



Dave Yost • Auditor of State

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

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

**FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2012**

| Federal Grantor/ Pass Through Grantor Program Title | Grant Year | Federal CFDA Number | Receipts | Disbursements |
|---|---------------|---------------------------|---------------------------|---------------------------|
| U.S. DEPARTMENT OF AGRICULTURE | | | | |
| <i>Passed Through Ohio Department of Education:</i> | | | | |
| Child Nutrition Cluster: | | | | |
| National School Breakfast Program | 2012 | 10.553 | \$18,739 | \$18,739 |
| National School Lunch Program | 2012 | 10.555 | <u>88,107</u> | <u>88,107</u> |
| Total Child Nutrition Cluster | | | <u>106,846</u> | <u>106,846</u> |
| Total U.S. Department of Agriculture | | | <u>106,846</u> | <u>106,846</u> |
| U.S. DEPARTMENT OF EDUCATION | | | | |
| Student Financial Aid Cluster: | | | | |
| Federal Direct Student Loan Program | 2012 | 84.268 | 1,672,337 | 1,777,990 |
| Federal Pell Grant Program | 2012 | 84.063 | <u>796,629</u> | <u>686,380</u> |
| Total Student Financial Aid Cluster | | | <u>2,468,966</u> | <u>2,464,370</u> |
| <i>Passed Through Ohio Department of Education:</i> | | | | |
| Career and Technical Education - Basic Grants: | | | | |
| Carl Perkins Secondary | 2012 | 84.048 | 565,019 | 602,991 |
| Carl Perkins Secondary | 2011 | 84.048 | 10,492 | 93,479 |
| Carl Perkins Adult | 2012 | 84.048 | 445,003 | 444,591 |
| Carl Perkins Adult | 2011 | 84.048 | <u>63</u> | <u>10,834</u> |
| Total Career and Technical Education | | | 1,020,577 | 1,151,895 |
| Improving Teacher Quality State Grants | 2012 | 84.367 | - | 405 |
| | 2011 | 84.367 | <u>25,134</u> | <u>-</u> |
| Total Improving Teacher Quality State Grants | | | <u>25,134</u> | <u>405</u> |
| Total Passed Through Ohio Department of Education | | | 1,045,711 | 1,152,300 |
| Total U.S. Department of Education | | | <u>3,514,677</u> | <u>3,616,670</u> |
| TOTAL FEDERAL ASSISTANCE | | | <u>\$3,621,523</u> | <u>\$3,723,516</u> |

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

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

**NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2012**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Receipts and Expenditures Schedule (the Schedule) reports the Butler Technology and Career Development School's (the School 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 School District commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this Schedule, the School District assumes it expends federal monies first.



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' 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 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, Ohio (the School District), as of and for the year ended June 30, 2012, which collectively comprise the School District's basic financial statements and have issued our report thereon dated December 11, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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 more than a reasonable possibility that a material misstatement of the School District's financial statements will not be prevented, or detected and timely corrected.

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

Compliance and Other Matters

As part of reasonably assuring whether the School 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, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

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www.auditor.state.oh.us

Butler Technology and Career Development Schools
Butler County
Independent Accounts' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

We did note certain matters not requiring inclusion in this report that we reported to the School District's management in a separate letter dated December 11, 2012.

We intend this report solely for the information and use of management, Board of Education, and federal awarding agencies and pass-through entities, and others within the School District. We intend it for no one other than these specified parties.

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

Dave Yost
Auditor of State

December 11, 2012



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' 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:

Compliance

We have audited the compliance of Butler Technology and Career Development Schools, Butler County, Ohio (the School District), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of Butler Technology and Career Development Schools' major federal programs for the year ended June 30, 2012. The summary of auditor's results section of the accompanying schedule of findings identifies the School District's major federal programs. The School District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to opine on the School District's compliance based on our audit.

Our compliance audit followed auditing standards generally accepted in the United States of America; the standards applicable to 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 that we plan and perform the audit to reasonably assure whether noncompliance occurred with the compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the School District's compliance with these requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the School District's compliance with these requirements.

In our opinion, the Butler Technology and Career Development Schools complied, in all material respects, with the requirements referred to above that could directly and materially affect each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

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

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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 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.

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Federal Awards Receipts and Expenditures Schedule

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Butler Technology and Career Development Schools (the School District) as of and for the year ended June 30, 2012, and have issued our report thereon dated December 11, 2012. Our audit was performed to form opinions on the financial statements that collectively comprise the School District's basic financial statements taken as a whole. The accompanying federal awards receipts and expenditures schedule provides additional information 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 used to prepare the financial statements. This schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information 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 information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

We intend this report solely for the information and use of management, Board of Education, others within the entity, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



Dave Yost
Auditor of State

December 11, 2012

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

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2012**

1. SUMMARY OF AUDITOR'S RESULTS

| | | |
|---------------------|---|--|
| <i>(d)(1)(i)</i> | Type of Financial Statement Opinion | Unqualified |
| <i>(d)(1)(ii)</i> | Were there any material control 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 | Unqualified |
| <i>(d)(1)(vi)</i> | Are there any reportable findings under § .510(a)? | No |
| <i>(d)(1)(vii)</i> | Major Programs (list): | CFDA #84.048: Career and Technical Education – Basic Grants to States (Carl Perkins) Child Nutrition Cluster: CFDA #10.553: National School Breakfast Program CFDA #10.555: National School Lunch Program |
| <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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BUTLER TECHNOLOGY & CAREER DEVELOPMENT SCHOOLS
Butler County, Ohio

2012

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDING JUNE 30

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Butler Technology and Career Development Schools
Butler County, Ohio



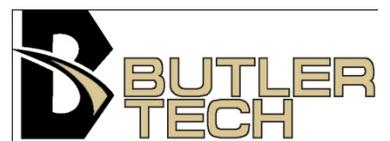
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2012

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

Butler Technology and Career Development Schools
Butler County, Ohio

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INTRODUCTORY SECTION



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**Butler Technology and Career Development Schools
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2012**

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an **Achievement of Excellence** organization

December 11, 2012

**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, 2012, 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. Brett Smith as the School District's Superintendent for a three-year period effective July 1, 2010. Mr. Smith has been an educator for over 30 years, and was most recently Superintendent of the Pickaway-Ross Career and Technology Center in Chillicothe, Ohio. Mr. Smith has over 14 years of experience as an Ohio superintendent and nearly 26 years of experience as a school administrator.

The Board employed Edmund R. Pokora as Chief Financial Officer (also known as the Treasurer) of the School District and he is directly responsible to the Board for all financial operations, investments, and maintains custody of all School District funds as well as serving as Secretary to the Board. Mr. Pokora was appointed effective May 10, 2004, and received a new contract 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 nearly 875 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 10,000 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, 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, 2,900, 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 Strategic Plan Approved

The Board of Education approved a strategic plan during the year for the design of a bioscience technical center focused on educational programs in the health and bioscience areas. During the development of this strategic plan, the School District hosted a Biosciences Futures Forum that included over 30 representatives from the bioscience industry who provided an employment outlook for the industry.

STEM Programming Launched

During 2012, the School District expanded programming that was focused on science, technology, engineering and math (STEM) in response to needs identified by the associate schools we serve. Using the model provided by Project Lead the Way (PLTW), the School District launched four programs at the middle school level as an introduction into STEM programs that will eventually lead into programs at the bioscience technical center.

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, 2011. This was the 14th 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, 2011. This was the seventh 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, 2012, 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



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

www.butlertech.org

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

LIST OF PRINCIPAL OFFICIALS

JUNE 30, 2012

BOARD OF EDUCATION

| <u>Title</u> | <u>Name</u> | <u>District</u> | <u>Term Expires</u> | <u>Initial Appointment</u> |
|----------------|--------------|-----------------|---------------------|----------------------------|
| President | Dan Murray | Fairfield | 12/31/12 | 2008 |
| Vice President | Glenda Holt | Ross | 12/31/13 | 2008 |
| Member | Jim Detzel | Northwest | 12/31/13 | 2010 |
| Member | Brett Guido | Monroe | 12/31/12 | 2010 |
| Member | Katie McNeil | Middletown | 12/31/12 | 2012 |
| Member | Jim Miller | Edgewood | 12/31/12 | 2012 |
| Member | Mike Miller | Madison | 12/31/13 | 2010 |
| Member | Ray Murray | Lakota | 12/31/13 | 2012 |
| Member | Sue Price | New Miami | 12/31/12 | 1997 |
| Member | Greg Tyus | Middletown | 12/31/12 | 2011 |
| Member | Lois Vollmer | Talawanda | 12/31/13 | 2008 |

ADMINISTRATIVE OFFICIALS

| | |
|---|----------------|
| Chief Executive Officer | Brett Smith |
| Chief Financial Officer | Ed Pokora |
| Asst. Superintendent Instruction and Learning | Laura Sage |
| Asst. Superintendent Performance and Accountability | Amy Waldbillig |

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Butler Technology and Career
Development Schools, Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

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



Linda C. Dawson

President

Jeffrey R. Emer

Executive Director

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, 2011*

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



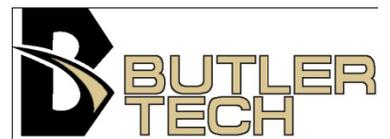
A handwritten signature in black ink, reading "Brian L. Mee".

Brian L. Mee, SFO, RSBA
President

A handwritten signature in black ink, reading "John D. Musso".

John D. Musso, CAE, RSBA
Executive Director

FINANCIAL SECTION



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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Butler Technology and Career Development Schools, Butler County, Ohio (the School District), as of and for the year ended June 30, 2012, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Butler Technology and Career Development Schools, Butler County, Ohio, as of June 30, 2012, and the respective changes in financial position and where applicable, cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2012, on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require this presentation to include Management's discussion and analysis and the required budgetary comparison schedule as 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 have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

We conducted our audit to opine on the financial statements that collectively comprise the School 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 provide additional analysis and are not a required part of the basic financial statements. The financial section's combining statements, individual fund statements and schedules are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. These statements and schedules were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information 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 information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory 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.



Dave Yost
Auditor of State

December 11, 2012

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) Year Ended June 30, 2012

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, 2012. 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 2012 are listed below:

- The assets of the School District exceeded its liabilities at year-end by \$57,608,742. Of this amount, \$12,986,312 may be used to meet the government's ongoing obligations to citizens and creditors.
- The School District's total net assets decreased during the fiscal year by \$69,023, or less than 1%.
- The School District' total expenses were \$45,686,431, a decrease of \$1,144,307
- Program revenues of \$7,234,310 reduced the net cost of the School District's functions to be financed from the School District's general revenues to \$38,452,121.
- The School District's unassigned fund balance of the General Fund totaled \$5,631,944 at the fiscal year end, or 15% 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 assets presents information on all of the School District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Management's Discussion and Analysis
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Unaudited

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

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the School District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

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

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

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
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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 assets at year-end

The following table presents a condensed summary of the School District's overall financial position at June 30, 2012 and 2011:

| | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | | <u>Total</u> | |
|-----------------------------|--------------------------------|-------------------|---------------------------------|------------------|-------------------|-------------------|
| | <u>FY2012</u> | <u>FY2011</u> | <u>FY2012</u> | <u>FY2011</u> | <u>FY2012</u> | <u>FY2011</u> |
| Current and other assets \$ | 33,974,236 | 34,677,920 | 2,244,117 | 1,812,048 | 36,218,353 | 36,489,968 |
| Capital assets | 45,481,355 | 46,527,979 | 743,736 | 824,185 | 46,225,091 | 47,352,164 |
| Total assets | <u>79,455,591</u> | <u>81,205,899</u> | <u>2,987,853</u> | <u>2,636,233</u> | <u>82,443,444</u> | <u>83,842,132</u> |
| Long-term liabilities | 1,890,049 | 2,150,192 | 139,453 | 145,858 | 2,029,502 | 2,296,050 |
| Other liabilities | 22,547,869 | 23,468,082 | 257,331 | 400,235 | 22,805,200 | 23,868,317 |
| Total liabilities | <u>24,437,918</u> | <u>25,618,274</u> | <u>396,784</u> | <u>546,093</u> | <u>24,834,702</u> | <u>26,164,367</u> |
| Net assets: | | | | | | |
| Invested in capital | | | | | | |
| assets, net of debt | 42,618,511 | 43,045,739 | 743,736 | 824,185 | 43,362,247 | 43,869,924 |
| Restricted: | | | | | | |
| For capital purposes | 895,909 | 2,588,253 | - | - | 895,909 | 2,588,253 |
| Other purposes | 364,274 | 1,129,821 | - | - | 364,274 | 1,129,821 |
| Unrestricted | <u>11,138,979</u> | <u>8,823,812</u> | <u>1,847,333</u> | <u>1,265,955</u> | <u>12,986,312</u> | <u>10,089,767</u> |
| Total net assets \$ | <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> |

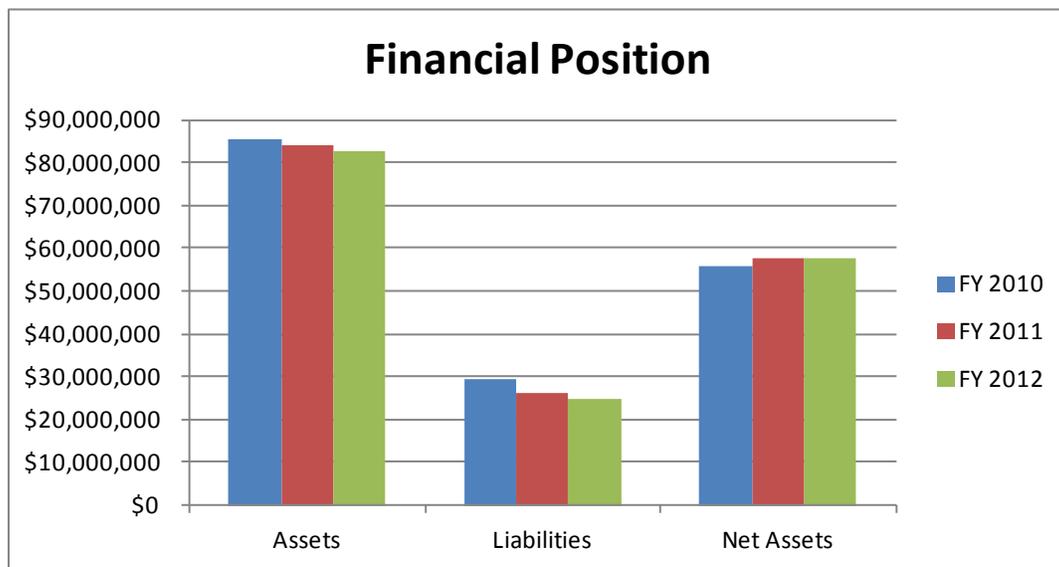
BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
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At year-end, capital assets, net of related debt used to acquire the assets comprised 75% of total net assets. These capital assets are used to provide services to the students and are not available 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 assets represent 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 \$12,986,312 may be used to meet the School District's ongoing obligations.

During the fiscal year 2012, total assets decreased approximately by \$1.4 million. Most of this decreased occurred in capital assets with depreciation expense exceeding asset additions.

Total liabilities decreased by approximately \$1.3 million. The decrease in other liabilities was attributable to paying down the outstanding bond anticipation notes by \$1 million.



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Unaudited

B. Governmental and Business-type Activities during fiscal year 2012

The following table presents a condensed summary of the School District's activities during fiscal year 2012 and 2011 and the resulting change in net assets:

| | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | | <u>Total</u> | |
|------------------------------------|--------------------------------|-------------------|---------------------------------|------------------|-------------------|-------------------|
| | <u>FY2012</u> | <u>FY2011</u> | <u>FY2012</u> | <u>FY2011</u> | <u>FY2012</u> | <u>FY2011</u> |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services and sales | \$ 747,031 | 766,682 | 4,390,262 | 5,380,301 | 5,137,293 | 6,146,983 |
| Operating grants and contributions | <u>1,427,642</u> | <u>1,318,740</u> | <u>669,375</u> | <u>614,213</u> | <u>2,097,017</u> | <u>1,932,953</u> |
| Total program revenues | <u>2,174,673</u> | <u>2,085,422</u> | <u>5,059,637</u> | <u>5,994,514</u> | <u>7,234,310</u> | <u>8,079,936</u> |
| General revenues: | | | | | | |
| Property taxes | 14,382,361 | 14,544,100 | - | - | 14,382,361 | 14,544,100 |
| Grants and entitlements | 24,414,136 | 25,795,528 | - | - | 24,414,136 | 25,795,528 |
| Investment earnings | 56,773 | 47,513 | - | - | 56,773 | 47,513 |
| Miscellaneous | <u>186,951</u> | <u>315,371</u> | <u>-</u> | <u>-</u> | <u>186,951</u> | <u>315,371</u> |
| Total general revenues | <u>39,040,221</u> | <u>40,702,512</u> | <u>-</u> | <u>-</u> | <u>39,040,221</u> | <u>40,702,512</u> |
| Total revenues | <u>41,214,894</u> | <u>42,787,934</u> | <u>5,059,637</u> | <u>5,994,514</u> | <u>46,274,531</u> | <u>48,782,448</u> |
| Expenses: | | | | | | |
| Instruction | 24,658,908 | 23,774,097 | - | - | 24,658,908 | 23,774,097 |
| Support services | 15,859,636 | 16,729,352 | - | - | 15,859,636 | 16,729,352 |
| Non-instructional services | 421,235 | 434,383 | - | - | 421,235 | 434,383 |
| Interest and fiscal charges | 67,944 | 80,300 | - | - | 67,944 | 80,300 |
| Adult education | - | - | 4,104,139 | 5,196,340 | 4,104,139 | 5,196,340 |
| Food services | - | - | 348,431 | 409,632 | 348,431 | 409,632 |
| Other enterprise | <u>-</u> | <u>-</u> | <u>226,138</u> | <u>206,634</u> | <u>226,138</u> | <u>206,634</u> |
| Total expenses | <u>41,007,723</u> | <u>41,018,132</u> | <u>4,678,708</u> | <u>5,812,606</u> | <u>45,686,431</u> | <u>46,830,738</u> |
| Excess before transfers | | | | | | |
| and special item | 207,171 | 1,769,802 | 380,929 | 181,908 | 588,100 | 1,951,710 |
| Transfers | (120,000) | (175,000) | 120,000 | 175,000 | - | - |
| Special item | <u>(657,123)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(657,123)</u> | <u>-</u> |
| Change in net assets | <u>(569,952)</u> | <u>1,594,802</u> | <u>500,929</u> | <u>356,908</u> | <u>(69,023)</u> | <u>1,951,710</u> |
| Beginning net assets | <u>55,587,625</u> | <u>53,992,823</u> | <u>2,090,140</u> | <u>1,733,232</u> | <u>57,677,765</u> | <u>55,726,055</u> |
| Ending net assets | <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> |

