



Dave Yost • Auditor of State



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

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**Butler Technology and Career Development Schools  
Schedule of Receipts and Expenditures of Federal Awards  
Year Ended June 30, 2013**

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Revenues</u>	<u>Federal Expenditures</u>
<b>U.S. Department of Agriculture</b>			
<i>Passed Through Ohio Department of Education:</i>			
Child Nutrition Cluster - Cash Assistance			
National School Breakfast Program	10.553	\$ 18,093	\$ 18,093
National School Lunch Program	10.555	95,169	95,169
<b>Total U.S. Department of Agriculture</b>		<u>\$ 113,262</u>	<u>\$ 113,262</u>
<b>U.S. Department of Education</b>			
Student Financial Aid Cluster:			
Federal Direct Student Loan Program	84.268	\$ 1,429,337	\$ 1,448,051
Federal Pell Grant Program	84.063	711,930	703,055
Total Student Financial Aid Cluster		<u>2,141,267</u>	<u>2,151,106</u>
<i>Passed Through Ohio Department of Education:</i>			
Career and Technical Education - Basic Grants			
Carl Perkins Secondary	84.048	847,105	775,695
Carl Perkins Adult	84.048	357,081	389,129
Total Career and Technical Education		<u>1,204,186</u>	<u>1,164,824</u>
Improving Teacher Quality - Title II-A	84.367	34,312	37,210
Race to the Top	84.395	3,500	2,800
Total Passed Through Ohio Department of Education		<u>\$ 1,241,998</u>	<u>\$ 1,204,835</u>
<b>Total U.S. Department of Education</b>		<u>\$ 3,383,265</u>	<u>\$ 3,355,941</u>
<b>TOTAL FEDERAL ASSISTANCE</b>		<u><u>\$ 3,496,527</u></u>	<u><u>\$ 3,469,203</u></u>

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

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

**NOTES TO THE SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS  
FISCAL YEAR ENDED JUNE 30, 2013**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Federal Awards Expenditures Schedule (the Schedule) reports the Butler Technology and Career Development School's (the District's) federal award programs' receipts and disbursements. The schedule has been prepared on the cash basis of accounting.

**NOTE B - CHILD NUTRITION CLUSTER**

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

**NOTE C - MATCHING REQUIREMENTS**

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



# Dave Yost • Auditor of State

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

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

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Butler Technology and Career Development Schools, Butler County, (the District) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 12, 2013.

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

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

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

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

***Compliance and Other Matters***

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

***Purpose of this Report***

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

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**Dave Yost**  
Auditor of State

Columbus, Ohio

December 12, 2013





# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

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

To the Board of Education:

### ***Report on Compliance for Each Major Federal Program***

We have audited the Butler Technology and Career Development School's, Butler County, Ohio (the District), compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the Butler Technology and Career Development School's major federal program for the year ended June 30, 2013. The *Summary of Audit Results* in the accompanying schedule of findings identifies the District's major federal program.

### ***Management's Responsibility***

The District's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal program.

### ***Auditor's Responsibility***

Our responsibility is to opine on the District's compliance for each of the District's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### ***Opinion on the Major Federal Program***

In our opinion, the Butler Technology and Career Development School complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended June 30, 2013.

***Report on Internal Control Over Compliance***

The District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

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

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

This report only describes the scope of our internal control compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.

***Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133***

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information the Butler Technology and Career Development School's (the District) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our unmodified report thereon dated December 12, 2013. We conducted our audit to opine on the District's basic financial statements. The accompanying federal awards receipts and expenditures schedule presents additional analysis required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Butler Technology and Career Development Schools  
Butler County  
Independent Auditor's Report On Compliance With Requirements  
Applicable To Each Major Federal Program And On Internal Control  
Over Compliance Required By OMB Circular A-133  
Page 3

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**Dave Yost**  
Auditor of State

Columbus, Ohio

December 12, 2013

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

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
JUNE 30, 2013**

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

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	CFDA 84.063 and 84.268 - Student Financial Assistance Cluster
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

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

None.

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None.

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# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

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

To the Board of Education:

Ohio Rev. Code Section 117.53 states "the auditor of state shall identify whether the school district or community school has adopted an anti-harassment policy in accordance with Section 3313.666 of the Revised Code. This determination shall be recorded in the audit report. The auditor of state shall not prescribe the content or operation of any anti-harassment policy adopted by a school district or community school."

Accordingly, we have performed the procedure enumerated below, which was agreed to by the Board, solely to assist the Board in evaluating whether the Butler Technology and Career Development Schools has updated its anti-harassment policy in accordance with Ohio Rev. Code Section 3313.666. Management is responsible for complying with this requirement. This agreed-upon procedure engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of this procedure is solely the responsibility of the Board. Consequently; we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

1. We reviewed the Board's Policy Manual and noted their anti-harassment policy includes provisions prohibiting harassment, intimidation, or bullying of any student "on a school bus" or by an "electronic act".

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the anti-harassment policy. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board and is not intended to be and should not be used by anyone other than these specified parties.

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**Dave Yost**  
Auditor of State

Columbus, Ohio

December 12, 2013

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2013

Fiscal Year Ending June 30



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

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



**Comprehensive Annual Financial Report**  
For the Fiscal Year Ended June 30, 2013

**Prepared by the Financial Services Division**  
Edmund R. Pokora, CFO

**Butler Technology and Career Development Schools  
Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2013**

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# INTRODUCTORY SECTION

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an **Achievement of Excellence** organization

December 12, 2013

**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, 2013, is hereby submitted. This CAFR includes financial statements and other financial and statistical data and conforms to accounting principles generally accepted in the United States of America as they apply to governmental entities. Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation rests with the School District.

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

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

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

## **PROFILE OF THE GOVERNMENT**

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

### **School Governance**

The School District is governed by 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.

### **School Leadership**

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 Mr. William Miller as the School District's Superintendent for a two-year period effective March 7, 2013 through July 31, 2015. Mr. Miller has been an educator for over 30 years, and was most recently the Associate Director of Curriculum with the School District. Mr. Miller has over 20 years of experience as an Ohio school administrator.

The Board employed Edmund 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 in September 2011 that runs through July 31, 2014. 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.



## **School Facilities**

The School District operates one major facility for career-technical programs; the D. Russel Lee Career Technology Center. D. Russel Lee provides over 800 students a variety of secondary workforce development programs designed to give high school students technical and academic skills. In addition, the School District operates similar, but smaller career-tech programs in leased facilities at the Butler Tech Natural Science Academy and the Butler Tech School of the Arts. The School District operates over 100 satellite programs, located in the members' school buildings, and provides over 8,000 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 6,000 adults who enroll in these programs yearly. Career enhancement programs provide adult students with opportunities to receive education in specific skill areas in a 4-6 week period. These courses can be used to enhance current skills or generate new skills that are useful in the workplace.

## **FACTORS AFFECTING FINANCIAL CONDITION**

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

The economic outlook for Butler County is positive with the presence and strength of longstanding Butler County companies, such as AK Steel, Cincinnati Financial Corporation, and the Ohio Casualty Insurance Company, which employ approximately 2,400, 2,800, 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.

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

## **MAJOR INITIATIVES AND ACCOMPLISHMENTS**

### **Bioscience Educational Facility Moves Forward**

The Board of Education approved planning for a new bioscience educational facility that is scheduled to open in the fall of 2015. The facility will be built on property acquired along the I-75 corridor in West Chester, Ohio. The 32,000 square foot school will provide career-technical training in the health sciences field for both high school and adult students and is estimated to cost \$8 million. The district will issue long-term bonds as well as current cash on hand to fund the project.

## **FINANCIAL INFORMATION**

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

### **Internal Controls**

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

### **Single Audit Act**

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

## **Budgetary Controls**

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

## **Long-Term Planning**

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

## **Risk Management**

The School District continues to protect its assets through its participation in the Ohio School Plan for general liability, the Ohio Association of School Business Officials' group rating plan for workers' compensation, and the Butler Health Plan for dental and medical benefits.

## **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, 2012. This was the 15th 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, 2012. This was the eighth 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, 2013, 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, 2013

### BOARD OF EDUCATION

<u>Title</u>	<u>Name</u>	<u>District</u>	<u>Term Expires</u>	<u>Initial Appointment</u>
President	Gregory Tyus	Middletown	12/31/14	2011
Vice President	Glenda Holt	Ross	12/31/13	2008
Member	Jim Detzel	Northwest	12/31/13	2010
Member	Brett Guido	Monroe	12/31/14	2010
Member	Thomas Leeds	Madison	12/31/13	2013
Member	Jim Miller	Edgewood	12/31/14	2012
Member	Dan Murray	Fairfield	12/31/14	2008
Member	Ray Murray	Lakota	12/31/13	2012
Member	Sue Price	New Miami	12/31/14	1997
Member	Peter Robinson	Madison	12/31/13	2013
Member	Lois Vollmer	Talawanda	12/31/13	2008

### ADMINISTRATIVE OFFICIALS

Chief Executive Officer	William Miller
Chief Financial Officer	Edmund Pokora
Chief Operating Officer	David Helms



Government Finance Officers Association

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, 2012**

Executive Director/CEO

# Association of School Business Officials International



*The Certificate of Excellence in Financial Reporting Award  
is presented to*

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

*For Its Comprehensive Annual Financial Report (CAFR)  
For the Fiscal Year Ended June 30, 2012*

The CAFR has been reviewed and met or exceeded  
ASBO International's Certificate of Excellence standards



A handwritten signature in cursive script, reading 'Ron McCulley'.

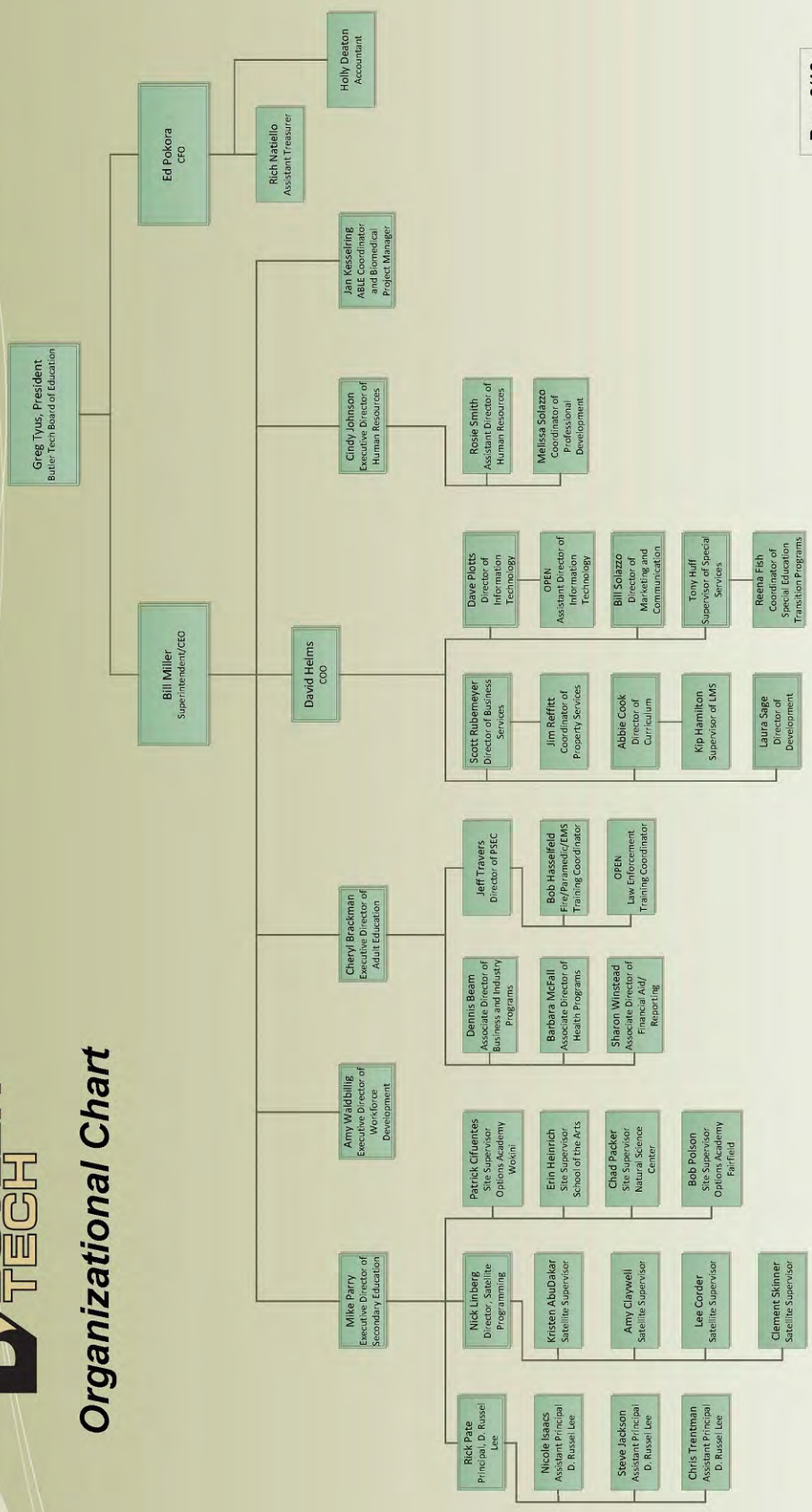
Ron McCulley, CPPB, RSBO  
President

A handwritten signature in cursive script, reading 'John D. Musso'.

John D. Musso, CAE, RSBA  
Executive Director



# Organizational Chart



Rev. 8/13



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# FINANCIAL SECTION

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

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

To the Board of Education:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Butler Technology and Career Development Schools, Butler County, Ohio (the District), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Butler Technology and Career Development Schools, Butler County, Ohio, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

***Other Matters***

*Required Supplementary Information*

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

***Supplementary and Other Information***

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

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

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

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2013, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

December 12, 2013

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## BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) Year Ended June 30, 2013

This discussion and analysis provides key information from management highlighting the overall financial performance of the Butler Technology and Career Development Schools ("School District") for the year ended June 30, 2013. 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 2013 are listed below:

- The assets of the School District exceeded its liabilities at year-end by \$58,752,092. Of this amount, \$16,182,639 may be used to meet the government's ongoing obligations to citizens and creditors.
- The School District's total net position increased during the fiscal year by \$1,143,350, or 2%.
- The School District's total expenses were \$45,733,033, an increase of \$46,602.
- Program revenues of \$6,502,383 reduced the net cost of the School District's functions to be financed from the School District's general revenues to \$39,230,650.
- The School District's unassigned fund balance of the General Fund totaled \$9,296,363 at the fiscal year end, or 25% of General Fund expenditures.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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



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

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

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

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**A. Net position at year-end**

The following table presents a condensed summary of the School District's overall financial position at June 30, 2013 and 2012:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>FY2013</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2012</u>
Current and other assets \$	38,715,273	33,974,236	1,196,880	2,244,117	39,912,153	36,218,353
Capital assets	43,075,083	45,481,355	571,836	743,736	43,646,919	46,225,091
Total assets	<u>81,790,356</u>	<u>79,455,591</u>	<u>1,768,716</u>	<u>2,987,853</u>	<u>83,559,072</u>	<u>82,443,444</u>
Long-term liabilities	1,517,202	1,890,049	144,784	139,453	1,661,986	2,029,502
Other liabilities	22,836,868	22,547,869	308,126	257,331	23,144,994	22,805,200
Total liabilities	<u>24,354,070</u>	<u>24,437,918</u>	<u>452,910</u>	<u>396,784</u>	<u>24,806,980</u>	<u>24,834,702</u>
Net position:						
Net investment						
in capital assets	40,712,239	42,618,511	571,836	743,736	41,284,075	43,362,247
Restricted:						
For capital purposes	891,307	895,909	-	-	891,307	895,909
Other purposes	394,071	364,274	-	-	394,071	364,274
Unrestricted	15,438,669	11,138,979	743,970	1,847,333	16,182,639	12,986,312
Total net position \$	<u>57,436,286</u>	<u>55,017,673</u>	<u>1,315,806</u>	<u>2,591,069</u>	<u>58,752,092</u>	<u>57,608,742</u>

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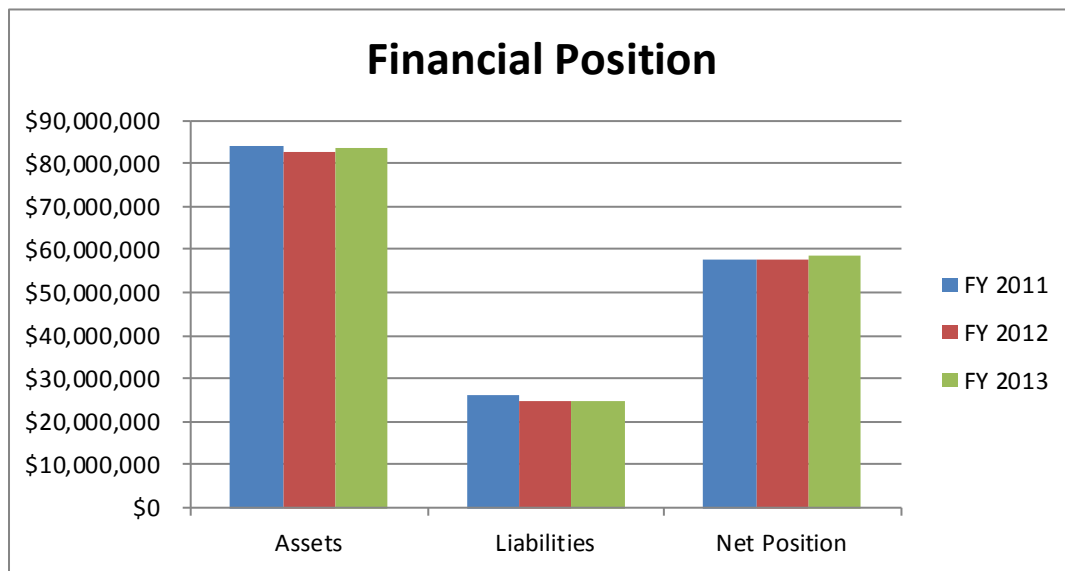
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At year-end, investment in capital assets, net of accumulated depreciation and related debt used to acquire the assets comprised 70% of total net position. These capital assets are used to provide services to the students and are not available for future spending. Although the School District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

Additionally, 2% of the School District's net position represents resources that are subject to external restriction on how they may be spent. The external restriction will not affect the availability of fund resources for future use. The remaining balance of \$16,182,639 may be used to meet the School District's ongoing obligations.

