified public accountants and practicing school business officials. The School District received the Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2007. This was the second time the School District participated in the ASBO award program. The School District believes that the Comprehensive Annual Financial Report for fiscal year June 30, 2008, which will be submitted to ASBO for review, will conform to ASBO's principles and standards.

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

Respectfully,



Edmund R. Pokora  
Chief Financial Officer

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

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# BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

## LIST OF PRINCIPAL OFFICIALS

JUNE 30, 2008

### BOARD OF EDUCATION

<u>Title</u>	<u>Name</u>	<u>District</u>	<u>Term Expires</u>	<u>Initial Appointment</u>
President	Tom Birdwell	Monroe	12/31/08	2001
Vice President	John Snyder	Edgewood	12/31/08	2006
Member	Bruce Gehring	Northwest	12/31/10	2008
Member	Glenda Holt	Ross	12/31/10	2008
Member	Brian McGuire	Madison	12/31/10	2008
Member	Katie McNeil	Middletown	12/31/08	2000
Member	Dan Murray	Fairfield	12/31/10	2008
Member	Joan Powell	Lakota	12/31/10	2008
Member	Sue Price	New Miami	12/31/08	1997
Member	Lois Vollmer	Talawanda	12/31/10	2008
Member	Jim Wirtley	Edgewood	12/31/08	2008

### ADMINISTRATIVE OFFICIALS

Chief Executive Officer	Robert D. Sommers, Ph.D.
Chief Financial Officer	Edmund R. Pokora
Vice President, Operations	Jan Kesselring
Vice President, Educational Options	Mike Parry
Vice President, Secondary Workforce Education	Dan Schroer
Vice President, Career Development	Debby Snyder
Vice President, Adult Workforce Education	Amy Waldbillig

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Butler Technology and Career  
Development Schools, Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2007

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.



*Oliver S. Cox*

President

*Jeffrey R. Emmer*

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS**

**For its Comprehensive Annual Financial Report (CAFR)**  
For the Fiscal Year Ended June 30, 2007

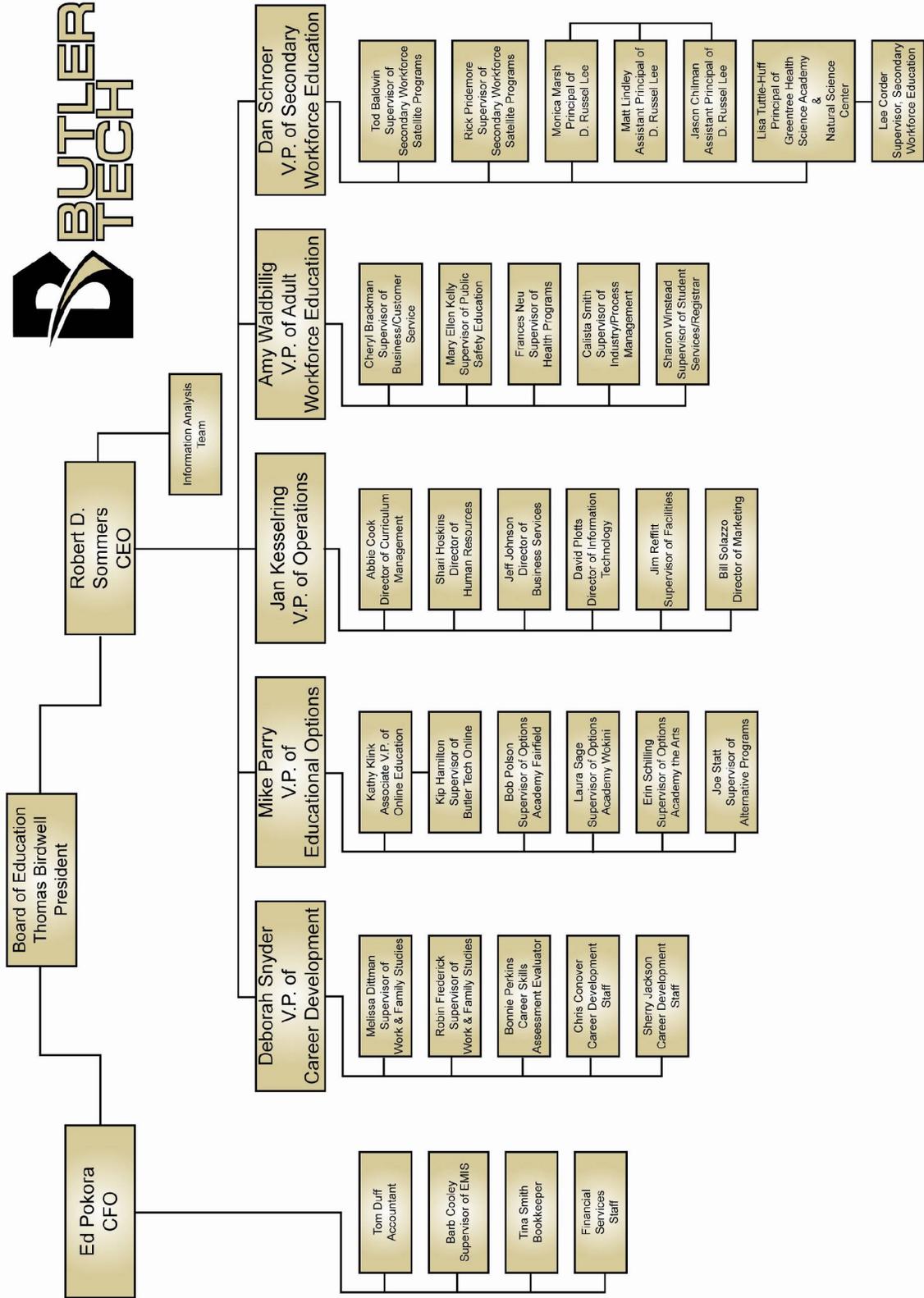
Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

*James E. Brendel*

President

*John D. Messer*

Executive Director



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*Butler Technology and Career  
Development Schools, Ohio*

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# **FINANCIAL SECTION**

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## **INDEPENDENT AUDITORS' REPORT**

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

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 (the "School District") as of and for the year ended June 30, 2008, 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 opinions on the 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 the significant estimates made by management, as well as evaluating the overall 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 the Butler Technology and Career Development Schools as of June 30, 2008, 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 December 24, 2008 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and the budgetary comparison information on pages 3 through 11 and 49 through 50, respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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cincinnati, oh 45202

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f. 513.241.1212

Our audit was conducted for the purposes 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 schedules, and statistical section 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 and schedules 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 and statistical sections 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.

*Clark, Schaefer, Hachett & Co.*

Cincinnati, Ohio  
December 24, 2008

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

### **MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) Year Ended June 30, 2008**

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, 2008. 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 2008 are listed below:

- ✓ The assets of the School District exceeded its liabilities at year-end by \$49,549,069. Of this amount, \$3,901,271 may be used to meet the government's ongoing obligations to citizens and creditors.
- ✓ Total revenue for the School District increased 31% for the year to \$51,932,785.
- ✓ The District had \$34,260,767 in expenses related to governmental activities; only \$1,331,959 of these expenses were offset by program specific charges for services, grants or contributions. General revenue of \$44,236,229, made up primarily of property taxes and State Foundation payments, was used to provide for these programs.
- ✓ In total, net assets increased by \$10,921,958 from the previous year.
- ✓ The General Fund balance increased by \$345,305 from \$4,464,134 at June 30, 2007 to \$4,809,439 at June 30, 2008.

#### **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.

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

### **Management's Discussion and Analysis**

**Year Ended June 30, 2008**

**Unaudited**

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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.

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 primary 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 enterprise funds to account for its adult education and food services programs. Enterprise funds provide the same information as the government-wide financial statements, only in more detail.

**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO****Management's Discussion and Analysis****Year Ended June 30, 2008****Unaudited**

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

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

**Other information.** In addition to the basic financial statements and accompanying notes, this report also contains required supplementary information concerning the budget for the General Fund. 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, 2008 and 2007:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	Restated		Restated		Restated	
	<u>FY2008</u>	<u>FY2007</u>	<u>FY2008</u>	<u>FY2007</u>	<u>FY2008</u>	<u>FY2007</u>
Current and other assets	\$ 42,948,931	27,187,745	590,494	594,919	43,539,425	27,782,664
Capital assets	<u>29,981,357</u>	<u>30,476,012</u>	<u>517,146</u>	<u>496,891</u>	<u>30,498,503</u>	<u>30,972,903</u>
Total assets	<u>72,930,288</u>	<u>57,663,757</u>	<u>1,107,640</u>	<u>1,091,810</u>	<u>74,037,928</u>	<u>58,755,567</u>
Long-term liabilities	2,046,887	1,583,318	196,055	136,059	2,242,942	1,719,377
Other liabilities	<u>22,076,862</u>	<u>18,195,670</u>	<u>169,055</u>	<u>213,409</u>	<u>22,245,917</u>	<u>18,409,079</u>
Total liabilities	<u>24,123,749</u>	<u>19,778,988</u>	<u>365,110</u>	<u>349,468</u>	<u>24,488,859</u>	<u>20,128,456</u>
Net assets:						
Invested in capital						
assets, net of debt	29,981,357	28,381,012	517,146	496,891	30,498,503	28,877,903
Restricted:						
For capital purposes	15,020,355	2,055,353	-	-	15,020,355	2,055,353
Other purposes	128,940	119,597	-	-	128,940	119,597
Unrestricted	<u>3,675,887</u>	<u>7,328,807</u>	<u>225,384</u>	<u>245,451</u>	<u>3,901,271</u>	<u>7,574,258</u>
Total net assets	\$ <u>48,806,539</u>	<u>37,884,769</u>	<u>742,530</u>	<u>742,342</u>	<u>49,549,069</u>	<u>38,627,111</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2008, the School District's assets exceeded liabilities by \$49,549,069, an increase of 28% over the 2007 fiscal year. Total assets of the School District increased \$15,282,361, or approximately 26% from the previous year as a result of receiving a \$11.6 million grant from the Ohio School Facilities Commission for the renovation of facilities. Total liabilities increased \$4,360,403, or 22% due to issuance of an additional \$4 million in notes payable.

**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2008**  
**Unaudited**

**B. Governmental and Business-type Activities during fiscal year 2008**

The following table presents a condensed summary of the School District's activities during fiscal year 2008 and 2007 and the resulting change in net assets:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>FY2008</u>	<u>FY2007</u>	<u>FY2008</u>	<u>FY2007</u>	<u>FY2008</u>	<u>FY2007</u>
<b>Revenues:</b>						
Program revenues:						
Charges for services and sales	\$ 548,865	677,250	4,990,115	4,539,100	5,538,980	5,216,350
Operating grants and contributions	783,094	823,374	1,374,482	1,325,765	2,157,576	2,149,139
Total program revenues	<u>1,331,959</u>	<u>1,500,624</u>	<u>6,364,597</u>	<u>5,864,865</u>	<u>7,696,556</u>	<u>7,365,489</u>
General revenues:						
Property taxes	11,678,352	12,197,690	-	-	11,678,352	12,197,690
Grants and entitlements	31,451,288	18,900,703	-	-	31,451,288	18,900,703
Investment earnings	669,570	709,597	-	-	669,570	709,597
Miscellaneous	437,019	510,914	-	-	437,019	510,914
Total general revenues	<u>44,236,229</u>	<u>32,318,904</u>	<u>-</u>	<u>-</u>	<u>44,236,229</u>	<u>32,318,904</u>
<b>Total revenues</b>	<u>45,568,188</u>	<u>33,819,528</u>	<u>6,364,597</u>	<u>5,864,865</u>	<u>51,932,785</u>	<u>39,684,393</u>
<b>Expenses:</b>						
Instruction	20,739,645	19,779,183	-	-	20,739,645	19,779,183
Support services:						
Pupil	1,331,726	1,274,770	-	-	1,331,726	1,274,770
Instructional staff	2,223,633	1,983,222	-	-	2,223,633	1,983,222
General administration	134,713	98,619	-	-	134,713	98,619
School administration	2,504,027	2,328,076	-	-	2,504,027	2,328,076
Fiscal	1,099,190	1,115,997	-	-	1,099,190	1,115,997
Business	55,441	28,357	-	-	55,441	28,357
Operation and maintenance of plant	2,766,776	2,340,466	-	-	2,766,776	2,340,466
Pupil transportation	6,023	15,492	-	-	6,023	15,492
Central	2,966,328	2,523,129	-	-	2,966,328	2,523,129
Non-instructional services	345,400	344,577	-	-	345,400	344,577
Interest and fiscal charges	87,865	140,025	-	-	87,865	140,025
Adult education	-	-	5,919,428	5,631,466	5,919,428	5,631,466
Food services	-	-	461,207	372,015	461,207	372,015
Other enterprise	-	-	369,425	273,054	369,425	273,054
<b>Total expenses</b>	<u>34,260,767</u>	<u>31,971,913</u>	<u>6,750,060</u>	<u>6,276,535</u>	<u>41,010,827</u>	<u>38,248,448</u>
<b>Excess before transfers</b>	11,307,421	1,847,615	(385,463)	(411,670)	10,921,958	1,435,945
<b>Transfers</b>	<u>(385,651)</u>	<u>(60,000)</u>	<u>385,651</u>	<u>60,000</u>	<u>-</u>	<u>-</u>
<b>Change in net assets</b>	\$ <u>10,921,770</u>	<u>1,787,615</u>	<u>188</u>	<u>(351,670)</u>	<u>10,921,958</u>	<u>1,435,945</u>

# BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

## Management's Discussion and Analysis

Year Ended June 30, 2008

Unaudited

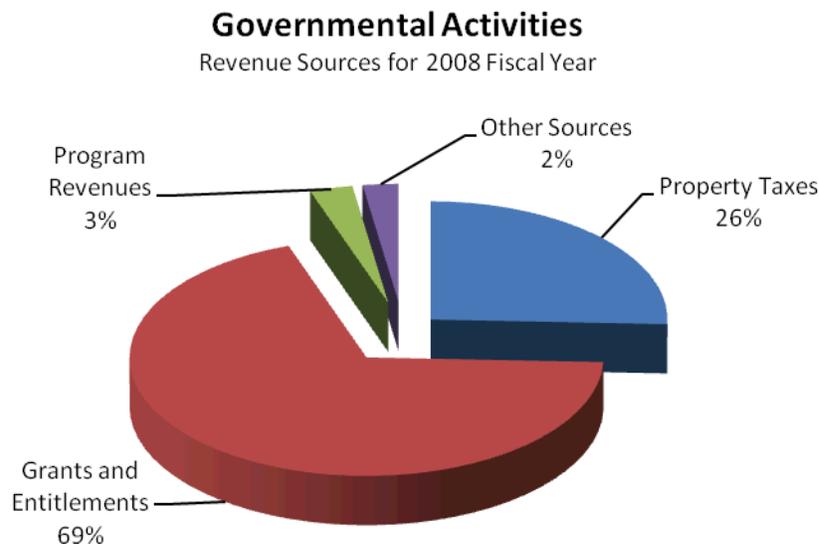
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The School District experienced moderate enrollment growth of 2% during the 2008 fiscal year, resulting in higher revenues from state grants and entitlements. Total funded enrollment increased 45 students during the year resulting in total secondary enrollment exceeding 2,810 students. The local tax base and revenues from property taxes were relatively flat when compared to the prior year. The elimination of certain business taxes in Ohio is suppressing revenue growth in this area of the School District's operations. Ohio is currently reimbursing school districts for this revenue loss until 2011.

Total revenues of the School District increased \$12.2 million or 31% from the previous fiscal year. The increases in revenues during the 2008 fiscal year were due to the following factors:

- The main revenue growth factor was the \$11.6 million grant received from the Ohio School Facilities Commission for the renovation of facilities.
- State funding and entitlements accounted for an increase of \$1 million, which was due to the student enrollment increase from 2,764 students to 2,811 as well as the reimbursement of business tax losses.
- Total program revenues rose over \$330,000 (4.5%) due to higher tuition rates for the Adult Education programs for the 2008 year. In addition, student loans increased over \$100,000 during the year.
- Interest income declined by \$40,000 as improved cash flow was offset by a sharp decline in the rates of return on available investments.

Of the total governmental activities revenues of \$45,568,188, \$1,331,959 (3%) 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, 26% (\$11,678,352) comes from property tax levies and 69% (\$31,451,288) is from state funding. The School District's operations are reliant upon its property tax levy and the state's foundation program.



**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2008**  
**Unaudited**

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***Governmental Activities***

The following table presents the total cost of each of the government's primary services, and the comparative net cost after deducting the revenues generated by each function. Approximately 4% of the cost of the general government programs was recouped in program revenues. Instruction costs were \$20,739,645 but program revenue contributed to fund 3% of those costs. Thus, general revenues of \$20,151,471 were used to support of remainder of the instruction costs.