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
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Unaudited

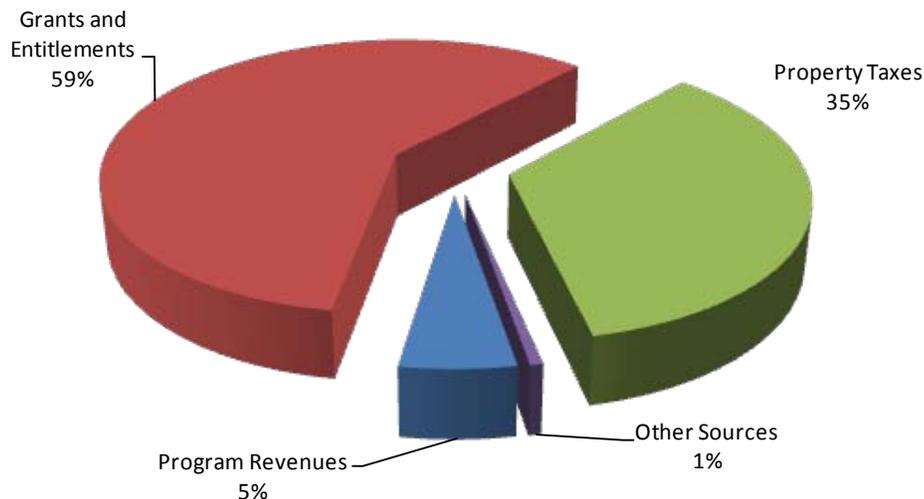
Overall, total revenues of the School District decreased by approximately \$2,500,000, or 5%, from the previous fiscal year. Total expenses decreased by approximately \$1,100,000, or 2%, from the previous fiscal year. Significant items that contributed these changes include the following:

- Charges for services decreased by approximately \$1,000,000 as the School District has been experiencing a steady decline in enrollment in the adult education programs. As a result of the decline in enrollment and revenue, the School District reduced program expenses by approximately \$1,100,000.
- Grants and entitlements decreased by approximately \$1,400,000 due to a decrease in the personal property tax loss reimbursement as it continues to be phased out.

Of the total governmental activities revenues of \$41,214,894, \$2,174,673 (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 35% (\$14,382,361) coming from property tax levies and 59% (\$24,414,136) coming from state funding.

Governmental Activities

Revenue Sources for 2012 Fiscal Year



BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
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Unaudited

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 \$24,658,908, but program revenue contributed to fund 6% of those costs. Thus, general revenues of \$23,296,370 were used to support the remainder of the instruction costs.

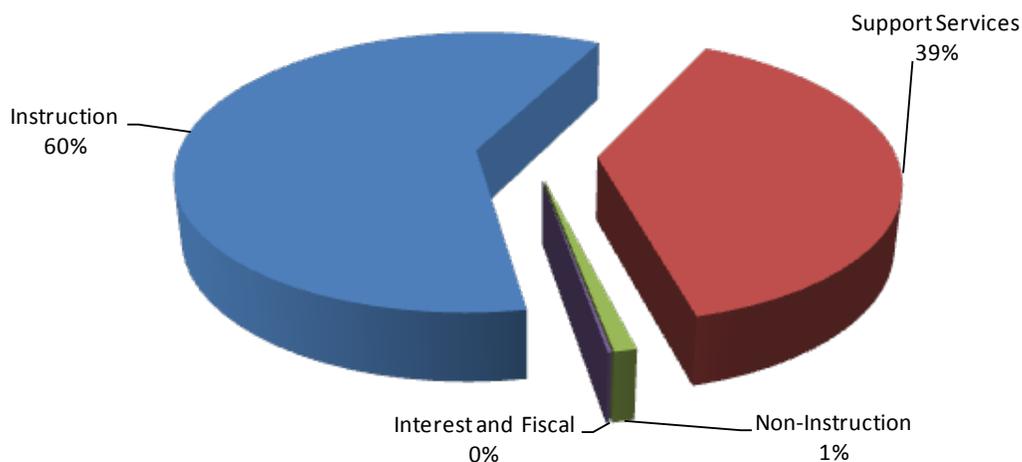
The School District's governmental activities net assets decreased by \$69,023.

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 | \$ | 24,658,908 | 1,362,538 | 6% | 23,296,370 |
| Support services | | 15,859,636 | 812,135 | 5% | 15,047,501 |
| Non-instructional services | | 421,235 | - | 0% | 421,235 |
| Interest and fiscal charges | | 67,944 | - | 0% | 67,944 |
| Total | \$ | <u>41,007,723</u> | <u>2,174,673</u> | <u>5%</u> | <u>38,833,050</u> |

Governmental Activities

Cost of Services by Category for 2012 Fiscal Year



BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
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Unaudited

Business-type Activities

The following table presents the total cost of each of the School District's business segments and the net cost after deducting the revenues generated by each segment. Tuition charges and operating grants were sufficient to cover the costs of Adult Education.

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 | \$ | 4,104,139 | 4,515,627 | 110% | (411,488) |
| Food services | | 348,431 | 300,004 | 86% | 48,427 |
| Other enterprise | | <u>226,138</u> | <u>244,006</u> | 108% | <u>(17,868)</u> |
| Total | \$ | <u>4,678,708</u> | <u>5,059,637</u> | <u>108%</u> | <u>(380,929)</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 \$32,963,846 (96%) of the total \$34,177,233 governmental funds assets. The following provides an analysis of these major funds:

General Fund. Fund balance at June 30, 2012 was \$12,098,694, including \$5,631,944 of unassigned balance, which represents 15% of General Fund expenditures for fiscal year 2012. The General Fund balance increased or from the previous year due to the financial planning process used by the School District. The annual budget development is limited by certain parameters for personnel costs, administrative costs, and total budget growth. As a result, even with stagnant revenues, the School District was able to increase the General Fund balance for the year.

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 fundsp

The School District has one major proprietary fund – the Adult Education Fund. Net assets at June 30, 2012 were \$2,406,956, including \$1,663,220 of unrestricted net assets. The Adult Education Fund continued to demonstrate positive financial performance with a net income (before transfers) of \$411,488, which is equal to 10% of the total operating expenses.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
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Unaudited

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 2012 year, actual revenues were within 1% of the estimates. Actual expenditures for the year were approximately 9% less than budgeted. Significant items that contributed these changes include the following:

- Vocational instruction expenditures were \$2,467,717 less than budgeted due to planned equipment replacement costs being less than expected and program reductions that led to the postponement of several planned upgrades to program equipment and leaving two program positions unfilled.
- School administration support services were \$274,510 less than budgeted due to organizational restructuring leaving two administrative positions not being filled as planned.
- Operation and maintenance of plant expenditures were \$340,067 less than budgeted due to utility costs being less than expected; the mild winter had a direct impact on these costs as well as lower snow removal and salt costs.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. At June 30, 2012, the School District had \$46,225,091 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>FY2012</u> | <u>FY2011</u> | <u>FY2012</u> | <u>FY2011</u> | <u>FY2012</u> | <u>FY2011</u> |
| Land | \$ | 4,810,261 | 4,810,261 | - | - | 4,810,261 | 4,810,261 |
| Land improvements | | 346,227 | 348,838 | 5,101 | - | 351,328 | 348,838 |
| Building and improvements | | 36,090,953 | 37,282,945 | 40,505 | 43,192 | 36,131,458 | 37,326,137 |
| Furniture and equipment | | 4,092,752 | 3,883,021 | 684,631 | 760,044 | 4,777,383 | 4,643,065 |
| Vehicles | | 141,162 | 202,914 | 13,499 | 20,949 | 154,661 | 223,863 |
| Total | \$ | <u>45,481,355</u> | <u>46,527,979</u> | <u>743,736</u> | <u>824,185</u> | <u>46,225,091</u> | <u>47,352,164</u> |

Debt

The School District issued \$3.5 million 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

Like many cities, counties, and school districts across the country, the economic conditions continue to cause concern for the School District in the short-term. While some steps were taken to reduce overall costs in FY13, limited or declining revenues from both state and local sources are highly possible in fiscal year 2013 and 2014. The School District has already experienced a decline in the assessed valuation of the local tax base and this is expected to continue in the next year.

According to *Business Week*, the Cincinnati area is ranked 6th in the U.S. among the 25 Most Affordable Large Metro Areas in terms of rents as a portion of income. In addition, according to 2010 *Money Magazine*, West Chester Township, located in the heart of Butler County, is ranked in the top 100 best places to live.

Despite the decline in the economy, there continues to be areas of growth in the County. The I-75 Interstate corridor, running from Cincinnati to Dayton, continues to see economic development in the commercial and industrial areas. During the 2011 tax year, a total of \$24.5 million in new construction values were added to the district's tax base from commercial and industrial developments.

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 Assets

June 30, 2012

| | Governmental Activities | Business- Type Activities | Total |
|---|----------------------------|---------------------------------|-------------------|
| Assets: | | | |
| Equity in pooled cash and investments | \$ 17,102,060 | 2,182,034 | 19,284,094 |
| Receivables: | | | |
| Taxes | 15,711,941 | - | 15,711,941 |
| Accounts | 4,483 | 62,083 | 66,566 |
| Intergovernmental | 312,894 | - | 312,894 |
| Interest | 19,068 | - | 19,068 |
| Restricted assets | 823,790 | - | 823,790 |
| Nondepreciable capital assets | 4,810,261 | - | 4,810,261 |
| Depreciable capital assets, net | <u>40,671,094</u> | <u>743,736</u> | <u>41,414,830</u> |
| Total assets | <u>79,455,591</u> | <u>2,987,853</u> | <u>82,443,444</u> |
| Liabilities: | | | |
| Accounts payable | 1,030,871 | 98,305 | 1,129,176 |
| Accrued wages | 3,332,498 | 159,026 | 3,491,524 |
| Unearned revenue | 14,668,700 | - | 14,668,700 |
| Accrued interest payable | 15,800 | - | 15,800 |
| Notes payable | 3,500,000 | - | 3,500,000 |
| Long-term liabilities: | | | |
| Due within one year | 267,602 | 14,505 | 282,107 |
| Due within more than one year | <u>1,622,447</u> | <u>124,948</u> | <u>1,747,395</u> |
| Total liabilities | <u>24,437,918</u> | <u>396,784</u> | <u>24,834,702</u> |
| Net Assets: | | | |
| Invested in capital assets, net of related debt | 42,618,511 | 743,736 | 43,362,247 |
| Restricted for: | | | |
| Capital projects | 895,909 | - | 895,909 |
| Other purposes | 364,274 | - | 364,274 |
| Unrestricted | <u>11,138,979</u> | <u>1,847,333</u> | <u>12,986,312</u> |
| Total net assets | <u>\$ 55,017,673</u> | <u>2,591,069</u> | <u>57,608,742</u> |

See accompanying notes to the basic financial statements.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Statement of Activities
Year Ended June 30, 2012

| | Expenses | Program Revenues | | Net (Expense) Revenue and Changes in Net Assets | | |
|--|----------------------|--------------------------------------|--|--|-----------------------------|---------------------|
| | | Charges for Services and Sales | Operating Grants and Contributions | Governmental Activities | Business-Type Activities | Total |
| Governmental Activities: | | | | | | |
| Instruction: | | | | | | |
| Regular | \$ 422,367 | - | - | (422,367) | - | (422,367) |
| Vocational education | 23,800,763 | 747,031 | 615,507 | (22,438,225) | - | (22,438,225) |
| Other | 435,778 | - | - | (435,778) | - | (435,778) |
| Support services: | | | | | | |
| Pupil | 1,433,617 | - | 187,714 | (1,245,903) | - | (1,245,903) |
| Instructional staff | 3,169,028 | - | 209,911 | (2,959,117) | - | (2,959,117) |
| General administration | 110,795 | - | - | (110,795) | - | (110,795) |
| School administration | 2,695,104 | - | 239,150 | (2,455,954) | - | (2,455,954) |
| Fiscal | 1,141,437 | - | - | (1,141,437) | - | (1,141,437) |
| Business | 61,389 | - | - | (61,389) | - | (61,389) |
| Operation and maintenance of plant | 3,904,580 | - | - | (3,904,580) | - | (3,904,580) |
| Pupil transportation | 92,094 | - | - | (92,094) | - | (92,094) |
| Central | 3,251,592 | - | 175,360 | (3,076,232) | - | (3,076,232) |
| Non-instructional services: | | | | | | |
| Extracurricular activities | 402,495 | - | - | (402,495) | - | (402,495) |
| Community service | 18,740 | - | - | (18,740) | - | (18,740) |
| Interest and fiscal charges | 67,944 | - | - | (67,944) | - | (67,944) |
| Total Governmental Activities | <u>41,007,723</u> | <u>747,031</u> | <u>1,427,642</u> | <u>(38,833,050)</u> | <u>-</u> | <u>(38,833,050)</u> |
| Business-Type Activities: | | | | | | |
| Food service | 348,431 | 193,036 | 106,968 | - | (48,427) | (48,427) |
| Uniform school supplies | 8,208 | 6,217 | - | - | (1,991) | (1,991) |
| Adult education | 4,104,139 | 3,953,220 | 562,407 | - | 411,488 | 411,488 |
| Rotary | 217,930 | 237,789 | - | - | 19,859 | 19,859 |
| Total Business-Type Activities | <u>4,678,708</u> | <u>4,390,262</u> | <u>669,375</u> | <u>-</u> | <u>380,929</u> | <u>380,929</u> |
| | \$ <u>45,686,431</u> | <u>5,137,293</u> | <u>2,097,017</u> | <u>(38,833,050)</u> | <u>380,929</u> | <u>(38,452,121)</u> |
| General Revenues: | | | | | | |
| Property taxes levied for general purposes | \$ 14,382,361 | - | - | - | - | 14,382,361 |
| Grants and entitlements | 24,414,136 | - | - | - | - | 24,414,136 |
| Investment earnings | 56,773 | - | - | - | - | 56,773 |
| Miscellaneous | 186,951 | - | - | - | - | 186,951 |
| Transfers | (120,000) | - | - | - | 120,000 | - |
| Total general revenues and transfers | 38,920,221 | - | - | - | 120,000 | 39,040,221 |
| Special Item - return of project funds | (657,123) | - | - | - | - | (657,123) |
| Change in net assets | (569,952) | - | - | (569,952) | 500,929 | (69,023) |
| Net assets beginning of year | | | | 55,587,625 | 2,090,140 | 57,677,765 |
| Net assets end of year | | | | \$ <u>55,017,673</u> | <u>2,591,069</u> | <u>57,608,742</u> |

See accompanying notes to the basic financial statements.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Balance Sheet

Governmental Funds

June 30, 2012

| | General | OSFC Project Construction Fund | Other Governmental Funds | Total Governmental Funds |
|--|----------------------|---|--------------------------------|--------------------------------|
| Assets: | | | | |
| Equity in pooled cash and investments | \$ 14,662,249 | 1,525,711 | 914,100 | 17,102,060 |
| Restricted cash | 823,790 | - | - | 823,790 |
| Receivables: | | | | |
| Taxes | 15,711,941 | - | - | 15,711,941 |
| Accounts | 4,483 | - | - | 4,483 |
| Accrued interest | 19,068 | - | - | 19,068 |
| Intergovernmental | 13,607 | - | 299,287 | 312,894 |
| Interfund receivable | 202,997 | - | - | 202,997 |
| Total assets | <u>31,438,135</u> | <u>1,525,711</u> | <u>1,213,387</u> | <u>34,177,233</u> |
| Liabilities: | | | | |
| Accounts payable | 361,317 | 657,123 | 12,431 | 1,030,871 |
| Accrued wages and benefits | 3,274,123 | - | 58,375 | 3,332,498 |
| Interfund payable | - | - | 202,997 | 202,997 |
| Accrued interest payable | 800 | 11,300 | 3,700 | 15,800 |
| Compensated absences payable | 140,504 | - | - | 140,504 |
| Notes payable | 175,000 | 2,501,000 | 824,000 | 3,500,000 |
| Deferred revenue | 15,387,697 | - | 259,928 | 15,647,625 |
| Total liabilities | <u>19,339,441</u> | <u>3,169,423</u> | <u>1,361,431</u> | <u>23,870,295</u> |
| Fund Balances: | | | | |
| Restricted | 944,511 | - | 104,346 | 1,048,857 |
| Assigned | 5,522,239 | - | - | 5,522,239 |
| Unassigned | 5,631,944 | (1,643,712) | (252,390) | 3,735,842 |
| Total fund balances | <u>12,098,694</u> | <u>(1,643,712)</u> | <u>(148,044)</u> | <u>10,306,938</u> |
| Total liabilities and fund balances | <u>\$ 31,438,135</u> | <u>1,525,711</u> | <u>1,213,387</u> | <u>34,177,233</u> |

See accompanying notes to the basic financial statements.