During the fiscal year 2013, total assets increased approximately by \$1.1 million, or 1%. Most of this increase occurred in cash and investments and taxes receivable, offset by a decrease in capital assets, with depreciation expense exceeding asset additions. The increase in cash and investments is attributable to positive operating results, while the increase in taxes receivable is attributable to increases in delinquent unpaid property taxes.

Total liabilities remained fairly stable, only decreasing by about \$28,000, or less than 1%.



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**B. Governmental and Business-type Activities during fiscal year 2013**

The following table presents a condensed summary of the School District's activities during fiscal year 2013 and 2012 and the resulting change in net position:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>FY2013</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2012</u>
<b>Revenues:</b>						
Program revenues:						
Charges for services and sales	\$ 633,780	747,031	3,833,501	4,390,262	4,467,281	5,137,293
Operating grants and contributions	<u>1,347,415</u>	<u>1,427,642</u>	<u>687,687</u>	<u>669,375</u>	<u>2,035,102</u>	<u>2,097,017</u>
Total program revenues	<u>1,981,195</u>	<u>2,174,673</u>	<u>4,521,188</u>	<u>5,059,637</u>	<u>6,502,383</u>	<u>7,234,310</u>
General revenues:						
Property taxes	15,315,423	14,382,361	-	-	15,315,423	14,382,361
Grants and entitlements	24,783,641	24,414,136	-	-	24,783,641	24,414,136
Investment earnings	(51,686)	56,773	-	-	(51,686)	56,773
Miscellaneous	<u>326,622</u>	<u>186,951</u>	<u>-</u>	<u>-</u>	<u>326,622</u>	<u>186,951</u>
Total general revenues	<u>40,374,000</u>	<u>39,040,221</u>	<u>-</u>	<u>-</u>	<u>40,374,000</u>	<u>39,040,221</u>
<b>Total revenues</b>	<u>42,355,195</u>	<u>41,214,894</u>	<u>4,521,188</u>	<u>5,059,637</u>	<u>46,876,383</u>	<u>46,274,531</u>
<b>Expenses:</b>						
Instruction	24,465,167	24,658,908	-	-	24,465,167	24,658,908
Support services	15,972,664	15,859,636	-	-	15,972,664	15,859,636
Non-instructional services	438,551	421,235	-	-	438,551	421,235
Interest and fiscal charges	50,200	67,944	-	-	50,200	67,944
Adult education	-	-	4,230,402	4,104,139	4,230,402	4,104,139
Food services	-	-	324,819	348,431	324,819	348,431
Other enterprise	<u>-</u>	<u>-</u>	<u>251,230</u>	<u>226,138</u>	<u>251,230</u>	<u>226,138</u>
<b>Total expenses</b>	<u>40,926,582</u>	<u>41,007,723</u>	<u>4,806,451</u>	<u>4,678,708</u>	<u>45,733,033</u>	<u>45,686,431</u>
<b>Excess before transfers and special item</b>						
	1,428,613	207,171	(285,263)	380,929	1,143,350	588,100
Transfers	990,000	(120,000)	(990,000)	120,000	-	-
Special item	<u>-</u>	<u>(657,123)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(657,123)</u>
<b>Change in net position</b>	<u>2,418,613</u>	<u>(569,952)</u>	<u>(1,275,263)</u>	<u>500,929</u>	<u>1,143,350</u>	<u>(69,023)</u>
Beginning net position	<u>55,017,673</u>	<u>55,587,625</u>	<u>2,591,069</u>	<u>2,090,140</u>	<u>57,608,742</u>	<u>57,677,765</u>
<b>Ending net position</b>	<u>\$ 57,436,286</u>	<u>55,017,673</u>	<u>1,315,806</u>	<u>2,591,069</u>	<u>58,752,092</u>	<u>57,608,742</u>

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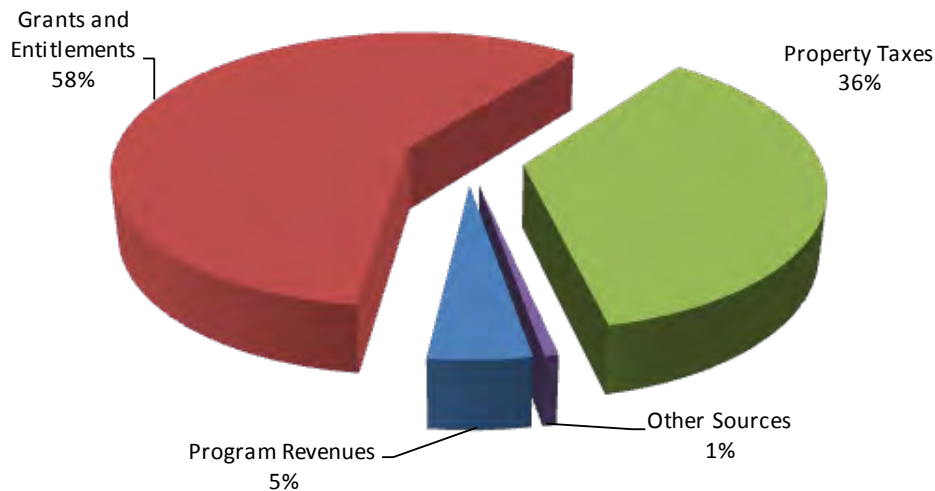
Overall, total revenues of the School District increased by approximately \$602,000, or 1%, from the previous fiscal year. Total expenses increased by approximately \$47,000, or less than 1%, from the previous fiscal year. Significant items that contributed these changes include the following:

- Charges for services decreased by approximately \$670,000 due to a decrease in adult education enrollment and overall revenues, particularly in the health care programs.
- Tax revenue increased by about \$933,000 due to the recognition of the corresponding increase in delinquent property taxes receivable.
- Instruction expenses decreased by approximately \$194,000, while adult education expenses increased by approximately \$126,000, due to the adult education programs realizing custodial costs that were reported in Governmental Activities in prior years.

Of the total governmental activities revenues of \$42,355,195, \$1,981,195 (5%) is from program revenue. This means that the government relies on general revenues to fund the majority of the cost of services provided to the citizens. The School District's operations are reliant upon its property tax levy and the state's foundation program, with 36% (\$15,315,423) coming from property tax levies and 58% (\$24,783,641) coming from state funding.

### **Governmental Activities**

Revenue Sources for 2013 Fiscal Year



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**Governmental Activities**

The following table presents the total cost of each of the government's primary services, and the comparative net cost after deducting the revenues generated by each function. Approximately 5% of the cost of the general government programs was recouped in program revenues. Instruction costs were \$24,465,167, but program revenue contributed to fund 4% of those costs. Thus, general revenues of \$23,369,742 were used to support the remainder of the instruction costs.

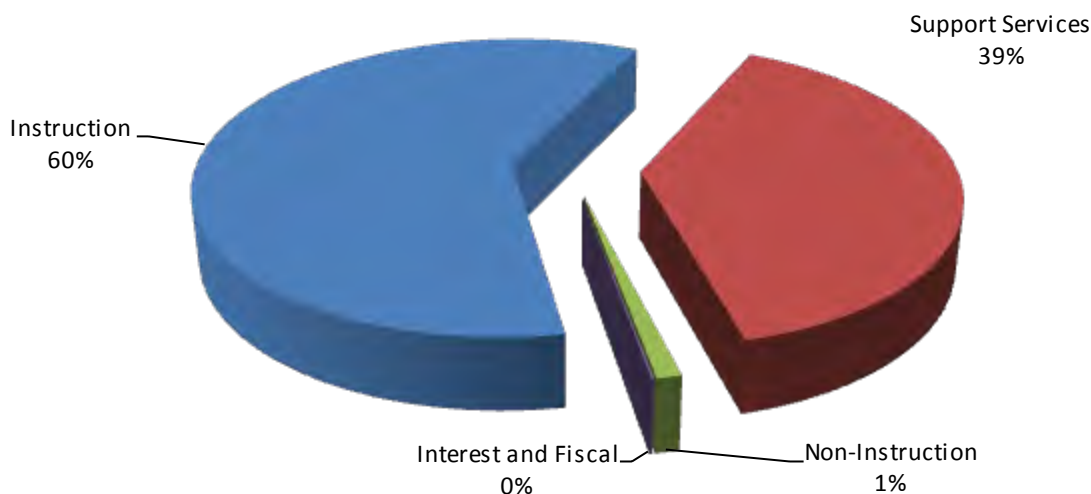
The School District's governmental activities net position increased by \$2,418,613.

**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	\$	24,465,167	1,095,425	4%	23,369,742
Support services		15,972,664	885,770	6%	15,086,894
Non-instructional services		438,551	-	0%	438,551
Interest and fiscal charges		50,200	-	0%	50,200
<b>Total</b>	<b>\$</b>	<u>40,926,582</u>	<u>1,981,195</u>	<u>5%</u>	<u>38,945,387</u>

**Governmental Activities**

Cost of Services by Category for 2013 Fiscal Year



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***Business-type Activities***

The following table presents the total cost of each of the School District's business segments and the net cost after deducting the revenues generated by each segment. Adult Education enrollment for health care programs decreased, as did Fire/EMS programs. By law, certain health programs require full-time certified staff even at minimal enrollment levels which impacts net cost.

**Business-type Activities**

		<u>Total Cost of Services</u>	<u>Program Revenue</u>	<u>Revenues as a % of Total Costs</u>	<u>Net Cost (Revenue) of Services</u>
Adult education	\$	4,230,402	4,012,925	95%	217,477
Food services		324,819	278,140	86%	46,679
Other enterprise		<u>251,230</u>	<u>230,123</u>	92%	<u>21,107</u>
<b>Total</b>	\$	<u><u>4,806,451</u></u>	<u><u>4,521,188</u></u>	<u>94%</u>	<u><u>285,263</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 97% (\$37,681,205) of the total \$38,905,042 governmental funds' assets. The following provides an analysis of these major funds:

**General Fund.** Fund balance at June 30, 2013 was \$14,794,714, including \$9,296,363 of unassigned balance, which represents 25% of General Fund expenditures for fiscal year 2013. The General Fund balance increased \$2,696,020, or 22%, from the previous year due to a decrease in expenditures of \$1,401,120 as a result of the School District's financial planning and budget process. There was also a \$1,000,000 transfer in from the Adult Education Fund.

**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.

**Proprietary funds**

The School District has one major proprietary fund – the Adult Education Fund. Net position at June 30, 2013 was \$1,189,479, including \$617,643 of unrestricted net position. The Adult Education Fund experienced a net loss (before transfers) of \$217,477, due to decreases in revenue of approximately \$512,000. A majority of the decrease in revenue is attributable to the decreased enrollment experience in the Health Care programs as well as some Fire/EMS programs.

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**GENERAL FUND BUDGETARY HIGHLIGHTS**

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

For the 2013 year, actual revenues were within 3% of the estimates. Actual expenditures for the year were approximately 14% less than budgeted. Significant items that contributed these changes include the following:

- Vocational instruction expenditures were \$4,002,400 less than budgeted due to unused contingency funds of \$3,500,000 that were set aside to cover uncertainties of state funding.
- Fiscal support services were \$565,979 less than budgeted due to unspent School District Initiatives funds.
- Operation and maintenance of plant expenditures were \$922,478 less than budgeted due to accounting changes in the year that transferred certain costs out of the General Fund to other funds. For example Adult Education custodial costs and utility costs were previously booked to the General Fund are now booked to Adult Education Fund in FY2013. Other contributing factors include lower than expected utilities due to the mild winter weather.
- Central support services expenditures were \$489,499 less than budgeted due to a couple factors, including vacancies in our Technology department and fewer professional and legal services. The budgeted costs for professional and legal services were related to contract negotiations based on prior year activity. The FY2013 contract negotiations were postponed but were scheduled to continue in FY2014.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital assets.** At June 30, 2013, the School District had \$43,646,919 invested in a broad range of capital assets, including land, buildings, equipment and vehicles. See Note 5 to the financial statements for more detail.

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

		<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
		<u>FY2013</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2012</u>
Land	\$	4,810,261	4,810,261	-	-	4,810,261	4,810,261
Land improvements		330,154	346,227	4,737	5,101	334,891	351,328
Building and improvements		34,684,029	36,090,953	37,818	40,505	34,721,847	36,131,458
Furniture and equipment		3,122,647	4,092,752	521,710	684,631	3,644,357	4,777,383
Vehicles		127,992	141,162	7,571	13,499	135,563	154,661
Total	\$	<u>43,075,083</u>	<u>45,481,355</u>	<u>571,836</u>	<u>743,736</u>	<u>43,646,919</u>	<u>46,225,091</u>

**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2013**  
**Unaudited**

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**Debt**

The School District issued \$3,000,000 in notes during the year for 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 11 to the financial statements.

**ECONOMIC FACTORS**

The School District continued to experience a decline in the assessed valuation of the local tax base during the past year, although much less than in prior years. State funding, which was based upon House Bill 153 in FY2013 remained flat for career-tech schools. This was anticipated and reflected in the School District's financial planning.

In June 2013, Ohio adopted a new funding formula for schools for the next two years that incorporates a new weighted funding model based upon certain state employment needs. The foundation formula has returned to a per-pupil funding basis using the October head-count of students enrolled in our schools. Estimates provided from the state show that the School District is projected to remain on guarantee or flat-funding for the next two years.

According to *Moody's Analytics*, the Cincinnati-Middletown area economic recovery has gained some traction in recent months and local employment growth is outperforming the state and nation. High-value added professional and business services are leading the job gains. As evidence, *The Journal News* recently reported the announcement by West Chester Township that two existing businesses plan to make multi-million dollar expansions in the township and add a combined 93 jobs to the region. There are some stipulations, including an application that was submitted for tax exemptions, but if all is approved, it means existing jobs will remain on top of the 93 jobs to be added.

**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.



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

Statement of Net Position

June 30, 2013

	Governmental Activities	Business- Type Activities	Total
<b>Assets:</b>			
Equity in pooled cash and investments	\$ 19,755,338	1,153,283	20,908,621
Receivables:			
Taxes	17,803,031	-	17,803,031
Accounts	17,255	43,597	60,852
Intergovernmental	243,375	-	243,375
Interest	31,425	-	31,425
Restricted assets	864,849	-	864,849
Nondepreciable capital assets	4,810,261	-	4,810,261
Depreciable capital assets, net	<u>38,264,822</u>	<u>571,836</u>	<u>38,836,658</u>
<b>Total assets</b>	<u>81,790,356</u>	<u>1,768,716</u>	<u>83,559,072</u>
<b>Liabilities:</b>			
Accounts payable	1,091,645	127,789	1,219,434
Accrued wages	3,391,972	180,337	3,572,309
Unearned revenue	15,339,751	-	15,339,751
Accrued interest payable	13,500	-	13,500
Notes payable	3,000,000	-	3,000,000
Long-term liabilities:			
Due within one year	206,212	20,409	226,621
Due within more than one year	<u>1,310,990</u>	<u>124,375</u>	<u>1,435,365</u>
<b>Total liabilities</b>	<u>24,354,070</u>	<u>452,910</u>	<u>24,806,980</u>
<b>Net Position:</b>			
Net investment in capital assets	40,712,239	571,836	41,284,075
Restricted for:			
Capital projects	891,307	-	891,307
Other purposes	394,071	-	394,071
Unrestricted	<u>15,438,669</u>	<u>743,970</u>	<u>16,182,639</u>
<b>Total net position</b>	<u>\$ 57,436,286</u>	<u>1,315,806</u>	<u>58,752,092</u>

See accompanying notes to the basic financial statements.