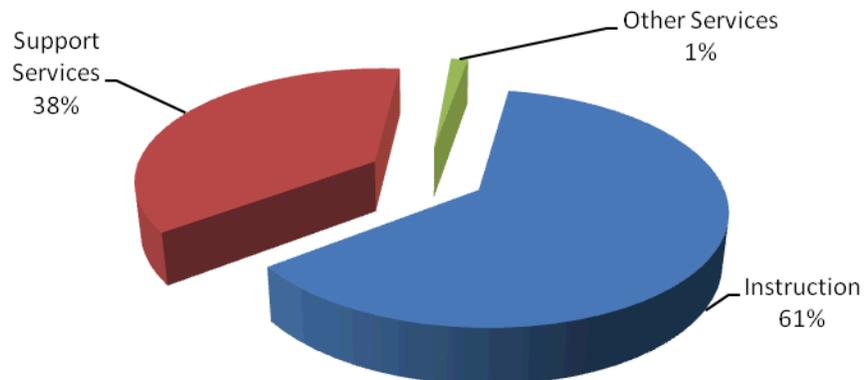
The School District's governmental activities net assets increased by \$10,921,770.

**Governmental Activities**

		<u>Total Cost of Services</u>	<u>Program Revenue</u>	<u>Revenues as a % of Total Costs</u>	<u>Net Cost of Services</u>
Instruction	\$	20,739,645	588,174	3%	20,151,471
Support services		13,087,857	528,694	4%	12,559,163
Non-instructional services		345,400	215,091	62%	130,309
Interest and fiscal charges		<u>87,865</u>	<u>-</u>	0%	<u>87,865</u>
<b>Total</b>	<b>\$</b>	<b><u>34,260,767</u></b>	<b><u>1,331,959</u></b>	<b><u>4%</u></b>	<b><u>32,928,808</u></b>

**Governmental Activities**

Cost of Services by Category for 2008 Fiscal Year



**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO****Management's Discussion and Analysis****Year Ended June 30, 2008****Unaudited*****Business-type Activities***

The following table presents the total cost of each of the School District's business segments and the net cost after deducting the revenues generated by each segment. Tuition charges and operating grants paid for 98% of the costs of Adult Education.

<b>Business-type Activities</b>					
		<b>Total Cost</b>	<b>Program</b>	<b>Revenues</b>	<b>Net Cost</b>
		<b>of Services</b>	<b>Revenue</b>	<b>as a % of</b>	<b>(Revenue)</b>
		<u>          </u>	<u>          </u>	<u>Total Costs</u>	<u>of Services</u>
Adult education	\$	5,919,428	5,807,839	98%	111,589
Food services		461,207	348,011	75%	113,196
Other enterprise		<u>369,425</u>	<u>208,747</u>	57%	<u>160,678</u>
<b>Total</b>	<b>\$</b>	<u><u>6,750,060</u></u>	<u><u>6,364,597</u></u>	<u>94%</u>	<u><u>385,463</u></u>

**FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S INDIVIDUAL FUNDS****Governmental funds**

The School District has two major governmental funds: General Fund and OSFC Project Construction Fund. Assets of these two funds comprise \$39,060,250 (91%) of the total \$43,068,984 governmental funds assets. The following provides an analysis of these major funds:

**General Fund.** Fund balance at June 30, 2008 was \$4,809,439, including \$3,101,126 of unreserved balance, which represents 10% of general fund expenditures for fiscal year 2008. For the 2008 fiscal year, total revenues exceeded total expenditures by approximately \$731,000, much of which was the result of an increase in state reimbursements for losses incurred from the reduction of certain business personal property taxes.

**OSFC Project Construction Fund.** This fund is used to account for resources used for the renovations at the School District's main educational campus through the Ohio School Facilities Commission project. The fund balance at June 30, 2008 was \$2,215,560 as a result of transfers and intergovernmental revenue received for the construction project.

**Proprietary funds**

The School District has one major proprietary fund – the Adult Education Fund. Net assets at June 30, 2008 were \$672,417, including \$225,384 of unrestricted net assets. The primary reason for the increase in net assets of \$149,062 was an increase in trade accounts receivable of \$155,345 driven by the timing of courses and the billing to third party payers.

**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2008**  
**Unaudited**

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**GENERAL FUND BUDGETARY HIGHLIGHTS**

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

The School District uses the five-year forecast as the original budget document. The beginning budgeted expenditures for the General Fund for the 2008 fiscal year were approximately \$36 million and the actual expenditures for the year were \$32.8 million, approximately \$3.2 million or 9% less than budgeted. The School District budgets the maximum amount allowed each year, setting aside a significant allocation for contingencies or for major unexpected expenditures that may occur during the year.

All program budgets in the General Fund are based upon the number of approved FTE's (full-time equivalent) students in each program as of the October enrollment count. Each budget is calculated by multiplying the cost per program times the number of approved FTE's in that program. The School District also maintains restricted accounts that are not appropriated to program budgets each year, but are determined based on the organizational needs at the beginning of each year.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital assets.** At June 30, 2008, the School District had \$30,498,503 invested in a broad range of capital assets, including land, buildings, equipment and vehicles. 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>	
		Restated		Restated		FY2008	Restated FY2007
		FY2008	FY2007	FY2008	FY2007		
Land	\$	3,438,645	3,438,645	-	-	3,438,645	3,438,645
Construction in progress		107,339	107,339	-	-	107,339	107,339
Buildings		18,524,918	19,154,787	-	-	18,524,918	19,154,787
Building improvements		4,052,421	3,918,667	-	-	4,052,421	3,918,667
Furniture and equipment		3,686,042	3,648,770	492,099	483,231	664,091	4,132,001
Vehicles		171,992	207,804	25,047	13,660	3,711,089	221,464
Total	\$	<u>29,981,357</u>	<u>30,476,012</u>	<u>517,146</u>	<u>496,891</u>	<u>30,498,503</u>	<u>30,972,903</u>

**Debt**

The School District paid off its general obligation bonds during fiscal year 2008. See Note 11 to the financial statements. The School District issued \$6 million in notes during the year for planned capital improvements at the D. Russel Lee campus. The School District utilized a section of the Ohio Revised Code that permits school districts to issue unvoted indebtedness not to exceed 1/10 of 1% of the property valuation of the School District. See Note 12 to the financial statements.

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

**Management's Discussion and Analysis**

**Year Ended June 30, 2008**

**Unaudited**

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**ECONOMIC FACTORS**

The School District continues to experience growth in both student enrollment and in the local tax base, both of which are key components of revenue. It is estimated that these trends will continue over the next several years and provide the necessary revenue base to allow all programs and services to continue without financial hardship. While local tax revenue appears stagnant due to the reduction of certain business taxes, the real property tax base of the School District, both residential and industrial/commercial properties, increased nearly 6% during the year.

The School District operates on 1.93 mills that is a permanent voted tax rate. This means that it does not need to be renewed and is not subject to tax rollbacks or other limitations on growth. This provides a solid foundation for revenue growth in local property taxes, a funding stream that makes up approximately 26% of all governmental activity revenue.

The State of Ohio enacted a two-year budget through June 30, 2009 that will increase the per-pupil funding level by 3% each year. This is consistent with School District projections and will provide a funding level necessary to maintain existing programs and services for the 2008-09 year. At this point in time, it is not possible to project what the next state budget will mean for education for the ensuing two-year period ending June 30, 2011.

**REQUESTS FOR ADDITIONAL INFORMATION**

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

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## BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

### Statement of Net Assets

June 30, 2008

	<u>Governmental</u> <u>Activities</u>	<u>Business-</u> <u>Type</u> <u>Activities</u>	<u>Total</u>
<b>Assets:</b>			
Equity in pooled cash and investments	\$ 16,553,202	257,383	16,810,585
Receivables:			
Taxes	14,056,582	-	14,056,582
Accounts	17,949	190,168	208,117
Intergovernmental	11,737,671	142,943	11,880,614
Interest	115,574	-	115,574
Restricted assets	467,953	-	467,953
Nondepreciable capital assets	3,545,984	-	3,545,984
Depreciable capital assets, net	<u>26,435,373</u>	<u>517,146</u>	<u>26,952,519</u>
<b>Total assets</b>	<u>72,930,288</u>	<u>1,107,640</u>	<u>74,037,928</u>
<b>Liabilities:</b>			
Accounts payable	388,738	82,371	471,109
Accrued wages	2,291,087	86,684	2,377,771
Unearned revenue	13,393,637	-	13,393,637
Accrued interest payable	3,400	-	3,400
Notes payable	6,000,000	-	6,000,000
Long-term liabilities:			
Due within one year	265,608	43,115	308,723
Due within more than one year	<u>1,781,279</u>	<u>152,940</u>	<u>1,934,219</u>
<b>Total liabilities</b>	<u>24,123,749</u>	<u>365,110</u>	<u>24,488,859</u>
<b>Net Assets:</b>			
Invested in capital assets	29,981,357	517,146	30,498,503
Restricted for:			
Capital projects	15,020,355	-	15,020,355
Other purposes	128,940	-	128,940
Unrestricted	<u>3,675,887</u>	<u>225,384</u>	<u>3,901,271</u>
<b>Total net assets</b>	<u>\$ 48,806,539</u>	<u>742,530</u>	<u>49,549,069</u>

See accompanying notes to the basic financial statements.

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

Statement of Activities

Year Ended June 30, 2008

	Expenses	Program Revenues Charges for Services and Sales	Operating Grants and Contributions
<b>Governmental Activities:</b>			
Instruction:			
Regular	\$ 430,515	-	-
Vocational education	20,309,130	548,865	39,309
Support services:			
Pupil	1,331,726	-	103,594
Instructional staff	2,223,633	-	283,256
General administration	134,713	-	-
School administration	2,504,027	-	28,648
Fiscal	1,099,190	-	-
Business	55,441	-	-
Operation and maintenance of plant	2,766,776	-	-
Pupil transportation	6,023	-	-
Central	2,966,328	-	113,196
Non-instructional services:			
Extracurricular activities	292,461	-	215,091
Community service	52,939	-	-
Interest on long-term debt	87,865	-	-
Total Governmental Activities	<u>34,260,767</u>	<u>548,865</u>	<u>783,094</u>
<b>Business-Type Activities:</b>			
Food service	461,207	347,235	776
Uniform school supplies	7,526	8,874	-
Adult education	5,919,428	4,434,133	1,373,706
Other enterprise	361,899	199,873	-
Total Business-Type Activities	<u>6,750,060</u>	<u>4,990,115</u>	<u>1,374,482</u>
	<u>\$ 41,010,827</u>	<u>5,538,980</u>	<u>2,157,576</u>

**General Revenues:**

Property taxes levied for general purposes

Property taxes levied for debt service

Grants and entitlements:

    OSFC funding

    State funding

Investment earnings

Miscellaneous

Transfers

Total general revenues and transfers

Change in net assets

Net assets beginning of year, restated

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
\$	(430,515)	-	(430,515)
	(19,720,956)	-	(19,720,956)
	(1,228,132)	-	(1,228,132)
	(1,940,377)	-	(1,940,377)
	(134,713)	-	(134,713)
	(2,475,379)	-	(2,475,379)
	(1,099,190)	-	(1,099,190)
	(55,441)	-	(55,441)
	(2,766,776)	-	(2,766,776)
	(6,023)	-	(6,023)
	(2,853,132)	-	(2,853,132)
	(77,370)	-	(77,370)
	(52,939)	-	(52,939)
	(87,865)	-	(87,865)
	<u>(32,928,808)</u>	<u>-</u>	<u>(32,928,808)</u>
	-	(113,196)	(113,196)
	-	1,348	1,348
	-	(111,589)	(111,589)
	-	(162,026)	(162,026)
	<u>-</u>	<u>(385,463)</u>	<u>(385,463)</u>
	<u>(32,928,808)</u>	<u>(385,463)</u>	<u>(33,314,271)</u>
	11,004,590	-	11,004,590
	673,762	-	673,762
	11,617,618	-	11,617,618
	19,833,670	-	19,833,670
	669,570	-	669,570
	437,019	-	437,019
	(385,651)	385,651	-
	<u>43,850,578</u>	<u>385,651</u>	<u>44,236,229</u>
	10,921,770	188	10,921,958
	<u>37,884,769</u>	<u>742,342</u>	<u>38,627,111</u>
\$	<u><u>48,806,539</u></u>	<u><u>742,530</u></u>	<u><u>49,549,069</u></u>

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

Balance Sheet  
Governmental Funds  
June 30, 2008

	<u>General</u>	<u>OSFC Project Construction Fund</u>	<u>Other Governmental Funds</u>
<b>Assets:</b>			
Equity in pooled cash and investments	\$ 6,568,943	6,769,340	3,214,919
Restricted cash	467,953	-	-
Receivables:			
Taxes	13,382,820	-	673,762
Accounts	17,949	-	-
Accrued interest	115,574	-	-
Intergovernmental	-	11,617,618	120,053
Interfund receivable	120,053	-	-
<b>Total assets</b>	<u>20,673,292</u>	<u>18,386,958</u>	<u>4,008,734</u>
<b>Liabilities:</b>			
Accounts payable	351,492	4,900	32,346
Accrued wages and benefits	2,291,087	-	-
Interfund payable	-	-	120,053
Accrued interest payable	-	3,400	-
Compensated absences payable	184,303	-	-
Notes payable	-	5,165,480	834,520
Deferred revenue	13,036,971	10,997,618	793,815
<b>Total liabilities</b>	<u>15,863,853</u>	<u>16,171,398</u>	<u>1,780,734</u>
<b>Fund Balances:</b>			
Reserved for:			
Encumbrances	853,360	24,250	111,650
Budget stabilization	467,953	-	-
Property taxes	387,000	-	-
Unreserved, reported in:			
General Fund	3,101,126	-	-
Special Revenue Funds	-	-	15,294
Capital Projects Funds	-	2,191,310	2,101,056
<b>Total fund balances</b>	<u>4,809,439</u>	<u>2,215,560</u>	<u>2,228,000</u>
<b>Total liabilities and fund balances</b>	\$ <u>20,673,292</u>	<u>18,386,958</u>	<u>4,008,734</u>

See accompanying notes to the basic financial statements.

Reconciliation of Total Governmental Fund Balances to  
Net Assets of Governmental Activities  
June 30, 2008

	<b>Total Governmental Fund Balances</b>	\$	9,252,999
Total Governmental Funds			
	Amounts reported for governmental activities in the statement of net assets are different because:		
16,553,202			
467,953			
	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
14,056,582			29,981,357
17,949			
115,574			
11,737,671			
120,053			
<u>43,068,984</u>			
	Other long-term assets are not available to pay for current- period expenditures and therefore are not reported in the funds.		
			11,434,767
	Long-term liabilities, such as compensated absences, are not due and payable in the current period and therefore are not reported in the funds.		
388,738			
2,291,087			<u>(1,862,584)</u>
120,053			
3,400			
184,303			
6,000,000			
24,828,404			
<u>33,815,985</u>			
	Net Assets of Governmental Activities	\$	<u>48,806,539</u>
989,260			
467,953			
387,000			
3,101,126			
15,294			
4,292,366			
<u>9,252,999</u>			
<u>43,068,984</u>			

## BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

Year Ended June 30, 2008

	General	OSFC Project Construction Fund	Other Governmental Funds
<b>Revenues:</b>			
Taxes	\$ 11,393,645	-	673,762
Tuition and fees	548,865	-	-
Investment income	392,094	168,853	113,821
Intergovernmental	19,833,670	620,000	617,158
Miscellaneous	<u>456,372</u>	<u>-</u>	<u>35,855</u>
<b>Total revenues</b>	<u>32,624,646</u>	<u>788,853</u>	<u>1,440,596</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular	418,007	-	-
Vocational education	19,011,848	-	113,080
Special education	-	-	32,539
Support services:			
Pupil	1,212,181	-	98,819
Instructional staff	1,891,265	-	292,893
General administration	86,559	-	-
School administration	2,434,979	-	29,746
Fiscal	1,080,295	-	-
Business	54,222	-	-
Operation and maintenance of plant	2,699,097	-	-
Pupil transportation	6,565	-	-
Central	2,795,188	-	127,406
Non-instructional services:			
Extracurricular	72,068	-	220,393
Community service	52,939	-	-
Capital outlay	78,477	75,235	382,216
Debt Service:			
Principal	-	-	95,000
Interest and fiscal charges	-	3,400	86,665
<b>Total expenditures</b>	<u>31,893,690</u>	<u>78,635</u>	<u>1,478,757</u>
Excess of revenues over (under) expenditures	<u>730,956</u>	<u>710,218</u>	<u>(38,161)</u>
<b>Other financing sources (uses):</b>			
Transfers in	-	3,128,310	3,705,358
Transfers out	(385,651)	(1,622,968)	(5,210,700)
Premium on sale of notes	-	-	7,903
<b>Total other financing sources (uses)</b>	<u>(385,651)</u>	<u>1,505,342</u>	<u>(1,497,439)</u>
Net change in fund balances	345,305	2,215,560	(1,535,600)
Fund balance, beginning of year	<u>4,464,134</u>	<u>-</u>	<u>3,763,600</u>
Fund balance, end of year	\$ <u>4,809,439</u>	<u>2,215,560</u>	<u>2,228,000</u>

See accompanying notes to the basic financial statements.