Reconciliation of Total Governmental Fund Balances to
Net Assets of Governmental Activities
June 30, 2012

Total Governmental Fund Balances \$ 10,306,938

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

Capital assets used in governmental activities are not financial
resources and therefore are not reported in the funds. 45,481,355

Other long-term assets are not available to pay for current-
period expenditures and therefore are not reported in the funds. 978,925

Long-term liabilities, such as compensated absences, are not
due and payable in the current period and therefore are not
reported in the funds. (1,749,545)

Net Assets of Governmental Activities \$ 55,017,673

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

Year Ended June 30, 2012

| | General | OSFC Project Construction Fund | Other Governmental Funds | Total Governmental Funds |
|--|----------------------|---|--------------------------------|--------------------------------|
| Revenues: | | | | |
| Taxes | \$ 14,319,641 | - | - | 14,319,641 |
| Tuition and fees | 747,031 | - | - | 747,031 |
| Investment income | 60,854 | 4,941 | 3,889 | 69,684 |
| Intergovernmental | 24,848,250 | 1,062 | 1,175,950 | 26,025,262 |
| Miscellaneous | 152,158 | - | 7,003 | 159,161 |
| Total revenues | <u>40,127,934</u> | <u>6,003</u> | <u>1,186,842</u> | <u>41,320,779</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 442,474 | - | - | 442,474 |
| Vocational education | 22,680,872 | - | 345,437 | 23,026,309 |
| Other | - | - | 174,654 | 174,654 |
| Support services: | | | | |
| Pupil | 1,217,010 | - | 198,508 | 1,415,518 |
| Instructional staff | 2,976,338 | - | 178,665 | 3,155,003 |
| General administration | 110,795 | - | - | 110,795 |
| School administration | 2,520,926 | - | 226,984 | 2,747,910 |
| Fiscal | 1,147,282 | - | 17,822 | 1,165,104 |
| Business | 61,069 | - | - | 61,069 |
| Operation and maintenance of plant | 3,701,102 | - | - | 3,701,102 |
| Pupil transportation | 76,044 | - | - | 76,044 |
| Central | 3,083,106 | - | 151,929 | 3,235,035 |
| Non-instructional services: | | | | |
| Extracurricular | 402,495 | - | - | 402,495 |
| Community service | 18,740 | - | - | 18,740 |
| Capital outlay | - | 133,357 | 148,210 | 281,567 |
| Debt Service: | | | | |
| Interest and fiscal charges | 3,402 | 48,610 | 15,932 | 67,944 |
| Total expenditures | <u>38,441,655</u> | <u>181,967</u> | <u>1,458,141</u> | <u>40,081,763</u> |
| Excess of revenues over (under) expenditures | <u>1,686,279</u> | <u>(175,964)</u> | <u>(271,299)</u> | <u>1,239,016</u> |
| Other financing sources (uses): | | | | |
| Transfers in | 53,702 | 766,910 | 1,320,569 | 2,141,181 |
| Transfers out | (1,187,137) | - | (1,074,044) | (2,261,181) |
| Premium on sale of notes | - | - | 27,790 | 27,790 |
| Total other financing sources (uses) | <u>(1,133,435)</u> | <u>766,910</u> | <u>274,315</u> | <u>(92,210)</u> |
| Special item - return of project funds | - | (657,123) | - | (657,123) |
| Net change in fund balances | 552,844 | (66,177) | 3,016 | 489,683 |
| Fund balance, beginning of year, restated | <u>11,545,850</u> | <u>(1,577,535)</u> | <u>(151,060)</u> | <u>9,817,255</u> |
| Fund balance, end of year | \$ <u>12,098,694</u> | <u>(1,643,712)</u> | <u>(148,044)</u> | <u>10,306,938</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, 2012

Net Change in Fund Balances - Total Governmental Funds \$ 489,683

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 | 2,030,309 |
| Depreciation expense | (3,076,933) |

| | |
|---|---------|
| 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. | 120,664 |
|---|---------|

| | |
|--|------------------|
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | <u>(133,675)</u> |
|--|------------------|

| | |
|---|---------------------|
| Change in Net Assets of Governmental Activities | \$ <u>(569,952)</u> |
|---|---------------------|

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Statement of Net Assets

Enterprise Funds

June 30, 2012

| | <u>Adult Education Fund</u> | <u>Other Enterprise Funds</u> | <u>Total</u> |
|---------------------------------------|-------------------------------------|---------------------------------------|------------------|
| Assets: | | | |
| Current assets: | | | |
| Equity in pooled cash and investments | \$ 1,992,826 | 189,208 | 2,182,034 |
| Receivables: | | | |
| Accounts | <u>41,810</u> | <u>20,273</u> | <u>62,083</u> |
| Total current assets | <u>2,034,636</u> | <u>209,481</u> | <u>2,244,117</u> |
| Noncurrent assets: | | | |
| Capital assets, net | <u>743,736</u> | - | <u>743,736</u> |
| Total assets | <u>2,778,372</u> | <u>209,481</u> | <u>2,987,853</u> |
| Liabilities: | | | |
| Current liabilities: | | | |
| Accounts payable | 87,778 | 10,527 | 98,305 |
| Accrued wages | 144,185 | 14,841 | 159,026 |
| Compensated absences | <u>14,505</u> | - | <u>14,505</u> |
| Total current liabilities | <u>246,468</u> | <u>25,368</u> | <u>271,836</u> |
| Long-term liabilities: | | | |
| Compensated absences | <u>124,948</u> | - | <u>124,948</u> |
| Total liabilities | <u>371,416</u> | <u>25,368</u> | <u>396,784</u> |
| Net Assets: | | | |
| Invested in capital assets | 743,736 | - | 743,736 |
| Unrestricted | <u>1,663,220</u> | <u>184,113</u> | <u>1,847,333</u> |
| Total net assets | \$ <u>2,406,956</u> | <u>184,113</u> | <u>2,591,069</u> |

See accompanying notes to the basic financial statements.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Statement of Revenues, Expenses and Changes in Fund Net Assets
Enterprise Funds
Year Ended June 30, 2012

| | Adult Education Fund | Other Enterprise Funds | Total |
|--|----------------------------|------------------------------|-------------------------|
| Operating revenues: | | | |
| Charges for services | \$ 3,938,874 | 260,729 | 4,199,603 |
| Other operating revenues | <u>14,346</u> | <u>176,313</u> | <u>190,659</u> |
| Total operating revenues | <u>3,953,220</u> | <u>437,042</u> | <u>4,390,262</u> |
| Operating expenses: | | | |
| Salaries and wages | 2,262,109 | 62,698 | 2,324,807 |
| Fringe benefits | 619,964 | 57,499 | 677,463 |
| Contractual services | 396,189 | 366,825 | 763,014 |
| Materials and supplies | 564,551 | 59,651 | 624,202 |
| Depreciation | 191,491 | - | 191,491 |
| Other expenses | <u>69,835</u> | <u>27,896</u> | <u>97,731</u> |
| Total operating expenses | <u>4,104,139</u> | <u>574,569</u> | <u>4,678,708</u> |
| Operating loss | (150,919) | (137,527) | (288,446) |
| Nonoperating revenues (expenses): | | | |
| State and federal grants | 562,407 | 106,846 | 669,253 |
| Interest income | <u>-</u> | <u>122</u> | <u>122</u> |
| Total nonoperating revenues | <u>562,407</u> | <u>106,968</u> | <u>669,375</u> |
| Net income (loss) before transfers | 411,488 | (30,559) | 380,929 |
| Transfers in | <u>50,000</u> | <u>70,000</u> | <u>120,000</u> |
| Change in net assets | 461,488 | 39,441 | 500,929 |
| Net assets, beginning of year | <u>1,945,468</u> | <u>144,672</u> | <u>2,090,140</u> |
| Net assets, end of year | \$ <u><u>2,406,956</u></u> | <u><u>184,113</u></u> | <u><u>2,591,069</u></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, 2012

| | Adult Education Fund | Other Enterprise Funds | Total |
|--|----------------------------|------------------------------|-------------|
| Cash flows from operating activities: | | | |
| Cash received from customers | \$ 3,976,027 | 242,264 | 4,218,291 |
| Cash received from other operating sources | - | 174,505 | 174,505 |
| Cash payments for personal services | (2,949,287) | (118,141) | (3,067,428) |
| Cash payments for contract services | (402,253) | (367,536) | (769,789) |
| Cash payments for supplies and materials | (550,969) | (58,955) | (609,924) |
| Cash payments for other expenses | (161,489) | (27,896) | (189,385) |
| Net cash used by operating activities | (87,971) | (155,759) | (243,730) |
| Cash flows from noncapital financing activities: | | | |
| Transfers | 50,000 | 70,000 | 120,000 |
| Cash received from state and federal grants | 562,407 | 106,846 | 669,253 |
| Net cash provided by noncapital financing activities | 612,407 | 176,846 | 789,253 |
| Cash flows from capital and related financing activities: | | | |
| Acquisition of capital assets | (111,042) | - | (111,042) |
| Cash flows from investing activities: | | | |
| Investment income | - | 122 | 122 |
| Net change in cash and investments | 413,394 | 21,209 | 434,603 |
| Cash and investments at beginning of year | 1,579,432 | 167,999 | 1,747,431 |
| Cash and investments at end of year | \$ 1,992,826 | 189,208 | 2,182,034 |
| Reconciliation of operating loss to net cash used by operating activities: | | | |
| Operating loss | \$ (150,919) | (137,527) | (288,446) |
| Adjustments to reconcile operating loss to net cash used by operating activities: | | | |
| Depreciation | 191,491 | - | 191,491 |
| Changes in assets and liabilities: | | | |
| Accounts receivable | 22,807 | (20,273) | 2,534 |
| Accounts payable | (84,136) | (15) | (84,151) |
| Accrued wages and benefits | (60,809) | 2,056 | (58,753) |
| Compensated absences payable | (6,405) | - | (6,405) |
| Net cash used by operating activities | \$ (87,971) | (155,759) | (243,730) |

See accompanying notes to the basic financial statements.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Statement of Net Assets

Fiduciary Funds

June 30, 2012

| | <u>Private Purpose Trust Fund</u> | <u>Agency Funds</u> |
|---------------------------------------|---|-------------------------|
| Assets | | |
| Equity in pooled cash and investments | \$ 189,926 | 4,188,497 |
| Intergovernmental receivable | <u>-</u> | <u>60,610</u> |
| Total assets | <u>189,926</u> | <u>4,249,107</u> |
| Liabilities | | |
| Accounts payable | 236 | - |
| Due to student groups | - | 256,286 |
| Due to other governments | <u>-</u> | <u>3,992,821</u> |
| Total liabilities | <u>236</u> | <u>4,249,107</u> |
| Net Assets | | |
| Held in trust | \$ <u>189,690</u> | |

See accompanying notes to the basic financial statements.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Statement of Changes in Fiduciary Net Assets

Fiduciary Funds

Year Ended June 30, 2012

| | <u>Private- Purpose Trust Fund</u> |
|-------------------------------|--|
| Additions: | |
| Investment income | \$ 807 |
| Contributions | <u>44,326</u> |
| Total additions | <u>45,133</u> |
| Deductions: | |
| Benefits | <u>14,245</u> |
| Total deductions | <u>14,245</u> |
| Change in net assets | 30,888 |
| Net assets, beginning of year | <u>158,802</u> |
| Net assets, end of year | \$ <u><u>189,690</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, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Butler Technology and Career Development Schools (the "School District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent they do not conflict with or contradict GASB pronouncements. The School District has the option of following subsequent private-sector guidance but has elected not to do so. The more significant of the School District's accounting policies are described below.

A. Reporting Entity

The School District is a joint vocational school district organized under Section 3311.18 of the Ohio Revised Code. The School District provides vocational education for 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, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued*

B. Basis of Presentation

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

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

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

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

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

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2012

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
Year Ended June 30, 2012

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 assets and changes in net assets. 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
Year Ended June 30, 2012

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, 2012, which are intended to finance fiscal year 2013 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 2012, investments were limited to federal agency securities.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2012

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, 2012 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
Year Ended June 30, 2012

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 assets.

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

H. Compensated Absences

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

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
Year Ended June 30, 2012

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 a budget stabilization reserve.

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
Year Ended June 30, 2012

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.

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 Assets

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

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

M. Special Item

The School District estimated, as part of its continuing close out process, it will return \$657,123 in project funds and interest back to the Ohio School Facilities Commission with construction project costs coming under budget.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued*

N. Estimates

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

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
Year Ended June 30, 2012

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
Year Ended June 30, 2012

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, \$17,076,741 of the School District's bank balance of \$17,576,741 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, 2012 are summarized as follows:

| | | <u>Fair Value</u> | <u>Weighted Average Maturity (Years)</u> |
|-------|----|-------------------------|--|
| FNMA | \$ | 5,008,160 | 4.21 |
| FHLMC | | <u>2,030,280</u> | <u>4.04</u> |
| | \$ | <u><u>7,038,440</u></u> | <u><u>4.16</u></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 FNMA and FHLMC securities were rated AA+ by Standard & Poor's and Aaa by Moody's.

Custodial Credit Risk

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

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2012

2. DEPOSITS AND INVESTMENTS – *continued*

Concentration of Credit Risk

The School District's policy places no limit on the amount it may invest in any one issuer. The School District investments in FHLMC and FNMA securities represent 29% and 71%, respectively, of the School District's total investments.

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

Property taxes include amounts levied against all real and public utility located in the School District. Real property tax revenue received in calendar year 2012 represents collections of calendar year 2011 taxes. Real property taxes received in calendar year 2012 were levied after April 1, 2011, on the assessed value listed as of the prior January 1, 2011, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2012 represents collections of calendar year 2011 taxes. Public utility real and tangible personal property taxes received in calendar year 2012 became a lien December 31, 2010, were levied after April 1, 2011 and are collected in calendar year 2012 with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2012

3. PROPERTY TAXES – *continued*

The School District receives property taxes primarily from Butler and Hamilton counties. The County Auditors periodically advance to the School District its portion of the taxes collected. Second-half real property tax payments collected by the counties by June 30, 2012 are available to finance fiscal year 2012 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property and public utility taxes that became measurable as of June 30, 2012. 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 2012 taxes were collected are:

| | <u>2011 Second- Half Collections</u> | | <u>2012 First- Half Collections</u> | |
|---|--|----------------|---|----------------|
| | <u>Amount</u> | <u>Percent</u> | <u>Amount</u> | <u>Percent</u> |
| Agricultural/Residential and Other Real Estate | \$ 8,135,150,210 | 95.73% | 7,664,996,390 | 94.85% |
| Public Utility | <u>362,973,839</u> | 4.27% | <u>416,338,350</u> | 5.15% |
| Total Assessed Value | \$ <u>8,498,124,049</u> | 100.00% | <u>8,081,334,740</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 \$202,997 due from Other Governmental Funds. These interfund loans were made to provide operating capital.

Interfund transfers for the year ended June 30, 2012, consisted of the following:

| | <u>Transfers In</u> | <u>Transfers Out</u> |
|--------------------------------|---------------------|----------------------|
| General Fund | \$ 53,702 | 1,187,137 |
| OSFC Project Construction Fund | 766,910 | - |
| Other Governmental Funds | 1,320,569 | 1,074,044 |
| Adult Education Fund | 50,000 | - |
| Other Enterprise Funds | <u>70,000</u> | <u>-</u> |
| Total | \$ <u>2,261,181</u> | <u>2,261,181</u> |

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2012

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, 2012 was as follows:

| | Balance 7/1/11 | Additions | Disposals | Balance 6/30/12 |
|---|----------------------|--------------------|-----------|--------------------|
| <i>Governmental Activities:</i> | | | | |
| <i>Capital assets not being depreciated:</i> | | | | |
| Land | \$ 4,810,261 | - | - | 4,810,261 |
| <i>Capital assets being depreciated:</i> | | | | |
| Land improvements | 450,678 | 13,438 | - | 464,116 |
| Building and improvements | 48,628,862 | 230,491 | - | 48,859,353 |
| Furniture and equipment | 12,411,951 | 1,786,380 | - | 14,198,331 |
| Vehicles | 759,730 | - | - | 759,730 |
| Subtotal | <u>62,251,221</u> | <u>2,030,309</u> | <u>-</u> | <u>64,281,530</u> |
| Totals at historical cost | <u>67,061,482</u> | <u>2,030,309</u> | <u>-</u> | <u>69,091,791</u> |
| Less accumulated depreciation: | | | | |
| Land improvements | 101,840 | 16,049 | - | 117,889 |
| Building and improvements | 11,345,917 | 1,422,483 | - | 12,768,400 |
| Furniture and equipment | 8,528,930 | 1,576,649 | - | 10,105,579 |
| Vehicles | 556,816 | 61,752 | - | 618,568 |
| Total accumulated depreciation | <u>20,533,503</u> | <u>3,076,933</u> | <u>-</u> | <u>23,610,436</u> |
| Capital assets, net | <u>\$ 46,527,979</u> | <u>(1,046,624)</u> | <u>-</u> | <u>45,481,355</u> |

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2012

5. CAPITAL ASSETS – *continued*

| | Balance 7/1/11 | Additions | Disposals | Balance 6/30/12 |
|---|-------------------|-----------------|-----------|--------------------|
| <i>Business-type Activities:</i> | | | | |
| Land improvements | \$ - | 5,465 | - | 5,465 |
| Building and improvements | 53,731 | - | - | 53,731 |
| Furniture and equipment | 1,470,115 | 105,577 | - | 1,575,692 |
| Vehicles | 198,650 | - | - | 198,650 |
| Totals at historical cost | <u>1,722,496</u> | <u>111,042</u> | <u>-</u> | <u>1,833,538</u> |
| Less accumulated depreciation: | | | | |
| Land improvements | - | 364 | - | 364 |
| Building and improvements | 10,539 | 2,687 | - | 13,226 |
| Furniture and equipment | 710,071 | 180,990 | - | 891,061 |
| Vehicles | 177,701 | 7,450 | - | 185,151 |
| Total accumulated depreciation | <u>898,311</u> | <u>191,491</u> | <u>-</u> | <u>1,089,802</u> |
| Capital assets, net | <u>\$ 824,185</u> | <u>(80,449)</u> | <u>-</u> | <u>743,736</u> |