**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO**  
**Statement of Activities**  
**Year Ended June 30, 2013**

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>						
Instruction:						
Regular	\$ 500,517	-	-	(500,517)	-	(500,517)
Vocational education	23,650,511	633,780	461,645	(22,555,086)	-	(22,555,086)
Other	314,139	-	-	(314,139)	-	(314,139)
Support services:						
Pupil	1,602,839	-	459,369	(1,143,470)	-	(1,143,470)
Instructional staff	3,537,354	-	321,771	(3,215,583)	-	(3,215,583)
General administration	91,240	-	-	(91,240)	-	(91,240)
School administration	2,474,495	-	36,340	(2,438,155)	-	(2,438,155)
Fiscal	1,203,407	-	-	(1,203,407)	-	(1,203,407)
Business	66,100	-	-	(66,100)	-	(66,100)
Operation and maintenance of plant	3,667,405	-	-	(3,667,405)	-	(3,667,405)
Pupil transportation	78,578	-	-	(78,578)	-	(78,578)
Central	3,251,261	-	68,290	(3,182,971)	-	(3,182,971)
Non-instructional services:						
Extracurricular activities	425,197	-	-	(425,197)	-	(425,197)
Community service	13,354	-	-	(13,354)	-	(13,354)
Interest and fiscal charges	50,200	-	-	(50,200)	-	(50,200)
<b>Total Governmental Activities</b>	<b>40,926,597</b>	<b>633,780</b>	<b>1,347,415</b>	<b>(38,945,402)</b>	<b>-</b>	<b>(38,945,402)</b>
<b>Business-Type Activities:</b>						
Food service	324,819	162,167	115,973	-	(46,679)	(46,679)
Uniform school supplies	4,037	3,742	-	-	(295)	(295)
Adult education	4,230,402	3,441,211	571,714	-	(217,477)	(217,477)
Rotary	247,193	226,381	-	-	(20,812)	(20,812)
<b>Total Business-Type Activities</b>	<b>4,806,451</b>	<b>3,833,501</b>	<b>687,687</b>	<b>-</b>	<b>(285,263)</b>	<b>(285,263)</b>
	<b>\$ 45,733,048</b>	<b>4,467,281</b>	<b>2,035,102</b>	<b>(38,945,402)</b>	<b>(285,263)</b>	<b>(39,230,665)</b>
<b>General Revenues:</b>						
Property taxes levied for general purposes	\$ 15,315,423	-	-	-	-	15,315,423
Grants and entitlements	24,783,641	-	-	-	-	24,783,641
Investment earnings	(51,686)	-	-	-	-	(51,686)
Miscellaneous	326,637	-	-	-	-	326,637
Transfers	990,000	(990,000)	-	-	-	-
Total general revenues and transfers	41,364,015	(990,000)	-	-	-	40,374,015
Change in net position	2,418,613	(1,275,263)	-	-	-	1,143,350
Net position beginning of year	55,017,673	2,591,069	-	-	-	57,608,742
Net position end of year	\$ 57,436,286	1,315,806	-	-	-	58,752,092

See accompanying notes to the basic financial statements.

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

Balance Sheet  
 Governmental Funds  
 June 30, 2013

	General	OSFC Project Construction Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>				
Equity in pooled cash and investments	\$ 17,229,165	1,525,711	1,000,462	19,755,338
Restricted cash	864,849	-	-	864,849
Receivables:				
Taxes	17,803,031	-	-	17,803,031
Accounts	17,255	-	-	17,255
Accrued interest	31,425	-	-	31,425
Intergovernmental	20,000	-	223,375	243,375
Interfund receivable	189,769	-	-	189,769
<b>Total assets</b>	<u>36,155,494</u>	<u>1,525,711</u>	<u>1,223,837</u>	<u>38,905,042</u>
<b>Liabilities:</b>				
Accounts payable	397,044	657,123	37,478	1,091,645
Accrued wages and benefits	3,335,870	-	56,102	3,391,972
Interfund payable	-	-	189,769	189,769
Accrued interest payable	700	9,600	3,200	13,500
Compensated absences payable	128,539	-	-	128,539
Notes payable	150,000	2,144,000	706,000	3,000,000
Deferred revenue	17,348,627	-	189,225	17,537,852
<b>Total liabilities</b>	<u>21,360,780</u>	<u>2,810,723</u>	<u>1,181,774</u>	<u>25,353,277</u>
<b>Fund Balances:</b>				
Restricted	1,079,232	-	168,321	1,247,553
Assigned	4,419,119	-	-	4,419,119
Unassigned	9,296,363	(1,285,012)	(126,258)	7,885,093
<b>Total fund balances</b>	<u>14,794,714</u>	<u>(1,285,012)</u>	<u>42,063</u>	<u>13,551,765</u>
<b>Total liabilities and fund balances</b>	<u>\$ 36,155,494</u>	<u>1,525,711</u>	<u>1,223,837</u>	<u>38,905,042</u>

See accompanying notes to the basic financial statements.

Reconciliation of Total Governmental Fund Balances to  
Net Position of Governmental Activities  
June 30, 2013

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**Total Governmental Fund Balances** \$ 13,551,765

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

Capital assets used in governmental activities are not financial  
resources and therefore are not reported in the funds. 43,075,083

Other long-term assets are not available to pay for current-  
period expenditures and therefore are not reported in the funds. 2,198,101

Long-term liabilities, such as compensated absences, are not  
due and payable in the current period and therefore are not  
reported in the funds. (1,388,663)

Net Position of Governmental Activities \$ 57,436,286

# BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

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

### Governmental Funds

Year Ended June 30, 2013

	General	OSFC Project Construction Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
Taxes	\$ 14,022,133	-	-	14,022,133
Tuition and fees	633,780	-	-	633,780
Investment income	(49,890)	-	1,615	(48,275)
Intergovernmental	24,846,411	-	1,355,348	26,201,759
Miscellaneous	210,839	-	115,798	326,637
<b>Total revenues</b>	<u>39,663,273</u>	<u>-</u>	<u>1,472,761</u>	<u>41,136,034</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	499,131	-	-	499,131
Vocational education	21,519,558	-	343,301	21,862,859
Other	-	-	53,926	53,926
Support services:				
Pupil	1,124,191	-	485,291	1,609,482
Instructional staff	3,211,922	-	345,969	3,557,891
General administration	91,240	-	-	91,240
School administration	2,433,726	-	37,793	2,471,519
Fiscal	1,190,270	-	17,163	1,207,433
Business	66,501	-	-	66,501
Operation and maintenance of plant	3,297,084	-	-	3,297,084
Pupil transportation	81,787	-	-	81,787
Central	3,114,381	-	70,805	3,185,186
Non-instructional services:				
Extracurricular	394,865	-	30,332	425,197
Community service	13,354	-	-	13,354
Capital outlay	-	-	408,417	408,417
Debt Service:				
Interest and fiscal charges	2,525	35,820	11,855	50,200
<b>Total expenditures</b>	<u>37,040,535</u>	<u>35,820</u>	<u>1,804,852</u>	<u>38,881,207</u>
Excess of revenues over (under) expenditures	<u>2,622,738</u>	<u>(35,820)</u>	<u>(332,091)</u>	<u>2,254,827</u>
<b>Other financing sources (uses):</b>				
Transfers in	1,027,625	394,520	1,074,698	2,496,843
Transfers out	(954,343)	-	(552,500)	(1,506,843)
<b>Total other financing sources (uses)</b>	<u>73,282</u>	<u>394,520</u>	<u>522,198</u>	<u>990,000</u>
Net change in fund balances	2,696,020	358,700	190,107	3,244,827
Fund balance, beginning of year	12,098,694	(1,643,712)	(148,044)	10,306,938
Fund balance, end of year	\$ <u>14,794,714</u>	<u>(1,285,012)</u>	<u>42,063</u>	<u>13,551,765</u>

See accompanying notes to the basic financial statements.

Reconciliation of the Statement of Revenues, Expenditures  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
Year Ended June 30, 2013

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**Net Change in Fund Balances - Total Governmental Funds** \$ 3,244,827

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Capital outlay	555,456
Depreciation expense	(2,961,728)

Some expenses reported in the statement of activities, such as compensated absences do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	360,882
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	<u>1,219,176</u>
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Change in Net Position of Governmental Activities	\$ <u><u>2,418,613</u></u>
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**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO**

## Statement of Net Position

## Enterprise Funds

June 30, 2013

	Adult Education Fund	Other Enterprise Funds	Total
<b>Assets:</b>			
Current assets:			
Equity in pooled cash and investments	\$ 1,002,627	150,656	1,153,283
Receivables:			
Accounts	<u>43,584</u>	<u>13</u>	<u>43,597</u>
Total current assets	<u>1,046,211</u>	<u>150,669</u>	<u>1,196,880</u>
Noncurrent assets:			
Capital assets, net	<u>571,836</u>	<u>-</u>	<u>571,836</u>
<b>Total assets</b>	<u>1,618,047</u>	<u>150,669</u>	<u>1,768,716</u>
<b>Liabilities:</b>			
Current liabilities:			
Accounts payable	120,070	7,719	127,789
Accrued wages	163,714	16,623	180,337
Compensated absences	<u>20,409</u>	<u>-</u>	<u>20,409</u>
Total current liabilities	<u>304,193</u>	<u>24,342</u>	<u>328,535</u>
Long-term liabilities:			
Compensated absences	<u>124,375</u>	<u>-</u>	<u>124,375</u>
<b>Total liabilities</b>	<u>428,568</u>	<u>24,342</u>	<u>452,910</u>
<b>Net Position:</b>			
Investment in capital assets	571,836	-	571,836
Unrestricted	<u>617,643</u>	<u>126,327</u>	<u>743,970</u>
<b>Total net position</b>	<u>\$ 1,189,479</u>	<u>126,327</u>	<u>1,315,806</u>

See accompanying notes to the basic financial statements.

**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO**  
Statement of Revenues, Expenses and Changes in Fund Net Position  
Enterprise Funds  
Year Ended June 30, 2013

	Adult Education Fund	Other Enterprise Funds	Total
<b>Operating revenues:</b>			
Charges for services	\$ 3,435,883	226,295	3,662,178
Other operating revenues	<u>5,328</u>	<u>165,995</u>	<u>171,323</u>
<b>Total operating revenues</b>	<u>3,441,211</u>	<u>392,290</u>	<u>3,833,501</u>
<b>Operating expenses:</b>			
Salaries and wages	2,231,256	61,538	2,292,794
Fringe benefits	684,811	44,082	728,893
Contractual services	469,908	365,317	835,225
Materials and supplies	576,031	60,612	636,643
Depreciation	189,860	-	189,860
Other expenses	<u>78,536</u>	<u>44,500</u>	<u>123,036</u>
<b>Total operating expenses</b>	<u>4,230,402</u>	<u>576,049</u>	<u>4,806,451</u>
Operating loss	(789,191)	(183,759)	(972,950)
<b>Nonoperating revenues (expenses):</b>			
State and federal grants	571,714	115,889	687,603
Interest income	<u>-</u>	<u>84</u>	<u>84</u>
<b>Total nonoperating revenues</b>	<u>571,714</u>	<u>115,973</u>	<u>687,687</u>
Net loss before transfers	(217,477)	(67,786)	(285,263)
Transfers in	-	10,000	10,000
Transfers out	<u>(1,000,000)</u>	<u>-</u>	<u>(1,000,000)</u>
Change in net position	(1,217,477)	(57,786)	(1,275,263)
Net position, beginning of year	<u>2,406,956</u>	<u>184,113</u>	<u>2,591,069</u>
Net position, end of year	\$ <u>1,189,479</u>	<u>126,327</u>	<u>1,315,806</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, 2013

	<u>Adult Education Fund</u>	<u>Other Enterprise Funds</u>	<u>Total</u>
<b>Cash flows from operating activities:</b>			
Cash received from customers	\$ 3,437,202	244,747	3,681,949
Cash received from other operating sources	2,235	167,803	170,038
Cash payments for personal services	(2,891,207)	(103,838)	(2,995,045)
Cash payments for contract services	(447,154)	(367,290)	(814,444)
Cash payments for supplies and materials	(563,514)	(61,447)	(624,961)
Cash payments for other expenses	<u>(81,515)</u>	<u>(44,500)</u>	<u>(126,015)</u>
Net cash used by operating activities	<u>(543,953)</u>	<u>(164,525)</u>	<u>(708,478)</u>
<b>Cash flows from noncapital financing activities:</b>			
Transfers	(1,000,000)	10,000	(990,000)
Cash received from state and federal grants	<u>571,714</u>	<u>115,889</u>	<u>687,603</u>
Net cash provided (used) by noncapital financing activities	<u>(428,286)</u>	<u>125,889</u>	<u>(302,397)</u>
<b>Cash flows from capital and related financing activities:</b>			
Acquisition of capital assets	<u>(17,960)</u>	-	<u>(17,960)</u>
<b>Cash flows from investing activities:</b>			
Investment income	<u>-</u>	<u>84</u>	<u>84</u>
Net change in cash and investments	(990,199)	(38,552)	(1,028,751)
Cash and investments at beginning of year	<u>1,992,826</u>	<u>189,208</u>	<u>2,182,034</u>
Cash and investments at end of year	\$ <u>1,002,627</u>	<u>150,656</u>	<u>1,153,283</u>
<b>Reconciliation of operating loss to net cash used by operating activities:</b>			
Operating loss	\$ (789,191)	(183,759)	(972,950)
Adjustments to reconcile operating loss to net cash used by operating activities:			
Depreciation	189,860	-	189,860
Changes in assets and liabilities:			
Accounts receivable	(1,774)	20,260	18,486
Accounts payable	32,292	(2,808)	29,484
Accrued wages and benefits	19,529	1,782	21,311
Compensated absences payable	<u>5,331</u>	<u>-</u>	<u>5,331</u>
Net cash used by operating activities	\$ <u>(543,953)</u>	<u>(164,525)</u>	<u>(708,478)</u>

See accompanying notes to the basic financial statements.

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

Statement of Net Position

Fiduciary Funds

June 30, 2013

	<u>Private Purpose Trust Fund</u>	<u>Agency Funds</u>
<b>Assets</b>		
Equity in pooled cash and investments	\$ 178,178	4,533,877
Intergovernmental receivable	<u>-</u>	<u>22,395</u>
Total assets	<u>178,178</u>	<u>4,556,272</u>
<b>Liabilities</b>		
Due to student groups	-	262,527
Due to other governments	<u>-</u>	<u>4,293,745</u>
Total liabilities	<u>-</u>	<u>4,556,272</u>
<b>Net Position</b>		
Held in trust	\$ <u>178,178</u>	

See accompanying notes to the basic financial statements.

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

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

Year Ended June 30, 2013

	<u>Private- Purpose Trust Fund</u>
<b>Additions:</b>	
Investment income	\$ 452
Contributions	<u>20,998</u>
Total additions	<u>21,450</u>
<b>Deductions:</b>	
Benefits	<u>32,962</u>
Total deductions	<u>32,962</u>
Change in net position	(11,512)
Net position, beginning of year	<u>189,690</u>
Net position, end of year	\$ <u><u>178,178</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, 2013**

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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. The more significant of the School District's accounting policies are described below.

**A. Reporting Entity**

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

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

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

**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2013**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued***

**B. Basis of Presentation**

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

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.

**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO**  
**Notes to the Basic Financial Statements**  
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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued***

**B. Basis of Presentation - *continued***

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.

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.

**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO**  
**Notes to the Basic Financial Statements**  
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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued***

**C. Fund Accounting - *continued***

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

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

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

**D. Basis of Accounting**

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

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

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

**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO**  
**Notes to the Basic Financial Statements**  
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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued***

**D. Basis of Accounting - *continued***

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

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

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

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

***Deferred Revenue*** Deferred revenues arise when assets are recognized before revenue recognition criteria have been satisfied. Property taxes measurable as of June 30, 2013, which are intended to finance fiscal year 2014 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 2013, investments were limited to federal agency securities, commercial paper, STAR Ohio, and a money market fund.



**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO**  
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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued***

**E. Cash and Cash Equivalents - *continued***

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 held at June 30, 2013 at the fair value.

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

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

**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.

**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO**  
**Notes to the Basic Financial Statements**  
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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued***

**F. Capital Assets - *continued***

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

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

**G. Interfund Balances**

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

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

**H. Compensated Absences**

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

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

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.

**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO**  
**Notes to the Basic Financial Statements**  
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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued***

**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. Restricted Assets**

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

**K. Fund Balances**

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

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

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

***Committed*** – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School District’s highest level of decision-making authority. The Board of Education is the highest level of decision-making authority for the School District that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation. The School District did not have any committed balances at year-end.

**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO**  
**Notes to the Basic Financial Statements**  
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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued***

**K. Fund Balances - *continued***

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

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

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

**L. Net Position**

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the 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 position is available.

**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2013**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued***

**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. DEPOSITS AND INVESTMENTS**

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

Active deposits are public deposits necessary to meet current demands on the Treasury. Such monies must be maintained either as cash in the School District Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board has identified as not required for use within the current two-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies that are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including pass book accounts. Protection of the School District's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment, or by a single collateral pool established by the financial institution to secure the repayment of all public monies on deposit.

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;

**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO**  
**Notes to the Basic Financial Statements**  
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**2. DEPOSITS AND INVESTMENTS – *continued***

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":

**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO**  
**Notes to the Basic Financial Statements**  
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**2. DEPOSITS AND INVESTMENTS – *continued***

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, \$8,502,905 of the School District's bank balance of \$9,002,905 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, 2013 are summarized as follows:

	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>	<u>Concentration of Credit Risk</u>
FHLB	\$ 2,958,040	3.68	16.50%
FNMA	2,962,270	3.97	16.53%
FFCB	988,850	3.63	5.52%
FHLMC	2,006,660	3.06	11.20%
Commercial paper	2,998,730	0.19	16.73%
STAR Ohio	6,002,830	n/a	33.49%
Money market	<u>5,988</u>	<u>n/a</u>	<u>0.03%</u>
	<u>\$ 17,923,368</u>	<u>1.84</u>	<u>100.00%</u>

*Credit Risk*

It is the School District's policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments which have a credit quality rating of the top 2 ratings by nationally recognized statistical rating organizations. The School District's investments in FHLB, FNMA, FFCB, and FHLMC securities were rated AA+ by Standard & Poor's and Aaa by Moody's. The commercial paper securities were rated either A-1 or A-1+ by Standards & Poor's and P-1 by Moody's.

**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO**  
**Notes to the Basic Financial Statements**  
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**2. DEPOSITS AND INVESTMENTS – *continued***

*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.

*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.

**3. PROPERTY TAXES**

Property taxes include amounts levied against all real and public utility property located in the School District. Real property tax revenue received in calendar year 2013 represents collections of calendar year 2012 taxes. Real property taxes received in calendar year 2013 were levied after April 1, 2012, on the assessed value listed as of the prior January 1, 2012, the lien date. Assessed values for real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternative payment dates to be established.