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

## Statement of Net Assets

## Enterprise Funds

June 30, 2008

	Adult Education Fund	Other Enterprise Funds	Total
<b>Assets:</b>			
Current assets:			
Equity in pooled cash and investments	\$ 170,510	86,873	257,383
Receivables:			
Accounts	190,168	-	190,168
Intergovernmental	142,943	-	142,943
Total current assets	<u>503,621</u>	<u>86,873</u>	<u>590,494</u>
Noncurrent assets:			
Capital assets, net	<u>517,146</u>	-	<u>517,146</u>
<b>Total assets</b>	<u>1,020,767</u>	<u>86,873</u>	<u>1,107,640</u>
<b>Liabilities:</b>			
Current liabilities:			
Accounts payable	66,354	16,017	82,371
Accrued wages	85,941	743	86,684
Compensated absences	43,115	-	43,115
Total current liabilities	<u>195,410</u>	<u>16,760</u>	<u>212,170</u>
Long-term liabilities:			
Compensated absences	<u>152,940</u>	-	<u>152,940</u>
<b>Total liabilities</b>	<u>348,350</u>	<u>16,760</u>	<u>365,110</u>
<b>Net Assets:</b>			
Invested in capital assets	517,146	-	517,146
Unrestricted	<u>155,271</u>	<u>70,113</u>	<u>225,384</u>
<b>Total net assets</b>	<u>\$ 672,417</u>	<u>70,113</u>	<u>742,530</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

## Enterprise Funds

Year Ended June 30, 2008

	Adult Education Fund	Other Enterprise Funds	Total
<b>Operating revenues:</b>			
Charges for services	\$ 3,959,569	399,302	4,358,871
Other operating revenues	<u>474,564</u>	<u>156,680</u>	<u>631,244</u>
<b>Total operating revenues</b>	<u>4,434,133</u>	<u>555,982</u>	<u>4,990,115</u>
<b>Operating expenses:</b>			
Salaries and wages	3,121,694	95,203	3,216,897
Fringe benefits	681,290	48,837	730,127
Contractual services	335,318	549,450	884,768
Materials and supplies	818,947	110,102	929,049
Depreciation	81,225	-	81,225
Other expenses	<u>880,954</u>	<u>27,040</u>	<u>907,994</u>
<b>Total operating expenses</b>	<u>5,919,428</u>	<u>830,632</u>	<u>6,750,060</u>
Operating loss	(1,485,295)	(274,650)	(1,759,945)
<b>Nonoperating revenues:</b>			
State and federal grants	1,373,706	-	1,373,706
Interest income	<u>-</u>	<u>776</u>	<u>776</u>
<b>Total nonoperating revenues</b>	<u>1,373,706</u>	<u>776</u>	<u>1,374,482</u>
Net loss before transfers	(111,589)	(273,874)	(385,463)
Transfers in	<u>260,651</u>	<u>125,000</u>	<u>385,651</u>
Net income (loss)	149,062	(148,874)	188
Net assets, beginning of year, restated	<u>523,355</u>	<u>218,987</u>	<u>742,342</u>
Net assets, end of year	<u>\$ 672,417</u>	<u>70,113</u>	<u>742,530</u>

See accompanying notes to the basic financial statements.

## BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Statement of Cash Flows

Enterprise Funds

Year Ended June 30, 2008

	<u>Adult Education Fund</u>	<u>Other Enterprise Funds</u>	<u>Total</u>
<b>Cash flows from operating activities:</b>			
Cash received from customers	\$ 3,804,224	399,302	4,203,526
Cash received from other operating sources	474,564	156,680	631,244
Cash payments for personal services	(3,738,952)	(143,297)	(3,882,249)
Cash payments for contract services	(417,584)	(591,953)	(1,009,537)
Cash payments for supplies and materials	(752,593)	(100,820)	(853,413)
Cash payments for other expenses	(880,954)	(27,040)	(907,994)
Net cash used by operating activities	<u>(1,511,295)</u>	<u>(307,128)</u>	<u>(1,818,423)</u>
<b>Cash flows from noncapital financing activities:</b>			
Transfers	260,651	125,000	385,651
Cash received from state and federal grants	<u>1,360,467</u>	<u>-</u>	<u>1,360,467</u>
Net cash provided by noncapital financing activities	<u>1,621,118</u>	<u>125,000</u>	<u>1,746,118</u>
<b>Cash flows from capital and related financing activities:</b>			
Acquisition of capital assets	<u>(101,480)</u>	<u>-</u>	<u>(101,480)</u>
<b>Cash flows from investing activities:</b>			
Investment income	<u>-</u>	<u>776</u>	<u>776</u>
Net change in cash and investments	8,343	(181,352)	(173,009)
Cash and investments at beginning of year	<u>162,167</u>	<u>268,225</u>	<u>430,392</u>
Cash and investments at end of year	<u>\$ 170,510</u>	<u>86,873</u>	<u>257,383</u>
<b>Reconciliation of operating loss to net cash used by operating activities:</b>			
Operating loss	\$ (1,485,295)	(274,650)	(1,759,945)
Adjustments to reconcile operating loss to net cash used by operating activities:			
Depreciation	81,225	-	81,225
Changes in assets and liabilities:			
Accounts receivable	(155,345)	-	(155,345)
Accounts payable	(15,912)	(33,221)	(49,133)
Accrued wages and benefits	4,036	743	4,779
Compensated absences payable	<u>59,996</u>	<u>-</u>	<u>59,996</u>
Net cash used by operating activities	<u>\$ (1,511,295)</u>	<u>(307,128)</u>	<u>(1,818,423)</u>

See accompanying notes to the basic financial statements.

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

Statement of Net Assets

Fiduciary Funds

June 30, 2008

		Private Purpose Trust	Agency Funds
		<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Equity in pooled cash and investments	\$	135,845	3,727,533
Intergovernmental receivable		-	51,780
Total assets		<u>135,845</u>	<u>3,779,313</u>
<b>LIABILITIES</b>			
Due to student groups		-	195,957
Due to other governments		-	3,583,356
Total liabilities		<u>-</u>	<u>3,779,313</u>
<b>NET ASSETS</b>			
Held in trust	\$	<u>135,845</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, 2008

	<u>Private- Purpose Trust Fund</u>
<b>Additions:</b>	
Interest	\$ 6,443
Contributions	<u>150</u>
Total additions	<u>6,593</u>
<b>Deductions:</b>	
Benefits	<u>1,500</u>
Total deductions	<u>1,500</u>
Change in net assets	5,093
Net assets, beginning of year	<u>130,752</u>
Net assets, end of year	\$ <u><u>135,845</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, 2008**

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**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 School District has the option of following subsequent private-sector guidance but has elected not to do so. 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 14,375 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.

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**B. 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.

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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.

**C. Fund Accounting**

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

**Governmental funds** focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets 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.

**OSFC Project Construction Fund** - The OSFC project construction fund is used to account for financial resources to be used for the construction or improvement of the infrastructure of the buildings and grounds through the Ohio School Facilities Commission project.

**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.

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*Fiduciary Funds* report on net assets and changes in net assets. The School District's fiduciary funds consist of a private-purpose trust fund 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, used to account for student activities, SWOCA, and District Agency activities, are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**D. Basis of Accounting**

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

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

***Revenues - Exchange and Non-exchange transactions*** Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place.

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

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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.

*Deferred Revenue* Deferred revenues arise when assets are recognized before revenue recognition criteria have been satisfied. Property taxes measurable as of June 30, 2008, which are intended to finance fiscal year 2009 operations, 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. Cash and Cash Equivalents**

To improve cash management, all cash received by the School District is pooled in a central bank account. Monies for all funds are maintained in this account or temporarily used to purchase short-term investments. Individual fund integrity is maintained through School District records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Investments" on the balance sheet. During 2008, investments were limited to 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, 2008 at the fair value. Repurchase agreements are reported at cost.

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.

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**F. Capital Assets**

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

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

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

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

**G. Interfund Balances**

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

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

**H. Compensated Absences**

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

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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 has matured, for example, as a result of employee resignations and retirements.

**I. Accrued Liabilities and Long-Term Obligations**

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

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

**J. 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, and budget reserve set-asides.

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.

**K. 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.

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**L. 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.

**M. 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. RESTATEMENTS/FUND BALANCE DEFICITS**

**Restatements**

During migration to their new capital asset system, the School District noted several errors in their capital asset records. This requires a restatement of beginning net assets for governmental activities and business-type activities as well as the restatement of beginning net assets for the Adult Education Fund as follows:

	Governmental Activities	Business- Type Activities
Net assets as of June 30, 2007	\$ 38,161,644	387,145
Capital asset adjustments	<u>(276,875)</u>	<u>355,197</u>
Net assets as of June 30, 2007, restated	<u>\$ 37,884,769</u>	<u>742,342</u>

	Adult Education Fund
Net assets as of June 30, 2007	\$ 168,158
Capital asset adjustments	<u>355,197</u>
Net assets as of June 30, 2007, restated	<u>\$ 523,355</u>

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**Fund Balance Deficits**

At June 30, 2008, the following funds had a deficit fund balance:

High Schools That Work Fund	\$1,792
Vocation Education Fund	\$32,962
Title V Fund	\$14,085

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

**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.

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

1. United States Treasury notes, bills, bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by the federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio); and,
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time.

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

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

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Deposits

*Custodial Credit Risk*

Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District's custodial credit risk policy requires that deposits be collateralized as required by ORC Chapter 135. At year-end, \$8,803,061 of the School District's bank balance of \$9,003,061 was exposed to custodial credit risk since it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the School District's name.

Investments

The School District's investments at June 30, 2008 are as summarized as follows:

	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
FHLB	\$ 6,754,511	0.75
FNMA	2,773,237	0.95
FHLMC	<u>3,253,158</u>	<u>0.30</u>
	<u>\$ 12,780,906</u>	<u>0.68</u>

*Credit Risk*

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

*Custodial Credit Risk*

Custodial credit risk is the risk that in the event of a failure of a counter party, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School District's investment securities are registered in the name of the School District.

*Concentration of Credit Risk*

The School District's policy places no limit on the amount it may invest in any one issuer. The School District investments in commercial paper and FHLB, FNMA, and FHLMC securities represent 53%, 22%, and 25%, respectively, of the School District's total investments.

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*Interest Rate Risk*

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

**4. PROPERTY TAXES**

Property taxes are levied and assessed on a calendar year basis while the School District fiscal year runs from July through June. First half tax collections are received by the School District in the second half of the fiscal year. Second half distributions occur in the first half of the following fiscal year.

Property taxes include amounts levied against all real, public utility, and tangible personal property (used in business) 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. Assessed values for real property taxes are established by State law at 35 percent of appraised market 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.

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. Public utility property taxes are assessed on tangible personal property at varying percentages of true value and on real property at 35% of true value.

Tangible personal property taxes are levied after April 1 on the value as of December 31 of the current year. In prior years, tangible personal property was assessed at twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory. The tangible personal property tax is being phased out – the assessment percentage for all property including inventory for 2006 was 18.75 percent. This will be reduced to 12.5 percent for 2007, 6.25 percent for 2008, and zero for 2009. Payments 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. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

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, 2008, are available to finance fiscal year 2008 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

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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, 2008. 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, 2008, was \$387,000 in the General Fund.

The assessed values upon which fiscal year 2008 taxes were collected are:

	<u>2007 Second- Half Collections</u>		<u>2008 First- Half Collections</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential and Other Real Estate	\$ 6,216,633,650	88.84%	6,349,389,610	91.01%
Public Utility	228,898,010	3.27%	217,960,270	3.12%
Tangible Personal Property	<u>552,260,150</u>	7.88%	<u>409,258,520</u>	5.87%
Total Assessed Value	\$ <u>6,997,791,810</u>	100.00%	<u>6,976,608,400</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 \$120,053 due from Other Governmental Funds. These interfund loans were made to provide operating capital.

Interfund transfers for the year ended June 30, 2008, consisted of the following:

		<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$	-	385,651
OSFC Project Construction Fund		3,128,310	1,622,968
Other Governmental Funds		3,705,358	5,210,700
Adult Education Fund		260,651	
Other Enterprise Funds		<u>125,000</u>	<u>-</u>
Total	\$	<u>7,219,319</u>	<u>7,219,319</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.

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**6. CAPITAL ASSETS**

Capital assets activity for the year ended June 30, 2008 was as follows:

	Restated Balance 7/1/07	Additions	Disposals	Balance 6/30/08
<b>Governmental Activities</b>				
<i>Capital assets not being depreciated:</i>				
Land	\$ 3,438,645	-	-	3,438,645
Construction in progress	107,339	-	-	107,339
Subtotal	<u>3,545,984</u>	-	-	<u>3,545,984</u>
<i>Capital assets being depreciated:</i>				
Buildings	25,194,751	-	-	25,194,751
Building improvements	5,092,063	474,660	-	5,566,723
Furniture and equipment	8,817,974	1,425,540	(412,597)	9,830,917
Vehicles	658,721	28,000	(11,990)	674,731
Subtotal	<u>39,763,509</u>	<u>1,928,200</u>	<u>(424,587)</u>	<u>41,267,122</u>
Totals at historical cost	<u>43,309,493</u>	<u>1,928,200</u>	<u>(424,587)</u>	<u>44,813,106</u>
Less accumulated depreciation:				
Buildings	6,039,964	629,869	-	6,669,833
Building improvements	1,173,396	340,906	-	1,514,302
Furniture and equipment	5,169,204	1,381,254	(405,583)	6,144,875
Vehicles	450,917	63,812	(11,990)	502,739
Total accumulated depreciation	<u>12,833,481</u>	<u>2,415,841</u>	<u>(417,573)</u>	<u>14,831,749</u>
Capital assets, net	<u>\$ 30,476,012</u>	<u>(487,641)</u>	<u>(7,014)</u>	<u>29,981,357</u>

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	Restated Balance 7/1/07	Additions	Disposals	Balance 6/30/08
<b><i>Business-type Activities:</i></b>				
Furniture and equipment	\$ 1,022,527	79,330	-	1,101,857
Vehicles	161,400	22,150	-	183,550
Totals at historical cost	<u>1,183,927</u>	<u>101,480</u>	<u>-</u>	<u>1,285,407</u>
Less accumulated depreciation:				
Furniture and equipment	539,296	70,462	-	609,758
Vehicles	147,740	10,763	-	158,503
Total accumulated depreciation	<u>687,036</u>	<u>81,225</u>	<u>-</u>	<u>768,261</u>
Capital assets, net	<u>\$ 496,891</u>	<u>20,255</u>	<u>-</u>	<u>517,146</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Vocational	\$ 1,885,898
Other	248,461
Support services:	
Pupil	19,323
Instructional staff	13,682
School administration	77,618
Fiscal	9,562
Central	161,297
Total depreciation expense	<u>\$ 2,415,841</u>

Depreciation expense of \$81,225 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 2008, 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.

**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2008**

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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.

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.

## **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 pension plan. SERS provides retirement, disability, and survivor benefits; annual cost-of-living adjustments; and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report can be obtained by contacting SERS, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746.

Plan members are required to contribute 10% of their annual covered salary and the School District is required to contribute at an actuarially determined rate, which is currently 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' Retirement Board. The School District's required contributions to SERS for the fiscal years ended June 30, 2008, 2007, and 2006 were \$597,000, \$525,000, and \$455,000, respectively. 100% of the required contributions have been made for all three fiscal years.

**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2008**

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**State Teachers Retirement System**

The School District contributes to the State Teachers Retirement System of Ohio (STRS Ohio), a state-wide, cost-sharing multiple-employer public employee retirement system for licensed teachers and other faculty members employed by the School District. STRS Ohio provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS Ohio 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 Ohio, 275 East Broad Street, Columbus, Ohio 43215-3771.

New members have a choice of three retirement plan options. In addition to the Defined Benefit (DB) Plan, new members are offered a Defined Contribution (DC) Plan and a Combined Plan. The DC Plan allows members to allocate all their member contributions and employer contributions equal to 10.5% of earned compensation among various investment choices. The Combined Plan offers features of the DC Plan and the DB Plan. In the Combined Plan, member contributions are allocated to investment choices by the member, and employer contributions are used to fund a defined benefit payment at a reduced level from the regular DB Plan. Contributions into the DC Plan and the Combined Plan are credited to member accounts as employers submit their payroll information to STRS Ohio, generally on a bi-weekly basis. DC and Combined Plan members will transfer to the DB Plan during their fifth year of membership unless they permanently select the DC or Combined Plan.

DB Plan benefits are established under Chapter 3307 of the Ohio Revised Code. Any member may retire who has (i) five years of service credit and attained age 60; (ii) 25 years of service credit and attained age 55; or (iii) 30 years of service credit regardless of age. The annual retirement allowance, payable for life, is the greater of the "formula benefit" or the "money-purchase benefit" calculation. Under the "formula benefit," the retirement allowance is based on years of credited service and final average salary, which is the average of the member's three highest salary years. The annual allowance is calculated by using a base percentage of 2.2% multiplied by the total number of years of service credit (including Ohio-valued purchase credit) times the final average salary. The 31<sup>st</sup> year of earned Ohio service credit is calculated at 2.5%. An additional one-tenth of a percent is added to the calculation for every year of earned Ohio service credit over 31 years (2.6% for 32 years, 2.7% for 33 years and so on) until 100% of final years will be calculated at 2.5% instead of 2.2%. Under the "money-purchase benefit" calculation, a member's lifetime contributions plus interest at specified rates are matched by an equal amount from other STRS Ohio funds. This total is then divided by an actuarially determined annuity factor to determine the maximum annual retirement allowance.

**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2008**

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DC Plan benefits are established under Sections 3307.80 to 3307.89 of the Ohio Revised Code. For members who select the DC Plan, all member contributions and employer contributions at a rate of 10.5% are placed in an investment account. The member determines how to allocate the member and employer money among various investment choices. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump-sum withdrawal. Employer contributions into members' accounts are vested after the first anniversary of the first day of paid service. 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.