Depreciation expense was charged to governmental functions as follows:

| | |
|------------------------------------|---------------------|
| Instruction: | |
| Vocational education | \$ 2,814,309 |
| Support services: | |
| Pupil | 12,933 |
| Instructional staff | 7,308 |
| School administration | 35,568 |
| Fiscal | 536 |
| Operation and maintenance of plant | 21,003 |
| Pupil transportation | 15,834 |
| Central | 169,442 |
| Total depreciation expense | <u>\$ 3,076,933</u> |

Depreciation expense of \$191,491 was charged to the adult education segment.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2012

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 2012, 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 under Employers/Audit Resources.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2012

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, 2012, the allocation to pension and death benefits was 12.70%. The remaining 1.30% 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, 2012, 2011, and 2010 were approximately \$728,000, \$720,000, and \$680,000, 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, 2012

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 31st 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, 2012

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, 2012, 2011, and 2010 were approximately \$2,943,000, \$2,948,000, and \$2,906,000, 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, 2012, some members of the Board of Education have elected Social Security. The School District's liability is 4.2% of wages paid.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2012

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, 2012, 2011, and 2010. 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, 2012, 2011, and 2010 were approximately \$210,000, \$211,000, and \$208,000, 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 2012 was \$99.90 for most participants, but could be as high as \$319.70 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 2012, the actuarially required allocation was 0.75%. The School District contributions for the years ended June 30, 2012, 2011, and 2010 were approximately \$39,000, \$39,000, and \$37,000, 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, 2012

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, 2012, the health care allocation was 0.55%. 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 2012, the minimum compensation level was established at \$35,800. 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, 2012, 2011, and 2010 were approximately \$29,000, \$74,000, and \$22,000, 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, 2012

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 2012 were as follows:

| | Principal Outstanding <u>7/1/11</u> | <u>Additions</u> | <u>Reductions</u> | Principal Outstanding <u>6/30/12</u> | Amounts Due in <u>One Year</u> |
|---|---|------------------|-------------------|--|--------------------------------------|
| <i>Governmental Activities:</i> | | | | | |
| Compensated absences | \$ <u>2,150,192</u> | <u>266,810</u> | <u>(526,953)</u> | <u>1,890,049</u> | <u>267,602</u> |
| <i>Business-type Activities:</i> | | | | | |
| Compensated absences | \$ <u>145,858</u> | <u>11,196</u> | <u>(17,601)</u> | <u>139,453</u> | <u>14,505</u> |

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, 2012

11. SHORT-TERM OBLIGATIONS

On March 16, 2011, the School District issued \$4,500,000 of bond anticipation notes for school improvements bearing interest at 1.65%. These notes matured on March 15, 2012. On March 14, 2012, the School District issued bond anticipation of \$3,500,000 which will pay interest at 1.5%. These notes mature on March 14, 2013 and will be paid from the General, OSFC Project Construction, and Permanent Improvement funds.

| | Principal Outstanding 7/1/11 | Additions | Reductions | Principal Outstanding 6/30/12 |
|------------|------------------------------------|------------------|--------------------|-------------------------------------|
| 2011 notes | \$ 4,500,000 | - | (4,500,000) | - |
| 2012 notes | - | 3,500,000 | - | 3,500,000 |
| Total | \$ <u>4,500,000</u> | <u>3,500,000</u> | <u>(4,500,000)</u> | <u>3,500,000</u> |

12. FUND BALANCE DEFICITS

At June 30, 2012, the following funds had a deficit fund balance:

| | |
|--------------------------------|-------------|
| OSFC Project Construction Fund | \$1,643,712 |
| Other Governmental Funds: | |
| Permanent Improvement Fund | 148,223 |
| Vocational Education Fund | 103,762 |
| Improving Teacher Quality Fund | 405 |

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, 2012

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 |
|------------------------------------|----------------------|---|--------------------------------|--------------------------------|
| <i>Restricted for</i> | | | | |
| Classroom Facilities Maintenance | \$ 944,511 | - | - | 944,511 |
| Motorcycle Safety & Education | - | - | 32,503 | 32,503 |
| Other Purposes | - | - | 71,843 | 71,843 |
| <i>Total Restricted</i> | <u>944,511</u> | <u>-</u> | <u>104,346</u> | <u>1,048,857</u> |
| <i>Assigned to</i> | | | | |
| Public School Support | 43,834 | - | - | 43,834 |
| Encumbrances | 1,197,680 | - | - | 1,197,680 |
| Future Appropriations | 4,280,725 | - | - | 4,280,725 |
| <i>Total Assigned</i> | <u>5,522,239</u> | <u>-</u> | <u>-</u> | <u>5,522,239</u> |
| <i>Unassigned (Deficit)</i> | <u>5,631,944</u> | <u>(1,643,712)</u> | <u>(252,390)</u> | <u>3,735,842</u> |
| <i>Total Fund Balance</i> | <u>\$ 12,098,694</u> | <u>(1,643,712)</u> | <u>(148,044)</u> | <u>10,306,938</u> |

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, 2012

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, 2012

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, 2012 were:

| | |
|--------------------------|---------------------|
| General Fund | \$ 1,500,344 |
| Other Governmental Funds | 393,138 |
| Adult Education Fund | 286,617 |
| Other Enterprise Funds | <u>46,296</u> |
| | <u>\$ 2,226,395</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, 2012.

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>Budget</u> |
|---|---------------------|----------------------|
| | <u>Improvements</u> | <u>Stabilization</u> |
| Set-aside reserve balance as of June 30, 2011, restated | \$ - | 823,790 |
| Current year set-aside requirement | 536,128 | - |
| Current year qualifying expenditures | <u>(1,944,325)</u> | - |
| Total | <u>(1,408,197)</u> | <u>823,790</u> |
| Set-aside reserve balance as of June 30, 2012 | \$ - | <u>823,790</u> |

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2012

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. FUND RECLASSIFICATION

In accordance with Governmental Accounting Standards Board No. 54, the School District reclassified the Classroom Facilities Maintenance Fund with the General Fund. The reclassification resulted in the restatement of the School District's beginning fund balance:

| | General Fund | Other Governmental Funds |
|--|----------------------|--------------------------------|
| | <u> </u> | <u> </u> |
| Fund Balance at June 30, 2011 | \$ 10,608,763 | 786,027 |
| Change in fund classification | <u>937,087</u> | <u>(937,087)</u> |
| Restated Fund Balance at June 30, 2011 | \$ <u>11,545,850</u> | <u>(151,060)</u> |

**Required
Supplementary
Information**

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

| | General Fund | | | |
|--|-------------------------|--------------------|--------------------|----------------------------------|
| | <u>Budgeted Amounts</u> | | | Variance With Final Budget |
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Taxes | \$ 14,550,000 | 13,850,000 | 14,230,522 | 380,522 |
| Tuition | 700,000 | 700,000 | 746,111 | 46,111 |
| Interest | 50,000 | 100,000 | 5,627 | (94,373) |
| Intergovernmental | 23,300,000 | 24,823,200 | 24,834,643 | 11,443 |
| Miscellaneous | 100,000 | 127,075 | 131,887 | 4,812 |
| Total revenues | <u>38,700,000</u> | <u>39,600,275</u> | <u>39,948,790</u> | <u>348,515</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 504,082 | 509,960 | 454,372 | 55,588 |
| Vocational | 25,162,107 | 25,121,697 | 22,653,980 | 2,467,717 |
| Support services: | | | | |
| Pupil | 1,373,617 | 1,441,586 | 1,230,830 | 210,756 |
| Instructional staff | 2,849,402 | 3,223,510 | 3,138,835 | 84,675 |
| General administration | 131,750 | 145,326 | 140,255 | 5,071 |
| School administration | 4,124,017 | 2,938,135 | 2,663,625 | 274,510 |
| Fiscal | 1,239,696 | 1,255,860 | 1,171,223 | 84,637 |
| Business | 71,834 | 71,488 | 61,444 | 10,044 |
| Operation and maintenance of plant | 3,135,868 | 4,050,098 | 3,710,031 | 340,067 |
| Pupil transportation | 33,219 | 67,525 | 85,653 | (18,128) |
| Central | 3,188,179 | 3,209,173 | 3,103,280 | 105,893 |
| Non-instructional services: | | | | |
| Extracurricular activities | 440,000 | 515,857 | 466,380 | 49,477 |
| Food services | 8,500 | 4,820 | 18,874 | (14,054) |
| Total expenditures | <u>42,262,271</u> | <u>42,555,035</u> | <u>38,898,782</u> | <u>3,656,253</u> |
| Excess of revenues over (under) expenditures | <u>(3,562,271)</u> | <u>(2,954,760)</u> | <u>1,050,008</u> | <u>4,004,768</u> |
| Other financing sources (uses) | | | | |
| Transfers out | (737,729) | (1,751,348) | (1,824,866) | (73,518) |
| Advances in | - | 217,925 | 217,925 | - |
| Other financing sources (uses) | - | - | (190,708) | (190,708) |
| Total other financing sources (uses) | <u>(737,729)</u> | <u>(1,533,423)</u> | <u>(1,797,649)</u> | <u>(264,226)</u> |
| Net change in fund balance | (4,300,000) | (4,488,183) | (747,641) | 3,740,542 |
| Fund balance - beginning of year | 12,288,336 | 12,288,336 | 12,288,336 | |
| Prior year carryover appropriations | 1,306,382 | 1,306,382 | 1,306,382 | |
| Fund balance - end of year | \$ <u>9,294,718</u> | <u>9,106,535</u> | <u>12,847,077</u> | |

See accompanying notes to required supplementary information.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Notes to Required Supplementary Information
Year Ended June 30, 2012

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, 2012, on the GAAP basis to the budget basis are as follows:

| | |
|---|---------------------|
| | General Fund |
| | <hr/> |
| Net change in fund balance - GAAP Basis | \$ 552,844 |
| Increase / (decrease): | |
| Due to inclusion of Public School Support Fund | 16,354 |
| Due to inclusion of Classroom Facilities Maintenance Fund | (7,424) |
| Due to inclusion of Termination Benefits Fund | 391,970 |
| Due to revenues | (170,020) |
| Due to expenditures | (161,870) |
| Due to other financing sources | 27,217 |
| Due to encumbrances | <u>(1,396,712)</u> |
| Net change in fund balance - Budget Basis | \$ <u>(747,641)</u> |

Supplement Section

Combining Statements And Individual Fund Schedules

Butler Technology and Career Development Schools, Ohio

GENERAL FUND

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

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

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

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

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

SPECIAL REVENUE FUNDS

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

Nonmajor Special Revenue Funds:

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

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

Butler Technology and Career Development Schools, Ohio

Nonmajor Special Revenue Funds (continued):

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

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

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

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

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

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

DEBT SERVICE FUND

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

Butler Technology and Career Development Schools, Ohio

CAPITAL PROJECTS FUNDS

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

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, 2012

| | Nonmajor Special Revenue Funds | Nonmajor Debt <u>Service</u> Bond Retirement | Nonmajor Capital Projects | Total Nonmajor Governmental Funds |
|--|---|--|---------------------------------|--|
| Assets: | | | | |
| Equity in pooled cash and investments | \$ 234,623 | - | 679,477 | 914,100 |
| Receivables: | | | | |
| Intergovernmental | <u>299,287</u> | <u>-</u> | <u>-</u> | <u>299,287</u> |
| Total assets | <u>533,910</u> | <u>-</u> | <u>679,477</u> | <u>1,213,387</u> |
| Liabilities: | | | | |
| Accounts payable | 12,431 | - | - | 12,431 |
| Accrued wages and benefits | 58,375 | - | - | 58,375 |
| Accrued interest payable | - | - | 3,700 | 3,700 |
| Notes payable | - | - | 824,000 | 824,000 |
| Deferred revenue | 259,928 | - | - | 259,928 |
| Interfund payable | <u>202,997</u> | <u>-</u> | <u>-</u> | <u>202,997</u> |
| Total liabilities | <u>533,731</u> | <u>-</u> | <u>827,700</u> | <u>1,361,431</u> |
| Fund Balances: | | | | |
| Restricted | 104,346 | - | - | 104,346 |
| Unassigned | <u>(104,167)</u> | <u>-</u> | <u>(148,223)</u> | <u>(252,390)</u> |
| Total fund balances | <u>179</u> | <u>-</u> | <u>(148,223)</u> | <u>(148,044)</u> |
| Total liabilities and fund balances | <u>\$ 533,910</u> | <u>-</u> | <u>679,477</u> | <u>1,213,387</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, 2012

| | <u>Nonmajor Special Revenue Funds</u> | <u>Nonmajor Debt Service Bond Retirement</u> | <u>Nonmajor Capital Projects</u> | <u>Total Nonmajor Governmental Funds</u> |
|--|---|--|--|--|
| Revenues: | | | | |
| Investment income | \$ - | - | 3,889 | 3,889 |
| Intergovernmental | 1,175,950 | - | - | 1,175,950 |
| Miscellaneous | 1,828 | - | 5,175 | 7,003 |
| Total revenues | <u>1,177,778</u> | <u>-</u> | <u>9,064</u> | <u>1,186,842</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Vocational education | 345,437 | - | - | 345,437 |
| Other | 174,654 | - | - | 174,654 |
| Support services: | | | | |
| Pupil | 198,508 | - | - | 198,508 |
| Instructional staff | 178,665 | - | - | 178,665 |
| School administration | 226,984 | - | - | 226,984 |
| Fiscal | - | 17,822 | - | 17,822 |
| Central | 151,929 | - | - | 151,929 |
| Capital outlay | - | - | 148,210 | 148,210 |
| Debt service: | | | | |
| Interest and fiscal charges | - | - | 15,932 | 15,932 |
| Total expenditures | <u>1,276,177</u> | <u>17,822</u> | <u>164,142</u> | <u>1,458,141</u> |
| Excess of revenues over (under) expenditures | <u>(98,399)</u> | <u>(17,822)</u> | <u>(155,078)</u> | <u>(271,299)</u> |
| Other financing sources (uses) | | | | |
| Transfers in | - | 1,063,619 | 256,950 | 1,320,569 |
| Transfers out | - | (1,074,044) | - | (1,074,044) |
| Premium on sale of notes | - | 27,790 | - | 27,790 |
| Total other financing sources (uses) | <u>-</u> | <u>17,365</u> | <u>256,950</u> | <u>274,315</u> |
| Net change in fund balances | (98,399) | (457) | 101,872 | 3,016 |
| Fund balance, beginning of year, restated | 98,578 | 457 | (250,095) | (151,060) |
| Fund balance, end of year | \$ <u>179</u> | <u>-</u> | <u>(148,223)</u> | <u>(148,044)</u> |

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 June 30, 2012

| | Other Grant | Post Secondary Vocational Education | Motorcycle Safety & Education | Data Communication | High Schools That Work |
|--|------------------|--|-------------------------------------|-----------------------|---------------------------------|
| Assets: | | | | | |
| Equity in pooled cash and investments | \$ 71,473 | - | - | - | 6,110 |
| Receivables: | | | | | |
| Intergovernmental | - | - | 39,359 | - | 6,783 |
| Total assets | <u>71,473</u> | <u>-</u> | <u>39,359</u> | <u>-</u> | <u>12,893</u> |
| Liabilities: | | | | | |
| Accounts payable | - | - | - | - | - |
| Accrued wages and benefits | - | - | 5,149 | - | - |
| Deferred revenue | - | - | - | - | 6,783 |
| Interfund payable | - | - | 1,707 | - | 5,740 |
| Total liabilities | <u>-</u> | <u>-</u> | <u>6,856</u> | <u>-</u> | <u>12,523</u> |
| Fund Balances: | | | | | |
| Restricted | 71,473 | - | 32,503 | - | 370 |
| Unassigned | - | - | - | - | - |
| Total fund balances | <u>71,473</u> | <u>-</u> | <u>32,503</u> | <u>-</u> | <u>370</u> |
| Total liabilities and fund balances | \$ <u>71,473</u> | <u>-</u> | <u>39,359</u> | <u>-</u> | <u>12,893</u> |

(continued)

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Combining Balance Sheet

Nonmajor Special Revenue Funds - continued

June 30, 2012

| | <u>Misc. State Grants</u> | <u>Vocational Education</u> | <u>Improving Teacher Quality</u> | <u>TOTAL</u> |
|--|-----------------------------------|---------------------------------|--|---------------------|
| Assets: | | | | |
| Equity in pooled cash and investments | \$ - | 156,710 | 330 | 234,623 |
| Receivables: | | | | |
| Intergovernmental | <u>-</u> | <u>231,049</u> | <u>22,096</u> | <u>299,287</u> |
| Total assets | <u>-</u> | <u>387,759</u> | <u>22,426</u> | <u>533,910</u> |
| Liabilities: | | | | |
| Accounts payable | - | 12,431 | - | 12,431 |
| Accrued wages and benefits | - | 53,226 | - | 58,375 |
| Deferred revenue | - | 231,049 | 22,096 | 259,928 |
| Interfund payable | <u>-</u> | <u>194,815</u> | <u>735</u> | <u>202,997</u> |
| Total liabilities | <u>-</u> | <u>491,521</u> | <u>22,831</u> | <u>533,731</u> |
| Fund Balances: | | | | |
| Restricted | - | - | - | 104,346 |
| Unassigned | <u>-</u> | <u>(103,762)</u> | <u>(405)</u> | <u>(104,167)</u> |
| Total fund balances | <u>-</u> | <u>(103,762)</u> | <u>(405)</u> | <u>179</u> |
| Total liabilities and fund balances | \$ <u>-</u> | <u>387,759</u> | <u>22,426</u> | <u>533,910</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, 2012

| | Other Grant | Post Secondary Vocational Education | Motorcycle Safety & Education | Data Communication | High Schools That Work |
|---|------------------|--|-------------------------------------|-----------------------|---------------------------------|
| Revenues: | | | | | |
| Intergovernmental | \$ - | 25,000 | 78,871 | 7,200 | 6,567 |
| Miscellaneous | 1,828 | - | - | - | - |
| Total revenues | <u>1,828</u> | <u>25,000</u> | <u>78,871</u> | <u>7,200</u> | <u>6,567</u> |
| Expenditures: | | | | | |
| Current: | | | | | |
| Instruction: | | | | | |
| Vocational Education | 2,547 | - | - | - | - |
| Other | - | - | 50,871 | - | - |
| Support services: | | | | | |
| Pupil | 1,383 | 25,000 | - | - | 3,871 |
| Instructional staff | - | - | - | - | - |
| School administration | - | - | - | - | - |
| Central | 4,998 | 3,854 | - | 7,200 | - |
| Total expenditures | <u>8,928</u> | <u>28,854</u> | <u>50,871</u> | <u>7,200</u> | <u>3,871</u> |
| Net change in fund balances | (7,100) | (3,854) | 28,000 | - | 2,696 |
| Fund balance, beginning of year, restated | 78,573 | 3,854 | 4,503 | - | (2,326) |
| Fund balance, end of year | \$ <u>71,473</u> | <u>-</u> | <u>32,503</u> | <u>-</u> | <u>370</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, 2012

| | Misc. State Grants | Vocational Education | Improving Teacher Quality | <i>TOTAL</i> |
|---|--------------------------|-------------------------|---------------------------------|---------------------|
| Revenues: | | | | |
| Intergovernmental | \$ 12,600 | 1,020,578 | 25,134 | 1,175,950 |
| Miscellaneous | - | - | - | 1,828 |
| Total revenues | <u>12,600</u> | <u>1,020,578</u> | <u>25,134</u> | <u>1,177,778</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Vocational Education | - | 342,890 | - | 345,437 |
| Other | - | 123,783 | - | 174,654 |
| Support services: | | | | |
| Pupil | - | 168,254 | - | 198,508 |
| Instructional staff | - | 178,260 | 405 | 178,665 |
| School administration | - | 226,984 | - | 226,984 |
| Central | - | 135,877 | - | 151,929 |
| Total expenditures | <u>-</u> | <u>1,176,048</u> | <u>405</u> | <u>1,276,177</u> |
| Net change in fund balances | 12,600 | (155,470) | 24,729 | (98,399) |
| Fund balance, beginning of year, restated | <u>(12,600)</u> | <u>51,708</u> | <u>(25,134)</u> | <u>98,578</u> |
| Fund balance, end of year | \$ <u>-</u> | <u>(103,762)</u> | <u>(405)</u> | <u>179</u> |