Public utility property taxes revenue received in calendar year 2013 represent collections of calendar year 2012 taxes. Public utility real and tangible personal property taxes received in calendar year 2013 became a lien on December 31, 2011, were levied after April 1, 2012 and are collected in calendar year 2013 with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The School District receives property taxes from Butler and Hamilton counties. The County Auditors periodically advance to the School District is portion of taxes collected. Second-half real property tax payments collected by the counties by June 30, 2013 are available to finance fiscal year 2013 operations. The amount available to be advanced can vary based on the date the tax bills are sent.



**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO**  
**Notes to the Basic Financial Statements**  
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**3. PROPERTY TAXES – continued**

Accrued property taxes receivable represents delinquent taxes outstanding and real property and public utility taxes that became measurable as of June 30, 2013. 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 assessed values upon which fiscal year 2013 taxes were collected are:

	<u>2012 Second-Half Collections</u>		<u>2013 First-Half Collections</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential and Other Real Estate	\$ 7,664,996,390	94.85%	7,631,954,410	94.00%
Public Utility	<u>416,338,350</u>	5.15%	<u>487,241,240</u>	6.00%
Total Assessed Value	\$ <u>8,081,334,740</u>	100.00%	<u>8,119,195,650</u>	100.00%
Tax rate per \$1,000 of assessed valuation		\$1.93		\$1.93

**4. INTERFUND TRANSACTIONS**

On the fund financial statements, the General Fund has a receivable of \$189,769 due from Other Governmental Funds. These interfund loans were made to provide operating capital.

Interfund transfers for the year ended June 30, 2013, consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 1,027,625	954,343
OSFC Project Construction Fund	394,520	-
Other Governmental Funds	1,074,698	552,500
Adult Education Fund	-	1,000,000
Other Enterprise Funds	<u>10,000</u>	<u>-</u>
Total	\$ <u>2,506,843</u>	<u>2,506,843</u>

**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO**  
**Notes to the Basic Financial Statements**  
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**4. INTERFUND TRANSACTIONS – *continued***

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

**5. CAPITAL ASSETS**

Capital assets activity for the year ended June 30, 2013 was as follows:

	Balance 7/1/12	Additions	Disposals	Balance 6/30/13
<b><i>Governmental Activities:</i></b>				
<b><i>Capital assets not being depreciated:</i></b>				
Land	\$ 4,810,261	-	-	4,810,261
<b><i>Capital assets being depreciated:</i></b>				
Land improvements	464,116	-	-	464,116
Building and improvements	48,859,353	24,050	-	48,883,403
Furniture and equipment	14,198,331	490,556	-	14,688,887
Vehicles	759,730	40,850	(48,042)	752,538
Subtotal	<u>64,281,530</u>	<u>555,456</u>	<u>(48,042)</u>	<u>64,788,944</u>
Totals at historical cost	<u>69,091,791</u>	<u>555,456</u>	<u>(48,042)</u>	<u>69,599,205</u>
Less accumulated depreciation:				
Land improvements	117,889	16,073	-	133,962
Building and improvements	12,768,400	1,430,974	-	14,199,374
Furniture and equipment	10,105,579	1,460,661	-	11,566,240
Vehicles	618,568	54,020	(48,042)	624,546
Total accumulated depreciation	<u>23,610,436</u>	<u>2,961,728</u>	<u>(48,042)</u>	<u>26,524,122</u>
Capital assets, net	<u>\$ 45,481,355</u>	<u>(2,406,272)</u>	<u>-</u>	<u>43,075,083</u>

**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO**  
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**5. CAPITAL ASSETS – *continued***

	Balance 7/1/12	Additions	Disposals	Balance 6/30/13
<b><i>Business-type Activities:</i></b>				
Land improvements	\$ 5,465	-	-	5,465
Building and improvements	53,731	-	-	53,731
Furniture and equipment	1,575,692	17,960	-	1,593,652
Vehicles	198,650	-	-	198,650
Totals at historical cost	<u>1,833,538</u>	<u>17,960</u>	<u>-</u>	<u>1,851,498</u>
Less accumulated depreciation:				
Land improvements	364	364	-	728
Building and improvements	13,226	2,687	-	15,913
Furniture and equipment	891,061	180,881	-	1,071,942
Vehicles	185,151	5,928	-	191,079
Total accumulated depreciation	<u>1,089,802</u>	<u>189,860</u>	<u>-</u>	<u>1,279,662</u>
Capital assets, net	<u>\$ 743,736</u>	<u>(171,900)</u>	<u>-</u>	<u>571,836</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Vocational education	\$ 2,707,480
Support services:	
Pupil	3,737
Instructional staff	1,263
School administration	38,341
Fiscal	130
Operation and maintenance of plant	17,107
Pupil transportation	19,200
Central	174,470
Total depreciation expense	<u>\$ 2,961,728</u>

Depreciation expense of \$189,860 was charged to the adult education segment.

**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2013**

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**6. RISK MANAGEMENT**

The School District is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2013, the School District contracted with the Ohio School Plan for general liability insurance with \$3,000,000 each occurrence limit and a \$5,000,000 aggregate. Buildings, contents and school vehicles are protected through a local insurance agent. There were no significant reductions in insurance coverage in the prior year. Settlements have not exceeded insurance coverage during the past three fiscal years.

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

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

**7. PENSION PLANS**

**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 on SERS' website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2013**

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**7. PENSION PLANS – *continued***

Plan members are required to contribute 10% of their annual covered salary and the School District is required to contribute 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts by the SERS' Retirement Board. The Retirement Board acting with the advice of the actuary, allocates the employer contribution rate among four of the funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund) of the System. For the fiscal year ended June 30, 2013, the allocation to pension and death benefits was 13.10%. The remaining 0.90% of the 14% employer contribution rate was allocated to the Health Care and Medicare B Funds. The School District's required contributions to SERS for the fiscal years ended June 30, 2013, 2012, and 2011 were approximately \$724,000, \$728,000, and \$720,000, respectively. 100% of the required contributions have been made for all three fiscal years.

**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.

**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2013**

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**7. PENSION PLANS – *continued***

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.

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.

**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2013**

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**7. PENSION PLANS – *continued***

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.

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 to STRS Ohio for the years ended June 30, 2013, 2012, and 2011 were approximately \$2,812,000, \$2,943,000, and \$2,948,000, 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, 2013, some members of the Board of Education have elected Social Security. The School District's liability is 6.2% of wages paid.

**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2013**

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**8. 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). Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by state statute.

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. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. 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, 2013, 2012, and 2011. 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 ended June 30, 2013, 2012, and 2011 were approximately \$201,000, \$210,000, and \$211,000, respectively. 100% of the required contributions have been made for all three fiscal years.

SERS administers two postemployment benefit plans:

*Medicare Part 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 2013 was \$104.90 for most participants, but could be as high as \$335.70 per month depending on their income. 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 2013, the actuarially required allocation was 0.74%. The School District contributions for the years ended June 30, 2013, 2012, and 2011 were approximately \$38,000, \$39,000, and \$39,000, 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, 2013**

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**8. POSTEMPLOYMENT BENEFITS – *continued***

*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, Medicare Advantage, and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively.

The 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 105(e). 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. For the year ended June 30, 2013, the health care allocation was 0.16%. 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 2013, the minimum compensation level was established at \$20,525. The surcharge, added to the unallocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contributions assigned to health care for years ended June 30, 2013, 2012, and 2011 were approximately \$8,000, \$29,000, and \$74,000, respectively. 100% of the required contributions have been made for all three fiscal years.

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.

**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2013**

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**9. EMPLOYEE BENEFITS**

**Compensated Absences**

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

**10. LONG-TERM LIABILITIES**

The changes in the School District's long-term liabilities during fiscal year 2013 were as follows:

	Principal Outstanding 7/1/12	Additions	Reductions	Principal Outstanding 6/30/13	Amounts Due in One Year
<b><i>Governmental Activities:</i></b>					
Compensated absences	\$ 1,890,049	216,530	(589,377)	1,517,202	206,212
<b><i>Business-type Activities:</i></b>					
Compensated absences	\$ 139,453	19,836	(14,505)	144,784	20,409

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

**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2013**

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**11. SHORT-TERM OBLIGATIONS**

On March 14, 2012, the School District issued bond anticipation notes of \$3,500,000 which paid interest at 1.5%. These notes matured on March 13, 2013. On March 13, 2013, the School District issued bond anticipation notes of \$3,000,000 which will pay interest at 1.5%. These notes mature on March 13, 2014 and will be paid from the General, OSFC Project Construction, and Permanent Improvement funds.

	Principal Outstanding 7/1/12	Additions	Reductions	Principal Outstanding 6/30/13
2012 notes	\$ 3,500,000	-	(3,500,000)	-
2013 notes	<u>-</u>	<u>3,000,000</u>	<u>-</u>	<u>3,000,000</u>
Total	<u>\$ 3,500,000</u>	<u>3,000,000</u>	<u>(3,500,000)</u>	<u>3,000,000</u>

**12. FUND BALANCE DEFICITS**

At June 30, 2013, the following funds had a deficit fund balance:

OSFC Project Construction Fund	\$1,285,012
Other Governmental Funds:	
Permanent Improvement Fund	36,525
Vocational Education Fund	86,196
Improving Teacher Quality Fund	3,537

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.

**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2013**

**13. FUND BALANCES**

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

Fund Balances	General Fund	OSFC Project Construction Fund	Other Governmental Funds	Total Governmental Funds
<b><i>Restricted for</i></b>				
Classroom Facilities Maintenance	\$ 1,079,232	-	-	1,079,232
Motorcycle Safety & Education	-	-	59,664	59,664
Other Purposes	-	-	108,657	108,657
<b><i>Total Restricted</i></b>	<b>1,079,232</b>	<b>-</b>	<b>168,321</b>	<b>1,247,553</b>
<b><i>Assigned to</i></b>				
Public School Support	37,571	-	-	37,571
Encumbrances	1,381,548	-	-	1,381,548
Budget Resource	3,000,000	-	-	3,000,000
<b><i>Total Assigned</i></b>	<b>4,419,119</b>	<b>-</b>	<b>-</b>	<b>4,419,119</b>
<b><i>Unassigned (Deficit)</i></b>	<b>9,296,363</b>	<b>(1,285,012)</b>	<b>(126,258)</b>	<b>7,885,093</b>
<b><i>Total Fund Balance</i></b>	<b>\$ 14,794,714</b>	<b>(1,285,012)</b>	<b>42,063</b>	<b>13,551,765</b>

**14. 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, 2013**

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**15. INSURANCE PURCHASING POOLS**

*Butler Health Plan*

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

*Ohio School Plan*

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

*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.

**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2013**

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**16. COMMITMENTS AND CONTINGENCIES**

**Encumbrances**

The School District utilizes encumbrance accounting to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. The School District's outstanding encumbrance amounts outstanding at June 30, 2013 were:

General Fund	\$ 1,870,208
Other Governmental Funds	178,198
Adult Education Fund	242,818
Other Enterprise Funds	<u>44,472</u>
	<u>\$ 2,335,696</u>

**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, 2013.

**17. REQUIRED SET-ASIDES**

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

	<u>Capital</u> <u>Improvements</u>	<u>Budget</u> <u>Stabilization</u>
Set-aside reserve balance as of June 30, 2012	\$ -	823,790
Current year set-aside requirement	534,717	-
Current year qualifying expenditures	<u>(493,658)</u>	<u>-</u>
Total	<u>41,059</u>	<u>823,790</u>
Set-aside reserve balance as of June 30, 2013	<u>\$ 41,059</u>	<u>823,790</u>

**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2013**

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**17. REQUIRED SET-ASIDES – *continued***

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.

**18. CHANGE IN ACCOUNTING PRINCIPLES**

The School District adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity: Omnibus and amendment of GASB Statements No. 14 and No. 34*, GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, and GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASB Statement No. 61 modifies certain requirements for inclusion of component units in the financial reporting entity. GASB Statement No. 62 incorporates Financial Accounting Standards Board (FASB) and American Institute of Certified Public Accountants (AICPA) accounting and financial reporting guidance issued on or before November 30, 1989 into GASB authoritative literature. GASB Statement No. 63 identifies net position, rather than net assets, as the residual of all other elements presented in a statement of financial position.

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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, 2013

	<b>General Fund</b>			
	<u>Budgeted Amounts</u>			Variance With Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Taxes	\$ 14,819,000	13,019,000	13,895,384	876,384
Tuition	650,000	500,000	620,455	120,455
Interest	100,000	100,000	47,605	(52,395)
Intergovernmental	23,023,200	24,823,200	24,860,019	36,819
Miscellaneous	127,075	127,075	147,004	19,929
<b>Total revenues</b>	<u>38,719,275</u>	<u>38,569,275</u>	<u>39,570,467</u>	<u>1,001,192</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	468,604	474,271	496,534	(22,263)
Vocational	25,753,539	25,718,525	21,716,125	4,002,400
Support services:				
Pupil	1,075,030	1,178,098	1,163,898	14,200
Instructional staff	3,317,861	3,507,464	3,334,970	172,494
General administration	132,462	163,177	114,967	48,210
School administration	3,317,104	2,780,576	2,661,586	118,990
Fiscal	1,255,455	1,775,872	1,209,893	565,979
Business	78,265	65,846	68,381	(2,535)
Operation and maintenance of plant	3,657,349	4,358,787	3,436,309	922,478
Pupil transportation	58,320	82,352	77,307	5,045
Central	3,534,569	3,847,976	3,358,477	489,499
Non-instructional services:				
Extracurricular activities	351,443	440,133	426,079	14,054
Food services	-	3,635	16,921	(13,286)
<b>Total expenditures</b>	<u>43,000,000</u>	<u>44,396,712</u>	<u>38,081,447</u>	<u>6,315,265</u>
Excess of revenues over (under) expenditures	<u>(4,280,725)</u>	<u>(5,827,437)</u>	<u>1,489,020</u>	<u>7,316,457</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	1,000,000	1,000,000	-
Transfers out	-	(1,592,072)	(1,592,072)	-
Advances in	-	-	202,452	202,452
Advances out	-	(209,224)	(209,224)	-
Other financing sources (uses)	-	-	57,804	57,804
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(801,296)</u>	<u>(541,040)</u>	<u>260,256</u>
Net change in fund balance	(4,280,725)	(6,628,733)	947,980	7,576,713
Fund balance - beginning of year	12,847,077	12,847,077	12,847,077	
Prior year carryover appropriations	1,396,712	1,396,712	1,396,712	
Fund balance - end of year	\$ <u>9,963,064</u>	<u>7,615,056</u>	<u>15,191,769</u>	

See accompanying notes to required supplementary information.

# BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Notes to Required Supplementary Information

Year Ended June 30, 2013

## Note A Budgetary Basis of Accounting

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

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

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

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

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

The adjustments necessary to convert the results of operations for the year ended June 30, 2013, on the GAAP basis to the budget basis are as follows:

	General Fund
	<hr/>
Net change in fund balance - GAAP Basis	\$ 2,696,020
Increase / (decrease):	
Due to inclusion of Public School Support Fund	6,263
Due to inclusion of Classroom Facilities Maintenance Fund	(134,721)
Due to inclusion of Termination Benefits Fund	48,384
Due to revenues	(86,123)
Due to expenditures	66,615
Due to other financing sources	51,032
Due to encumbrances	<u>(1,699,490)</u>
Net change in fund balance - Budget Basis	\$ <u>947,980</u>

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## **Supplement 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.

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

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

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

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

## **SPECIAL REVENUE FUNDS**

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

### **Nonmajor Special Revenue Funds:**

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

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

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

## **Nonmajor Special Revenue Funds (continued):**

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

The **Entry Year Program Fund** accounts for state grants used for providing universal, high quality induction and mentoring support for beginning educators.

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

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

The **Race To The Top Fund** accounts for federal funds used to encourage and reward States that are creating the conditions for education innovation and reform.