Under the Combined Plan, member contributions are allocated by the member, and employer contributions are used to fund a defined benefit payment. A member's defined benefit is determined by multiplying 1% of the member's final average salary by the member's years of service credit. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60. The defined contribution portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50.

A retiree of STRS Ohio or another Ohio public retirement system is eligible for reemployment as a teacher following the elapse of two months from the date of retirement. Contributions are made by the reemployed member and employer during the reemployment. Upon termination of reemployment or age 65, whichever comes later, the retiree is eligible for an annuity benefit or equivalent lump-sum payment in addition to the original retirement allowance. A reemployed retiree may alternatively receive a refund of only member contributions with interest before age 65, once employment is terminated.

Benefits are increased annually by 3% of the original base amount for DB Plan participants.

The DB and Combined plans offer access to health care coverage to eligible retirees who participated in the plans and their eligible dependents. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs, and partial reimbursements of monthly Medicare Part B premiums. By Ohio law, health care benefits are not guaranteed.

A DB or Combined Plan member with five or more years' credited service who becomes disabled may qualify for a disability benefit. Eligible spouse and dependents of members who die before retirement may qualify for survivor benefits. A death benefit of \$1,000 is payable to the beneficiary of each deceased retired member who participated in the DB Plan. Death benefit coverage of up to \$2,000 can be purchased by participants in the DB, DC, or Combined Plans. Various other benefits are available to members' beneficiaries.

**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2008**

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Plan members are required to contribute 10% of their annual covered salary and the School District is required to contribute 14%. Contribution rates are established by STRS Ohio, 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 for pension obligations to STRS Ohio for the years ended June 30, 2008, 2007, and 2006 were approximately \$2,526,000, \$2,425,000, and \$2,457,000, respectively. 100% of the required contributions have been made for all three fiscal 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, 2008, 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 of Ohio (STRS Ohio), 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.

STRS Ohio administers a pension plan that is comprised of: a defined benefit plan; a self-directed defined contribution plan and a combined plan which is a hybrid of the defined benefit and defined contribution plan. Ohio law authorizes STRS Ohio to offer a cost-sharing, multiple-employer health care plan. STRS Ohio provides access to health care coverage to eligible retirees who participated in the defined benefit or combined plans. Pursuant to 3307 of the Ohio Revised Code, the Retirement Board has discretionary authority over how much, if any, of the associated health care costs will be absorbed by STRS Ohio. All benefit recipients, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. Of the 14% employer contribution rate, 1% of covered payroll was allocated to post-employment health care for years ended June 30, 2008, 2007, and 2006. The 14% employer contribution rate is the maximum rate established under Ohio law. The School District's contributions to STRS Ohio allocated to post-employment health care for the years June 30, 2008, 2007, and 2006 were \$180,000, \$173,000, and \$176,000, respectively.

**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2008**

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SERS administers two postemployment benefit plans:

*Medicare B Plan* - The Medicare B plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code (ORC) 3309.69. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B premium for calendar year 2007 was \$93.50; SERS' reimbursement to retirees was \$45.50.

The Retirement Board, acting with the advice of the actuary, allocates a portion of the current employer contribution rate to the Medicare B Fund. For fiscal year 2008, the actuarially required allocation was 0.68%. The School District contributions for the year ended June 30, 2008 were \$29,000, which equaled the required contributions for the year.

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

The ORC provides the statutory authority to fund SERS' postemployment benefits through employer contributions. Active members do not make contributions to the postemployment benefit plans.

The Health Care Fund was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer 14% contribution to the Health Care Fund. At June 30, 2008, the health care allocation was 3.32%. The actuarially required contribution (ARC), as of the December 31, 2006 annual valuation, was 11.50% of covered payroll. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities of the plan over a period not to exceed thirty years. The School District's contributions for the years ended June 30, 2008, 2007, and 2006 were \$142,000, \$125,000, and \$108,000, respectively.

**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2008**

An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2008, the minimum compensation level was established at \$35,800. The SERS Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

**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.

**11. LONG-TERM LIABILITIES**

The changes in the School District's long-term liabilities during fiscal year 2008 were as follows:

	Principal Outstanding <u>7/1/07</u>	<u>Additions</u>	<u>Reductions</u>	Principal Outstanding <u>6/30/08</u>	Amounts Due in <u>One Year</u>
<b><i>Governmental Activities:</i></b>					
General obligation bonds:					
Energy Conservation	\$ 95,000	-	(95,000)	-	-
Compensated absences	<u>1,488,318</u>	<u>669,034</u>	<u>(110,465)</u>	<u>2,046,887</u>	<u>265,608</u>
Total	\$ <u>1,583,318</u>	<u>669,034</u>	<u>(205,465)</u>	<u>2,046,887</u>	<u>265,608</u>
<b><i>Business-type Activities:</i></b>					
Compensated absences	\$ <u>136,059</u>	<u>78,943</u>	<u>(18,947)</u>	<u>196,055</u>	<u>43,115</u>

**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2008**

*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% which matured on December 1, 2007.

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

The School District's voted legal debt margin was \$627,894,756 with an unvoted debt margin of \$6,976,608 at June 30, 2008.

**12. SHORT-TERM OBLIGATIONS**

On June 22, 2007, the School District issued \$2,000,000 of bond anticipation notes for school improvements bearing interest at 4.25%. These notes matured on June 20, 2008. The School District issued bond anticipation of \$6,000,000 which will pay interest at 2.50%. These notes mature on March 19, 2009 and will be paid from the Debt Service, Permanent Improvement, and OSFC Project Construction funds.

	Principal Outstanding 7/1/07	Additions	Reductions	Principal Outstanding 6/30/08
2007 notes	\$ 2,000,000	-	(2,000,000)	-
2008 notes	-	6,000,000	-	6,000,000
Total	\$ 2,000,000	6,000,000	(2,000,000)	6,000,000

**13. JOINTLY GOVERNED ORGANIZATION**

*Southwestern Ohio Computer Association*

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

**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2008**

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**14. 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 1910 Fairgrove Avenue, Hamilton, Ohio 45011.

*Ohio School Plan*

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

*Ohio School Boards Association Workers' Compensation Group Rating Plan*

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

**15. 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, 2008.

**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2008**

**16. REQUIRED SET-ASIDES**

The School District is required by State Statute to annually set aside in the general fund an amount based on the statutory formula for the 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.

		<u>Textbooks</u>	<u>Capital Improvements</u>	<u>Budget Stabilization</u>
Set-aside balance as of June 30, 2007	\$	(7,931,002)	-	467,953
Current year set-aside requirement		459,869	459,869	-
Less qualifying disbursements and offsets		<u>(408,295)</u>	<u>(1,088,645)</u>	<u>-</u>
Total		<u>(7,879,428)</u>	<u>(628,776)</u>	<u>467,953</u>
Balance carried to FY2009		<u>(7,879,428)</u>	<u>-</u>	<u>467,953</u>
Reserve balance as of June 30, 2008	\$	<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.

**17. CHANGE IN ACCOUNTING PRINCIPLE**

For the year ended June 30, 2008, the School District implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This statement addresses how state and local governments should account and disclose their costs and obligations related to postemployment healthcare and other non-pension benefits. The implementation had no effect to the School District's financial statement amounts.

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## REQUIRED SUPPLEMENTARY INFORMATION

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## 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, 2008

	<b>General Fund</b>			
	Budgeted Amounts			Variance
	Original	Final	Actual	With Final Budget
<b>Revenues:</b>				
Taxes	\$ 12,100,000	11,280,000	11,259,645	(20,355)
Tuition	335,000	627,800	610,852	(16,948)
Interest	300,000	375,000	389,890	14,890
Intergovernmental	19,235,000	19,922,534	19,833,670	(88,864)
Miscellaneous	310,834	310,834	425,674	114,840
<b>Total revenues</b>	<b>32,280,834</b>	<b>32,516,168</b>	<b>32,519,731</b>	<b>3,563</b>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	566,372	564,590	421,617	142,973
Vocational	22,796,621	22,184,083	19,109,604	3,074,479
Support services:				
Pupil	1,248,244	1,122,042	1,236,205	(114,163)
Instructional staff	1,881,015	2,012,628	2,010,256	2,372
General administration	114,084	134,084	95,225	38,859
School administration	2,807,426	2,529,708	2,563,950	(34,242)
Fiscal	1,076,045	1,092,395	1,116,195	(23,800)
Business	67,803	67,225	54,975	12,250
Operation and maintenance of plant	2,827,581	3,096,978	2,997,250	99,728
Pupil transportation	25,299	31,436	7,471	23,965
Central	2,368,492	3,209,293	2,972,850	236,443
Non-instructional services:				
Extracurricular activities	44,734	73,417	78,165	(4,748)
Food services	55,816	55,940	54,211	1,729
Facilities acquisition and construction	85,546	125,525	113,347	12,178
<b>Total expenditures</b>	<b>35,965,078</b>	<b>36,299,344</b>	<b>32,831,321</b>	<b>3,468,023</b>
Excess of revenues over expenditures	(3,684,244)	(3,783,176)	(311,590)	3,471,586
<b>Other financing sources (uses)</b>				
Transfers out	(500,000)	(400,000)	(385,654)	14,346
Advances in	-	24,000	24,392	392
Advances out	(100,000)	(125,000)	(120,053)	4,947
Other financing sources (uses)	-	30,000	30,698	698
<b>Total other financing sources (uses)</b>	<b>(600,000)</b>	<b>(471,000)</b>	<b>(450,617)</b>	<b>20,383</b>
Net change in fund balance	(4,284,244)	(4,254,176)	(762,207)	3,491,969
Fund balance - beginning of year	5,049,595	5,049,595	5,049,595	
Prior year carryover appropriations	1,624,343	1,624,343	1,624,343	
Fund balance - end of year	\$ 2,389,694	2,419,762	5,911,731	

See accompanying notes to required supplemental information.

# BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Notes to Required Supplementary Information

Year Ended June 30, 2008

## 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, 2008, on the GAAP basis to the budget basis are as follows:

		General Fund
Net change in fund balance - GAAP Basis	\$	<u>345,305</u>
Increase / (decrease):		
Due to revenues		(104,915)
Due to expenditures		178,717
Due to other financing sources		(64,966)
Due to encumbrances		<u>(1,116,348)</u>
Net change in fund balance - Budget Basis		<u><u>(762,207)</u></u>

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SUPPLEMENTAL SECTION  
COMBINING STATEMENTS  
AND INDIVIDUAL FUND SCHEDULES

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# *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 **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 **Entry Year Teacher Fund** accounts for state funds provided to assist the entry year program.

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

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

## ***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 **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 **Title V Fund** accounts for federal funds used for highly qualified teachers.

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

The **Miscellaneous Federal Grants Fund** accounts for monies from federal agencies which are not classified elsewhere.

## **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.

## **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 Fund:**

The **OSFC Project Construction Fund** accounts for all transactions related to the constructing or improving of the infrastructure of buildings and grounds through the Ohio School Facilities Commission project.

# *Butler Technology and Career Development Schools, Ohio*

## **Nonmajor Capital Projects Funds:**

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

The **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 Funds:**

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

## **Nonmajor Enterprise Funds:**

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

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

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

## *Butler Technology and Career Development Schools, Ohio*

### PRIVATE-PURPOSE TRUST FUND

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

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

### AGENCY FUNDS

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

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

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

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

## BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2008

		Nonmajor Special Revenue Funds	Nonmajor Debt <u>Service</u> Bond Retirement	Nonmajor Capital Projects	Total Nonmajor Governmental Funds
<b>Assets:</b>					
Equity in pooled cash and investments	\$	211,649	-	3,003,270	3,214,919
Receivables:					
Taxes		-	673,762	-	673,762
Intergovernmental		120,053	-	-	120,053
<b>Total assets</b>		<u>331,702</u>	<u>673,762</u>	<u>3,003,270</u>	<u>4,008,734</u>
<b>Liabilities:</b>					
Accounts payable		24,283	-	8,063	32,346
Notes payable		-	-	834,520	834,520
Deferred revenue		120,053	673,762	-	793,815
Interfund payable		120,053	-	-	120,053
<b>Total liabilities</b>		<u>264,389</u>	<u>673,762</u>	<u>842,583</u>	<u>1,780,734</u>
<b>Fund Balances:</b>					
Reserved for:					
Encumbrances		52,019	-	59,631	111,650
Unreserved, reported in:					
Special Revenue Funds		15,294	-	-	15,294
Debt Service Fund		-	-	-	-
Capital Projects Funds		-	-	2,101,056	2,101,056
<b>Total fund balances</b>		<u>67,313</u>	<u>-</u>	<u>2,160,687</u>	<u>2,228,000</u>
<b>Total liabilities and fund balances</b>	<b>\$</b>	<u>331,702</u>	<u>673,762</u>	<u>3,003,270</u>	<u>4,008,734</u>

## BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds

Year Ended June 30, 2008

		Nonmajor Special Revenue Funds	Nonmajor Debt Service Bond Retirement	Nonmajor Capital Projects	Total Nonmajor Governmental Funds
<b>Revenues:</b>					
Taxes	\$	-	673,762	-	673,762
Investment income		4,630	-	109,191	113,821
Intergovernmental		617,158	-	-	617,158
Miscellaneous		28,185	-	7,670	35,855
<b>Total revenues</b>		<u>649,973</u>	<u>673,762</u>	<u>116,861</u>	<u>1,440,596</u>
<b>Expenditures:</b>					
Current:					
Instruction:					
Vocational education		113,080	-	-	113,080
Other		32,539	-	-	32,539
Support services:					
Pupil		98,819	-	-	98,819
Instructional staff		292,893	-	-	292,893
School administration		29,746	-	-	29,746
Central		127,406	-	-	127,406
Non-instructional services:					
Extracurricular activities		220,393	-	-	220,393
Capital outlay		-	-	382,216	382,216
Debt service:					
Principal		-	95,000	-	95,000
Interest		-	4,275	82,390	86,665
<b>Total expenditures</b>		<u>914,876</u>	<u>99,275</u>	<u>464,606</u>	<u>1,478,757</u>
Excess of revenues over (under) expenditures		<u>(264,903)</u>	<u>574,487</u>	<u>(347,745)</u>	<u>(38,161)</u>
<b>Other financing sources (uses)</b>					
Transfers in		-	1,500,000	2,205,358	3,705,358
Transfers out		-	(2,082,390)	(3,128,310)	(5,210,700)
Premium on sale of notes		-	7,903	-	7,903
<b>Total other financing sources (uses)</b>		<u>-</u>	<u>(574,487)</u>	<u>(922,952)</u>	<u>(1,497,439)</u>
Net change in fund balances		(264,903)	-	(1,270,697)	(1,535,600)
Fund balance, beginning of year		<u>332,216</u>	<u>-</u>	<u>3,431,384</u>	<u>3,763,600</u>
Fund balance, end of year	\$	<u><u>67,313</u></u>	<u><u>-</u></u>	<u><u>2,160,687</u></u>	<u><u>2,228,000</u></u>

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

Combining Balance Sheet  
 Nonmajor Special Revenue Funds  
 June 30, 2008

	Public School Support	Other Grant	Termination Benefits	Post Secondary Vocational Education	Management Information Systems	Entry Year Teachers
<b>Assets:</b>						
Equity in pooled cash and investments	\$ 68,731	6,710	33,945	-	-	-
Receivables:						
Intergovernmental	-	-	-	-	-	-
<b>Total assets</b>	<b>68,731</b>	<b>6,710</b>	<b>33,945</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Liabilities:</b>						
Accounts payable	2,121	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Interfund payable	-	-	-	-	-	-
<b>Total liabilities</b>	<b>2,121</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>						
Fund Balances						
Reserved for:						
Encumbrances	650	45	-	-	-	-
Unreserved-undesignated	65,960	6,665	33,945	-	-	-
<b>Total fund balances</b>	<b>66,610</b>	<b>6,710</b>	<b>33,945</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ 68,731</b>	<b>6,710</b>	<b>33,945</b>	<b>-</b>	<b>-</b>	<b>-</b>

<u>One Net</u>	<u>High Schools That Work</u>	<u>Misc. State Grants</u>	<u>Vocational Education</u>	<u>Title V</u>	<u>Drug Free Schools</u>	<u>Improve Teacher Quality</u>	<u>Misc. Federal Grants</u>	<u><b>TOTAL</b></u>
-	474	-	77,341	4,856	1,157	13,715	4,720	211,649
-	<u>2,266</u>	-	<u>88,201</u>	<u>18,941</u>	<u>57</u>	<u>10,588</u>	-	<u>120,053</u>
-	<u>2,740</u>	-	<u>165,542</u>	<u>23,797</u>	<u>1,214</u>	<u>24,303</u>	<u>4,720</u>	<u>331,702</u>
-	-	-	22,102	-	-	60	-	24,283
-	<u>2,266</u>	-	<u>88,201</u>	<u>18,941</u>	<u>57</u>	<u>10,588</u>	-	<u>120,053</u>
-	<u>2,266</u>	-	<u>88,201</u>	<u>18,941</u>	<u>57</u>	<u>10,588</u>	-	<u>120,053</u>
-	<u>4,532</u>	-	<u>198,504</u>	<u>37,882</u>	<u>114</u>	<u>21,236</u>	-	<u>264,389</u>
-	474	-	28,468	4,510	-	13,152	4,720	52,019
-	<u>(2,266)</u>	-	<u>(61,430)</u>	<u>(18,595)</u>	<u>1,100</u>	<u>(10,085)</u>	-	<u>15,294</u>
-	<u>(1,792)</u>	-	<u>(32,962)</u>	<u>(14,085)</u>	<u>1,100</u>	<u>3,067</u>	<u>4,720</u>	<u>67,313</u>
-	<u>2,740</u>	-	<u>165,542</u>	<u>23,797</u>	<u>1,214</u>	<u>24,303</u>	<u>4,720</u>	<u>331,702</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, 2008