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT, SCHOOLS, OHIO

Combining Balance Sheet

All Nonmajor Capital Projects Funds

June 30, 2012

| | <u>Permanent Improvement</u> | <u>Building</u> | <u>TOTAL</u> |
|--|----------------------------------|-----------------|---------------------|
| Assets: | | | |
| Equity in pooled cash and investments | \$ <u>679,477</u> | <u>-</u> | <u>679,477</u> |
| Total assets | <u>679,477</u> | <u>-</u> | <u>679,477</u> |
| Liabilities: | | | |
| Accrued interest payable | 3,700 | - | 3,700 |
| Notes payable | <u>824,000</u> | <u>-</u> | <u>824,000</u> |
| Total liabilities | <u>827,700</u> | <u>-</u> | <u>827,700</u> |
| Fund Balances: | | | |
| Unassigned | <u>(148,223)</u> | <u>-</u> | <u>(148,223)</u> |
| Total fund balances | <u>(148,223)</u> | <u>-</u> | <u>(148,223)</u> |
| Total liabilities and fund balances | \$ <u>679,477</u> | <u>-</u> | <u>679,477</u> |

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT, SCHOOLS, OHIO

Combining Statement of Revenues, Expenditures

and Changes in Fund Balances

All Nonmajor Capital Projects Funds

Year Ended June 30, 2012

| | <u>Permanent Improvement</u> | <u>Building</u> | <u>TOTAL</u> |
|---|----------------------------------|-----------------|-------------------------|
| Revenues: | | | |
| Investment income | \$ 3,885 | 4 | 3,889 |
| Miscellaneous | <u>5,175</u> | - | <u>5,175</u> |
| Total revenues | <u>9,060</u> | <u>4</u> | <u>9,064</u> |
| Expenditures: | | | |
| Capital outlay | 143,448 | 4,762 | 148,210 |
| Debt service: | | | |
| Interest and fiscal charges | <u>15,932</u> | - | <u>15,932</u> |
| Total expenditures | <u>159,380</u> | <u>4,762</u> | <u>164,142</u> |
| Excess of revenues over (under) expenditures | (150,320) | (4,758) | (155,078) |
| Other financing sources (uses): | | | |
| Transfers in | <u>253,432</u> | <u>3,518</u> | <u>256,950</u> |
| Total other financing sources (uses) | <u>253,432</u> | <u>3,518</u> | <u>256,950</u> |
| Net change in fund balances | 103,112 | (1,240) | 101,872 |
| Fund balance, beginning of year | <u>(251,335)</u> | <u>1,240</u> | <u>(250,095)</u> |
| Fund balance, end of year | \$ <u><u>(148,223)</u></u> | <u><u>-</u></u> | <u><u>(148,223)</u></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, 2012

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance from Final Budget</u> |
|--------------------------------------|-------------------------|-----------------|---|
| Revenues: | | | |
| Other local revenues | \$ 5,000 | 8,654 | 3,654 |
| Total revenues | <u>5,000</u> | <u>8,654</u> | <u>3,654</u> |
| Expenditures: | | | |
| Current: | | | |
| Extracurricular activities | <u>25,044</u> | <u>25,009</u> | <u>35</u> |
| Total expenditures | <u>25,044</u> | <u>25,009</u> | <u>35</u> |
| Net change in fund balance | <u>(20,044)</u> | <u>(16,355)</u> | <u>3,689</u> |
| Fund balance, beginning of year | 57,244 | 57,244 | |
| Prior year encumbrances appropriated | <u>2,944</u> | <u>2,944</u> | |
| Fund balance, end of year | \$ <u>40,144</u> | <u>43,833</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, 2012

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance from Final Budget</u> |
|---|-------------------------|------------------|---|
| Revenues: | | | |
| Earnings on investments | \$ - | 469 | 469 |
| Total revenues | <u>-</u> | <u>469</u> | <u>469</u> |
| Expenditures: | | | |
| Current: | | | |
| Instruction: | | | |
| Vocational | <u>505,000</u> | <u>501,935</u> | <u>3,065</u> |
| Total expenditures | <u>505,000</u> | <u>501,935</u> | <u>3,065</u> |
| Excess of revenues over (under) expenditures | <u>(505,000)</u> | <u>(501,466)</u> | <u>3,534</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>(255,000)</u> | <u>(251,466)</u> | <u>3,534</u> |
| Fund balance, beginning of year | 312,147 | 312,147 | |
| Prior year encumbrances appropriated | <u>-</u> | <u>-</u> | |
| Fund balance, end of year | \$ <u>57,147</u> | <u>60,681</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, 2012

| | <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>510,000</u> | <u>508,571</u> | <u>1,429</u> |
| Total expenditures | <u>510,000</u> | <u>508,571</u> | <u>1,429</u> |
| Excess of revenues over (under) expenditures | (510,000) | (508,571) | 1,429 |
| 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 | (122,271) | (120,842) | 1,429 |
| Fund balance, beginning of year | 1,163,187 | 1,163,187 | |
| Prior year encumbrances appropriated | <u>-</u> | <u>-</u> | |
| Fund balance, end of year | \$ <u>1,040,916</u> | <u>1,042,345</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, 2012

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance from Final Budget</u> |
|--------------------------------------|-------------------------|----------------|---|
| Revenues: | | | |
| Grants | \$ 200 | 450 | 250 |
| Other local revenues | <u>1,600</u> | <u>1,378</u> | <u>(222)</u> |
| Total revenues | <u>1,800</u> | <u>1,828</u> | <u>28</u> |
| Expenditures: | | | |
| Current: | | | |
| Instruction: | | | |
| Vocational | 6,011 | 2,547 | 3,464 |
| Support Services: | | | |
| Pupil | 4,117 | 3,133 | 984 |
| Central | 5,619 | 4,998 | 621 |
| Extracurricular activities | <u>1,700</u> | <u>-</u> | <u>1,700</u> |
| Total expenditures | <u>17,447</u> | <u>10,678</u> | <u>6,769</u> |
| Net change in fund balance | <u>(15,647)</u> | <u>(8,850)</u> | <u>6,797</u> |
| Fund balance, beginning of year | 72,954 | 72,954 | |
| Prior year encumbrances appropriated | <u>5,619</u> | <u>5,619</u> | |
| Fund balance, end of year | \$ <u>62,926</u> | <u>69,723</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, 2012

| | <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 | - |
| Central | <u>9,854</u> | <u>9,854</u> | <u>-</u> |
| Total expenditures | <u>34,854</u> | <u>34,854</u> | <u>-</u> |
| Net change in fund balance | <u>(9,854)</u> | <u>(9,854)</u> | <u>-</u> |
| Fund balance, beginning of year | - | - | |
| Prior year encumbrances appropriated | <u>9,854</u> | <u>9,854</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, 2012

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance from Final Budget</u> |
|---|-------------------------|----------------|---|
| Revenues: | | | |
| Intergovernmental | \$ 48,379 | 48,379 | - |
| Total revenues | <u>48,379</u> | <u>48,379</u> | <u>-</u> |
| Expenditures: | | | |
| Current: | | | |
| Instruction: | | | |
| Other | <u>50,086</u> | <u>45,722</u> | <u>4,364</u> |
| Total expenditures | <u>50,086</u> | <u>45,722</u> | <u>4,364</u> |
| Excess of revenues over (under) expenditures | <u>(1,707)</u> | <u>2,657</u> | <u>4,364</u> |
| Other financing sources (uses): | | | |
| Advances in | 1,707 | 1,707 | - |
| Advances out | <u>-</u> | <u>(4,364)</u> | <u>(4,364)</u> |
| Total other financing sources (uses) | <u>1,707</u> | <u>(2,657)</u> | <u>(4,364)</u> |
| Net change in fund balance | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balance, beginning of year | - | - | |
| Prior year encumbrances appropriated | <u>-</u> | <u>-</u> | |
| Fund balance, end of year | \$ <u>-</u> | <u>-</u> | |

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Data Communication Fund

Year Ended June 30, 2012

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

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

High Schools That Work Grant Fund

Year Ended June 30, 2012

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance from Final Budget</u> |
|---|-------------------------|----------------|---|
| Revenues: | | | |
| Intergovernmental | \$ 6,567 | 6,567 | - |
| Total revenues | <u>6,567</u> | <u>6,567</u> | <u>-</u> |
| Expenditures: | | | |
| Current: | | | |
| Support services: | | | |
| Pupil | 11,380 | 11,380 | - |
| Total expenditures | <u>11,380</u> | <u>11,380</u> | <u>-</u> |
| Excess of revenues over (under) expenditures | <u>(4,813)</u> | <u>(4,813)</u> | <u>-</u> |
| Other financing sources (uses): | | | |
| Advances in | 5,740 | 5,740 | - |
| Advances out | <u>(7,200)</u> | <u>(7,200)</u> | <u>-</u> |
| Total other financing sources (uses) | <u>(1,460)</u> | <u>(1,460)</u> | <u>-</u> |
| Net change in fund balance | (6,273) | (6,273) | - |
| Fund balance, beginning of year | 1,005 | 1,005 | |
| Prior year encumbrances appropriated | <u>5,268</u> | <u>5,268</u> | |
| Fund balance, end of year | \$ <u>-</u> | <u>-</u> | |

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Miscellaneous State Grants Fund

Year Ended June 30, 2012

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance from Final Budget</u> |
|--|-------------------------|-----------------|---|
| Revenues: | | | |
| Intergovernmental | \$ 30,000 | 30,000 | - |
| Total revenues | <u>30,000</u> | <u>30,000</u> | <u>-</u> |
| Expenditures: | | | |
| Current: | | | |
| Support services: | | | |
| Central | <u>30,000</u> | - | <u>30,000</u> |
| Total expenditures | <u>30,000</u> | <u>-</u> | <u>30,000</u> |
| Excess of revenues over (under) expenditures | - | 30,000 | 30,000 |
| Other financing uses: | | | |
| Advances out | <u>-</u> | <u>(30,000)</u> | <u>(30,000)</u> |
| Total other financing uses | <u>-</u> | <u>(30,000)</u> | <u>(30,000)</u> |
| Net change in fund balance | - | - | - |
| Fund balance, beginning of year | - | - | |
| Prior year encumbrances appropriated | <u>-</u> | <u>-</u> | |
| Fund balance, end of year | \$ <u>-</u> | <u>-</u> | |

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, 2012

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance from Final Budget</u> |
|--|-------------------------|------------------|---|
| Revenues: | | | |
| Intergovernmental | \$ 1,020,578 | 1,020,578 | - |
| Total revenues | <u>1,020,578</u> | <u>1,020,578</u> | <u>-</u> |
| Expenditures: | | | |
| Current: | | | |
| Instruction: | | | |
| Vocational | 428,882 | 390,192 | 38,690 |
| Adult/continuing education | 94,055 | 124,948 | (30,893) |
| Support services: | | | |
| Pupil | 191,810 | 177,974 | 13,836 |
| Instructional staff | 255,589 | 248,153 | 7,436 |
| School administration | 238,950 | 229,711 | 9,239 |
| Central | <u>147,615</u> | <u>137,627</u> | <u>9,988</u> |
| Total expenditures | <u>1,356,901</u> | <u>1,308,605</u> | <u>48,296</u> |
| Excess of revenues over (under) expenditures | (336,323) | (288,027) | 48,296 |
| Other financing sources (uses): | | | |
| Advances in | 194,270 | 194,270 | - |
| Advances out | <u>(96,318)</u> | <u>(144,614)</u> | <u>(48,296)</u> |
| Total other financing sources (uses) | <u>97,952</u> | <u>49,656</u> | <u>(48,296)</u> |
| Net change in fund balance | (238,371) | (238,371) | - |
| Fund balance, beginning of year | 122,692 | 122,692 | |
| Prior year encumbrances appropriated | <u>115,679</u> | <u>115,679</u> | |
| Fund balance, end of year | \$ <u>-</u> | <u>-</u> | |

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Improving Teacher Quality Fund

Year Ended June 30, 2012

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance from Final Budget</u> |
|--|-------------------------|-----------------|---|
| Revenues: | | | |
| Intergovernmental | \$ 25,134 | 25,134 | - |
| Total revenues | <u>25,134</u> | <u>25,134</u> | <u>-</u> |
| Expenditures: | | | |
| Current: | | | |
| Support services: | | | |
| Instructional staff | <u>22,096</u> | <u>735</u> | <u>21,361</u> |
| Total expenditures | <u>22,096</u> | <u>735</u> | <u>21,361</u> |
| Excess of revenues over (under) expenditures | 3,038 | 24,399 | 21,361 |
| Other financing sources (uses): | | | |
| Advances in | 735 | 735 | - |
| Advances out | <u>(10,386)</u> | <u>(31,747)</u> | <u>(21,361)</u> |
| Total other financing sources (uses) | <u>(9,651)</u> | <u>(31,012)</u> | <u>(21,361)</u> |
| Net change in fund balance | (6,613) | (6,613) | - |
| Fund balance, beginning of year | 6,613 | 6,613 | |
| Prior year encumbrances appropriated | <u>-</u> | <u>-</u> | |
| Fund balance, end of year | \$ <u>-</u> | <u>-</u> | |

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Debt Service Fund

Year Ended June 30, 2012

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance from Final Budget</u> |
|---|-------------------------|------------------|---|
| Expenditures: | | | |
| Current: | | | |
| Instruction: | | | |
| Fiscal | \$ 17,822 | 17,822 | - |
| Debt service: | | | |
| Repayment of debt | <u>4,574,044</u> | <u>4,574,044</u> | <u>-</u> |
| Total expenditures | <u>4,591,866</u> | <u>4,591,866</u> | <u>-</u> |
| Excess of revenues over (under) expenditures | (4,591,866) | (4,591,866) | - |
| Other financing sources: | | | |
| Transfers in | 1,063,619 | 1,063,619 | - |
| Proceeds from sale of notes | 3,500,000 | 3,500,000 | - |
| Accrued interest on notes sold | <u>27,790</u> | <u>27,790</u> | <u>-</u> |
| Total financing sources | <u>4,591,409</u> | <u>4,591,409</u> | <u>-</u> |
| Net change in fund balance | (457) | (457) | - |
| Fund balance, beginning of year | 457 | 457 | |
| Prior year encumbrances appropriated | <u>-</u> | <u>-</u> | |
| Fund balance, end of year | \$ <u>-</u> | <u>-</u> | |

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

OSFC Project Construction Fund

Year Ended June 30, 2012

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance from Final Budget</u> |
|--------------------------------------|-------------------------|------------------|---|
| Revenues: | | | |
| Intergovernmental | \$ 45,000 | 47,348 | 2,348 |
| Earnings on investments | <u>5,000</u> | <u>4,940</u> | <u>(60)</u> |
| Total revenues | <u>50,000</u> | <u>52,288</u> | <u>2,288</u> |
| Expenditures: | | | |
| Capital outlay | <u>147,904</u> | <u>133,356</u> | <u>14,548</u> |
| Total expenditures | <u>147,904</u> | <u>133,356</u> | <u>14,548</u> |
| Net change in fund balance | (97,904) | (81,068) | 16,836 |
| Fund balance, beginning of year | 1,558,875 | 1,558,875 | |
| Prior year encumbrances appropriated | <u>47,904</u> | <u>47,904</u> | |
| Fund balance, end of year | \$ <u>1,508,875</u> | <u>1,525,711</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, 2012

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance from Final Budget</u> |
|--------------------------------------|-------------------------|----------------|---|
| Revenues: | | | |
| Earnings on investments | \$ 3,550 | 3,885 | 335 |
| Other local revenues | <u>5,500</u> | <u>5,175</u> | <u>(325)</u> |
| Total revenues | <u>9,050</u> | <u>9,060</u> | <u>10</u> |
| Expenditures: | | | |
| Capital outlay | <u>701,777</u> | <u>371,686</u> | <u>330,091</u> |
| Total expenditures | <u>701,777</u> | <u>371,686</u> | <u>330,091</u> |
| Net change in fund balance | (692,727) | (362,626) | 330,101 |
| Fund balance, beginning of year | 762,088 | 762,088 | |
| Prior year encumbrances appropriated | <u>51,777</u> | <u>51,777</u> | |
| Fund balance, end of year | \$ <u>121,138</u> | <u>451,239</u> | |