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

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

## **DEBT SERVICE FUND**

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

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

## **CAPITAL PROJECTS FUNDS**

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

### **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.

### **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.

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

## **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.

## **PRIVATE-PURPOSE TRUST FUND**

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

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

## **AGENCY FUNDS**

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

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

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

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



# BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2013

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Service Bond Retirement</u>	<u>Nonmajor Capital Project Permanent Improvement</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Assets:</b>				
Equity in pooled cash and investments	\$ 327,787	-	672,675	1,000,462
Receivables:				
Intergovernmental	<u>223,375</u>	<u>-</u>	<u>-</u>	<u>223,375</u>
<b>Total assets</b>	<u>551,162</u>	<u>-</u>	<u>672,675</u>	<u>1,223,837</u>
<b>Liabilities:</b>				
Accounts payable	37,478	-	-	37,478
Accrued wages and benefits	56,102	-	-	56,102
Accrued interest payable	-	-	3,200	3,200
Notes payable	-	-	706,000	706,000
Deferred revenue	189,225	-	-	189,225
Interfund payable	<u>189,769</u>	<u>-</u>	<u>-</u>	<u>189,769</u>
<b>Total liabilities</b>	<u>472,574</u>	<u>-</u>	<u>709,200</u>	<u>1,181,774</u>
<b>Fund Balances:</b>				
Restricted	168,321	-	-	168,321
Unassigned	<u>(89,733)</u>	<u>-</u>	<u>(36,525)</u>	<u>(126,258)</u>
<b>Total fund balances</b>	<u>78,588</u>	<u>-</u>	<u>(36,525)</u>	<u>42,063</u>
<b>Total liabilities and fund balances</b>	<u>\$ 551,162</u>	<u>-</u>	<u>672,675</u>	<u>1,223,837</u>

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## BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

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

Nonmajor Governmental Funds

Year Ended June 30, 2013

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Service Bond Retirement</u>	<u>Nonmajor Capital Project Permanent Improvement</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Revenues:</b>				
Investment income	\$ -	-	1,615	1,615
Intergovernmental	1,355,348	-	-	1,355,348
Miscellaneous	90,478	25,320	-	115,798
<b>Total revenues</b>	<u>1,445,826</u>	<u>25,320</u>	<u>1,615</u>	<u>1,472,761</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Vocational education	343,301	-	-	343,301
Other	53,926	-	-	53,926
Support services:				
Pupil	485,291	-	-	485,291
Instructional staff	345,969	-	-	345,969
School administration	37,793	-	-	37,793
Fiscal	-	17,163	-	17,163
Central	70,805	-	-	70,805
Non-instructional services:				
Extracurricular activities	30,332	-	-	30,332
Capital outlay	-	-	408,417	408,417
Debt service:				
Interest and fiscal charges	-	-	11,855	11,855
<b>Total expenditures</b>	<u>1,367,417</u>	<u>17,163</u>	<u>420,272</u>	<u>1,804,852</u>
Excess of revenues over (under) expenditures	<u>78,409</u>	<u>8,157</u>	<u>(418,657)</u>	<u>(332,091)</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	544,343	530,355	1,074,698
Transfers out	-	(552,500)	-	(552,500)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(8,157)</u>	<u>530,355</u>	<u>522,198</u>
Net change in fund balances	78,409	-	111,698	190,107
Fund balance, beginning of year	179	-	(148,223)	(148,044)
Fund balance, end of year	<u>\$ 78,588</u>	<u>-</u>	<u>(36,525)</u>	<u>42,063</u>

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

Combining Balance Sheet

Nonmajor Special Revenue Funds

June 30, 2013

	<u>Other Grant</u>	<u>Post Secondary Vocational Education</u>	<u>Motorcycle Safety &amp; Education</u>	<u>Entry Year Programs</u>	<u>Data Communication</u>
<b>Assets:</b>					
Equity in pooled cash and investments	\$ 108,290	-	31,407	-	-
Receivables:					
Intergovernmental	-	-	34,150	-	-
<b>Total assets</b>	<u>108,290</u>	<u>-</u>	<u>65,557</u>	<u>-</u>	<u>-</u>
<b>Liabilities:</b>					
Accounts payable	-	-	100	-	-
Accrued wages and benefits	-	-	5,793	-	-
Deferred revenue	-	-	-	-	-
Interfund payable	-	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>5,893</u>	<u>-</u>	<u>-</u>
<b>Fund Balances:</b>					
Restricted	108,290	-	59,664	-	-
Unassigned	-	-	-	-	-
<b>Total fund balances</b>	<u>108,290</u>	<u>-</u>	<u>59,664</u>	<u>-</u>	<u>-</u>
<b>Total liabilities and fund balances</b>	\$ <u>108,290</u>	<u>-</u>	<u>65,557</u>	<u>-</u>	<u>-</u>

(continued)

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

Combining Balance Sheet

Nonmajor Special Revenue Funds - continued

June 30, 2013

	High Schools That Work	Race to the Top	Vocational Education	Improving Teacher Quality	<b><i>TOTAL</i></b>
<b>Assets:</b>					
Equity in pooled cash and investments	\$ 7,567	-	169,121	11,402	327,787
Receivables:					
Intergovernmental	<u>7,200</u>	<u>-</u>	<u>167,320</u>	<u>14,705</u>	<u>223,375</u>
<b>Total assets</b>	<u><u>14,767</u></u>	<u><u>-</u></u>	<u><u>336,441</u></u>	<u><u>26,107</u></u>	<u><u>551,162</u></u>
<b>Liabilities:</b>					
Accounts payable	-	-	37,144	234	37,478
Accrued wages and benefits	-	-	50,309	-	56,102
Deferred revenue	7,200	-	167,320	14,705	189,225
Interfund payable	<u>7,200</u>	<u>-</u>	<u>167,864</u>	<u>14,705</u>	<u>189,769</u>
<b>Total liabilities</b>	<u>14,400</u>	<u>-</u>	<u>422,637</u>	<u>29,644</u>	<u>472,574</u>
<b>Fund Balances:</b>					
Restricted	367	-	-	-	168,321
Unassigned	<u>-</u>	<u>-</u>	<u>(86,196)</u>	<u>(3,537)</u>	<u>(89,733)</u>
<b>Total fund balances</b>	<u>367</u>	<u>-</u>	<u>(86,196)</u>	<u>(3,537)</u>	<u>78,588</u>
<b>Total liabilities and fund balances</b>	\$ <u><u>14,767</u></u>	<u><u>-</u></u>	<u><u>336,441</u></u>	<u><u>26,107</u></u>	<u><u>551,162</u></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, 2013

	Other Grant	Post Secondary Vocational Education	Motorcycle Safety & Education	Entry Year Programs	Data Communication
<b>Revenues:</b>					
Intergovernmental	\$ -	25,000	76,409	700	5,400
Miscellaneous	<u>90,478</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total revenues</b>	<u>90,478</u>	<u>25,000</u>	<u>76,409</u>	<u>700</u>	<u>5,400</u>
<b>Expenditures:</b>					
Current:					
Instruction:					
Vocational Education	12,423	-	-	700	-
Other	-	-	49,248	-	-
Support services:					
Pupil	8,911	25,000	-	-	-
Instructional staff	1,995	-	-	-	-
School administration	-	-	-	-	-
Central	-	-	-	-	5,400
Non-instructional services:					
Extracurricular activities	<u>30,332</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total expenditures</b>	<u>53,661</u>	<u>25,000</u>	<u>49,248</u>	<u>700</u>	<u>5,400</u>
Net change in fund balances	36,817	-	27,161	-	-
Fund balance, beginning of year	<u>71,473</u>	<u>-</u>	<u>32,503</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ 108,290</u>	<u>-</u>	<u>59,664</u>	<u>-</u>	<u>-</u>

(continued)

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

Combining Statement of Revenues, Expenditures

and Changes in Fund Balances

All Nonmajor Special Revenue Funds - continued

Year Ended June 30, 2013

	High Schools That Work	Race to the Top	Vocational Education	Improving Teacher Quality	<b><i>TOTAL</i></b>
<b>Revenues:</b>					
Intergovernmental	\$ 6,540	2,800	1,204,187	34,312	1,355,348
Miscellaneous	-	-	-	-	90,478
<b>Total revenues</b>	<u>6,540</u>	<u>2,800</u>	<u>1,204,187</u>	<u>34,312</u>	<u>1,445,826</u>
<b>Expenditures:</b>					
Current:					
Instruction:					
Vocational Education	-	-	330,178	-	343,301
Other	-	-	4,678	-	53,926
Support services:					
Pupil	6,543	-	444,837	-	485,291
Instructional staff	-	2,800	303,730	37,444	345,969
School administration	-	-	37,793	-	37,793
Central	-	-	65,405	-	70,805
Non-instructional services:					
Extracurricular activities	-	-	-	-	30,332
<b>Total expenditures</b>	<u>6,543</u>	<u>2,800</u>	<u>1,186,621</u>	<u>37,444</u>	<u>1,367,417</u>
Net change in fund balances	(3)	-	17,566	(3,132)	78,409
Fund balance, beginning of year	<u>370</u>	<u>-</u>	<u>(103,762)</u>	<u>(405)</u>	<u>179</u>
Fund balance, end of year	<u>\$ 367</u>	<u>-</u>	<u>(86,196)</u>	<u>(3,537)</u>	<u>78,588</u>

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

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Public School Support Fund (1)

Year Ended June 30, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Other local revenues	\$ 5,500	6,585	1,085
Total revenues	<u>5,500</u>	<u>6,585</u>	<u>1,085</u>
Expenditures:			
Current:			
Extracurricular activities	<u>14,500</u>	<u>13,532</u>	<u>968</u>
Total expenditures	<u>14,500</u>	<u>13,532</u>	<u>968</u>
Net change in fund balance	<u>(9,000)</u>	<u>(6,947)</u>	<u>2,053</u>
Fund balance, beginning of year	<u>43,833</u>	<u>43,833</u>	
Fund balance, end of year	\$ <u><u>34,833</u></u>	<u><u>36,886</u></u>	

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



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

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Termination Benefits Fund (1)

Year Ended June 30, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Earnings on investments	\$ -	99	99
Total revenues	<u>-</u>	<u>99</u>	<u>99</u>
Expenditures:			
Current:			
Instruction:			
Vocational	<u>310,448</u>	<u>310,448</u>	<u>-</u>
Total expenditures	<u>310,448</u>	<u>310,448</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>(310,448)</u>	<u>(310,349)</u>	<u>99</u>
Other financing sources:			
Transfers in	<u>250,000</u>	<u>250,000</u>	<u>-</u>
Total other financing sources	<u>250,000</u>	<u>250,000</u>	<u>-</u>
Net change in fund balance	<u>(60,448)</u>	<u>(60,349)</u>	<u>99</u>
Fund balance, beginning of year	<u>60,681</u>	<u>60,681</u>	
Fund balance, end of year	\$ <u>233</u>	<u>332</u>	

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

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

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Classroom Facilities Maintenance Fund (1)

Year Ended June 30, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental	\$ -	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:			
Current:			
Support services:			
Operation and maintenance - plant	<u>453,632</u>	<u>417,281</u>	<u>36,351</u>
Total expenditures	<u>453,632</u>	<u>417,281</u>	<u>36,351</u>
Excess of revenues over (under) expenditures	(453,632)	(417,281)	36,351
Other financing sources:			
Transfers in	<u>387,729</u>	<u>387,729</u>	<u>-</u>
Total other financing sources	<u>387,729</u>	<u>387,729</u>	<u>-</u>
Net change in fund balance	(65,903)	(29,552)	36,351
Fund balance, beginning of year	1,042,345	1,042,345	
Prior year encumbrances appropriated	<u>103,632</u>	<u>103,632</u>	
Fund balance, end of year	\$ <u>1,080,074</u>	<u>1,116,425</u>	

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

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

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Other Grant Fund

Year Ended June 30, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Other local revenues	\$ 84,312	90,478	6,166
Total revenues	<u>84,312</u>	<u>90,478</u>	<u>6,166</u>
Expenditures:			
Current:			
Instruction:			
Vocational	25,344	16,193	9,151
Support Services:			
Pupil	9,950	9,783	167
Instructional staff	9,892	1,995	7,897
Central	476	-	476
Extracurricular activities	<u>41,088</u>	<u>30,605</u>	<u>10,483</u>
Total expenditures	<u>86,750</u>	<u>58,576</u>	<u>28,174</u>
Net change in fund balance	<u>(2,438)</u>	<u>31,902</u>	<u>34,340</u>
Fund balance, beginning of year	69,723	69,723	
Prior year encumbrances appropriated	<u>1,750</u>	<u>1,750</u>	
Fund balance, end of year	\$ <u>69,035</u>	<u>103,375</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, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental	\$ 25,000	25,000	-
Total revenues	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Expenditures:			
Current:			
Support services:			
Pupil	25,000	25,000	-
Total expenditures	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, beginning of year	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u>-</u>	<u>-</u>	

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

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Motorcycle Safety & Education Fund

Year Ended June 30, 2013

	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$ 81,618	81,618	-
Total revenues	<u>81,618</u>	<u>81,618</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Other	49,134	49,134	-
Total expenditures	<u>49,134</u>	<u>49,134</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>32,484</u>	<u>32,484</u>	<u>-</u>
Other financing uses:			
Other financing uses	(1,707)	(1,707)	-
Total other financing uses	<u>(1,707)</u>	<u>(1,707)</u>	<u>-</u>
Net change in fund balance	<u>30,777</u>	<u>30,777</u>	<u>-</u>
Fund balance, beginning of year	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u>30,777</u>	<u>30,777</u>	

# BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Entry Year Programs Fund

Year Ended June 30, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental	\$ 700	700	-
Total revenues	<u>700</u>	<u>700</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Vocational	700	700	-
Total expenditures	<u>700</u>	<u>700</u>	<u>-</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, beginning of year	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u>-</u>	<u>-</u>	

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

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Data Communication Fund

Year Ended June 30, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental	\$ 5,400	5,400	-
Total revenues	<u>5,400</u>	<u>5,400</u>	<u>-</u>
Expenditures:			
Current:			
Support services:			
Central	5,400	5,400	-
Total expenditures	<u>5,400</u>	<u>5,400</u>	<u>-</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, beginning of year	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u><u>-</u></u>	<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, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental	\$ 6,540	6,540	-
Total revenues	<u>6,540</u>	<u>6,540</u>	<u>-</u>
Expenditures:			
Current:			
Support services:			
Pupil	<u>14,110</u>	<u>11,157</u>	<u>2,953</u>
Total expenditures	<u>14,110</u>	<u>11,157</u>	<u>2,953</u>
Excess of revenues over (under) expenditures	<u>(7,570)</u>	<u>(4,617)</u>	<u>2,953</u>
Other financing sources (uses):			
Advances in	7,200	7,200	-
Advances out	<u>(5,740)</u>	<u>(5,740)</u>	<u>-</u>
Total other financing sources (uses)	<u>1,460</u>	<u>1,460</u>	<u>-</u>
Net change in fund balance	(6,110)	(3,157)	2,953
Fund balance, beginning of year	-	-	
Prior year encumbrances appropriated	<u>6,110</u>	<u>6,110</u>	
Fund balance, end of year	\$ <u>-</u>	<u>2,953</u>	



# BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Race To The Top Fund

Year Ended June 30, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental	\$ 2,800	2,800	-
Total revenues	<u>2,800</u>	<u>2,800</u>	<u>-</u>
Expenditures:			
Current:			
Support services:			
Instructional staff	2,800	2,800	-
Total expenditures	<u>2,800</u>	<u>2,800</u>	<u>-</u>
Net change in fund balance	-	-	-
Fund balance, beginning of year	<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, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental	\$ 1,204,187	1,204,187	-
Total revenues	<u>1,204,187</u>	<u>1,204,187</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Vocational	353,513	365,640	(12,127)
Adult/continuing education	34,139	41,536	(7,397)
Support services:			
Pupil	482,050	465,369	16,681
Instructional staff	334,740	332,418	2,322
School administration	50,224	50,224	-
Central	<u>78,225</u>	<u>67,090</u>	<u>11,135</u>
Total expenditures	<u>1,332,891</u>	<u>1,322,277</u>	<u>10,614</u>
Excess of revenues over (under) expenditures	(128,704)	(118,090)	10,614
Other financing sources (uses):			
Advances in	167,320	167,320	-
Advances out	<u>(194,270)</u>	<u>(194,270)</u>	<u>-</u>
Total other financing sources (uses)	<u>(26,950)</u>	<u>(26,950)</u>	<u>-</u>
Net change in fund balance	(155,654)	(145,040)	10,614
Fund balance, beginning of year	-	-	
Prior year encumbrances appropriated	<u>156,710</u>	<u>156,710</u>	
Fund balance, end of year	\$ <u>1,056</u>	<u>11,670</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, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental	\$ 34,312	34,312	-
Total revenues	<u>34,312</u>	<u>34,312</u>	<u>-</u>
Expenditures:			
Current:			
Support services:			
Instructional staff	<u>48,942</u>	<u>47,797</u>	<u>1,145</u>
Total expenditures	<u>48,942</u>	<u>47,797</u>	<u>1,145</u>
Excess of revenues over (under) expenditures	(14,630)	(13,485)	1,145
Other financing sources (uses):			
Advances in	14,705	14,705	-
Advances out	<u>-</u>	<u>(735)</u>	<u>(735)</u>
Total other financing sources (uses)	<u>14,705</u>	<u>13,970</u>	<u>(735)</u>
Net change in fund balance	75	485	410
Fund balance, beginning of year	-	-	
Prior year encumbrances appropriated	<u>330</u>	<u>330</u>	
Fund balance, end of year	\$ <u>405</u>	<u>815</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, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Expenditures:			
Current:			
Instruction:			
Fiscal	\$ 17,163	17,163	-
Debt service:			
Repayment of debt	<u>3,552,500</u>	<u>3,552,500</u>	<u>-</u>
Total expenditures	<u>3,569,663</u>	<u>3,569,663</u>	<u>-</u>
Excess of revenues over (under) expenditures	(3,569,663)	(3,569,663)	-
Other financing sources:			
Transfers in	544,343	544,343	-
Proceeds from sale of notes	3,000,000	3,000,000	-
Premium on notes sold	<u>25,320</u>	<u>25,320</u>	<u>-</u>
Total financing sources	<u>3,569,663</u>	<u>3,569,663</u>	<u>-</u>
Net change in fund balance	-	-	-
Fund balance, beginning of year	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u>-</u>	<u>-</u>	

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

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

OSFC Project Construction Fund

Year Ended June 30, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Fund balance, beginning of year	<u>1,525,711</u>	<u>1,525,711</u>	
Fund balance, end of year	\$ <u><u>1,525,711</u></u>	<u><u>1,525,711</u></u>	

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

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Permanent Improvement Fund

Year Ended June 30, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Earnings on investments	\$ 1,600	1,600	-
Total revenues	<u>1,600</u>	<u>1,600</u>	<u>-</u>
Expenditures:			
Capital outlay	<u>878,238</u>	<u>408,402</u>	<u>469,836</u>
Total expenditures	<u>878,238</u>	<u>408,402</u>	<u>469,836</u>
Excess of revenues over (under) expenditures	<u>(876,638)</u>	<u>(406,802)</u>	<u>469,836</u>
Other financing sources:			
Transfers in	<u>400,000</u>	<u>400,000</u>	<u>-</u>
Total other financing sources	<u>400,000</u>	<u>400,000</u>	<u>-</u>
Net change in fund balance	(476,638)	(6,802)	469,836
Fund balance, beginning of year	451,239	451,239	
Prior year encumbrances appropriated	<u>228,238</u>	<u>228,238</u>	
Fund balance, end of year	\$ <u>202,839</u>	<u>672,675</u>	