	Public School Support	Other Grant	Termination Benefits	Post Secondary Vocational Education	Management Information Systems	Entry Year Teachers
<b>Revenues:</b>						
Investment income	\$ -	-	4,630	-	-	-
Intergovernmental	-	-	-	18,000	10,540	4,950
Miscellaneous	280	27,905	-	-	-	-
<b>Total revenues</b>	<u>280</u>	<u>27,905</u>	<u>4,630</u>	<u>18,000</u>	<u>10,540</u>	<u>4,950</u>
<b>Expenditures:</b>						
Current:						
Instruction:						
Vocational Education	-	954	108,926	-	-	3,200
Other	-	-	-	-	-	-
Support services:						
Pupil	-	-	-	-	-	-
Instructional staff	-	-	-	-	-	-
School administration	-	-	-	-	-	1,750
Central	-	21,000	-	18,000	10,540	-
Non-instructional services:						
Extracurricular activities	10,199	-	-	-	-	-
<b>Total expenditures</b>	<u>10,199</u>	<u>21,954</u>	<u>108,926</u>	<u>18,000</u>	<u>10,540</u>	<u>4,950</u>
Net change in fund balances	(9,919)	5,951	(104,296)	-	-	-
Fund balance, beginning of year	76,529	759	138,241	-	-	-
Fund balance, end of year	\$ <u>66,610</u>	<u>6,710</u>	<u>33,945</u>	<u>-</u>	<u>-</u>	<u>-</u>

<u>One Net</u>	<u>High Schools That Work</u>	<u>Misc. State Grants</u>	<u>Vocational Education</u>	<u>Title V</u>	<u>Drug Free Schools</u>	<u>Improve Teacher Quality</u>	<u>Misc. Federal Grants</u>	<u><b>TOTAL</b></u>
-	-	-	-	-	-	-	-	4,630
6,000	2,197	-	534,170	1,070	16,624	15,152	8,455	617,158
-	-	-	-	-	-	-	-	28,185
<u>6,000</u>	<u>2,197</u>	<u>-</u>	<u>534,170</u>	<u>1,070</u>	<u>16,624</u>	<u>15,152</u>	<u>8,455</u>	<u>649,973</u>
-	-	-	-	-	-	-	-	113,080
-	-	-	32,539	-	-	-	-	32,539
-	3,526	-	95,293	-	-	-	-	98,819
-	-	-	220,764	31,907	18,658	22,200	(636)	292,893
-	-	-	27,996	-	-	-	-	29,746
6,000	-	522	69,420	-	-	-	1,924	127,406
-	-	-	210,194	-	-	-	-	220,393
<u>6,000</u>	<u>3,526</u>	<u>522</u>	<u>656,206</u>	<u>31,907</u>	<u>18,658</u>	<u>22,200</u>	<u>1,288</u>	<u>914,876</u>
-	(1,329)	(522)	(122,036)	(30,837)	(2,034)	(7,048)	7,167	(264,903)
-	(463)	522	89,074	16,752	3,134	10,115	(2,447)	332,216
<u>-</u>	<u>(1,792)</u>	<u>-</u>	<u>(32,962)</u>	<u>(14,085)</u>	<u>1,100</u>	<u>3,067</u>	<u>4,720</u>	<u>67,313</u>

**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO**  
 Combining Balance Sheet  
 All Nonmajor Capital Projects Funds  
 June 30, 2008

	<u>Permanent Improvement</u>	<u>Building</u>	<u><b>TOTAL</b></u>
<b>Assets:</b>			
Cash and equity in pooled cash and investments	\$ 2,107,509	895,761	3,003,270
<b>Total assets</b>	<u>2,107,509</u>	<u>895,761</u>	<u>3,003,270</u>
<b>Liabilities:</b>			
Accounts payable	8,063	-	8,063
Notes payable	-	834,520	834,520
<b>Total liabilities</b>	<u>8,063</u>	<u>834,520</u>	<u>842,583</u>
<b>Fund Balances:</b>			
Fund Balances:			
Reserved for encumbrances	48,737	10,894	59,631
Unreserved-undesignated	2,050,709	50,347	2,101,056
<b>Total fund balances</b>	<u>2,099,446</u>	<u>61,241</u>	<u>2,160,687</u>
<b>Total liabilities and fund balances</b>	\$ <u>2,107,509</u>	<u>895,761</u>	<u>3,003,270</u>

**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO**  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
All Nonmajor Capital Projects Funds  
Year Ended June 30, 2008

	<u>Permanent Improvement</u>	<u>Building</u>	<u><b>TOTAL</b></u>
<b>Revenues:</b>			
Investment income	\$ 103,303	5,888	109,191
Miscellaneous	<u>7,670</u>	<u>-</u>	<u>7,670</u>
<b>Total revenues</b>	<u>110,973</u>	<u>5,888</u>	<u>116,861</u>
<b>Expenditures:</b>			
Capital outlay	382,216	-	382,216
Debt service:			
Interest	<u>82,390</u>	<u>-</u>	<u>82,390</u>
<b>Total expenditures</b>	<u>464,606</u>	<u>-</u>	<u>464,606</u>
Excess of revenues over (under) expenditures	(353,633)	5,888	(347,745)
<b>Other financing sources (uses)</b>			
Transfers in	2,205,358	-	2,205,358
Transfers out	<u>(3,128,310)</u>	<u>-</u>	<u>(3,128,310)</u>
<b>Total other financing sources (uses)</b>	<u>(922,952)</u>	<u>-</u>	<u>(922,952)</u>
Net change in fund balances	(1,276,585)	5,888	(1,270,697)
Fund balance, beginning of year	<u>3,376,031</u>	<u>55,353</u>	<u>3,431,384</u>
Fund balance, end of year	<u>\$ 2,099,446</u>	<u>61,241</u>	<u>2,160,687</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, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
From local sources:			
Other local revenues	\$ 280	280	-
Total revenues	<u>280</u>	<u>280</u>	<u>-</u>
Expenditures:			
Current:			
Extracurricular activities	15,560	10,849	4,711
Total expenditures	<u>15,560</u>	<u>10,849</u>	<u>4,711</u>
Net change in fund balance	<u>(15,280)</u>	<u>(10,569)</u>	<u>4,711</u>
Fund balance, beginning of year	75,969	75,969	
Prior year encumbrances appropriated	<u>560</u>	<u>560</u>	
Fund balance, end of year	\$ <u>61,249</u>	<u>65,960</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, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
From local sources:			
Tuition	\$ 300	300	-
Other local revenues	<u>27,600</u>	<u>27,604</u>	<u>4</u>
Total revenues	<u>27,900</u>	<u>27,904</u>	<u>4</u>
Expenditures:			
Current:			
Instruction:			
Vocational	1,000	998	2
Support Services:			
Pupil	2,948	-	2,948
Central	<u>21,000</u>	<u>21,000</u>	<u>-</u>
Total expenditures	<u>24,948</u>	<u>21,998</u>	<u>2,950</u>
Net change in fund balance	<u>2,952</u>	<u>5,906</u>	<u>2,954</u>
Fund balance, beginning of year	759	759	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	
Fund balance, end of year	<u>\$ 3,711</u>	<u>6,665</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, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Earnings on investments	\$ 4,630	4,630	-
Total revenues	<u>4,630</u>	<u>4,630</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Vocational	108,926	108,926	-
Total expenditures	<u>108,926</u>	<u>108,926</u>	<u>-</u>
Net change in fund balance	<u>(104,296)</u>	<u>(104,296)</u>	<u>-</u>
Fund balance, beginning of year	138,241	138,241	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u>33,945</u>	<u>33,945</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, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental	\$ 18,000	18,000	-
Total revenues	<u>18,000</u>	<u>18,000</u>	<u>-</u>
Expenditures:			
Current:			
Central	18,000	18,000	-
Total expenditures	<u>18,000</u>	<u>18,000</u>	<u>-</u>
Net change in fund balance	<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)

Management Information Systems Fund

Year Ended June 30, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental	\$ 10,540	10,540	-
Total revenues	<u>10,540</u>	<u>10,540</u>	<u>-</u>
Expenditures:			
Current:			
Support services:			
Central	10,540	10,540	-
Total expenditures	<u>10,540</u>	<u>10,540</u>	<u>-</u>
Net change in fund balance	<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)

Entry Year Program Fund

Year Ended June 30, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental	\$ 4,950	4,950	-
Total revenues	<u>4,950</u>	<u>4,950</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Vocational	3,200	3,200	-
Support services:			
School administration	1,750	1,750	-
Total expenditures	<u>4,950</u>	<u>4,950</u>	<u>-</u>
Net change in fund balance	<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, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental	<u>6,000</u>	<u>6,000</u>	<u>-</u>
Total revenues	<u>6,000</u>	<u>6,000</u>	<u>-</u>
Expenditures:			
Current:			
Support services:			
Central	<u>6,000</u>	<u>6,000</u>	<u>-</u>
Total expenditures	<u>6,000</u>	<u>6,000</u>	<u>-</u>
Net change in fund balance	<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)

High Schools That Work Grant Fund

Year Ended June 30, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental	\$ 2,197	2,197	-
Total revenues	<u>2,197</u>	<u>2,197</u>	<u>-</u>
Expenditures:			
Current:			
Support services:			
Pupil	4,000	4,000	-
Total expenditures	<u>4,000</u>	<u>4,000</u>	<u>-</u>
Excess of revenues over expenditures	<u>(1,803)</u>	<u>(1,803)</u>	<u>-</u>
Other financing sources (uses):			
Advances in	2,266	2,266	-
Advances out	(463)	(463)	-
Total other financing sources (uses)	<u>1,803</u>	<u>1,803</u>	<u>-</u>
Net change in fund balance	-	-	-
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)

Miscellaneous State Grants Fund

Year Ended June 30, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Other financing uses:			
Other financing uses	\$ (522)	(522)	-
Total other financing uses	<u>(522)</u>	<u>(522)</u>	<u>-</u>
Net change in fund balance	(522)	(522)	-
Fund balance, beginning of year	522	522	
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)

Vocational Education Fund

Year Ended June 30, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental	\$ 596,759	596,759	-
Total revenues	<u>596,759</u>	<u>596,759</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Adult/continuing education	33,910	33,084	826
Support services:			
Pupil	100,353	97,515	2,838
Instructional staff	221,814	221,244	570
School administration	27,996	27,996	-
Central	66,292	71,093	(4,801)
Extracurricular activities	268,906	242,122	26,784
Total expenditures	<u>719,271</u>	<u>693,054</u>	<u>26,217</u>
Excess of revenues over (under) expenditures	(122,512)	(96,295)	26,217
Other financing sources (uses):			
Advances in	88,201	88,201	-
Advances out	(16,956)	(16,956)	-
Other financing uses	(44,184)	(62,590)	(18,406)
Total other financing sources (uses)	<u>27,061</u>	<u>8,655</u>	<u>(18,406)</u>
Net change in fund balance	(95,451)	(87,640)	7,811
Fund balance, beginning of year	79,280	79,280	
Prior year encumbrances appropriated	35,131	35,131	
Fund balance, end of year	\$ <u>18,960</u>	<u>26,771</u>	

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

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Title V Fund

Year Ended June 30, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental	\$ 1,070	1,070	-
Total revenues	<u>1,070</u>	<u>1,070</u>	<u>-</u>
Expenditures:			
Current:			
Support services:			
Instructional staff	<u>36,418</u>	<u>36,418</u>	<u>-</u>
Total expenditures	<u>36,418</u>	<u>36,418</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>(35,348)</u>	<u>(35,348)</u>	<u>-</u>
Other financing sources uses:			
Advances in	18,941	18,941	-
Advances out	<u>(2,767)</u>	<u>(2,767)</u>	<u>-</u>
Total other financing sources (uses)	<u>16,174</u>	<u>16,174</u>	<u>-</u>
Net change in fund balance	<u>(19,174)</u>	<u>(19,174)</u>	<u>-</u>
Fund balance, beginning of year	864	864	
Prior year encumbrances appropriated	<u>18,655</u>	<u>18,655</u>	
Fund balance, end of year	\$ <u>345</u>	<u>345</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, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental	\$ 16,624	16,624	-
Total revenues	<u>16,624</u>	<u>16,624</u>	<u>-</u>
Expenditures:			
Current:			
Support services:			
Instructional staff	<u>19,792</u>	<u>18,658</u>	<u>1,134</u>
Total expenditures	<u>19,792</u>	<u>18,658</u>	<u>1,134</u>
Excess of revenues over (under) expenditures	<u>(3,168)</u>	<u>(2,034)</u>	<u>1,134</u>
Other financing sources (uses):			
Advances in	57	57	-
Advances out	<u>(2,317)</u>	<u>(2,317)</u>	<u>-</u>
Total other financing sources (uses)	<u>(2,260)</u>	<u>(2,260)</u>	<u>-</u>
Net change in fund balance	(5,428)	(4,294)	-
Fund balance, beginning of year	90	90	
Prior year encumbrances appropriated	<u>5,361</u>	<u>5,361</u>	
Fund balance, end of year	\$ <u><u>23</u></u>	<u><u>1,157</u></u>	

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

## Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Improving Teacher Quality Fund

Year Ended June 30, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental	\$ 15,152	15,152	-
Total revenues	<u>15,152</u>	<u>15,152</u>	<u>-</u>
Expenditures:			
Current:			
Support services:			
Instructional staff	<u>35,355</u>	<u>35,355</u>	<u>-</u>
Total expenditures	<u>35,355</u>	<u>35,355</u>	<u>-</u>
Excess of revenues over expenditures	(20,203)	(20,203)	-
Other financing sources (uses):			
Advances in	10,588	10,588	-
Advances out	<u>(76)</u>	<u>(76)</u>	<u>-</u>
Total other financing sources (uses)	<u>10,512</u>	<u>10,512</u>	<u>-</u>
Net change in fund balance	(9,691)	(9,691)	-
Fund balance, beginning of year	571	571	
Prior year encumbrances appropriated	<u>9,621</u>	<u>9,621</u>	
Fund balance, end of year	\$ <u><u>501</u></u>	<u><u>501</u></u>	

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

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Miscellaneous Federal Grant Fund

Year Ended June 30, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental	\$ 8,455	8,455	-
Total revenues	<u>8,455</u>	<u>8,455</u>	<u>-</u>
Expenditures:			
Current:			
Support Services:			
Instructional staff	2,098	2,098	-
Central	<u>6,643</u>	<u>6,643</u>	<u>-</u>
Total expenditures	<u>8,741</u>	<u>8,741</u>	<u>-</u>
Excess of revenues over expenditures	(286)	(286)	-
Other financing sources (uses):			
Advances in	-	-	-
Advances out	<u>(1,812)</u>	<u>(1,812)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,812)</u>	<u>(1,812)</u>	<u>-</u>
Net change in fund balance	(2,098)	(2,098)	-
Fund balance, beginning of year	-	-	
Prior year encumbrances appropriated	<u>2,098</u>	<u>2,098</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)

Debt Service Fund

Year Ended June 30, 2008

	Final Budget	Actual	Variance from Final Budget
Revenues:			
From local sources:			
Taxes	\$ 673,762	673,762	-
Total revenues	<u>673,762</u>	<u>673,762</u>	<u>-</u>
Expenditures:			
Debt service:			
Repayment of debt	2,181,665	2,181,665	-
Total expenditures	<u>2,181,665</u>	<u>2,181,665</u>	<u>-</u>
Excess of revenues over expenditures	(1,507,903)	(1,507,903)	-
Other financing sources:			
Proceeds from sale of notes	1,500,000	1,500,000	-
Accrued interest on notes sold	7,903	7,903	-
Total financing sources	<u>1,507,903</u>	<u>1,507,903</u>	<u>-</u>
Excess of revenues and other sources over (under) 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)

OSFC Project Construction Fund

Year Ended June 30, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
From local sources:			
Earnings on investments	\$ 140,000	168,853	28,853
Total revenues	<u>140,000</u>	<u>168,853</u>	<u>28,853</u>
Expenditures:			
Facilities acquisition and construction	<u>3,012,585</u>	<u>99,485</u>	<u>2,913,100</u>
Total expenditures	<u>3,012,585</u>	<u>99,485</u>	<u>2,913,100</u>
Excess of revenues over (under) expenditures	<u>(2,872,585)</u>	<u>69,368</u>	<u>2,941,953</u>
Other financing sources:			
Transfers in	3,128,310	3,128,310	-
Proceeds from sale of notes	<u>3,542,512</u>	<u>3,542,512</u>	<u>-</u>
Total other financing sources	<u>6,670,822</u>	<u>6,670,822</u>	<u>-</u>
Net change in fund balance	3,798,237	6,740,190	2,941,953
Fund balance, beginning of year	-	-	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u>3,798,237</u>	<u>6,740,190</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, 2008