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Building Fund

Year Ended June 30, 2012

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance from Final Budget</u> |
|---|-------------------------|----------------|---|
| Revenues: | | | |
| Earnings on investments | \$ 4 | 4 | - |
| Total revenues | <u>4</u> | <u>4</u> | <u>-</u> |
| Expenditures: | | | |
| Capital outlay | <u>4,762</u> | <u>4,762</u> | <u>-</u> |
| Total expenditures | <u>4,762</u> | <u>4,762</u> | <u>-</u> |
| Excess of revenues over (under) expenditures | <u>(4,758)</u> | <u>(4,758)</u> | <u>-</u> |
| Other financing sources: | | | |
| Transfers in | <u>3,518</u> | <u>3,518</u> | <u>-</u> |
| Total other financing sources | <u>3,518</u> | <u>3,518</u> | <u>-</u> |
| Net change in fund balance | (1,240) | (1,240) | - |
| Fund balance, beginning of year | 1,240 | 1,240 | |
| Prior year encumbrances appropriated | <u>-</u> | <u>-</u> | |
| Fund balance, end of year | \$ <u>-</u> | <u>-</u> | |

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Combining Statement of Net Assets

Nonmajor Enterprise Funds

June 30, 2012

| | <u>Food Service</u> | <u>Uniform School Supply</u> | <u>Rotary</u> | <i>TOTAL</i> |
|---------------------------------------|-------------------------|--------------------------------------|-----------------------|-----------------------|
| Assets: | | | | |
| Equity in pooled cash and investments | \$ 34,005 | 29,917 | 125,286 | 189,208 |
| Receivables: | | | | |
| Accounts | <u>18,461</u> | <u>-</u> | <u>1,812</u> | <u>20,273</u> |
| Total assets | <u>52,466</u> | <u>29,917</u> | <u>127,098</u> | <u>209,481</u> |
| Liabilities: | | | | |
| Accounts payable | 8,370 | - | 2,157 | 10,527 |
| Accrued wages | <u>-</u> | <u>-</u> | <u>14,841</u> | <u>14,841</u> |
| Total liabilities | <u>8,370</u> | <u>-</u> | <u>16,998</u> | <u>25,368</u> |
| Net assets: | | | | |
| Unrestricted | <u>44,096</u> | <u>29,917</u> | <u>110,100</u> | <u>184,113</u> |
| Total net assets | \$ <u><u>44,096</u></u> | <u><u>29,917</u></u> | <u><u>110,100</u></u> | <u><u>184,113</u></u> |

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Combining Statement of Revenues, Expenses and
 Changes in Fund Net Assets
 Nonmajor Enterprise Funds
 Year Ended June 30, 2012

| | Food Service | Uniform School Supply | Rotary | TOTAL |
|------------------------------------|------------------|-----------------------------|----------------|----------------|
| Operating revenues: | | | | |
| Charges for services | \$ 193,036 | 6,217 | 61,476 | 260,729 |
| Other operating revenues | <u>-</u> | <u>-</u> | <u>176,313</u> | <u>176,313</u> |
| Total operating revenues | <u>193,036</u> | <u>6,217</u> | <u>237,789</u> | <u>437,042</u> |
| Operating expenses: | | | | |
| Salaries and wages | - | - | 62,698 | 62,698 |
| Fringe benefits | 18,131 | - | 39,368 | 57,499 |
| Contractual services | 330,300 | - | 36,525 | 366,825 |
| Materials and supplies | - | 8,208 | 51,443 | 59,651 |
| Other expenses | <u>-</u> | <u>-</u> | <u>27,896</u> | <u>27,896</u> |
| Total operating expenses | <u>348,431</u> | <u>8,208</u> | <u>217,930</u> | <u>574,569</u> |
| Operating income (loss) | (155,395) | (1,991) | 19,859 | (137,527) |
| Nonoperating revenues: | | | | |
| State and federal grants | 106,846 | - | - | 106,846 |
| Interest income | <u>122</u> | <u>-</u> | <u>-</u> | <u>122</u> |
| Total nonoperating revenues | <u>106,968</u> | <u>-</u> | <u>-</u> | <u>106,968</u> |
| Net income (loss) before transfers | (48,427) | (1,991) | 19,859 | (30,559) |
| Transfers in | <u>70,000</u> | <u>-</u> | <u>-</u> | <u>70,000</u> |
| Net income (loss) | 21,573 | (1,991) | 19,859 | 39,441 |
| Net assets, beginning of year | <u>22,523</u> | <u>31,908</u> | <u>90,241</u> | <u>144,672</u> |
| Net assets, end of year | \$ <u>44,096</u> | <u>29,917</u> | <u>110,100</u> | <u>184,113</u> |

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

Year Ended June 30, 2012

| | <u>Food Service</u> | <u>Uniform School Supply</u> | <u>Rotary</u> | <u>TOTAL</u> |
|--|-------------------------|--------------------------------------|----------------|---------------------|
| Cash flows from operating activities: | | | | |
| Cash received from customers | \$ 174,575 | 6,217 | 61,472 | 242,264 |
| Cash received from other operations | - | - | 174,505 | 174,505 |
| Cash payments for personal services | (18,131) | - | (100,010) | (118,141) |
| Cash payments for contract services | (332,310) | - | (35,226) | (367,536) |
| Cash payments for supplies and materials | - | (8,208) | (50,747) | (58,955) |
| Cash payments for other expenses | - | - | (27,896) | (27,896) |
| Net cash provided (used) by operating activities | <u>(175,866)</u> | <u>(1,991)</u> | <u>22,098</u> | <u>(155,759)</u> |
| Cash flows from noncapital financing activities: | | | | |
| Transfers | 70,000 | - | - | 70,000 |
| Cash received from state and federal grants | <u>106,846</u> | <u>-</u> | <u>-</u> | <u>106,846</u> |
| Net cash provided by noncapital financing activities | <u>176,846</u> | <u>-</u> | <u>-</u> | <u>176,846</u> |
| Cash flows from investing activities: | | | | |
| Investment income | <u>122</u> | <u>-</u> | <u>-</u> | <u>122</u> |
| Net increase (decrease) in cash | 1,102 | (1,991) | 22,098 | 21,209 |
| Cash and investments, beginning of year | <u>32,903</u> | <u>31,908</u> | <u>103,188</u> | <u>167,999</u> |
| Cash and investments, end of year | <u>34,005</u> | <u>29,917</u> | <u>125,286</u> | <u>189,208</u> |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | | | |
| Operating income (loss) | (155,395) | (1,991) | 19,859 | (137,527) |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | | |
| Changes in assets and liabilities: | | | | |
| Accounts receivable | (18,461) | - | (1,812) | (20,273) |
| Accounts payable | (2,010) | - | 1,995 | (15) |
| Accrued wages and benefits | <u>-</u> | <u>-</u> | <u>2,056</u> | <u>2,056</u> |
| Net cash provided (used) by operating activities | <u>\$ (175,866)</u> | <u>(1,991)</u> | <u>22,098</u> | <u>(155,759)</u> |

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Combining Statement of Assets & Liabilities

Agency Funds

June 30, 2012

| | <u>Agency Funds</u> | | | |
|--|---------------------|-------------------------------|----------------------------|------------------|
| | <u>SWOCA</u> | <u>Student Activities</u> | <u>District Agency</u> | <u>Total</u> |
| Assets: | | | | |
| Equity in pooled cash and investments \$ | 3,849,398 | 251,976 | 87,123 | 4,188,497 |
| Intergovernmental receivable | <u>56,300</u> | <u>4,310</u> | <u>-</u> | <u>60,610</u> |
| Total assets | <u>3,905,698</u> | <u>256,286</u> | <u>87,123</u> | <u>4,249,107</u> |
| Liabilities: | | | | |
| Due to student groups | - | 256,286 | - | 256,286 |
| Due to other governments | <u>3,905,698</u> | <u>-</u> | <u>87,123</u> | <u>3,992,821</u> |
| Total liabilities | <u>\$ 3,905,698</u> | <u>256,286</u> | <u>87,123</u> | <u>4,249,107</u> |

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

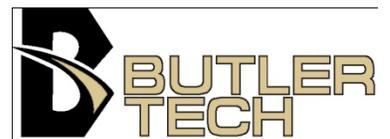
Combining Statement of Changes in Fiduciary Assets & Liabilities

Agency Funds

Year Ended June 30, 2012

| | Beginning Balance 7/1/11 | Additions | Deductions | Ending Balance 6/30/12 |
|---------------------------------------|--------------------------------|------------------|------------------|------------------------------|
| SWOCA FUND | | | | |
| Assets: | | | | |
| Equity in pooled cash and investments | \$ 3,856,118 | 4,259,327 | 4,266,047 | 3,849,398 |
| Intergovernmental receivable | <u>48,421</u> | <u>56,300</u> | <u>48,421</u> | <u>56,300</u> |
| | <u>3,904,539</u> | <u>4,315,627</u> | <u>4,314,468</u> | <u>3,905,698</u> |
| Liabilities: | | | | |
| Due to other governments | \$ <u>3,904,539</u> | <u>4,315,627</u> | <u>4,314,468</u> | <u>3,905,698</u> |
| STUDENT ACTIVITIES FUND | | | | |
| Assets: | | | | |
| Equity in pooled cash and investments | \$ 235,755 | 472,965 | 456,744 | 251,976 |
| Intergovernmental receivable | <u>23,711</u> | <u>4,310</u> | <u>23,711</u> | <u>4,310</u> |
| | <u>259,466</u> | <u>477,275</u> | <u>480,455</u> | <u>256,286</u> |
| Liabilities: | | | | |
| Due to student groups | \$ <u>259,466</u> | <u>477,275</u> | <u>480,455</u> | <u>256,286</u> |
| DISTRICT AGENCY FUND | | | | |
| Assets: | | | | |
| Equity in pooled cash and investments | \$ <u>82,064</u> | <u>2,469,663</u> | <u>2,464,604</u> | <u>87,123</u> |
| Liabilities: | | | | |
| Due to other governments | \$ <u>82,064</u> | <u>2,469,663</u> | <u>2,464,604</u> | <u>87,123</u> |
| TOTAL | | | | |
| Assets: | | | | |
| Equity in pooled cash and investments | \$ 4,173,937 | 7,201,955 | 7,187,395 | 4,188,497 |
| Intergovernmental receivable | <u>72,132</u> | <u>60,610</u> | <u>72,132</u> | <u>60,610</u> |
| | <u>4,246,069</u> | <u>7,262,565</u> | <u>7,259,527</u> | <u>4,249,107</u> |
| Liabilities: | | | | |
| Due to student groups | 259,466 | 477,275 | 480,455 | 256,286 |
| Due to other governments | <u>3,986,603</u> | <u>6,785,290</u> | <u>6,779,072</u> | <u>3,992,821</u> |
| | \$ <u>4,246,069</u> | <u>7,262,565</u> | <u>7,259,527</u> | <u>4,249,107</u> |

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

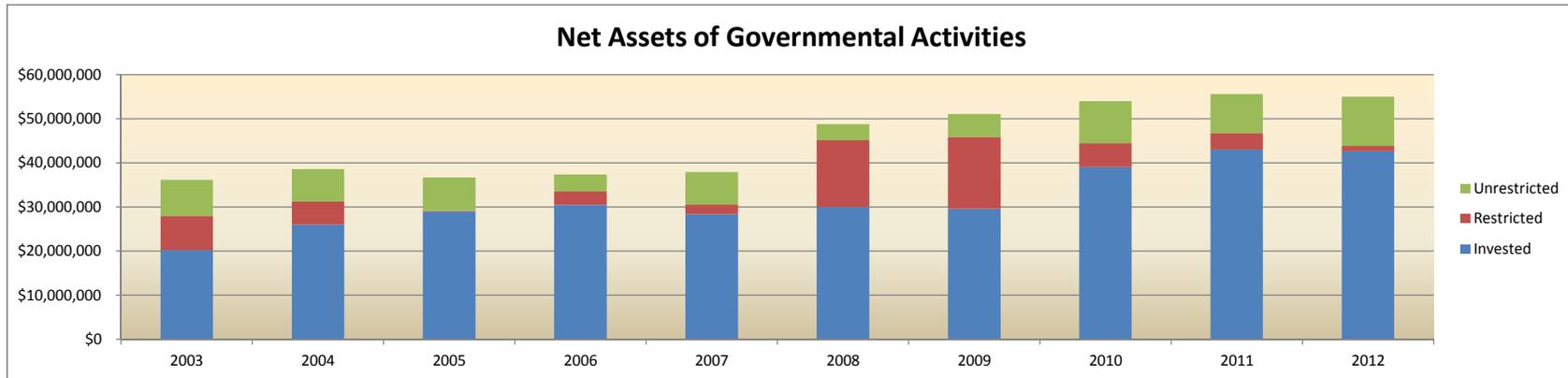
These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs. S-18 - S-20

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 Assets by Component
Last Ten Fiscal Years
(accrual basis of accounting)

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Governmental Activities: | | | | | | | | | | |
| Invested in Capital Assets, Net of Related Debt | \$20,182,485 | \$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 |
| Restricted for: | | | | | | | | | | |
| Capital Projects | 7,620,368 | 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 |
| Other Purposes | 197,063 | 227,044 | 7,420 | 4,851 | 119,597 | 128,940 | 192,864 | 515,736 | 1,129,821 | 364,274 |
| Unrestricted (Deficit) | 8,123,058 | 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 |
| Total Governmental Activities Net Assets | \$36,122,974 | \$38,585,834 | \$36,683,118 | \$37,396,333 | \$37,884,769 | \$48,806,539 | \$51,074,140 | \$53,992,823 | \$55,587,625 | \$55,017,673 |
| Business-type Activities: | | | | | | | | | | |
| Invested in Capital Assets, Net of Related Debt | \$113,066 | \$136,952 | \$186,556 | \$209,272 | \$496,891 | \$517,146 | \$531,000 | \$444,630 | \$824,185 | \$743,736 |
| Unrestricted (Deficit) | 927,446 | 198,119 | (294,182) | (492,761) | 245,451 | 220,647 | 466,781 | 1,288,602 | 1,265,955 | 1,847,333 |
| Total Business-type Activities Net Assets | \$1,040,512 | \$335,071 | (\$107,626) | (\$283,489) | \$742,342 | \$737,793 | \$997,781 | \$1,733,232 | \$2,090,140 | \$2,591,069 |
| Primary Government: | | | | | | | | | | |
| Invested in Capital Assets, Net of Related Debt | \$20,295,551 | \$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 |
| Restricted | 7,817,431 | 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 |
| Unrestricted (Deficit) | 9,050,504 | 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 |
| Total Primary Government Net Assets | \$37,163,486 | \$38,920,905 | \$36,575,492 | \$37,112,844 | \$38,627,111 | \$49,544,332 | \$52,071,921 | \$55,726,055 | \$57,677,765 | \$57,608,742 |