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

Combining Statement of Net Position

Nonmajor Enterprise Funds

June 30, 2013

	<u>Food Service</u>	<u>Uniform School Supply</u>	<u>Rotary</u>	<b><i>TOTAL</i></b>
<b>Assets:</b>				
Equity in pooled cash and investments	\$ 15,136	29,622	105,898	150,656
Receivables:				
Accounts	<u>-</u>	<u>-</u>	<u>13</u>	<u>13</u>
<b>Total assets</b>	<u>15,136</u>	<u>29,622</u>	<u>105,911</u>	<u>150,669</u>
<b>Liabilities:</b>				
Accounts payable	7,719	-	-	7,719
Accrued wages	<u>-</u>	<u>-</u>	<u>16,623</u>	<u>16,623</u>
<b>Total liabilities</b>	<u>7,719</u>	<u>-</u>	<u>16,623</u>	<u>24,342</u>
<b>Net position:</b>				
Unrestricted	<u>7,417</u>	<u>29,622</u>	<u>89,288</u>	<u>126,327</u>
<b>Total net position</b>	\$ <u><u>7,417</u></u>	<u><u>29,622</u></u>	<u><u>89,288</u></u>	<u><u>126,327</u></u>

## BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Combining Statement of Revenues, Expenses and  
 Changes in Fund Net Position  
 Nonmajor Enterprise Funds  
 Year Ended June 30, 2013

	Food Service	Uniform School Supply	Rotary	<b>TOTAL</b>
<b>Operating revenues:</b>				
Charges for services	\$ 162,167	3,742	60,386	226,295
Other operating revenues	-	-	165,995	165,995
Total operating revenues	162,167	3,742	226,381	392,290
<b>Operating expenses:</b>				
Salaries and wages	-	-	61,538	61,538
Fringe benefits	-	-	44,082	44,082
Contractual services	324,819	-	40,498	365,317
Materials and supplies	-	4,037	56,575	60,612
Other expenses	-	-	44,500	44,500
Total operating expenses	324,819	4,037	247,193	576,049
Operating loss	(162,652)	(295)	(20,812)	(183,759)
<b>Nonoperating revenues:</b>				
State and federal grants	115,889	-	-	115,889
Interest income	84	-	-	84
Total nonoperating revenues	115,973	-	-	115,973
Net loss before transfers	(46,679)	(295)	(20,812)	(67,786)
Transfers in	10,000	-	-	10,000
Net Loss	(36,679)	(295)	(20,812)	(57,786)
Net position, beginning of year	44,096	29,917	110,100	184,113
Net position, end of year	\$ 7,417	29,622	89,288	126,327



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

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

Year Ended June 30, 2013

	Food Service	Uniform School Supply	Rotary	<b>TOTAL</b>
Cash flows from operating activities:				
Cash received from customers	\$ 180,628	3,742	60,377	244,747
Cash received from other operations	-	-	167,803	167,803
Cash payments for personal services	-	-	(103,838)	(103,838)
Cash payments for contract services	(325,470)	-	(41,820)	(367,290)
Cash payments for supplies and materials	-	(4,037)	(57,410)	(61,447)
Cash payments for other expenses	-	-	(44,500)	(44,500)
Net cash used by operating activities	<u>(144,842)</u>	<u>(295)</u>	<u>(19,388)</u>	<u>(164,525)</u>
Cash flows from noncapital financing activities:				
Transfers	10,000	-	-	10,000
Cash received from state and federal grants	<u>115,889</u>	<u>-</u>	<u>-</u>	<u>115,889</u>
Net cash provided by noncapital financing activities	<u>125,889</u>	<u>-</u>	<u>-</u>	<u>125,889</u>
Cash flows from investing activities:				
Investment income	<u>84</u>	<u>-</u>	<u>-</u>	<u>84</u>
Net decrease in cash	(18,869)	(295)	(19,388)	(38,552)
Cash and investments, beginning of year	<u>34,005</u>	<u>29,917</u>	<u>125,286</u>	<u>189,208</u>
Cash and investments, end of year	<u>15,136</u>	<u>29,622</u>	<u>105,898</u>	<u>150,656</u>
Reconciliation of operating loss to net cash used by operating activities:				
Operating loss	(162,652)	(295)	(20,812)	(183,759)
Adjustments to reconcile operating loss to net cash used by operating activities:				
Changes in assets and liabilities:				
Accounts receivable	18,461	-	1,799	20,260
Accounts payable	(651)	-	(2,157)	(2,808)
Accrued wages and benefits	<u>-</u>	<u>-</u>	<u>1,782</u>	<u>1,782</u>
Net cash used by operating activities	<u>\$ (144,842)</u>	<u>(295)</u>	<u>(19,388)</u>	<u>(164,525)</u>

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

Combining Statement of Assets &amp; Liabilities

Agency Funds

June 30, 2013

	<u>Agency Funds</u>			
	<u>SWOCA</u>	<u>Student Activities</u>	<u>District Agency</u>	<u>Total</u>
<b>Assets:</b>				
Equity in pooled cash and investments \$	4,176,882	262,527	94,468	4,533,877
Intergovernmental receivable	<u>22,395</u>	<u>-</u>	<u>-</u>	<u>22,395</u>
Total assets	<u>4,199,277</u>	<u>262,527</u>	<u>94,468</u>	<u>4,556,272</u>
<b>Liabilities:</b>				
Due to student groups	-	262,527	-	262,527
Due to other governments	<u>4,199,277</u>	<u>-</u>	<u>94,468</u>	<u>4,293,745</u>
Total liabilities	<u>\$ 4,199,277</u>	<u>262,527</u>	<u>94,468</u>	<u>4,556,272</u>

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

Combining Statement of Changes in Fiduciary Assets &amp; Liabilities

Agency Funds

Year Ended June 30, 2013

	Beginning Balance 7/1/12	Additions	Deductions	Ending Balance 6/30/13
<b>SWOCA FUND</b>				
<b>Assets:</b>				
Equity in pooled cash and investments	\$ 3,849,398	4,851,274	4,523,790	4,176,882
Intergovernmental receivable	<u>56,300</u>	<u>22,395</u>	<u>56,300</u>	<u>22,395</u>
	<u>3,905,698</u>	<u>4,873,669</u>	<u>4,580,090</u>	<u>4,199,277</u>
<b>Liabilities:</b>				
Due to other governments	\$ <u>3,905,698</u>	<u>4,873,669</u>	<u>4,580,090</u>	<u>4,199,277</u>
<b>STUDENT ACTIVITIES FUND</b>				
<b>Assets:</b>				
Equity in pooled cash and investments	\$ 251,976	493,556	483,005	262,527
Intergovernmental receivable	<u>4,310</u>	<u>-</u>	<u>4,310</u>	<u>-</u>
	<u>256,286</u>	<u>493,556</u>	<u>487,315</u>	<u>262,527</u>
<b>Liabilities:</b>				
Due to student groups	\$ <u>256,286</u>	<u>493,556</u>	<u>487,315</u>	<u>262,527</u>
<b>DISTRICT AGENCY FUND</b>				
<b>Assets:</b>				
Equity in pooled cash and investments	\$ <u>87,123</u>	<u>2,264,239</u>	<u>2,256,894</u>	<u>94,468</u>
<b>Liabilities:</b>				
Due to other governments	\$ <u>87,123</u>	<u>2,264,239</u>	<u>2,256,894</u>	<u>94,468</u>
<b>TOTAL</b>				
<b>Assets:</b>				
Equity in pooled cash and investments	\$ 4,188,497	7,609,069	7,263,689	4,533,877
Intergovernmental receivable	<u>60,610</u>	<u>22,395</u>	<u>60,610</u>	<u>22,395</u>
	<u>4,249,107</u>	<u>7,631,464</u>	<u>7,324,299</u>	<u>4,556,272</u>
<b>Liabilities:</b>				
Due to student groups	256,286	493,556	487,315	262,527
Due to other governments	<u>3,992,821</u>	<u>7,137,908</u>	<u>6,836,984</u>	<u>4,293,745</u>
	\$ <u>4,249,107</u>	<u>7,631,464</u>	<u>7,324,299</u>	<u>4,556,272</u>

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# STATISTICAL SECTION

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# Statistical Section

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

## Contents

### **Financial Trends**

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

### **Revenue Capacity**

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

### **Debt Capacity**

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

### **Economic and Demographic Information**

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

### **Operating Information**

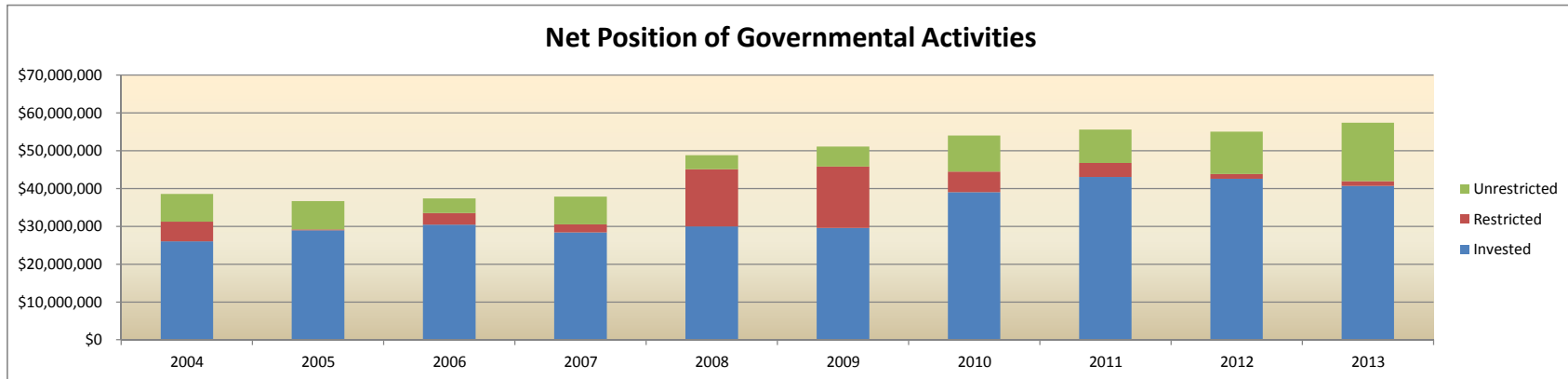
These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs. S-18 - S-20

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

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Governmental Activities:</b>										
Net Investment in Capital Assets	\$26,024,000	\$28,996,283	\$30,448,376	\$28,381,012	\$29,981,357	\$29,597,814	\$39,077,202	\$43,045,739	\$42,618,511	\$40,712,239
Restricted for:										
Capital Projects	4,979,453	152,195	3,078,390	2,055,353	15,020,355	16,052,556	4,882,283	2,588,253	895,909	891,307
Other Purposes	227,044	7,420	4,851	119,597	128,940	192,864	515,736	1,129,821	364,274	394,071
Unrestricted (Deficit)	7,355,337	7,527,220	3,864,716	7,328,807	3,675,887	5,230,906	9,517,602	8,823,812	11,138,979	15,438,669
<b>Total Governmental Activities Net Position</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>\$51,074,140</b>	<b>\$53,992,823</b>	<b>\$55,587,625</b>	<b>\$55,017,673</b>	<b>\$57,436,286</b>
<b>Business-type Activities:</b>										
Investment in Capital Assets	\$136,952	\$186,556	\$209,272	\$496,891	\$517,146	\$531,000	\$444,630	\$824,185	\$743,736	\$571,836
Unrestricted (Deficit)	198,119	(294,182)	(492,761)	245,451	220,647	466,781	1,288,602	1,265,955	1,847,333	743,970
<b>Total Business-type Activities Net Position</b>	<b>\$335,071</b>	<b>(\$107,626)</b>	<b>(\$283,489)</b>	<b>\$742,342</b>	<b>\$737,793</b>	<b>\$997,781</b>	<b>\$1,733,232</b>	<b>\$2,090,140</b>	<b>\$2,591,069</b>	<b>\$1,315,806</b>
<b>Primary Government:</b>										
Net Investment in Capital Assets	\$26,160,952	\$29,182,839	\$30,657,648	\$28,877,903	\$30,498,503	\$30,128,814	\$39,521,832	\$43,869,924	\$43,362,247	\$41,284,075
Restricted	5,206,497	159,615	3,083,241	2,174,950	15,149,295	16,245,420	5,398,019	3,718,074	1,260,183	1,285,378
Unrestricted (Deficit)	7,553,456	7,233,038	3,371,955	7,574,258	3,896,534	5,697,687	10,806,204	10,089,767	12,986,312	16,182,639
<b>Total Primary Government Net Position</b>	<b>\$38,920,905</b>	<b>\$36,575,492</b>	<b>\$37,112,844</b>	<b>\$38,627,111</b>	<b>\$49,544,332</b>	<b>\$52,071,921</b>	<b>\$55,726,055</b>	<b>\$57,677,765</b>	<b>\$57,608,742</b>	<b>\$58,752,092</b>

**Source:** School District's financial statements



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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Expenses</b>										
<i>Governmental Activities:</i>										
Regular Instruction	\$313,687	\$366,755	\$390,185	\$405,750	\$430,515	\$495,862	\$496,993	\$472,594	\$422,367	\$500,517
Special and Other Instruction	120,983	150,835	0	0	0	0	0	12,661	435,778	314,139
Vocational Instruction	13,376,890	17,604,820	17,572,106	19,373,433	20,309,130	21,835,399	22,904,144	23,288,842	23,800,763	23,650,511
Pupil Support	1,021,007	1,210,551	1,341,195	1,274,770	1,331,726	1,422,749	1,782,909	1,679,598	1,433,617	1,602,839
Instructional Staff Support	1,163,279	1,574,082	1,498,128	1,983,222	2,223,633	2,477,000	3,146,454	3,148,038	3,169,028	3,537,354
General Administration	222,672	322,216	267,959	98,619	134,713	97,081	138,519	114,950	110,795	91,240
School Administration	1,833,730	2,531,604	2,042,132	2,328,076	2,504,027	2,803,275	2,732,172	2,983,144	2,695,104	2,474,495
Fiscal	769,203	807,920	896,082	1,115,997	1,099,190	1,146,808	1,202,063	1,275,736	1,141,437	1,203,407
Business	453,705	175,600	56,702	28,357	55,441	72,779	46,170	65,665	61,389	66,100
Operation and Maintenance of Plant	2,141,094	2,921,765	2,415,442	2,340,466	2,766,776	5,353,989	3,256,654	4,541,283	3,904,580	3,667,405
Pupil Transportation	10,313	38,224	14,212	15,492	6,023	47,932	42,809	56,932	92,094	78,578
Central Services	1,814,607	2,469,252	2,327,831	2,523,129	2,966,328	3,157,421	3,091,845	2,864,006	3,251,592	3,251,261
Non-Instructional Activities	166,434	200,061	341,995	344,577	345,400	440,854	512,997	434,383	421,235	438,551
Interest and Fiscal Charges	102,412	53,700	22,325	140,025	87,865	112,300	125,608	80,300	67,944	50,200
<i>Total Governmental Activities Expenses</i>	<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>	<u>39,463,449</u>	<u>39,479,337</u>	<u>41,018,132</u>	<u>41,007,723</u>	<u>40,926,597</u>
<i>Business-type Activities:</i>										
Adult Education	3,794,593	4,692,112	5,515,694	5,631,466	5,919,428	5,705,081	4,979,265	5,196,340	4,104,139	4,230,402
Online Education	904,982	2,075,425	1,956,333	0	0	0	0	0	0	0
Food Service	203,394	314,929	426,422	329,512	461,207	415,596	402,961	409,632	348,431	324,819
Other Services	262,036	178,984	280,383	273,054	369,425	333,852	218,866	206,634	226,138	251,230
<i>Total Business-type Activities Expenses</i>	<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>	<u>6,454,529</u>	<u>5,601,092</u>	<u>5,812,606</u>	<u>4,678,708</u>	<u>4,806,451</u>
<i>Total Primary Government Expenses</i>	<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>	<u>45,917,978</u>	<u>45,080,429</u>	<u>46,830,738</u>	<u>45,686,431</u>	<u>45,733,048</u>
<b>Program Revenues</b>										
<i>Governmental Activities:</i>										
Charges for Services										
Vocational Education	39,363	65,909	102,263	677,250	548,865	944,698	989,476	766,682	747,031	633,780
Operating Grants and Contributions										
Vocational Education	35,421	79,124	125,806	83,689	39,309	388,232	347,545	305,541	615,507	461,645
Special and Other Instruction	105,772	138,363	0	0	0	0	0	0	0	0
Pupil Support	161,031	158,120	144,992	100,932	103,594	111,668	87,525	90,787	187,714	459,369
Instructional Staff Support	267,630	191,200	223,460	211,740	283,256	212,526	229,626	238,430	209,911	321,771
School Administration	30,211	26,375	25,743	30,527	28,648	48,507	191,879	389,633	239,150	36,340
Central Services	225,489	324,481	184,890	159,931	113,196	304,631	262,606	294,349	175,360	68,290
Extracurricular Activities	0	0	172,266	236,555	215,091	41,174	67	0	0	0
<i>Total Governmental Activities Program Revenues</i>	<u>864,917</u>	<u>983,572</u>	<u>979,420</u>	<u>1,500,624</u>	<u>1,331,959</u>	<u>2,051,436</u>	<u>2,108,724</u>	<u>2,085,422</u>	<u>2,174,673</u>	<u>1,981,195</u>
<i>Business-type Activities:</i>										
Charges for Services										
Adult Education	2,564,368	3,573,093	3,661,425	3,983,071	4,434,133	5,427,187	5,094,654	4,914,903	3,953,220	3,441,211
Online Education	308,860	223,681	281,880	0	0	0	0	0	0	0
Food Service	181,322	257,672	300,005	334,936	347,235	350,316	309,653	266,102	193,036	162,167
Other Services	202,235	160,696	408,393	221,093	208,747	210,408	212,047	199,296	244,006	230,123
Operating Grants and Contributions	1,129,413	1,204,115	1,449,134	1,325,765	1,374,482	413,496	495,189	614,213	669,375	687,687
<i>Total Business-type Activities Program Revenues</i>	<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>	<u>6,401,407</u>	<u>6,111,543</u>	<u>5,994,514</u>	<u>5,059,637</u>	<u>4,521,188</u>
<i>Total Primary Government Program Revenues</i>	<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>	<u>8,452,843</u>	<u>8,220,267</u>	<u>8,079,936</u>	<u>7,234,310</u>	<u>6,502,383</u>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	(22,645,099)	(29,443,813)	(28,206,874)	(30,471,289)	(32,928,808)	(37,412,013)	(37,370,613)	(38,932,710)	(38,833,050)	(38,945,402)
Business-type Activities	(778,807)	(1,842,193)	(2,077,995)	(369,167)	(385,463)	(53,122)	510,451	181,908	380,929	(285,263)
<i>Total Primary Government Net (Expense)/Revenue</i>	<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>	<u>(\$37,465,135)</u>	<u>(\$36,860,162)</u>	<u>(\$38,750,802)</u>	<u>(\$38,452,121)</u>	<u>(\$39,230,665)</u>