	Final Budget	Actual	Variance from Final Budget
Revenues:			
From local sources:			
Earnings on investments	\$ 94,532	103,303	8,771
Other local revenues	7,500	7,670	170
Total revenues	<u>102,032</u>	<u>110,973</u>	<u>8,941</u>
Expenditures:			
Current:			
Support Services:			
Operations and maintenance	40,000	-	40,000
Facilities acquisition and construction	<u>2,319,220</u>	<u>440,375</u>	<u>1,878,845</u>
Total expenditures	<u>2,359,220</u>	<u>440,375</u>	<u>1,918,845</u>
Excess of revenues over expenditures	<u>(2,257,188)</u>	<u>(329,402)</u>	<u>1,927,786</u>
Other financing sources (uses):			
Proceeds from sale of notes	122,968	122,968	-
Transfers out	<u>(3,128,310)</u>	<u>(3,128,310)</u>	<u>-</u>
Total other financing sources (uses)	<u>(3,005,342)</u>	<u>(3,005,342)</u>	<u>-</u>
Net change in fund balance	(5,262,530)	(3,334,744)	1,927,786
Fund balance, beginning of year	5,314,148	5,314,148	
Prior year encumbrances appropriated	<u>71,305</u>	<u>71,305</u>	
Fund balance, end of year	\$ <u>122,923</u>	<u>2,050,709</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, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
From local sources:			
Earnings on investments	\$ 2,000	5,888	3,888
Total revenues	<u>2,000</u>	<u>5,888</u>	<u>3,888</u>
Expenditures:			
Facilities acquisition and construction	<u>55,000</u>	<u>10,894</u>	<u>44,106</u>
Total expenditures	<u>55,000</u>	<u>10,894</u>	<u>44,106</u>
Excess of revenues over (under) expenditures	<u>(53,000)</u>	<u>(5,006)</u>	<u>47,994</u>
Other financing sources:			
Proceeds from sale of notes	<u>834,520</u>	<u>834,520</u>	<u>-</u>
Total other financing sources	<u>834,520</u>	<u>834,520</u>	<u>-</u>
Net change in fund balance	781,520	829,514	47,994
Fund balance, beginning of year	55,353	55,353	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u>836,873</u>	<u>884,867</u>	

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

Combining Statement of Net Assets

Nonmajor Enterprise Funds

June 30, 2008

	<u>Food Service</u>	<u>Uniform School Supply</u>	<u>Rotary</u>	<u><b>TOTAL</b></u>
<b>Assets:</b>				
Equity in pooled cash and investments	\$ 11,554	29,369	45,950	86,873
<b>Total assets</b>	<u>11,554</u>	<u>29,369</u>	<u>45,950</u>	<u>86,873</u>
<b>Liabilities:</b>				
Accounts payable	13,081	1,246	1,690	16,017
Accrued wages	<u>-</u>	<u>-</u>	<u>743</u>	<u>743</u>
<b>Total liabilities</b>	<u>13,081</u>	<u>1,246</u>	<u>2,433</u>	<u>16,760</u>
<b>Net assets:</b>				
Unrestricted	<u>(1,527)</u>	<u>28,123</u>	<u>43,517</u>	<u>70,113</u>
<b>Total net assets</b>	\$ <u>(1,527)</u>	<u>28,123</u>	<u>43,517</u>	<u>70,113</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, 2008

	Food Service	Uniform School Supply	Rotary	<b><i>TOTAL</i></b>
<b>Operating revenues:</b>				
Charges for services	\$ 347,235	8,874	43,193	399,302
Other operating revenues	-	-	156,680	156,680
Total operating revenues	347,235	8,874	199,873	555,982
<b>Operating expenses:</b>				
Salaries and wages	-	-	95,203	95,203
Fringe benefits	22,637	-	26,200	48,837
Contractual services	423,800	-	125,650	549,450
Materials and supplies	13,220	7,526	89,356	110,102
Other operating expenses	1,550	-	25,490	27,040
Total operating expenses	461,207	7,526	361,899	830,632
Operating income (loss)	(113,972)	1,348	(162,026)	(274,650)
<b>Nonoperating revenues:</b>				
Interest income	776	-	-	776
Net income (loss) before transfers	(113,196)	1,348	(162,026)	(273,874)
Transfers in	125,000	-	-	125,000
Net income (loss)	11,804	1,348	(162,026)	(148,874)
Net assets, beginning of year	(13,331)	26,775	205,543	218,987
Net assets, end of year	\$ (1,527)	28,123	43,517	70,113

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

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

Year Ended June 30, 2008

	<u>Food Service</u>	<u>Uniform School Supply</u>	<u>Rotary</u>	<u><b>TOTAL</b></u>
Cash flows from operating activities:				
Cash received from customers	\$ 347,235	8,874	43,193	399,302
Cash received from other operations	-	-	156,680	156,680
Cash payments for personal services	(22,637)	-	(120,660)	(143,297)
Cash payments for contract services	(466,303)	-	(125,650)	(591,953)
Cash payments for supplies and materials	(2,211)	(6,280)	(92,329)	(100,820)
Cash payments for other expenses	(1,550)	-	(25,490)	(27,040)
Net cash provided (used) by operating activities	<u>(145,466)</u>	<u>2,594</u>	<u>(164,256)</u>	<u>(307,128)</u>
Cash flows from noncapital financing activities:				
Transfers	<u>125,000</u>	<u>-</u>	<u>-</u>	<u>125,000</u>
Cash flows from investing activities:				
Investment income	<u>776</u>	<u>-</u>	<u>-</u>	<u>776</u>
Net increase (decrease) in cash	(19,690)	2,594	(164,256)	(181,352)
Cash and investments, beginning of year	<u>31,244</u>	<u>26,775</u>	<u>210,206</u>	<u>268,225</u>
Cash and investments, end of year	<u>11,554</u>	<u>29,369</u>	<u>45,950</u>	<u>86,873</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	(113,972)	1,348	(162,026)	(274,650)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Changes in assets and liabilities:				
Accounts payable	(31,494)	1,246	(2,973)	(33,221)
Accrued wages and benefits	<u>-</u>	<u>-</u>	<u>743</u>	<u>743</u>
Net cash provided (used) by operating activities	\$ <u>(145,466)</u>	<u>2,594</u>	<u>(164,256)</u>	<u>(307,128)</u>

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

Combining Statement of Net Assets

Agency Funds

June 30, 2008

	<u>Agency Funds</u>			<u>Total</u>
	<u>SWOCA</u>	<u>Student Activities</u>	<u>District Agency</u>	
<b>Assets:</b>				
Equity in pooled cash and investments	\$ 3,478,007	195,957	53,569	3,727,533
Intergovernmental receivable	51,780	-	-	51,780
Total assets	<u>3,529,787</u>	<u>195,957</u>	<u>53,569</u>	<u>3,779,313</u>
<b>Liabilities:</b>				
Due to student groups	-	195,957	-	195,957
Due to other governments	3,529,787	-	53,569	3,583,356
Total liabilities	\$ <u>3,529,787</u>	<u>195,957</u>	<u>53,569</u>	<u>3,779,313</u>

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

Combining Statement of Changes in Fiduciary Assets

Agency Funds

Year Ended June 30, 2008

		Beginning Balance 7/1/07	Additions	Deductions	Ending Balance 6/30/08
<b>SWOCA FUND</b>					
<b>Assets:</b>					
Equity in pooled cash and investments	\$	3,384,520	3,478,007	3,384,520	3,478,007
Intergovernmental receivable		69,549	51,780	69,549	51,780
		<u>3,454,069</u>	<u>3,529,787</u>	<u>3,454,069</u>	<u>3,529,787</u>
<b>Liabilities:</b>					
Due to other governments	\$	<u>3,454,069</u>	<u>3,529,787</u>	<u>3,454,069</u>	<u>3,529,787</u>
<b>STUDENT ACTIVITIES FUND</b>					
<b>Assets:</b>					
Equity in pooled cash and investments	\$	150,684	491,945	446,672	195,957
Intergovernmental receivable		9,906	-	9,906	-
		<u>160,590</u>	<u>491,945</u>	<u>456,578</u>	<u>195,957</u>
<b>Liabilities:</b>					
Due to student groups	\$	<u>160,590</u>	<u>491,945</u>	<u>456,578</u>	<u>195,957</u>
<b>DISTRICT AGENCY FUND</b>					
<b>Assets:</b>					
Equity in pooled cash and investments	\$	<u>49,092</u>	<u>469,570</u>	<u>465,093</u>	<u>53,569</u>
<b>Liabilities:</b>					
Due to other governments	\$	<u>49,092</u>	<u>469,570</u>	<u>465,093</u>	<u>53,569</u>
<b>TOTAL</b>					
<b>Assets:</b>					
Equity in pooled cash and investments	\$	3,584,296	4,439,522	4,296,285	3,727,533
Intergovernmental receivable		79,455	51,780	79,455	51,780
		<u>3,663,751</u>	<u>4,491,302</u>	<u>4,375,740</u>	<u>3,779,313</u>
<b>Liabilities:</b>					
Due to other governments		3,503,161	3,999,357	3,919,162	3,583,356
Due to student groups		160,590	491,945	456,578	195,957
	\$	<u>3,663,751</u>	<u>4,491,302</u>	<u>4,375,740</u>	<u>3,779,313</u>

*Butler Technology and Career  
Development Schools, Ohio*

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# STATISTICAL SECTION

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# Statistical Section

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

## Contents

### **Financial Trends**

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

### **Revenue Capacity**

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

### **Debt Capacity**

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

### **Economic and Demographic Information**

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

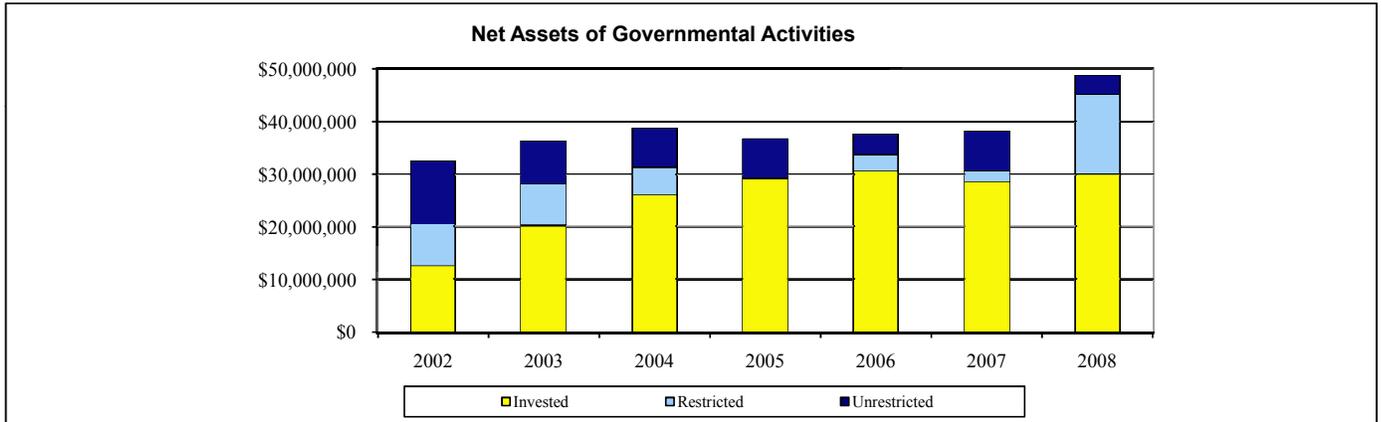
### **Operating Information**

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

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The School District implemented GASB Statement 34 in fiscal year 2002; schedules presenting government-wide information include information beginning in that fiscal year. As a result, some tables in this section do not reflect 10 years of data.

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

	2002	2003	2004	2005	2006	2007	2008
<b>Governmental Activities:</b>							
Invested in Capital Assets, Net of Related Debt	\$12,647,995	\$20,182,485	\$26,024,000	\$28,996,283	\$30,448,376	\$28,381,012	\$29,981,357
Restricted for:							
Capital Projects	7,722,845	7,620,368	4,979,453	152,195	3,078,390	2,055,353	15,020,355
Other Purposes	56,364	197,063	227,044	7,420	4,851	119,597	128,940
Unrestricted (Deficit)	11,878,007	8,123,058	7,355,337	7,527,220	3,864,716	7,328,807	3,675,887
<b>Total Governmental Activities Net Assets</b>	<b>\$32,305,211</b>	<b>\$36,122,974</b>	<b>\$38,585,834</b>	<b>\$36,683,118</b>	<b>\$37,396,333</b>	<b>\$37,884,769</b>	<b>\$48,806,539</b>
<b>Business-type Activities:</b>							
Invested in Capital Assets, Net of Related Debt	\$135,389	\$113,066	\$136,952	\$186,556	\$209,272	\$496,891	\$517,146
Restricted	0	0	0	0	0	0	0
Unrestricted (Deficit)	854,560	927,446	198,119	(294,182)	(492,761)	245,451	225,384
<b>Total Business-type Activities Net Assets</b>	<b>\$989,949</b>	<b>\$1,040,512</b>	<b>\$335,071</b>	<b>(\$107,626)</b>	<b>(\$283,489)</b>	<b>\$742,342</b>	<b>\$742,530</b>
<b>Primary Government:</b>							
Invested in Capital Assets, Net of Related Debt	\$12,783,384	\$20,295,551	\$26,160,952	\$29,182,839	\$30,657,648	\$28,877,903	\$30,498,503
Restricted	7,779,209	7,817,431	5,206,497	159,615	3,083,241	2,174,950	15,149,295
Unrestricted (Deficit)	12,732,567	9,050,504	7,553,456	7,233,038	3,371,955	7,574,258	3,901,271
<b>Total Primary Government Net Assets</b>	<b>\$33,295,160</b>	<b>\$37,163,486</b>	<b>\$38,920,905</b>	<b>\$36,575,492</b>	<b>\$37,112,844</b>	<b>\$38,627,111</b>	<b>\$49,549,069</b>



**Butler Technology and Career Development Schools, Ohio**  
*Changes in Net Assets*  
*Last Seven Fiscal Years*  
*(accrual basis of accounting)*

	2002	2003	2004	2005	2006	2007	2008
<b>Expenses</b>							
<b>Governmental Activities:</b>							
Regular Instruction	\$292,315	\$312,742	\$313,687	\$366,755	\$390,185	\$405,750	\$430,515
Special Instruction	66,754	71,418	120,983	150,835	0	0	0
Vocational Instruction	9,629,867	10,302,778	13,376,890	17,604,820	17,572,106	19,373,433	20,309,130
Pupil Support	539,492	804,163	1,021,007	1,210,551	1,341,195	1,274,770	1,331,726
Instructional Staff Support	543,890	943,852	1,163,279	1,574,082	1,498,128	1,983,222	2,223,633
Board of Education	108,017	148,582	222,672	322,216	267,959	98,619	134,713
Administration	998,374	1,389,565	1,833,730	2,531,604	2,042,132	2,328,076	2,504,027
Fiscal	566,909	565,943	769,203	807,920	896,082	1,115,997	1,099,190
Business	33,186	36,128	453,705	175,600	56,702	28,357	55,441
Operation and Maintenance of Plant	1,266,864	1,467,596	2,141,094	2,921,765	2,415,442	2,340,466	2,766,776
Pupil Transportation	66,090	10,418	10,313	38,224	14,212	15,492	6,023
Central Services	639,936	1,474,572	1,814,607	2,469,252	2,327,831	2,523,129	2,966,328
Non-Instructional Activities	87,092	106,694	166,434	200,061	341,995	344,577	345,400
Interest and Fiscal Charges	238,361	158,228	102,412	53,700	22,325	140,025	87,865
<i>Total Governmental Activities Expenses</i>	<u>15,077,147</u>	<u>17,792,679</u>	<u>23,510,016</u>	<u>30,427,385</u>	<u>29,186,294</u>	<u>31,971,913</u>	<u>34,260,767</u>
<b>Business-type Activities:</b>							
Adult Education	2,731,344	3,518,449	3,794,593	4,692,112	5,515,694	5,631,466	5,919,428
Online Education	0	0	904,982	2,075,425	1,956,333	0	0
Food Service	202,356	175,184	203,394	314,929	426,422	329,512	461,207
Other Services	476,069	170,671	262,036	178,984	280,383	273,054	369,425
<i>Total Business-type Activities Expenses</i>	<u>3,409,769</u>	<u>3,864,304</u>	<u>5,165,005</u>	<u>7,261,450</u>	<u>8,178,832</u>	<u>6,234,032</u>	<u>6,750,060</u>
<i>Total Primary Government Expenses</i>	<u>18,486,916</u>	<u>21,656,983</u>	<u>28,675,021</u>	<u>37,688,835</u>	<u>37,365,126</u>	<u>38,205,945</u>	<u>41,010,827</u>
<b>Program Revenues</b>							
<b>Governmental Activities:</b>							
<b>Charges for Services</b>							
Vocational Education	58,820	47,272	39,363	65,909	102,263	677,250	548,865
<b>Operating Grants and Contributions</b>							
Vocational Education	25,115	22,103	35,421	79,124	125,806	83,689	39,309
Special Instruction	0	0	105,772	138,363	0	0	0
Pupil Support	146,439	246,349	161,031	158,120	144,992	100,932	103,594
Staff Support	326,570	425,389	267,630	191,200	223,460	211,740	283,256
Administration	0	0	30,211	26,375	25,743	30,527	28,648
Central Services	246,913	274,018	225,489	324,481	184,890	159,931	113,196
Extracurricular Activities	0	0	0	0	172,266	236,555	215,091
<i>Total Governmental Activities Program Revenues</i>	<u>803,857</u>	<u>1,015,131</u>	<u>864,917</u>	<u>983,572</u>	<u>979,420</u>	<u>1,500,624</u>	<u>1,331,959</u>
<b>Business-type Activities:</b>							
<b>Charges for Services</b>							
Adult Education	2,293,550	2,417,930	2,564,368	3,573,093	3,661,425	3,983,071	4,434,133
Online Education	0	0	308,860	223,681	281,880	0	0
Food Service	187,625	174,922	181,322	257,672	300,005	334,936	347,235
Other Services	37,208	206,437	202,235	160,696	408,393	221,093	208,747
Operating Grants and Contributions	897,072	965,537	1,129,413	1,204,115	1,449,134	1,325,765	1,374,482
Capital Grants and Contributions	0	0	0	0	0	0	0
<i>Total Business-type Activities Program Revenues</i>	<u>3,415,455</u>	<u>3,764,826</u>	<u>4,386,198</u>	<u>5,419,257</u>	<u>6,100,837</u>	<u>5,864,865</u>	<u>6,364,597</u>
<i>Total Primary Government Program Revenues</i>	<u>4,219,312</u>	<u>4,779,957</u>	<u>5,251,115</u>	<u>6,402,829</u>	<u>7,080,257</u>	<u>7,365,489</u>	<u>7,696,556</u>
<b>Net (Expense)/Revenue</b>							
Governmental Activities	(14,273,290)	(16,777,548)	(22,645,099)	(29,443,813)	(28,206,874)	(30,471,289)	(32,928,808)
Business-type Activities	5,686	(99,478)	(778,807)	(1,842,193)	(2,077,995)	(369,167)	(385,463)
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(\$14,267,604)</u>	<u>(\$16,877,026)</u>	<u>(\$23,423,906)</u>	<u>(\$31,286,006)</u>	<u>(\$30,284,869)</u>	<u>(\$30,840,456)</u>	<u>(\$33,314,271)</u>