Source: School District's financial statements



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

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Expenses | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Regular Instruction | \$312,742 | \$313,687 | \$366,755 | \$390,185 | \$405,750 | \$430,515 | \$495,862 | \$496,993 | \$472,594 | \$422,367 |
| Special and Other Instruction | 71,418 | 120,983 | 150,835 | 0 | 0 | 0 | 0 | 0 | 12,661 | 435,778 |
| Vocational Instruction | 10,302,778 | 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 |
| Pupil Support | 804,163 | 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 |
| Instructional Staff Support | 943,852 | 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 |
| Board of Education | 148,582 | 222,672 | 322,216 | 267,959 | 98,619 | 134,713 | 97,081 | 138,519 | 114,950 | 110,795 |
| Administration | 1,389,565 | 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 |
| Fiscal | 565,943 | 769,203 | 807,920 | 896,082 | 1,115,997 | 1,099,190 | 1,146,808 | 1,202,063 | 1,275,736 | 1,141,437 |
| Business | 36,128 | 453,705 | 175,600 | 56,702 | 28,357 | 55,441 | 72,779 | 46,170 | 65,665 | 61,389 |
| Operation and Maintenance of Plant | 1,467,596 | 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 |
| Pupil Transportation | 10,418 | 10,313 | 38,224 | 14,212 | 15,492 | 6,023 | 47,932 | 42,809 | 56,932 | 92,094 |
| Central Services | 1,474,572 | 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 |
| Non-Instructional Activities | 106,694 | 166,434 | 200,061 | 341,995 | 344,577 | 345,400 | 440,854 | 512,997 | 434,383 | 421,235 |
| Interest and Fiscal Charges | 158,228 | 102,412 | 53,700 | 22,325 | 140,025 | 87,865 | 112,300 | 125,608 | 80,300 | 67,944 |
| Total Governmental Activities Expenses | 17,792,679 | 23,510,016 | 30,427,385 | 29,186,294 | 31,971,913 | 34,260,767 | 39,463,449 | 39,479,337 | 41,018,132 | 41,007,723 |
| Business-type Activities: | | | | | | | | | | |
| Adult Education | 3,518,449 | 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 |
| Online Education | 0 | 904,982 | 2,075,425 | 1,956,333 | 0 | 0 | 0 | 0 | 0 | 0 |
| Food Service | 175,184 | 203,394 | 314,929 | 426,422 | 329,512 | 461,207 | 415,596 | 402,961 | 409,632 | 348,431 |
| Other Services | 170,671 | 262,036 | 178,984 | 280,383 | 273,054 | 369,425 | 333,852 | 218,866 | 206,634 | 226,138 |
| Total Business-type Activities Expenses | 3,864,304 | 5,165,005 | 7,261,450 | 8,178,832 | 6,234,032 | 6,750,060 | 6,454,529 | 5,601,092 | 5,812,606 | 4,678,708 |
| Total Primary Government Expenses | 21,656,983 | 28,675,021 | 37,688,835 | 37,365,126 | 38,205,945 | 41,010,827 | 45,917,978 | 45,080,429 | 46,830,738 | 45,686,431 |
| Program Revenues | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Charges for Services | | | | | | | | | | |
| Vocational Education | 47,272 | 39,363 | 65,909 | 102,263 | 677,250 | 548,865 | 944,698 | 989,476 | 766,682 | 747,031 |
| Operating Grants and Contributions | | | | | | | | | | |
| Vocational Education | 22,103 | 35,421 | 79,124 | 125,806 | 83,689 | 39,309 | 388,232 | 347,545 | 305,541 | 615,507 |
| Special and Other Instruction | 0 | 105,772 | 138,363 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Pupil Support | 246,349 | 161,031 | 158,120 | 144,992 | 100,932 | 103,594 | 111,668 | 87,525 | 90,787 | 187,714 |
| Staff Support | 425,389 | 267,630 | 191,200 | 223,460 | 211,740 | 283,256 | 212,526 | 229,626 | 238,430 | 209,911 |
| Administration | 0 | 30,211 | 26,375 | 25,743 | 30,527 | 28,648 | 48,507 | 191,879 | 389,633 | 239,150 |
| Central Services | 274,018 | 225,489 | 324,481 | 184,890 | 159,931 | 113,196 | 304,631 | 262,606 | 294,349 | 175,360 |
| Extracurricular Activities | 0 | 0 | 0 | 172,266 | 236,555 | 215,091 | 41,174 | 67 | 0 | 0 |
| Total Governmental Activities Program Revenues | 1,015,131 | 864,917 | 983,572 | 979,420 | 1,500,624 | 1,331,959 | 2,051,436 | 2,108,724 | 2,085,422 | 2,174,673 |
| Business-type Activities: | | | | | | | | | | |
| Charges for Services | | | | | | | | | | |
| Adult Education | 2,417,930 | 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 |
| Online Education | 0 | 308,860 | 223,681 | 281,880 | 0 | 0 | 0 | 0 | 0 | 0 |
| Food Service | 174,922 | 181,322 | 257,672 | 300,005 | 334,936 | 347,235 | 350,316 | 309,653 | 266,102 | 193,036 |
| Other Services | 206,437 | 202,235 | 160,696 | 408,393 | 221,093 | 208,747 | 210,408 | 212,047 | 199,296 | 244,006 |
| Operating Grants and Contributions | 965,537 | 1,129,413 | 1,204,115 | 1,449,134 | 1,325,765 | 1,374,482 | 413,496 | 495,189 | 614,213 | 669,375 |
| Total Business-type Activities Program Revenues | 3,764,826 | 4,386,198 | 5,419,257 | 6,100,837 | 5,864,865 | 6,364,597 | 6,401,407 | 6,111,543 | 5,994,514 | 5,059,637 |
| Total Primary Government Program Revenues | 4,779,957 | 5,251,115 | 6,402,829 | 7,080,257 | 7,365,489 | 7,696,556 | 8,452,843 | 8,220,267 | 8,079,936 | 7,234,310 |
| Net (Expense)/Revenue | | | | | | | | | | |
| Governmental Activities | (16,777,548) | (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) |
| Business-type Activities | (99,478) | (778,807) | (1,842,193) | (2,077,995) | (369,167) | (385,463) | (53,122) | 510,451 | 181,908 | 380,929 |
| Total Primary Government Net (Expense)/Revenue | (\$16,877,026) | (\$23,423,906) | (\$31,286,006) | (\$30,284,869) | (\$30,840,456) | (\$33,314,271) | (\$37,465,135) | (\$36,860,162) | (\$38,750,802) | (\$38,452,121) |

Source: School District's financial statements

(continued)

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

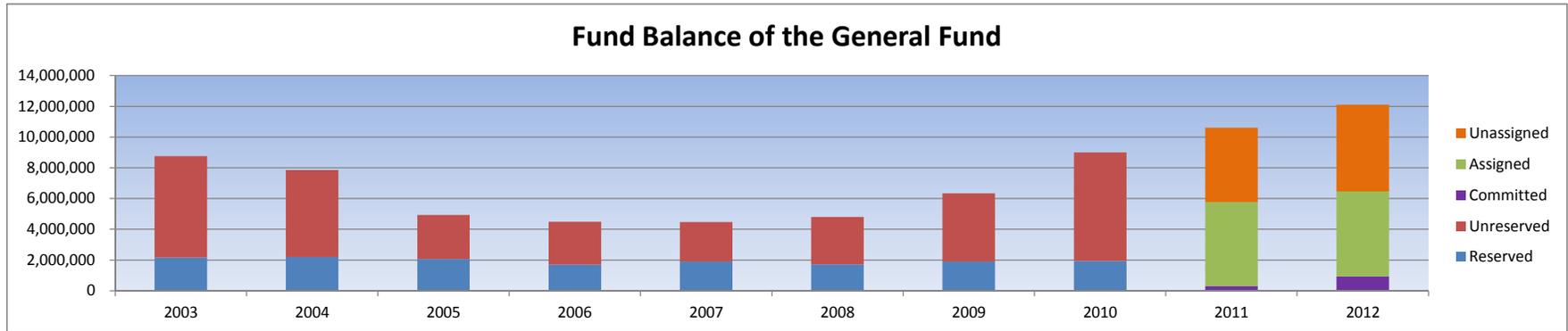
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|--------------------|--------------------|----------------------|-------------------|--------------------|---------------------|--------------------|--------------------|--------------------|-------------------|
| General Revenues and Other Changes in Net Assets | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Property Taxes Levied for: | | | | | | | | | | |
| General Purposes | \$5,825,805 | \$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 |
| Debt Service | 4,010,653 | 2,957,503 | 2,161,300 | 2,127,425 | 1,214,615 | 673,762 | 1,104,886 | 1,580,620 | 1,061,708 | 0 |
| Grants and Entitlements: | | | | | | | | | | |
| Restricted to Specific Programs | 0 | 0 | 0 | 0 | 0 | 11,617,618 | 0 | 0 | 0 | 0 |
| Not Restricted to Specific Programs | 10,191,754 | 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 |
| Investment Earnings | 544,303 | 237,524 | 292,328 | 290,398 | 709,597 | 669,570 | 471,361 | 209,021 | 47,513 | 56,773 |
| Miscellaneous | 172,795 | 42,719 | 472,456 | 776,098 | 510,914 | 437,019 | 1,093,010 | 328,701 | 315,371 | 186,951 |
| Transfers | (150,000) | (83,864) | (1,399,496) | (1,902,132) | (60,000) | (385,651) | (313,110) | (225,000) | (175,000) | (120,000) |
| Special Items | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (657,123) |
| Total Governmental Activities | 20,595,310 | 25,107,959 | 27,541,097 | 28,920,089 | 32,258,904 | 43,850,578 | 39,679,614 | 40,289,296 | 40,527,512 | 38,263,098 |
| Business-type Activities: | | | | | | | | | | |
| Investment Earnings | 41 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfers | 150,000 | 73,366 | 1,399,496 | 1,902,132 | 60,000 | 385,651 | 313,110 | 225,000 | 175,000 | 120,000 |
| Total Business-type Activities | 150,041 | 73,366 | 1,399,496 | 1,902,132 | 60,000 | 385,651 | 313,110 | 225,000 | 175,000 | 120,000 |
| Total Primary Government | 20,745,351 | 25,181,325 | 28,940,593 | 30,822,221 | 32,318,904 | 44,236,229 | 39,992,724 | 40,514,296 | 40,702,512 | 38,383,098 |
| Change in Net Assets | | | | | | | | | | |
| Governmental Activities | 3,817,762 | 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) |
| Business-type Activities | 50,563 | (705,441) | (442,697) | (175,863) | (309,167) | 188 | 259,988 | 735,451 | 356,908 | 500,929 |
| Total Primary Government Change in Net Assets | \$3,868,325 | \$1,757,419 | (\$2,345,413) | \$537,352 | \$1,478,448 | \$10,921,958 | \$2,527,589 | \$3,654,134 | \$1,951,710 | (\$69,023) |

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

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|---------------------|---------------------|--------------------|--------------------|--------------------|--------------------|---------------------|---------------------|--------------------|---------------------|
| General Fund | | | | | | | | | | |
| Reserved | \$2,154,582 | \$2,198,360 | \$2,068,231 | \$1,690,291 | \$1,900,923 | \$1,708,313 | \$1,891,963 | \$1,942,690 | \$0 | \$0 |
| Unreserved | 6,605,896 | 5,648,248 | 2,862,688 | 2,803,550 | 2,563,211 | 3,101,126 | 4,437,398 | 7,058,759 | 0 | 0 |
| Committed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 312,147 | 944,511 |
| Assigned | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5,450,546 | 5,522,239 |
| Unassigned | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4,846,070 | 5,631,944 |
| Total General Fund | 8,760,478 | 7,846,608 | 4,930,919 | 4,493,841 | 4,464,134 | 4,809,439 | 6,329,361 | 9,001,449 | 10,608,763 | 12,098,694 |
| All Other Governmental Funds | | | | | | | | | | |
| Reserved | 111,750 | 626,023 | 183,911 | 149,214 | 124,682 | 135,900 | 11,946,351 | 3,134,964 | 0 | 0 |
| Unreserved, Undesignated, Reported in: | | | | | | | | | | |
| Special Revenue Funds | 298,110 | 275,162 | 69,870 | (36,558) | 269,417 | 15,294 | 100,410 | 669,172 | 0 | 0 |
| Capital Projects Funds | 13,508,618 | 4,387,103 | 3,162,347 | 2,810,209 | 3,369,501 | 4,292,366 | (5,605,198) | 292,712 | 0 | 0 |
| Restricted | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,077,422 | 104,346 |
| Unassigned | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (1,868,930) | (1,896,102) |
| Total All Other Governmental Funds | 13,918,478 | 5,288,288 | 3,416,128 | 2,922,865 | 3,763,600 | 4,443,560 | 6,441,563 | 4,096,848 | (791,508) | (1,791,756) |
| Total Governmental Funds | \$22,678,956 | \$13,134,896 | \$8,347,047 | \$7,416,706 | \$8,227,734 | \$9,252,999 | \$12,770,924 | \$13,098,297 | \$9,817,255 | \$10,306,938 |

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)

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|--------------------|----------------------|----------------------|--------------------|--------------------|--------------------|--------------------|-------------------|----------------------|-------------------|
| Revenues | | | | | | | | | | |
| Property and Other Local Taxes | \$9,836,458 | \$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 |
| Intergovernmental | 11,011,007 | 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 |
| Interest | 580,815 | 286,362 | 290,024 | 246,430 | 723,530 | 674,768 | 451,081 | 242,060 | 53,738 | 69,684 |
| Tuition and Fees | 47,272 | 39,363 | 65,909 | 102,263 | 677,250 | 548,865 | 944,698 | 989,476 | 766,682 | 747,031 |
| Miscellaneous | 303,201 | 172,127 | 478,456 | 780,748 | 510,759 | 500,130 | 1,102,910 | 328,701 | 315,371 | 159,161 |
| Total Revenues | 21,778,753 | 25,898,122 | 29,788,784 | 31,608,188 | 33,907,619 | 34,861,998 | 45,874,613 | 48,901,215 | 43,011,353 | 41,320,779 |
| Expenditures | | | | | | | | | | |
| Current: | | | | | | | | | | |
| Instruction: | | | | | | | | | | |
| Regular | 322,362 | 305,462 | 366,755 | 390,185 | 402,203 | 418,007 | 488,922 | 506,074 | 476,740 | 442,474 |
| Special and Other | 70,956 | 113,866 | 150,225 | 119,119 | 31,348 | 32,539 | 195,574 | 72,470 | 68,816 | 174,654 |
| Vocational | 10,414,886 | 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 |
| Support Services: | | | | | | | | | | |
| Pupil | 789,347 | 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 |
| Instructional Staff | 933,636 | 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 |
| Board of Education | 165,382 | 204,998 | 316,059 | 264,579 | 98,619 | 86,559 | 97,081 | 89,221 | 114,950 | 110,795 |
| Administration | 1,258,935 | 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 |
| Fiscal | 541,252 | 702,936 | 769,940 | 859,886 | 1,104,533 | 1,080,295 | 1,135,140 | 1,195,069 | 1,273,805 | 1,165,104 |
| Business | 35,968 | 453,185 | 175,600 | 56,702 | 28,214 | 54,222 | 72,477 | 45,782 | 65,789 | 61,069 |
| Operation and Maintenance of Plant | 1,511,534 | 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 |
| Pupil Transportation | 10,384 | 10,958 | 38,224 | 14,212 | 15,421 | 6,565 | 39,125 | 42,496 | 124,997 | 76,044 |
| Central | 1,319,717 | 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 |
| Operation of Non-Instructional Services | 29,809 | 15,590 | 30,980 | 48,386 | 52,255 | 52,939 | 101,971 | 89,957 | 101,984 | 18,740 |
| Extracurricular Activities | 82,949 | 150,844 | 169,081 | 293,609 | 292,322 | 292,461 | 338,883 | 423,040 | 332,399 | 402,495 |
| Capital Outlay | 3,811,637 | 9,150,397 | 1,575,677 | 512,967 | 832,832 | 535,928 | 3,452,267 | 10,578,015 | 6,575,801 | 281,567 |
| Debt Service: | | | | | | | | | | |
| Principal Retirement | 3,867,713 | 2,847,391 | 2,100,000 | 2,100,000 | 100,000 | 95,000 | 0 | 0 | 0 | 0 |
| Interest and Fiscal Charges | 163,928 | 110,112 | 61,300 | 27,425 | 141,125 | 90,065 | 112,300 | 125,608 | 80,300 | 67,944 |
| Total Expenditures | 25,330,395 | 35,358,318 | 33,177,137 | 30,636,397 | 32,014,442 | 33,451,082 | 42,043,578 | 48,348,842 | 46,117,395 | 40,081,763 |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <i>(3,551,642)</i> | <i>(9,460,196)</i> | <i>(3,388,353)</i> | <i>971,791</i> | <i>1,893,177</i> | <i>1,410,916</i> | <i>3,831,035</i> | <i>552,373</i> | <i>(3,106,042)</i> | <i>1,239,016</i> |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Sale of Capital Assets | 0 | 0 | 0 | 0 | 155 | 0 | 0 | 0 | 0 | 0 |
| General Obligation Bonds Issued | 6,000,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Premium on Sale of Notes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 27,790 |
| Transfers In | 800,000 | 25,000 | 24,068 | 27,868 | 1,382,400 | 5,210,700 | 1,612,500 | 2,249,850 | 1,556,192 | 2,141,181 |
| Transfers Out | (950,000) | (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) |
| Total Other Financing Sources (Uses) | 5,850,000 | (83,864) | (1,399,496) | (1,902,132) | (59,845) | (385,651) | (313,110) | (225,000) | (175,000) | (92,210) |
| <i>Special Item</i> | <i>0</i> | <i>0</i> | <i>0</i> | <i>0</i> | <i>0</i> | <i>0</i> | <i>0</i> | <i>0</i> | <i>0</i> | <i>(657,123)</i> |
| Net Change in Fund Balances | \$2,298,358 | (\$9,544,060) | (\$4,787,849) | (\$930,341) | \$1,833,332 | \$1,025,265 | \$3,517,925 | \$327,373 | (\$3,281,042) | \$489,683 |
| Debt Service as a % of Noncapital Exp.: | 18.7% | 11.3% | 6.8% | 7.1% | 0.8% | 0.6% | 0.3% | 0.3% | 0.2% | 0.2% |

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 |
| 2003 | 4,011,349,040 | 1,196,516,010 | 14,879,614,429 | 244,829,060 | 278,214,841 |
| 2004 | 4,134,067,880 | 1,213,721,520 | 15,279,398,286 | 232,622,110 | 264,343,307 |
| 2005 | 4,303,875,020 | 1,232,189,750 | 15,817,327,914 | 238,119,270 | 270,590,080 |
| 2006 | 4,722,129,170 | 1,314,111,870 | 17,246,402,971 | 232,462,720 | 264,162,182 |
| 2007 | 4,878,850,690 | 1,337,782,960 | 17,761,810,429 | 228,898,010 | 260,111,375 |
| 2008 | 4,963,295,200 | 1,386,094,410 | 18,141,113,171 | 217,960,270 | 247,682,125 |
| 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 <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.