Source: School District's financial statements

(continued)



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

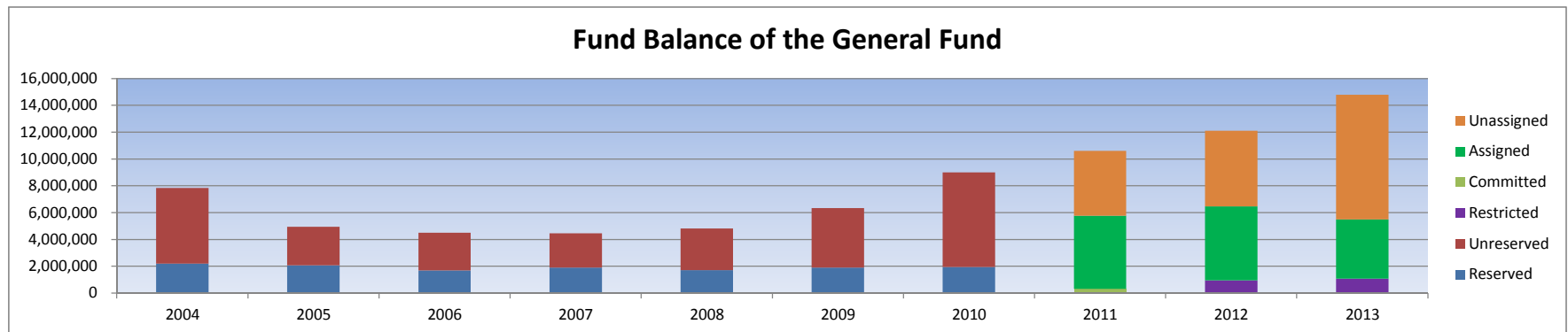
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Property Taxes Levied for:										
General Purposes	\$8,102,977	\$9,155,160	\$9,771,510	\$10,983,075	\$11,004,590	\$12,573,164	\$12,734,374	\$13,482,392	\$14,382,361	\$15,315,423
Debt Service	2,957,503	2,161,300	2,127,425	1,214,615	673,762	1,104,886	1,580,620	1,061,708	0	0
Grants and Entitlements:										
Restricted to Specific Programs	0	0	0	0	11,617,618	0	0	0	0	0
Not Restricted to Specific Programs	13,851,100	16,859,349	17,856,790	18,900,703	19,833,670	24,750,303	25,661,580	25,795,528	24,414,136	24,783,641
Investment Earnings	237,524	292,328	290,398	709,597	669,570	471,361	209,021	47,513	56,773	(51,686)
Miscellaneous	42,719	472,456	776,098	510,914	437,019	1,093,010	328,701	315,371	186,951	326,637
Transfers	(83,864)	(1,399,496)	(1,902,132)	(60,000)	(385,651)	(313,110)	(225,000)	(175,000)	(120,000)	990,000
Special Items	0	0	0	0	0	0	0	0	(657,123)	0
<b>Total Governmental Activities</b>	<b>25,107,959</b>	<b>27,541,097</b>	<b>28,920,089</b>	<b>32,258,904</b>	<b>43,850,578</b>	<b>39,679,614</b>	<b>40,289,296</b>	<b>40,527,512</b>	<b>38,263,098</b>	<b>41,364,015</b>
Business-type Activities:										
Investment Earnings	0	0	0	0	0	0	0	0	0	0
Transfers	73,366	1,399,496	1,902,132	60,000	385,651	313,110	225,000	175,000	120,000	(990,000)
<b>Total Business-type Activities</b>	<b>73,366</b>	<b>1,399,496</b>	<b>1,902,132</b>	<b>60,000</b>	<b>385,651</b>	<b>313,110</b>	<b>225,000</b>	<b>175,000</b>	<b>120,000</b>	<b>(990,000)</b>
<b>Total Primary Government</b>	<b>25,181,325</b>	<b>28,940,593</b>	<b>30,822,221</b>	<b>32,318,904</b>	<b>44,236,229</b>	<b>39,992,724</b>	<b>40,514,296</b>	<b>40,702,512</b>	<b>38,383,098</b>	<b>40,374,015</b>
<b>Change in Net Position</b>										
Governmental Activities	2,462,860	(1,902,716)	713,215	1,787,615	10,921,770	2,267,601	2,918,683	1,594,802	(569,952)	2,418,613
Business-type Activities	(705,441)	(442,697)	(175,863)	(309,167)	188	259,988	735,451	356,908	500,929	(1,275,263)
<b>Total Primary Government Change in Net Position</b>	<b>\$1,757,419</b>	<b>(\$2,345,413)</b>	<b>\$537,352</b>	<b>\$1,478,448</b>	<b>\$10,921,958</b>	<b>\$2,527,589</b>	<b>\$3,654,134</b>	<b>\$1,951,710</b>	<b>(\$69,023)</b>	<b>\$1,143,350</b>

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>General Fund</b>										
Reserved	\$2,198,360	\$2,068,231	\$1,690,291	\$1,900,923	\$1,708,313	\$1,891,963	\$1,942,690	\$0	\$0	\$0
Unreserved	5,648,248	2,862,688	2,803,550	2,563,211	3,101,126	4,437,398	7,058,759	0	0	0
Restricted	0	0	0	0	0	0	0	0	944,511	1,079,232
Committed	0	0	0	0	0	0	0	312,147	0	0
Assigned	0	0	0	0	0	0	0	5,450,546	5,522,239	4,419,119
Unassigned	0	0	0	0	0	0	0	4,846,070	5,631,944	9,296,363
<b>Total General Fund</b>	<b>7,846,608</b>	<b>4,930,919</b>	<b>4,493,841</b>	<b>4,464,134</b>	<b>4,809,439</b>	<b>6,329,361</b>	<b>9,001,449</b>	<b>10,608,763</b>	<b>12,098,694</b>	<b>14,794,714</b>
<b>All Other Governmental Funds</b>										
Reserved	626,023	183,911	149,214	124,682	135,900	11,946,351	3,134,964	0	0	0
Unreserved, Undesignated, Reported in:										
Special Revenue Funds	275,162	69,870	(36,558)	269,417	15,294	100,410	669,172	0	0	0
Capital Projects Funds	4,387,103	3,162,347	2,810,209	3,369,501	4,292,366	(5,605,198)	292,712	0	0	0
Restricted	0	0	0	0	0	0	0	1,077,422	104,346	168,321
Unassigned	0	0	0	0	0	0	0	(1,868,930)	(1,896,102)	(1,411,270)
<b>Total All Other Governmental Funds</b>	<b>5,288,288</b>	<b>3,416,128</b>	<b>2,922,865</b>	<b>3,763,600</b>	<b>4,443,560</b>	<b>6,441,563</b>	<b>4,096,848</b>	<b>(791,508)</b>	<b>(1,791,756)</b>	<b>(1,242,949)</b>
<b>Total Governmental Funds</b>	<b>\$13,134,896</b>	<b>\$8,347,047</b>	<b>\$7,416,706</b>	<b>\$8,227,734</b>	<b>\$9,252,999</b>	<b>\$12,770,924</b>	<b>\$13,098,297</b>	<b>\$9,817,255</b>	<b>\$10,306,938</b>	<b>\$13,551,765</b>

**Source:** School District's financial statements

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



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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Revenues</b>										
Property and Other Local Taxes	\$10,645,480	\$11,211,460	\$11,750,935	\$12,200,690	\$12,067,407	\$13,565,500	\$14,273,043	\$14,327,525	\$14,319,641	\$14,022,133
Intergovernmental	14,754,790	17,742,935	18,727,812	19,795,390	21,070,828	29,810,424	33,067,935	27,548,037	26,025,262	26,201,759
Interest	286,362	290,024	246,430	723,530	674,768	451,081	242,060	53,738	69,684	(48,275)
Tuition and Fees	39,363	65,909	102,263	677,250	548,865	944,698	989,476	766,682	747,031	633,780
Miscellaneous	172,127	478,456	780,748	510,759	500,130	1,102,910	328,701	315,371	186,951	326,637
<b>Total Revenues</b>	<b>25,898,122</b>	<b>29,788,784</b>	<b>31,608,188</b>	<b>33,907,619</b>	<b>34,861,998</b>	<b>45,874,613</b>	<b>48,901,215</b>	<b>43,011,353</b>	<b>41,348,569</b>	<b>41,136,034</b>
<b>Expenditures</b>										
Current:										
Instruction:										
Regular	305,462	366,755	390,185	402,203	418,007	488,922	506,074	476,740	442,474	499,131
Special and Other	113,866	150,225	119,119	31,348	32,539	195,574	72,470	68,816	174,654	53,926
Vocational	14,249,553	17,142,580	16,663,000	18,672,576	19,124,928	23,082,264	21,247,236	22,645,733	23,026,309	21,862,859
Support Services:										
Pupil	1,019,769	1,208,098	1,339,911	1,269,381	1,311,000	1,396,176	1,768,467	1,661,627	1,415,518	1,609,482
Instructional Staff	1,116,578	1,560,476	1,475,721	2,013,417	2,184,158	2,448,480	3,132,903	3,151,353	3,155,003	3,557,891
General Administration	204,998	316,059	264,579	98,619	86,559	97,081	89,221	114,950	110,795	91,240
School Administration	1,647,208	2,466,520	1,949,233	2,288,393	2,464,725	2,734,848	2,706,753	3,004,584	2,747,910	2,471,519
Fiscal	702,936	769,940	859,886	1,104,533	1,080,295	1,135,140	1,195,069	1,273,805	1,165,104	1,207,433
Business	453,185	175,600	56,702	28,214	54,222	72,477	45,782	65,789	61,069	66,501
Operation and Maintenance of Plant	1,750,034	2,661,299	2,413,054	2,404,615	2,699,097	3,331,443	3,339,782	3,503,623	3,701,102	3,297,084
Pupil Transportation	10,958	38,224	14,212	15,421	6,565	39,125	42,496	124,997	76,044	81,787
Central	1,509,437	2,384,323	2,108,408	2,267,188	2,922,594	3,016,627	2,985,969	2,934,894	3,235,035	3,185,186
Operation of Non-Instructional Services	15,590	30,980	48,386	52,255	52,939	101,971	89,957	101,984	18,740	13,354
Extracurricular Activities	150,844	169,081	293,609	292,322	292,461	338,883	423,040	332,399	402,495	425,197
Capital Outlay	9,150,397	1,575,677	512,967	832,832	535,928	3,452,267	10,578,015	6,575,801	281,567	408,417
Debt Service:										
Principal Retirement	2,847,391	2,100,000	2,100,000	100,000	95,000	0	0	0	0	0
Interest and Fiscal Charges	110,112	61,300	27,425	141,125	90,065	112,300	125,608	80,300	67,944	50,200
<b>Total Expenditures</b>	<b>35,358,318</b>	<b>33,177,137</b>	<b>30,636,397</b>	<b>32,014,442</b>	<b>33,451,082</b>	<b>42,043,578</b>	<b>48,348,842</b>	<b>46,117,395</b>	<b>40,081,763</b>	<b>38,881,207</b>
<i>Excess of Revenues Over</i> <i>(Under) Expenditures</i>	<b>(9,460,196)</b>	<b>(3,388,353)</b>	<b>971,791</b>	<b>1,893,177</b>	<b>1,410,916</b>	<b>3,831,035</b>	<b>552,373</b>	<b>(3,106,042)</b>	<b>1,266,806</b>	<b>2,254,827</b>
<b>Other Financing Sources (Uses)</b>										
Sale of Capital Assets	0	0	0	155	0	0	0	0	0	0
General Obligation Bonds Issued	0	0	0	0	0	0	0	0	0	0
Premium on Sale of Notes	0	0	0	0	0	0	0	0	0	0
Transfers In	25,000	24,068	27,868	1,382,400	5,210,700	1,612,500	2,249,850	1,556,192	2,141,181	2,496,843
Transfers Out	(108,864)	(1,423,564)	(1,930,000)	(1,442,400)	(5,596,351)	(1,925,610)	(2,474,850)	(1,731,192)	(2,261,181)	(1,506,843)
<b>Total Other Financing Sources (Uses)</b>	<b>(83,864)</b>	<b>(1,399,496)</b>	<b>(1,902,132)</b>	<b>(59,845)</b>	<b>(385,651)</b>	<b>(313,110)</b>	<b>(225,000)</b>	<b>(175,000)</b>	<b>(120,000)</b>	<b>990,000</b>
Special Item	0	0	0	0	0	0	0	0	(657,123)	0
<b>Net Change in Fund Balances</b>	<b>(\$9,544,060)</b>	<b>(\$4,787,849)</b>	<b>(\$930,341)</b>	<b>\$1,833,332</b>	<b>\$1,025,265</b>	<b>\$3,517,925</b>	<b>\$327,373</b>	<b>(\$3,281,042)</b>	<b>\$489,683</b>	<b>\$3,244,827</b>
Debt Service as a % of Noncapital Exp.:	11.3%	6.8%	7.1%	0.8%	0.6%	0.3%	0.3%	0.2%	0.2%	0.1%

Source: School District's financial statements

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

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial/ Industrial/PU		Assessed Value	Estimated Actual Value
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
2009	6,573,876,420	1,889,988,460	24,182,471,086	254,888,530	289,646,057
2010	6,338,309,020	1,920,210,670	23,595,770,543	277,119,270	314,908,261
2011	6,334,525,560	1,800,624,650	23,243,286,314	362,973,839	412,470,272
2012	6,020,507,430	1,644,488,960	21,899,989,686	416,338,350	473,111,761
2013	6,021,481,460	1,610,472,950	21,805,584,029	487,241,240	553,683,227 <i>(continued)</i>

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

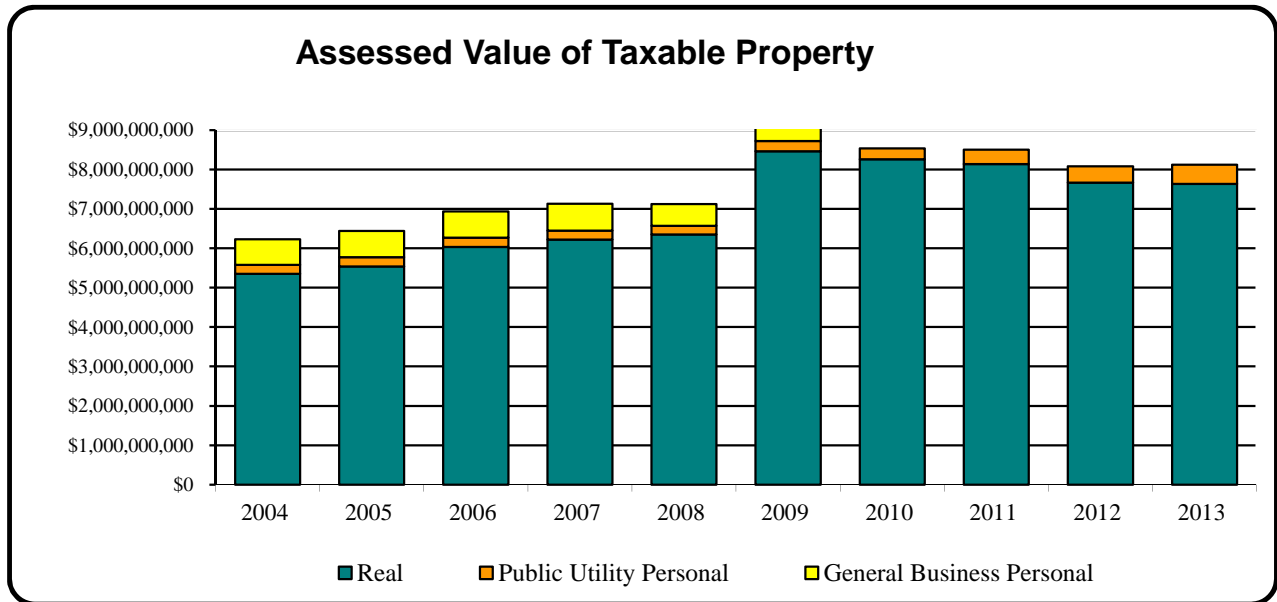
The assessed value of real property (including public utility real property) is 35 percent of estimated true value. Personal property tax is assessed on all tangible personal property used in business in Ohio. The assessed value of public utility personal property ranges from 25 percent of true value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

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

**Source:** Ohio Department of Taxation

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

Tangible Personal Property		Total		
General Business		Assessed Value	Estimated Actual Value	Total Direct Rate
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
662,867,542	2,651,470,168	6,243,279,052	18,195,211,761	1.93
666,053,908	2,664,215,632	6,440,237,948	18,752,133,626	1.93
681,872,431	2,964,662,743	6,950,576,191	20,475,227,897	1.93
552,260,150	2,945,387,467	6,997,791,810	20,967,309,270	1.93
409,258,520	3,274,068,160	6,976,608,400	21,662,863,456	1.93
0	0	8,718,753,410	24,472,117,143	1.93
0	0	8,535,638,960	23,910,678,804	1.93
0	0	8,498,124,049	23,655,756,586	1.93
0	0	8,081,334,740	22,373,101,447	1.93
0	0	8,119,195,650	22,359,267,256	1.93



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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<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)	2.26 - 13.09	2.26 - 13.09	2.26 - 13.09	2.26 - 13.09	2.26 - 14.59	2.26 - 14.59	2.26 - 14.59	2.26 - 14.59	4.46 - 14.59	4.26 - 14.59
- Range of voted rates for 14 townships										
Cities (12)	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
- Range of voted rates for 12 cities and villages										
School Districts (9)	29.42 - 60.84	29.42 - 60.04	29.42 - 60.04	29.42 - 65.64	29.42 - 65.39	29.42 - 65.34	29.42 - 65.34	29.42 - 65.34	29.57 - 65.84	29.57 - 65.84
- Range of voted rates for 9 school districts										
Butler County	6.74	6.44	7.44	9.44	10.95	9.75	9.75	9.72	9.72	9.72

The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue billed in that year (i.e., tax year 2012 will be collected in fiscal year 2013).