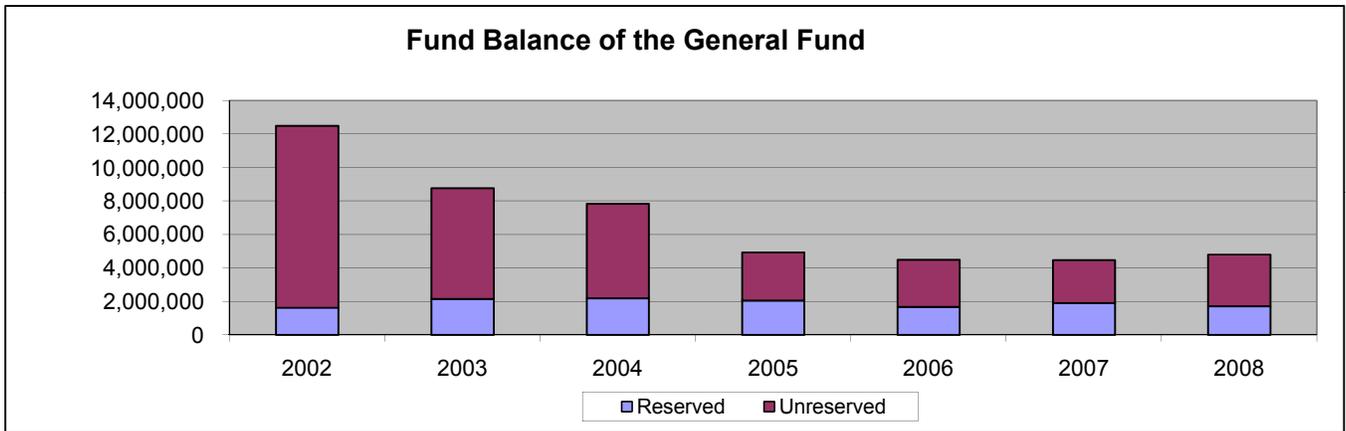
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**Butler Technology and Career Development Schools, Ohio**  
*Changes in Net Assets of Governmental Activities (continued)*  
*Last Seven Fiscal Years*  
*(accrual basis of accounting)*

	2002	2003	2004	2005	2006	2007	2008
<b>General Revenues and Other Changes in Net Assets</b>							
Governmental Activities:							
Property Taxes Levied for:							
General Purposes	\$8,205,078	\$5,825,805	\$8,102,977	\$9,155,160	\$9,771,510	\$10,983,075	\$11,004,590
Debt Service	0	4,010,653	2,957,503	2,161,300	2,127,425	1,214,615	673,762
Income Taxes Levied for							
General Purposes	0	0	0	0	0	0	0
Grants and Entitlements:							
Restricted to Specific Programs	0	0	0	0	0	0	11,617,618
Not Restricted to Specific Programs	9,664,383	10,191,754	13,851,100	16,859,349	17,856,790	18,900,703	19,833,670
Investment Earnings	1,127,189	544,303	237,524	292,328	290,398	709,597	669,570
Miscellaneous	174,207	172,795	42,719	472,456	776,098	510,914	437,019
Transfers	(282,500)	(150,000)	(83,864)	(1,399,496)	(1,902,132)	(60,000)	(385,651)
<i>Total Governmental Activities</i>	<u>18,888,357</u>	<u>20,595,310</u>	<u>25,107,959</u>	<u>27,541,097</u>	<u>28,920,089</u>	<u>32,258,904</u>	<u>43,850,578</u>
Business-type Activities:							
Investment Earnings	84	41	0	0	0	0	0
Transfers	282,500	150,000	73,366	1,399,496	1,902,132	60,000	385,651
<i>Total Business-type Activities</i>	<u>282,584</u>	<u>150,041</u>	<u>73,366</u>	<u>1,399,496</u>	<u>1,902,132</u>	<u>60,000</u>	<u>385,651</u>
<i>Total Primary Government</i>	<u>19,170,941</u>	<u>20,745,351</u>	<u>25,181,325</u>	<u>28,940,593</u>	<u>30,822,221</u>	<u>32,318,904</u>	<u>44,236,229</u>
<b>Change in Net Assets</b>							
Governmental Activities	4,615,067	3,817,762	2,462,860	(1,902,716)	713,215	1,787,615	10,921,770
Business-type Activities	288,270	50,563	(705,441)	(442,697)	(175,863)	(309,167)	188
<i>Total Primary Government Change in Net Assets</i>	<u>\$4,903,337</u>	<u>\$3,868,325</u>	<u>\$1,757,419</u>	<u>(\$2,345,413)</u>	<u>\$537,352</u>	<u>\$1,478,448</u>	<u>\$10,921,958</u>

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Fund							
Reserved	\$1,635,372	\$2,154,582	\$2,198,360	\$2,068,231	\$1,690,291	\$1,900,923	\$1,708,313
Unreserved	<u>10,871,579</u>	<u>6,605,896</u>	<u>5,648,248</u>	<u>2,862,688</u>	<u>2,803,550</u>	<u>2,563,211</u>	<u>3,101,126</u>
<i>Total General Fund</i>	<u>12,506,951</u>	<u>8,760,478</u>	<u>7,846,608</u>	<u>4,930,919</u>	<u>4,493,841</u>	<u>4,464,134</u>	<u>4,809,439</u>
All Other Governmental Funds							
Reserved	13,465	111,750	626,023	183,911	149,214	124,682	135,900
Unreserved, Undesignated, Reported in:							
Special Revenue Funds	137,336	298,110	275,162	69,870	(36,558)	269,417	15,294
Capital Projects Funds	<u>7,722,845</u>	<u>13,508,618</u>	<u>4,387,103</u>	<u>3,162,347</u>	<u>2,810,209</u>	<u>3,369,501</u>	<u>4,292,366</u>
Total All Other Governmental Funds	<u>7,873,646</u>	<u>13,918,478</u>	<u>5,288,288</u>	<u>3,416,128</u>	<u>2,922,865</u>	<u>3,763,600</u>	<u>4,443,560</u>
<i>Total Governmental Funds</i>	<u><u>\$20,380,597</u></u>	<u><u>\$22,678,956</u></u>	<u><u>\$13,134,896</u></u>	<u><u>\$8,347,047</u></u>	<u><u>\$7,416,706</u></u>	<u><u>\$8,227,734</u></u>	<u><u>\$9,252,999</u></u>



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

	2002	2003	2004	2005	2006	2007	2008
<b>Revenues</b>							
Property and Other Local Taxes	\$8,205,078	\$9,836,458	\$10,645,480	\$11,211,460	\$11,750,935	\$12,200,690	\$12,067,407
Intergovernmental	10,409,420	11,011,007	14,754,790	17,742,935	18,727,812	19,795,390	21,070,828
Interest	1,027,829	580,815	286,362	290,024	246,430	723,530	674,768
Tuition and Fees	58,820	47,272	39,363	65,909	102,263	677,250	548,865
Miscellaneous	158,470	303,201	172,127	478,456	780,748	484,249	492,227
<i>Total Revenues</i>	<u>19,859,617</u>	<u>21,778,753</u>	<u>25,898,122</u>	<u>29,788,784</u>	<u>31,608,188</u>	<u>33,881,109</u>	<u>34,854,095</u>
<b>Expenditures</b>							
Current:							
Instruction:							
Regular	266,920	322,362	305,462	366,755	390,185	402,203	418,007
Special	62,259	70,956	113,866	150,225	119,119	31,348	32,539
Vocational	9,875,930	10,414,886	14,249,553	17,142,580	16,663,000	18,672,576	19,124,928
Support Services:							
Pupil	533,183	789,347	1,019,769	1,208,098	1,339,911	1,269,381	1,311,000
Instructional Staff	502,978	933,636	1,116,578	1,560,476	1,475,721	2,013,417	2,184,158
Board of Education	99,638	165,382	204,998	316,059	264,579	98,619	86,559
Administration	1,094,616	1,258,935	1,647,208	2,466,520	1,949,233	2,288,393	2,464,725
Fiscal	522,429	541,252	702,936	769,940	859,886	1,104,533	1,080,295
Business	33,174	35,968	453,185	175,600	56,702	28,214	54,222
Operation and Maintenance of Plant	1,266,756	1,511,534	1,750,034	2,661,299	2,413,054	2,404,615	2,699,097
Pupil Transportation	66,081	10,384	10,958	38,224	14,212	15,421	6,565
Central	747,305	1,319,717	1,509,437	2,384,323	2,108,408	2,267,188	2,922,594
Operation of Non-Instructional Services	11,719	29,809	15,590	30,980	48,386	52,255	52,939
Extracurricular Activities	75,373	82,949	150,844	169,081	293,609	292,322	292,461
Capital Outlay	2,797,621	3,811,637	9,150,397	1,575,677	512,967	832,832	535,928
Debt Service:							
Principal Retirement	2,388,721	3,867,713	2,847,391	2,100,000	2,100,000	100,000	95,000
Interest and Fiscal Charges	208,961	163,928	110,112	61,300	27,425	141,125	90,065
<i>Total Expenditures</i>	<u>20,553,664</u>	<u>25,330,395</u>	<u>35,358,318</u>	<u>33,177,137</u>	<u>30,636,397</u>	<u>32,014,442</u>	<u>33,451,082</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(694,047)</u>	<u>(3,551,642)</u>	<u>(9,460,196)</u>	<u>(3,388,353)</u>	<u>971,791</u>	<u>1,866,667</u>	<u>1,403,013</u>
<b>Other Financing Sources (Uses)</b>							
Sale of Capital Assets	15,737	0	0	0	0	155	0
General Obligation Bonds Issued	0	6,000,000	0	0	0	0	0
Premium on Sale of Notes	0	0	0	0	0	26,510	7,903
Transfers In	4,657,058	800,000	25,000	24,068	27,868	1,382,400	5,210,700
Transfers Out	(4,939,558)	(950,000)	(108,864)	(1,423,564)	(1,930,000)	(1,442,400)	(5,596,351)
<i>Total Other Financing Sources (Uses)</i>	<u>(266,763)</u>	<u>5,850,000</u>	<u>(83,864)</u>	<u>(1,399,496)</u>	<u>(1,902,132)</u>	<u>(33,335)</u>	<u>(377,748)</u>
<i>Net Change in Fund Balances</i>	<u>(\$960,810)</u>	<u>\$2,298,358</u>	<u>(\$9,544,060)</u>	<u>(\$4,787,849)</u>	<u>(\$930,341)</u>	<u>\$1,833,332</u>	<u>\$1,025,265</u>
Debt Service as a % of Noncapital Exp.:	14.6%	18.7%	11.3%	6.8%	7.1%	0.8%	0.6%

**Butler Technology and Career Development Schools, Ohio**

*Assessed and Estimated Actual Value of Taxable Property*

*Last Ten Years*

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial/ Industrial/PU		Assessed Value	Estimated Actual Value
1999	\$2,731,088,120	\$800,522,700	\$10,090,316,629	\$349,975,010	\$397,698,875
2000	2,770,306,620	889,507,980	10,456,613,143	354,744,010	403,118,193
2001	3,101,386,920	909,393,350	11,459,372,200	355,947,900	404,486,250
2002	3,401,826,270	1,032,627,170	12,669,866,971	221,296,890	251,473,739
2003	4,011,349,040	1,196,516,010	14,879,614,429	244,829,060	278,214,841
2004	4,134,067,880	1,213,721,520	15,279,398,286	232,622,110	264,343,307
2005	4,303,875,020	1,232,189,750	15,817,327,914	238,119,270	270,590,080
2006	4,722,129,170	1,314,111,870	17,246,402,971	232,462,720	264,162,182
2007	4,878,850,690	1,337,782,960	17,761,810,429	228,898,010	260,111,375
2008	\$4,963,295,200	\$1,386,094,410	\$18,141,113,171	\$217,960,270	\$247,682,125

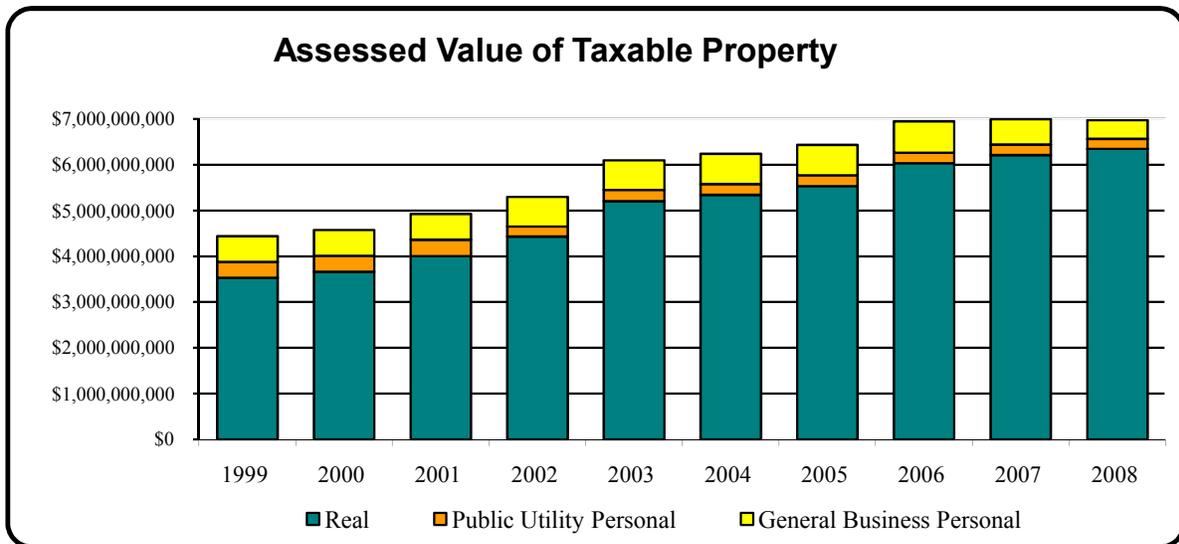
Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

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

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

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

Tangible Personal Property General Business		Total		
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio
\$559,330,743	\$2,237,322,972	\$4,440,916,573	\$12,725,338,476	34.9%
562,802,599	2,251,210,396	4,577,361,209	13,110,941,732	34.9%
563,581,619	2,254,326,476	4,930,309,789	14,118,184,926	34.9%
647,356,246	2,589,424,984	5,303,106,576	15,510,765,694	34.2%
646,479,584	2,585,918,336	6,099,173,694	17,743,747,605	34.4%
662,867,542	2,651,470,168	6,243,279,052	18,195,211,761	34.3%
666,053,908	2,895,886,557	6,440,237,948	18,983,804,550	33.9%
681,872,431	3,636,652,965	6,950,576,191	21,147,218,119	32.9%
552,260,150	4,418,081,200	6,997,791,810	22,440,003,004	31.2%
\$409,258,520	\$3,274,068,160	\$6,976,608,400	\$21,662,863,456	32.2%