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*

2012 and 2003 (1)

Name of Taxpayer	2012 (1)	
	Assessed Value	Percent of Real Property Assessed Value
Duke Energy Corporation	\$167,604,760	2.06%
Rockies Express Pipeline LLC	121,276,820	1.49%
Duke Energy Indiana	42,247,550	0.52%
Duke Energy Kentucky	28,305,020	0.35%
Duke Realty LLC	14,196,030	0.17%
Miller Brewing Company	12,843,180	0.16%
Meijer Stores LTD	12,137,410	0.15%
Butler Rural Electric	10,759,300	0.13%
AK Steel Corporation	10,704,300	0.13%
Boymel Sam TR	10,145,040	0.12%
<b>Totals</b>	<b>\$430,219,410</b>	<b>5.28%</b>
<b>Total Assessed Valuation</b>	<b>\$8,119,195,650</b>	

Name of Taxpayer	2003 (1)	
	Assessed Value	Percent of Real Property Assessed Value
AK Steel Corporation	\$152,824,120	2.45%
Cincinnati Gas and Electric	147,650,420	2.36%
Miller Brewing Company	54,797,530	0.88%
Dugan Financing, LLC	43,650,720	0.70%
Cincinnati Bell Telephone	36,504,300	0.58%
Bay West Paper Corp.	14,622,420	0.23%
CFC Investments	14,397,280	0.23%
Ohio Bell Telephone	9,729,350	0.16%
Worthington Steel	9,285,990	0.15%
Duke Realty	8,104,120	0.13%
<b>Totals</b>	<b>\$491,566,250</b>	<b>7.87%</b>
<b>Total Assessed Valuation</b>	<b>\$6,243,279,052</b>	

(1) The amounts presented represent the assessed values upon which fiscal years 2013 and 2004 collections were based.

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

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

Collection Year (2)	Current Tax Levy	Current Tax Collections	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections (3)	Total Tax Collections	Percent of Total Tax Collections to Current Tax Levy
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
2008	16,566,305	15,176,528	91.61%	770,546	15,947,074	96.26
2009	16,752,970	16,011,436	95.57%	606,634	16,618,070	99.19
2010	16,254,276	15,413,955	94.83%	388,870	15,802,825	97.22
2011	16,486,396	15,623,056	94.76%	593,031	16,216,087	98.36
2012	15,438,119	14,914,311	96.61%	532,500	15,446,811	100.06

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

(2) The 2013 information cannot be presented because all collections have not been made by June 30, 2013.

(3) The County has not identify delinquent tax collections by tax year, thus amounts could include collections from a previous collection year(s). Effort will be made to work with County personnel to obtain this information for future reporting.

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



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

*Computation of Direct and Overlapping  
Debt Attributable to Governmental Activities  
June 30, 2013*

	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	\$55,455,120	87.41%	48,473,320
Hamilton County	\$75,970,000	8.12%	6,168,764
Preble County	\$2,347,180	0.74%	17,369
<u>Cities:</u>			
City of Fairfield	26,065,000	100.00%	26,065,000
City of Forest Park	5,315,000	10.98%	583,587
City of Hamilton	8,720,000	3.51%	306,072
City of Middletown	36,497,930	95.73%	34,939,468
City of Monroe	10,445,000	100.00%	10,445,000
City of North College Hill	865,000	1.44%	12,456
City of Oxford	1,895,000	100.00%	1,895,000
City of Trenton	2,373,774	100.00%	2,373,774
<u>Townships:</u>			
Colerain Township	8,225,000	93.40%	7,682,150
Fairfield Township	4,580,000	100.00%	4,580,000
Liberty Township	9,595,000	100.00%	9,595,000
Springfield Township	10,670,000	12.46%	1,329,482
Turtle Creek Township	1,725,000	15.51%	267,548
Wayne Township	400,000	98.18%	392,720
West Chester Township	55,925,000	96.74%	54,101,845
<u>School Districts:</u>			
Edgewood City Schools	36,280,485	100.00%	36,280,485
Fairfield City Schools	25,874,765	100.00%	25,874,765
Lakota Local Schools	149,210,000	100.00%	149,210,000
Lebanon City Schools	33,414,952	0.06%	20,049
Madison Local Schools	9,694,601	100.00%	9,694,601
Middletown City Schools	57,752,569	100.00%	57,752,569
Monroe Local Schools	29,562,228	100.00%	29,562,228
New Miami Local Schools	1,224,886	100.00%	1,224,886
Northwest Local Schools	20,660,000	100.00%	20,660,000
Ross Local Schools	17,339,997	100.00%	17,339,997
Talawanda City Schools	47,025,000	100.00%	47,025,000
Total Overlapping Debt	\$745,108,487		\$603,873,135
Direct Debt	3,000,000	100.00%	3,000,000
Total Direct and Overlapping Debt	\$748,108,487		\$606,873,135

**Source:** Ohio Municipal Advisory Council

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

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Tax Valuation	<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>\$8,718,753,410</u>	<u>\$8,535,638,960</u>	<u>\$8,498,124,049</u>	<u>\$8,081,334,740</u>	<u>\$8,119,195,650</u>
Debt Limit - 9% of Taxable Valuation (1)	<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>\$784,687,807</u>	<u>\$768,207,506</u>	<u>\$764,831,164</u>	<u>\$727,320,127</u>	<u>\$730,727,609</u>
Amount of Debt Applicable to Debt Limit General Obligation Bonds Less Amount Available in Debt Service										
Amount of Debt Subject to Limit	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Legal Debt Margin	<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>\$784,687,807</u>	<u>\$768,207,506</u>	<u>\$764,831,164</u>	<u>\$727,320,127</u>	<u>\$730,727,609</u>
Legal Debt Margin as a Percentage of the Debt Limit	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Unvoted Debt Limit - .10% of Taxable Valuation (1)	<u>\$6,243,279</u>	<u>\$6,440,238</u>	<u>\$6,950,576</u>	<u>\$6,997,792</u>	<u>\$6,976,608</u>	<u>\$8,718,753</u>	<u>\$8,535,639</u>	<u>\$8,498,124</u>	<u>\$8,081,335</u>	<u>\$8,119,196</u>
Amount of Debt Subject to Limit	<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>(7,000,000)</u>	<u>(5,500,000)</u>	<u>(4,500,000)</u>	<u>(3,500,000)</u>	<u>(3,000,000)</u>
Unvoted Legal Debt Margin	<u>\$2,243,279</u>	<u>\$4,440,238</u>	<u>\$3,950,576</u>	<u>\$4,997,792</u>	<u>\$976,608</u>	<u>\$1,718,753</u>	<u>\$3,035,639</u>	<u>\$3,998,124</u>	<u>\$4,581,335</u>	<u>\$5,119,196</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	35.93%	68.95%	56.84%	71.42%	14.00%	19.71%	35.56%	47.05%	56.69%	63.05%

**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.

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

*Ratio of Debt*

*to Assessed Value and Debt per Capita*

*Last Ten Fiscal Years*

Fiscal Year	Population (1)	Estimated Actual Value of Taxable Property (2)	General Bonded Debt				Ratio of Net Bonded Debt to Estimated Actual Value	Net Bonded Debt per Capita
			General Bonded Debt Outstanding	Resources Available to Pay Principal	Net General Bonded Debt			
2004	344,784	\$18,195,211,761	\$2,295,000	0	\$2,295,000	0.01%	\$6.66	
2005	348,243	\$18,752,133,626	\$295,000	0	\$295,000	0.00%	\$0.85	
2006	348,243	\$20,475,227,897	\$195,000	0	\$195,000	0.00%	\$0.56	
2007	357,908	\$20,967,309,270	\$95,000	0	\$95,000	0.00%	\$0.27	
2008	357,888	\$21,662,863,456	\$0	0	\$0	0.00%	\$0.00	
2009	360,765	\$24,472,117,143	\$0	0	\$0	0.00%	\$0.00	
2010	363,184	\$23,910,678,804	\$0	0	\$0	0.00%	\$0.00	
2011	368,630	\$23,655,756,586	\$0	0	\$0	0.00%	\$0.00	
2012	369,999	\$22,373,101,447	\$0	0	\$0	0.00%	\$0.00	
2013	370,589	\$22,359,267,256	\$0	0	\$0	0.00%	\$0.00	

*(Continued)*

**Sources** (1) U.S. Census Bureau, population estimates for Butler County

(2) Butler County Auditor

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

*Ratio of Debt*

*to Assessed Value and Debt per Capita (continued)*

*Last Ten Fiscal Years*

General Debt					
General Bonded Debt Outstanding	Capital Leases	Total Debt	Ratio of General Debt to Estimated Actual Value	General Debt Per Capita	Percentage of Personal Income
\$2,295,000	0	2,295,000	0.01%	\$6.66	0.02%
\$295,000	0	295,000	0.00%	\$0.85	0.00%
\$195,000	0	195,000	0.00%	\$0.56	0.00%
\$95,000	0	95,000	0.00%	\$0.27	0.00%
\$0	0	0	0.00%	\$0.00	0.00%
\$0	0	0	0.00%	\$0.00	0.00%
\$0	0	0	0.00%	\$0.00	0.00%
\$0	0	0	0.00%	\$0.00	0.00%
\$0	0	0	0.00%	\$0.00	0.00%
\$0	0	0	0.00%	\$0.00	0.00%

## Butler Technology and Career Development Schools, Ohio

### *Demographic and Economic Statistics*

#### *Last Ten Calendar Years*

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<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (in thousands) (2)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate (3)</u>
2003	341,667	\$10,273,199,000	\$30,068	5.60%
2004	344,784	\$10,691,173,000	\$31,008	5.40%
2005	348,243	\$11,116,005,000	\$31,920	6.30%
2006	353,486	\$11,564,941,000	\$32,717	5.50%
2007	357,908	\$12,114,458,000	\$33,848	6.20%
2008	360,765	\$12,811,630,000	\$35,512	10.50%
2009	363,184	\$12,585,955,000	\$34,654	10.10%
2010	368,630	\$13,000,401,000	\$35,267	9.80%
2011	369,999	\$13,538,158,000	\$36,590	9.10%
2012	370,589	Not Available	Not Avail	7.30%

- Sources:** 1) U.S. Census Bureau, population estimates for Butler County  
2) U.S. Department of Commerce, Bureau of Economic Analysis  
for Butler County, Ohio.  
3) Ohio Labor Market Information for Butler County, Ohio  
Unemployment rate is for June of designated year

Note: Some previous year data has been changed to reflect data  
sourced from the Butler County CAFR

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

*Principal Employers  
2012 and 2003*

Employer	Nature of Business	2012 (2)		
		Number of Employees (1)	Rank	Percentage of Total Employment
Miami University	Education	3,293	1	1.9%
Cincinnati Financial Corp	Financial	2,789	2	1.6%
AK Steel	Steel Manufacturing	2,400	3	1.4%
GE Aviation	Aerospace	2,000	4	1.1%
Lakota Local School District	Education	1,827	5	1.0%
Butler County Government	Government	1,717	6	1.0%
Ohio Casualty Insurance Group	Insurance	1,300	7	0.7%
Mercy Regional Hospital	Health Care	1,200	8	0.7%
Hamilton City Schools	Education	1,095	9	0.6%
Fort Hamilton Hospital	Health Care	1,020	10	0.6%
<b>Total</b>		<b>18,641</b>		<b>10.7%</b>
Total Employment within the School District		<b>174,900</b>	(1)	

Employer	Nature of Business	2003 (2)		
		Number of Employees (1)	Rank	Percentage of Total Employment
Miami University	Education	4,200	1	3.1%
AK Steel	Steel Manufacturing	3,900	2	2.9%
Cincinnati Financial Corp	Financial	2,861	3	2.1%
Butler County Government	Government	2,000	4	1.5%
Fairfield City Schools	Education	1,740	5	1.3%
Ft. Hamilton Hughes Memorial Hospital	Health Care	1,600	6	1.2%
Lakota Local School District	Education	1,600	7	1.2%
Middletown Regional Hospital	Health Care	1,470	8	1.1%
Mercy Regional Hospital	Health Care	1,407	9	1.0%
Ohio Casualty	Insurance	1,356	10	1.0%
<b>Total</b>		<b>22,134</b>		<b>16.4%</b>
Total Employment within the School District		<b>136,387</b>	(1)	

**Source:**

(1) Butler County, Ohio CAFR

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

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

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Regular Instruction										
High School Classroom Teachers	25.00	46.00	38.00	43.00	43.00	43.00	40.00	37.00	31.50	33.50
Special Instruction										
High School Classroom Teachers	2.00	3.00	3.00	4.00	4.00	7.00	7.00	9.00	10.50	10.50
Vocational Instruction										
High School Classroom Teachers	124.00	154.00	146.00	149.00	150.00	182.00	163.00	170.00	159.00	156.00
Pupil Support Services										
Guidance Counselors	3.00	5.00	6.00	7.00	7.00	7.00	6.00	6.00	7.00	7.00
Librarians	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Nurse	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Administrators										
High School	2.00	4.00	5.00	5.00	5.00	6.00	6.00	6.00	6.00	6.00
Operation of Plant										
Custodians	9.00	10.00	6.00	6.00	6.00	10.00	10.00	12.00	11.00	12.00
Maintenance	1.00	1.00	1.00	2.00	2.00	3.00	3.00	3.00	3.00	3.00
Pupil Transportation										
Van Drivers	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Food Service Program										
High School Cooks	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Student/Teacher Ratio	14.0	12.3	13.9	14.0	14.8	14.0	14.6	14.2	15.5	15.9

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

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

**Source:** School District Records

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

<u>Fiscal Year</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<u>High School</u>										
Enrollment (1)	2,112	2,502	2,602	2,748	2,907	3,245	3,073	3,122	3,153	3,182
Technical Skill Attainment	75.0%	74.2%	81.0%	85.6%	92.8%	80.3%	94.0%	89.0%	85.0%	90.2%
Graduation Rate	99.0%	98.2%	99.2%	97.6%	97.6%	95.8%	95.0%	99.0%	98.0%	99.2%
Higher Education Enrollment	53.8%	55.9%	55.0%	60.6%	65.9%	62.3%	65.0%	65.0%	51.0%	63.3%
<u>Adult Education</u>										
Enrollment (1)	1,000	1,136	1,206	1,131	1,113	1,206	1,158	1,070	813	718
Workforce Assessments	86.8%	97.8%	97.0%	93.9%	94.0%	95.2%	94.0%	98.0%	97.0%	97.5%
Related Employment or Education	90.3%	80.8%	86.0%	94.2%	93.3%	92.0%	86.0%	89.0%	90.0%	83.0%

**Source:** School District Records

(1) Reported on a Full Time Equivalent Basis



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

*Building Statistics  
Last Ten Fiscal Years*

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>D. Russel Lee Career Center</b>										
Constructed in 1975, Addition in 1999										
Total Building Square Footage	244,933	244,933	244,933	244,933	244,933	244,933	244,933	280,935	280,935	280,935
Enrollment Grades 11-12	625	630	635	640	643	633	628	790	790	841
Student Capacity	750	750	750	750	750	750	750	850	850	850
Regular Instruction Classrooms	19	19	19	19	19	19	19	26	26	26
Regular Instruction Teachers	17	19	19	19	19	19	17	25	25	25
Vocational Education Classrooms	20	20	20	20	20	20	20	24	24	24
Vocational Education Teachers	20	20	20	20	20	20	20	24	24	25

**Source:** School District records

**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:**

Rich Natiello	Assistant Treasurer
Holly Deaton	Accountant
Susan Lauer	Administrative Assistant
Hope Underwood	Accounting Specialist
Allyson Gudorf	Accounting Specialist
Tina Smith	Accounting Specialist
Kelly Ries	Accounting Specialist
Cheryl McCreary	Accounting Specialist

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

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***“Butler Tech - Redefining Education”***

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



# Dave Yost • Auditor of State

**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS**

**BUTLER COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JANUARY 14, 2014**