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

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>Voted Millage - by levy</b>										
1972 Operating - continuing										
Residential/Agricultural Real	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43
Commercial/Industrial and Public Utility Real	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43
General Business and Public Utility Personal	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43
1977 Operating - continuing										
Residential/Agricultural Real	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Commercial/Industrial and Public Utility Real	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
General Business and Public Utility Personal	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
<b>Total voted millage by type of property</b>										
Residential/Agricultural Real	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93
Commercial/Industrial and Public Utility Real	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93
General Business and Public Utility Personal	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93
<b>Overlapping Rates by Taxing District (1)</b>										
Townships (14) <i>- Range of voted rates for 14 townships</i>	2.26 - 9.59	2.26 - 9.59	2.26 - 12.19	2.26 - 12.19	2.26 - 13.09	2.26 - 13.09	2.26 - 13.09	2.26 - 13.09	2.26 - 13.09	2.26 - 14.59
Cities (12) <i>- Range of voted rates for 12 cities and villages</i>	2.0 - 14.4	2.0 - 14.4	2.0 - 14.4	2.0 - 14.4	2.0 - 14.4	2.0 - 14.4	2.0 - 14.4	2.0 - 14.4	2.0 - 14.4	2.0 - 14.4
School Districts (9) <i>- Range of voted rates for 9 school districts</i>	25.09 - 56.14	25.09 - 56.14	29.09 - 55.14	29.39 - 61.88	29.42 - 61.88	29.42 - 60.84	29.42 - 60.04	29.42 - 60.04	29.42 - 65.64	29.42 - 65.39
Butler County	8.45	8.45	8.45	8.45	8.75	6.74	6.44	7.44	9.44	10.95

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

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

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

**Source:** Butler County Treasurer

**Butler Technology and Career Development Schools, Ohio**

*Principal Taxpayers*

*2007 and 1998 (1)*

Name of Taxpayer	2007	
	Assessed Value	Percent of Real Property Assessed Value
Duke Energy Corporation	\$264,511,190	3.79%
AK Steel Corporation	94,628,750	1.36%
Miller Brewing Company	63,506,150	0.91%
Duke Realty	37,361,770	0.54%
Cincinnati Financial Insurance	31,442,480	0.45%
MB West Chester LLC	13,138,220	0.19%
Meijer	12,451,050	0.18%
Bridgewater Falls	14,159,490	0.20%
J & J Ohio LLC	13,983,780	0.20%
Sisters of Mercy	13,597,540	0.19%
<b>Totals</b>	<b>\$558,780,420</b>	<b>8.01%</b>
<b>Total Assessed Valuation</b>	<b>\$6,976,608,400</b>	

Name of Taxpayer	1998	
	Assessed Value	Percent of Real Property Assessed Value
Cincinnati Gas & Electric Company	\$280,876,950	6.41%
AK Steel Corporation	111,706,350	2.55%
Miller Brewing Company	67,492,792	1.54%
Cincinnati Bell Telephone	49,447,000	1.13%
CFC Investments	16,985,710	0.39%
Ohio Bell Telephone	15,998,470	0.36%
Duke Realty	14,146,990	0.32%
Southwest Ohio Steel	11,411,940	0.26%
Security Capital	10,684,849	0.24%
1994 N1 Ohio Association LP	6,410,778	0.15%
<b>Totals</b>	<b>\$585,161,829</b>	<b>13.35%</b>
<b>Total Assessed Valuation</b>	<b>\$4,384,067,735</b>	

(1) The amounts presented represent the assessed values upon which 2007 and 1998 collections were based.

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

**Butler Technology and Career Development Schools, Ohio**

*Property Tax Levies and Collections (1)*

*Last Ten Years*

<u>Collection Year (2)</u>	<u>Current Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Current Tax Collections to Current Tax Levy</u>	<u>Delinquent Tax Collections (3)</u>	<u>Total Tax Collections</u>	<u>Percent of Total Tax Collections to Current Tax Levy</u>
1998	7,324,499	7,129,780	97.34%	171,723	7,301,503	99.69
1999	7,233,754	7,032,333	97.22%	164,771	7,197,104	99.49
2000	7,593,136	7,327,219	96.50%	208,671	7,535,890	99.25
2001	8,427,785	8,159,326	96.81%	183,980	8,343,306	99.00
2002	8,722,674	8,493,949	97.38%	256,853	8,750,802	100.32
2003	9,972,120	9,962,622	99.90%	323,724	10,286,346	103.15
2004	10,429,083	10,207,681	97.88%	342,369	10,550,050	101.16
2005	10,780,168	10,526,455	97.65%	259,194	10,785,649	100.05
2006	12,862,717	12,270,725	95.40%	466,758	12,737,483	99.03
2007	13,275,406	12,071,353	90.93%	494,533	12,565,886	94.66

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

(2) The 2007 information cannot be presented because all collections have not been made by June 30, 2007.

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

**Butler Technology and Career Development Schools, Ohio**

*Computation of Direct and Overlapping  
Debt Attributable to Governmental Activities  
June 30, 2008*

	Debt Attributable to Governmental Activities	Percentage Applicable to School District (1)	Amount of Direct and Overlapping Debt
Overlapping Debt:			
Payable from Property Taxes			
<u>Counties:</u>			
Butler County	\$71,428,087	86.43%	\$61,735,296
<u>Cities:</u>			
City of Middletown	34,964,000	93.96%	32,852,174
City of Fairfield	21,860,000	99.97%	21,853,442
City of Monroe	9,440,000	100.00%	9,440,000
City of Hamilton	22,433,355	3.79%	850,224
City of Oxford	2,635,000	100.00%	2,635,000
City of Trenton	2,716,667	100.00%	2,716,667
<u>Townships:</u>			
West Chester Township	54,565,000	96.28%	52,535,182
Fairfield Township	7,915,000	99.50%	7,875,425
Liberty Township	12,658,141	100.00%	12,658,141
<u>School Districts:</u>			
Lakota Local Schools	160,978,841	100.00%	160,978,841
Middletown City Schools	61,795,020	100.00%	61,795,020
Fairfield City Schools	29,900,991	100.00%	29,900,991
Monroe Local Schools	25,415,228	100.00%	25,415,228
Ross Local Schools	20,594,997	100.00%	20,594,997
Edgewood City Schools	12,803,555	100.00%	12,803,555
Madison Local Schools	11,229,929	100.00%	11,229,929
Talawanda City Schools	8,120,000	100.00%	8,120,000
New Miami Local Schools	1,593,000	100.00%	1,593,000
Total Overlapping Debt	\$573,046,811		\$537,583,112
Direct Debt	2,095,000	100.00%	2,095,000
Total Direct and Overlapping Debt	\$575,141,811		\$539,678,112

Source: Ohio Municipal Advisory Council

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

	1999	2000	2001	2002
Tax Valuation	<u>\$4,440,916,573</u>	<u>\$4,577,361,209</u>	<u>\$4,930,309,789</u>	<u>\$5,303,106,576</u>
Debt Limit - 9% of Taxable Valuation (1)	<u>\$399,682,492</u>	<u>\$411,962,509</u>	<u>\$443,727,881</u>	<u>\$477,279,592</u>
Amount of Debt Applicable to Debt Limit General Obligation Bonds Less Amount Available in Debt Service	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Amount of Debt Subject to Limit	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Legal Debt Margin	<u>\$399,682,492</u>	<u>\$411,962,509</u>	<u>\$443,727,881</u>	<u>\$477,279,592</u>
Legal Debt Margin as a Percentage of the Debt Limit	100.00%	100.00%	100.00%	100.00%
Unvoted Debt Limit - .10% of Taxable Valuation (1)	\$4,440,917	\$4,577,361	\$4,930,310	\$5,303,107
Amount of Debt Subject to Limit	<u>0</u>	<u>0</u>	<u>(4,500,000)</u>	<u>(3,000,000)</u>
Unvoted Legal Debt Margin	<u>\$4,440,917</u>	<u>\$4,577,361</u>	<u>\$430,310</u>	<u>\$2,303,107</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	100.00%	100.00%	8.73%	43.43%

**Source:** Butler County Auditor and School District Financial Records

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

2003	2004	2005	2006	2007	2008
<u>\$6,099,173,694</u>	<u>\$6,243,279,052</u>	<u>\$6,440,237,948</u>	<u>\$6,950,576,191</u>	<u>\$6,997,791,810</u>	<u>\$6,976,608,400</u>
<u>\$548,925,632</u>	<u>\$561,895,115</u>	<u>\$579,621,415</u>	<u>\$625,551,857</u>	<u>\$629,801,263</u>	<u>\$627,894,756</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$548,925,632</u>	<u>\$561,895,115</u>	<u>\$579,621,415</u>	<u>\$625,551,857</u>	<u>\$629,801,263</u>	<u>\$627,894,756</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
\$6,099,174	\$6,243,279	\$6,440,238	\$6,950,576	\$6,997,792	\$6,976,608
<u>(6,000,000)</u>	<u>(4,000,000)</u>	<u>(2,000,000)</u>	<u>(3,000,000)</u>	<u>(2,000,000)</u>	<u>(6,000,000)</u>
<u>\$99,174</u>	<u>\$2,243,279</u>	<u>\$4,440,238</u>	<u>\$3,950,576</u>	<u>\$4,997,792</u>	<u>\$976,608</u>
1.63%	35.93%	68.95%	56.84%	71.42%	14.00%

**Butler Technology and Career Development Schools, Ohio**

*Ratio of Debt*

*to Assessed Value and Debt per Capita*

*Last Ten Fiscal Years*

Fiscal Year	Population (1)		Estimated Actual Value of Taxable Property(2)	General Bonded Debt			Ratio of Net Bonded Debt to Estimated Actual Value
				General Bonded Debt Outstanding	Resources Available to Pay Principal	Net General Bonded Debt	
1999	334,011	a	\$12,725,338,476	\$895,000	0	\$895,000	0.01%
2000	332,807	a	\$13,110,941,732	\$795,000	0	\$795,000	0.01%
2001	333,486	b	\$14,118,184,926	\$5,195,000	0	\$5,195,000	0.04%
2002	340,543	b	\$15,510,765,694	\$3,595,000	0	\$3,595,000	0.02%
2003	343,207	b	\$17,743,747,605	\$6,495,000	0	\$6,495,000	0.04%
2004	346,560	b	\$18,195,211,761	\$2,295,000	0	\$2,295,000	0.01%
2005	349,526	b	\$18,983,804,550	\$295,000	0	\$295,000	0.00%
2006	349,526	b	\$21,147,218,119	\$195,000	0	\$195,000	0.00%
2007	357,276	b	\$22,440,003,004	\$95,000	0	\$95,000	0.00%
2008	357,888	b	\$21,662,863,456	\$0	0	\$0	0.00%

**Sources:** (1) U.S. Bureau of Census, Census of Population  
 (a) 1990 Federal Census  
 (b) 2000 Federal Census

(2) Butler County Auditor

General Debt

Net Bonded Debt per Capita	General Bonded Debt Outstanding	Capital Leases	Total Debt	Ratio of General Debt to Estimated Actual Value	General Debt Per Capita	Percentage of Personal Income
\$2.68	\$895,000	\$0	895,000	0.01%	\$2.68	0.01%
\$2.39	\$795,000	0	795,000	0.01%	\$2.39	0.01%
\$15.58	\$5,195,000	0	5,195,000	0.04%	\$15.58	0.05%
\$10.56	\$3,595,000	0	3,595,000	0.02%	\$10.56	0.04%
\$18.92	\$6,495,000	0	6,495,000	0.04%	\$18.92	0.07%
\$6.62	\$2,295,000	0	2,295,000	0.01%	\$6.62	0.02%
\$0.84	\$295,000	0	295,000	0.00%	\$0.84	0.00%
\$0.56	\$195,000	0	195,000	0.00%	\$0.56	0.00%
\$0.27	\$95,000	0	95,000	0.00%	\$0.27	0.00%
\$0.00	\$0	0	0	0.00%	\$0.00	0.00%

**Butler Technology and Career Development Schools, Ohio**  
*Demographic and Economic Statistics*

*Last Ten Years*

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<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (in thousands)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate (2)</u>
1998	331,065	\$8,633,844,135	\$26,079	3.30%
1999	334,011	\$9,176,952,225	\$27,475	3.20%
2000	332,807	\$9,523,272,305	\$28,615	3.00%
2001	333,486	\$9,633,743,568	\$28,888	3.30%
2002	340,543	\$9,973,142,298	\$29,286	4.40%
2003	343,207	\$10,301,014,898	\$30,014	4.40%
2004	346,560	\$10,643,897,280	\$30,713	3.80%
2005	349,526	\$11,066,692,212	\$31,662	4.90%
2006	352,310	\$11,738,969,200	\$33,320	5.90%
2007	357,276	\$8,861,873,904	\$24,804	6.20%

**Sources:** 1) Bureau of Economic Analysis. The 1998 through 1999 and 2001 through 2007 population is estimated.  
 2) Ohio Labor Market Information

**Butler Technology and Career Development Schools, Ohio**  
*Principal Employers*  
*Current Year and Ten Years Ago*

Employer	Nature of Business	2007			1998		
		Number of Employees	Rank	Percentage of Total Employment	Number of Employees	Rank	Percentage of Total Employment
Miami University	Education	4,250	1	2.1%	3,500	2	N/A
AK Steel Corporation	Manufacturing	3,100	2	1.6%	4,250	1	N/A
Butler County Government	Government	2,655	3	1.3%	2,500	3	N/A
Cincinnati Insurance	Insurance	2,600	4	1.3%	1,992	4	N/A
Fort Hamilton Hospital	Health Care	2,000	5	1.0%	1,100	10	N/A
Middletown Regional Hospital	Health Care	1,800	6	0.9%	1,395	8	N/A
Mercy Regional Hospital	Health Care	1,601	7	0.8%	N/A	N/A	N/A
Lakota Local School District	Education	1,600	8	0.8%	1,480	6	N/A
Ohio Casualty Insurance Co.	Insurance	1,340	9	0.7%	1,500	5	N/A
Hamilton City Schools	Education	1,150	10	0.6%	N/A	N/A	N/A
Total		<u>22,096</u>		<u>11.0%</u>	<u>17,717</u>		<u>N/A</u>
Total Employment within the School District		<u>200,000</u>			<u>138,611</u>		

Source: Census Bureau

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

Function/Program	2002	2003	2004	2005	2006	2007	2008
Regular Instruction							
High School Classroom Teachers	21.00	22.00	25.00	46.00	38.00	43.00	43.00
Special Instruction							
High School Classroom Teachers	0.00	2.00	2.00	3.00	3.00	4.00	4.00
Vocational Instruction							
High School Classroom Teachers	105.00	111.00	124.00	154.00	146.00	149.00	150.00
Pupil Support Services							
Guidance Counselors	2.00	2.00	3.00	5.00	6.00	7.00	7.00
Librarians	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Nurse	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Administrators							
High School	1.00	2.00	2.00	4.00	5.00	5.00	5.00
Operation of Plant							
Custodians	8.00	8.00	9.00	10.00	6.00	6.00	6.00
Maintenance	1.00	1.00	1.00	1.00	1.00	2.00	2.00
Pupil Transportation							
Van Drivers	0.00	0.00	1.00	1.00	1.00	1.00	1.00
Food Service Program							
High School Cooks	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Student/Teacher Ratio	13.0	12.3	14.0	12.3	13.9	14.0	14.8

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

Information prior to 2002 is not available.

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

**Source:** School District Records

**Butler Technology and Career Development Schools, Ohio**  
*Operating Statistics*  
*Last Seven Fiscal Years*

Fiscal Year	Enrollment	Rank in State (2)	Cost Per Pupil (1)	Percentage Change	Rank in State (2)
2002	1,639	5	\$7,756	21.1%	49
2003	1,656	4	\$8,893	14.7%	48
2004	2,112	2	\$8,615	-3.1%	49
2005	2,502	2	\$9,642	11.9%	49
2006	2,602	2	\$8,903	-7.7%	49
2007	2,748	2	N/A	-	-
2008	2,907	2	(3)	(3)	(3)

Source: School District Records and Ohio Department of Education.  
 Cost per Pupil information is not available prior to 2002.

Notes: (1) As calculated by the Ohio Department of Education  
 (2) District rank based on 49 career-technical school districts in Ohio  
 (3) This information is no longer generated by the Ohio Department of Education

**Butler Technology and Career Development Schools, Ohio**

*Building Statistics  
Last Ten Fiscal Years*

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>D. Russel Lee Career Center</b>										
Constructed in 1975, Addition in 1999										
Total Building Square Footage	185,422	244,933	244,933	244,933	244,933	244,933	244,933	244,933	244,933	244,933
Enrollment Grades 11-12	545	575	600	610	620	625	630	635	640	643
Student Capacity	600	750	750	750	750	750	750	750	750	750
Regular Instruction Classrooms	15	19	19	19	19	19	19	19	19	19
Regular Instruction Teachers	15	17	17	17	17	17	19	19	19	19
Vocational Education Classrooms	17	20	20	20	20	20	20	20	20	20
Vocational Education Teachers	17	20	20	20	20	20	20	20	20	20

**This Comprehensive Annual Financial Report was prepared by:**

**The Office of the Chief Financial Officer**

Edmund R. Pokora, CFO

**The Butler Technology Financial Services Division:**

Tom Duff	Accountant
Tina Smith	Bookkeeper
Susan Lauer	Administrative Assistant
Hope Bowling	Accounting Specialist
Holly Deaton	Accounting Specialist
Charlotte Helton	Accounting Specialist
Kelly Ries	Accounting Specialist
Cheryl Saylor	Accounting Specialist

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

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**Mary Taylor, CPA**  
Auditor of State

**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS**

**BUTLER COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
FEBRUARY 19, 2009**