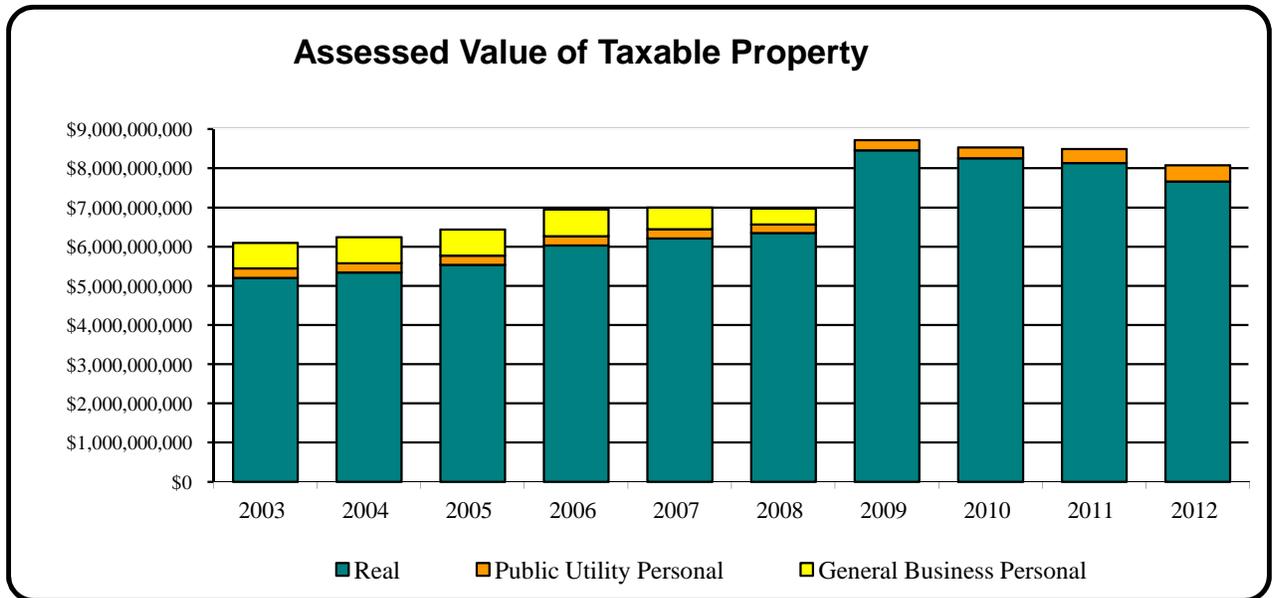
The assessed value of real property (including public utility real property) is 35 percent of estimated true value. Personal property tax is assessed on all tangible personal property used in business in Ohio. The assessed value of public utility personal property ranges from 25 percent of true value 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 | Weighted Average Tax Rate |
| Assessed Value | Estimated Actual Value | Assessed Value | Estimated Actual Value | |
| 646,479,584 | 2,585,918,336 | 6,099,173,694 | 17,743,747,605 | 34.4% |
| 662,867,542 | 2,651,470,168 | 6,243,279,052 | 18,195,211,761 | 34.3% |
| 666,053,908 | 2,895,886,557 | 6,440,237,948 | 18,983,804,550 | 33.9% |
| 681,872,431 | 3,636,652,965 | 6,950,576,191 | 21,147,218,119 | 32.9% |
| 552,260,150 | 4,418,081,200 | 6,997,791,810 | 22,440,003,004 | 31.2% |
| 409,258,520 | 3,274,068,160 | 6,976,608,400 | 21,662,863,456 | 32.2% |
| 0 | 0 | 8,718,753,410 | 24,472,117,143 | 35.6% |
| 0 | 0 | 8,535,638,960 | 23,910,678,804 | 35.7% |
| 0 | 0 | 8,498,124,049 | 23,655,756,586 | 35.9% |
| 0 | 0 | 8,081,334,740 | 22,373,101,447 | 36.1% |



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

| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Voted Millage - by levy | | | | | | | | | | |
| 1972 Operating - continuing | | | | | | | | | | |
| Residential/Agricultural Real | 1.43 | 1.43 | 1.43 | 1.43 | 1.43 | 1.43 | 1.43 | 1.43 | 1.43 | 1.43 |
| Commercial/Industrial and Public Utility Real | 1.43 | 1.43 | 1.43 | 1.43 | 1.43 | 1.43 | 1.43 | 1.43 | 1.43 | 1.43 |
| General Business and Public Utility Personal | 1.43 | 1.43 | 1.43 | 1.43 | 1.43 | 1.43 | 1.43 | 1.43 | 1.43 | 1.43 |
| 1977 Operating - continuing | | | | | | | | | | |
| Residential/Agricultural Real | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 |
| Commercial/Industrial and Public Utility Real | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 |
| General Business and Public Utility Personal | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 |
| Total voted millage by type of property | | | | | | | | | | |
| Residential/Agricultural Real | 1.93 | 1.93 | 1.93 | 1.93 | 1.93 | 1.93 | 1.93 | 1.93 | 1.93 | 1.93 |
| Commercial/Industrial and Public Utility Real | 1.93 | 1.93 | 1.93 | 1.93 | 1.93 | 1.93 | 1.93 | 1.93 | 1.93 | 1.93 |
| General Business and Public Utility Personal | 1.93 | 1.93 | 1.93 | 1.93 | 1.93 | 1.93 | 1.93 | 1.93 | 1.93 | 1.93 |
| Overlapping Rates by Taxing District (1) | | | | | | | | | | |
| Townships (14) | 2.26 - 13.09 | 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 |
| - 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 - 61.88 | 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 |
| - Range of voted rates for 9 school districts | | | | | | | | | | |
| Butler County | 8.75 | 6.74 | 6.44 | 7.44 | 9.44 | 10.95 | 9.75 | 9.75 | 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 2010 will be collected in fiscal year 2011).

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

2011 and 2002 (1)

| Name of Taxpayer | 2011 (1) | |
|---------------------------------|------------------------|---|
| | Assessed Value | Percent of Real Property Assessed Value |
| Duke Realty Ohio | \$131,711,940 | 1.55% |
| Rockies Express Pipeline LLC | 131,554,630 | 1.55% |
| Duke Energy Kentucky LLC | 24,423,480 | 0.29% |
| Duke Realty Ohio | 16,684,760 | 0.20% |
| Millercoors LLC | 15,987,310 | 0.19% |
| AK Steel Corporation | 13,324,160 | 0.16% |
| Meijer Stores LTD PRT | 12,955,110 | 0.15% |
| First Industrial LP | 11,300,840 | 0.13% |
| US Industrial REIT III Midwest | 10,780,000 | 0.13% |
| Boymel Sam TR | 10,353,640 | 0.12% |
| Totals | \$379,075,870 | 4.47% |
| Total Assessed Valuation | \$8,498,124,049 | |

| Name of Taxpayer | 2002 (1) | |
|---------------------------------|------------------------|---|
| | Assessed Value | Percent of Real Property Assessed Value |
| Cincinnati Gas and Electric | \$275,900,560 | 4.52% |
| AK Steel Corporation | 126,742,150 | 2.08% |
| Miller Brewing Company | 59,311,255 | 0.97% |
| Cincinnati Financial Insurance | 37,027,850 | 0.61% |
| Champion Int. Corp. | 34,354,250 | 0.56% |
| Meijer Stores LTD | 14,555,800 | 0.24% |
| Security Capital | 12,832,830 | 0.21% |
| Centerpoint Realty | 10,256,630 | 0.17% |
| Duke Realty Ohio | 7,282,250 | 0.12% |
| Smart Papers | 7,173,000 | 0.12% |
| Totals | \$585,436,575 | 9.60% |
| Total Assessed Valuation | \$6,099,173,694 | |

(1) The amounts presented represent the assessed values upon which fiscal years 2012 and 2003 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 |
|------------------------|------------------------|----------------------------|--|--------------------------------------|--------------------------|---|
| 2002 | 8,722,674 | 8,493,949 | 97.38% | 256,853 | 8,750,802 | 100.32 |
| 2003 | 9,972,120 | 9,962,622 | 99.90% | 323,724 | 10,286,346 | 103.15 |
| 2004 | 10,429,083 | 10,207,681 | 97.88% | 342,369 | 10,550,050 | 101.16 |
| 2005 | 10,780,168 | 10,526,455 | 97.65% | 259,194 | 10,785,649 | 100.05 |
| 2006 | 12,862,717 | 12,270,725 | 95.40% | 466,758 | 12,737,483 | 99.03 |
| 2007 | 13,275,406 | 12,071,353 | 90.93% | 494,533 | 12,565,886 | 94.66 |
| 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 |

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

(2) The 2012 information cannot be presented because all collections have not been made by June 30, 2012.

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

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

Butler Technology and Career Development Schools, Ohio

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
June 30, 2012*

| | 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 | \$60,188,581 | 87.41% | 52,610,839 |
| Hamilton County | \$87,625,000 | 8.11% | 7,106,388 |
| Preble County | \$1,930,925 | 0.73% | 14,096 |
| Warren County | \$0 | 2.32% | 0 |
| <u>Cities:</u> | | | |
| City of Fairfield | 30,120,000 | 100.00% | 30,120,000 |
| City of Forest Park | 3,140,000 | 11.23% | 352,622 |
| City of Hamilton | 6,187,885 | 3.66% | 226,477 |
| City of Middletown | 39,822,870 | 88.73% | 35,334,833 |
| City of Monroe | 11,190,000 | 100.00% | 11,190,000 |
| City of North College Hill | 1,060,000 | 1.42% | 15,052 |
| City of Oxford | 2,130,000 | 100.00% | 2,130,000 |
| City of Trenton | 2,246,767 | 100.00% | 2,246,767 |
| <u>Townships:</u> | | | |
| Colerain Township | 9,790,000 | 93.29% | 9,133,091 |
| Fairfield Township | 5,310,000 | 100.00% | 5,310,000 |
| Hanover Township | 11,300 | 89.54% | 10,118 |
| Liberty Township | 10,115,000 | 100.00% | 10,115,000 |
| Milford Township | 13,641 | 100.00% | 13,641 |
| Springfield Township | 11,215,000 | 12.51% | 1,402,997 |
| Turtle Creek Township | 1,875,000 | 17.90% | 335,625 |
| West Chester Township | 60,635,000 | 96.58% | 58,561,283 |
| <u>School Districts:</u> | | | |
| Edgewood City Schools | 36,908,555 | 100.00% | 36,908,555 |
| Fairfield City Schools | 26,937,795 | 100.00% | 26,937,795 |
| Lakota Local Schools | 159,815,000 | 100.00% | 159,815,000 |
| Lebanon City Schools | 35,139,924 | 0.07% | 24,598 |
| Madison Local Schools | 9,887,217 | 100.00% | 9,887,217 |
| Middletown City Schools | 58,533,149 | 100.00% | 58,533,149 |
| Monroe Local Schools | 29,505,228 | 100.00% | 29,505,228 |
| New Miami Local Schools | 1,283,479 | 100.00% | 1,283,479 |
| Northwest Local Schools | 16,425,000 | 100.00% | 16,425,000 |
| Ross Local Schools | 18,389,997 | 100.00% | 18,389,997 |
| Talawanda City Schools | 48,670,000 | 100.00% | 48,670,000 |
| | | | |
| Total Overlapping Debt | \$786,102,313 | | \$632,608,845 |
| | | | |
| Direct Debt | 3,500,000 | 100.00% | 3,500,000 |
| | | | |
| Total Direct and Overlapping Debt | \$789,602,313 | | \$636,108,845 |

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

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Tax Valuation | \$6,099,173,694 | \$6,243,279,052 | \$6,440,237,948 | \$6,950,576,191 | \$6,997,791,810 | \$6,976,608,400 | \$8,718,753,410 | \$8,535,638,960 | \$8,498,124,049 | \$8,081,334,740 |
| Debt Limit - 9% of Taxable Valuation (1) | \$548,925,632 | \$561,895,115 | \$579,621,415 | \$625,551,857 | \$629,801,263 | \$627,894,756 | \$784,687,807 | \$768,207,506 | \$764,831,164 | \$727,320,127 |
| Amount of Debt Applicable to Debt Limit General Obligation Bonds Less Amount Available in Debt Service | | | | | | | | | | |
| Amount of Debt Subject to Limit | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Legal Debt Margin | \$548,925,632 | \$561,895,115 | \$579,621,415 | \$625,551,857 | \$629,801,263 | \$627,894,756 | \$784,687,807 | \$768,207,506 | \$764,831,164 | \$727,320,127 |
| 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) | \$6,099,174 | \$6,243,279 | \$6,440,238 | \$6,950,576 | \$6,997,792 | \$6,976,608 | \$8,718,753 | \$8,535,639 | \$8,498,124 | \$8,081,335 |
| Amount of Debt Subject to Limit | (6,000,000) | (4,000,000) | (2,000,000) | (3,000,000) | (2,000,000) | (6,000,000) | (7,000,000) | (5,500,000) | (4,500,000) | (3,500,000) |
| Unvoted Legal Debt Margin | \$99,174 | \$2,243,279 | \$4,440,238 | \$3,950,576 | \$4,997,792 | \$976,608 | \$1,718,753 | \$3,035,639 | \$3,998,124 | \$4,581,335 |
| Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit | 1.63% | 35.93% | 68.95% | 56.84% | 71.42% | 14.00% | 19.71% | 35.56% | 47.05% | 56.69% |

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 | | | |
| 2003 | 341,667 | \$17,743,747,605 | \$6,495,000 | 0 | \$6,495,000 | 0.04% | \$19.01 | |
| 2004 | 344,784 | \$18,195,211,761 | \$2,295,000 | 0 | \$2,295,000 | 0.01% | \$6.66 | |
| 2005 | 348,243 | \$18,983,804,550 | \$295,000 | 0 | \$295,000 | 0.00% | \$0.85 | |
| 2006 | 348,243 | \$21,147,218,119 | \$195,000 | 0 | \$195,000 | 0.00% | \$0.56 | |
| 2007 | 357,908 | \$22,440,003,004 | \$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 | |

(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 |
| \$6,495,000 | 0 | 6,495,000 | 0.04% | \$19.01 | 0.07% |
| \$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% |

Butler Technology and Career Development Schools, Ohio

Demographic and Economic Statistics

Last Ten Calendar Years

| <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> |
|-------------|-----------------------|---|---|----------------------------------|
| 2002 | 338,891 | \$9,938,473,000 | \$29,326 | 5.80% |
| 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 | Not Available | Not Avail | 9.10% |

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

Current Year(3) and Nine Years Ago

| Employer | Nature of Business | 2010 (3) | | |
|---|---------------------|-------------------------|------|--------------------------------|
| | | Number of Employees (2) | Rank | Percentage of Total Employment |
| Miami University | Education | 3,400 | 1 | 1.8% |
| Cincinnati Financial Corp | Financial | 2,900 | 2 | 1.5% |
| AK Steel | Steel Manufacturing | 2,400 | 3 | 1.3% |
| Butler County | Government | 2,000 | 4 | 1.1% |
| Lakota Local School District | Education | 1,688 | 5 | 0.9% |
| General Electric Aviation | Aerospace | 1,675 | 6 | 0.9% |
| Mercy Fairfield Hospital | Health Care | 1,200 | 7 | 0.6% |
| Hamilton City Schools | Education | 1,114 | 8 | 0.6% |
| Fort Hamilton Hospital | Health Care | 1,036 | 9 | 0.5% |
| Fairfield City Schools | Education | 994 | 10 | 0.5% |
| Total | | 18,407 | | 9.7% |
| Total Employment within the School District | | <u>190,000</u> | (1) | |

| Employer | Nature of Business | 2002 | | |
|---|---------------------|-------------------------|------|--------------------------------|
| | | Number of Employees (2) | Rank | Percentage of Total Employment |
| Miami University | Education | 4,200 | 1 | 2.4% |
| AK Steel | Steel Manufacturing | 4,072 | 2 | 2.3% |
| Cincinnati Financial Corp | Financial | 2,861 | 3 | 1.6% |
| Butler County | Government | 2,500 | 4 | 1.4% |
| Fairfield City Schools | Education | 1,740 | 5 | 1.0% |
| Lakota Local School District | Education | 1,600 | 6 | 0.9% |
| Middletown Regional Hospital | Medical Care | 1,470 | 7 | 0.8% |
| Mercy Regional Hospital | Medical Care | 1,407 | 8 | 0.8% |
| Ohio Casualty | Insurance | 1,356 | 9 | 0.8% |
| Ft. Hamilton Hughes Memorial Hospital | Medical Care | 1,250 | 10 | 0.7% |
| Total | | 22,456 | | 12.7% |
| Total Employment within the School District | | <u>175,800</u> | (1) | |

Source:

- (1) Annual Average from Ohio Labor Market Information for Butler County, Ohio
- (2) Butler County, Ohio CAFR
- (3) 2011 data was not available.

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

| Function/Program | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|--------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Regular Instruction | | | | | | | | | | |
| High School Classroom Teachers | 22.00 | 25.00 | 46.00 | 38.00 | 43.00 | 43.00 | 43.00 | 40.00 | 37.00 | 31.50 |
| Special Instruction | | | | | | | | | | |
| High School Classroom Teachers | 2.00 | 2.00 | 3.00 | 3.00 | 4.00 | 4.00 | 7.00 | 7.00 | 9.00 | 10.50 |
| Vocational Instruction | | | | | | | | | | |
| High School Classroom Teachers | 111.00 | 124.00 | 154.00 | 146.00 | 149.00 | 150.00 | 182.00 | 163.00 | 170.00 | 159.00 |
| Pupil Support Services | | | | | | | | | | |
| Guidance Counselors | 2.00 | 3.00 | 5.00 | 6.00 | 7.00 | 7.00 | 7.00 | 6.00 | 6.00 | 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 | 2.00 | 4.00 | 5.00 | 5.00 | 5.00 | 6.00 | 6.00 | 6.00 | 6.00 |
| Operation of Plant | | | | | | | | | | |
| Custodians | 8.00 | 9.00 | 10.00 | 6.00 | 6.00 | 6.00 | 10.00 | 10.00 | 12.00 | 11.00 |
| Maintenance | 1.00 | 1.00 | 1.00 | 1.00 | 2.00 | 2.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| Pupil Transportation | | | | | | | | | | |
| Van Drivers | 0.00 | 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 | 12.3 | 14.0 | 12.3 | 13.9 | 14.0 | 14.8 | 14.0 | 14.6 | 14.2 | 15.7 |

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

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

Source: School District Records

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

| <u>Fiscal Year</u> | <u>2003</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>High School</u> | | | | | | | | | | |
| Enrollment (1) | 1,656 | 2,112 | 2,502 | 2,602 | 2,748 | 2,907 | 3,245 | 3,073 | 3,122 | 3,153 |
| Technical Skill Attainment | 71.6% | 75.0% | 74.2% | 81.0% | 85.6% | 92.8% | 80.3% | 94.0% | 89.0% | 85.0% |
| Graduation Rate | 98.5% | 99.0% | 98.2% | 99.2% | 97.6% | 97.6% | 95.8% | 95.0% | 99.0% | 98.0% |
| Higher Education Enrollment | 45.1% | 53.8% | 55.9% | 55.0% | 60.6% | 65.9% | 62.3% | 65.0% | 65.0% | 51.0% |
| <u>Adult Education</u> | | | | | | | | | | |
| Enrollment (1) | N/A | 1,000 | 1,136 | 1,206 | 1,131 | 1,113 | 1,206 | 1,158 | 1,070 | 813 |
| Workforce Assessments | 88.9% | 86.8% | 97.8% | 97.0% | 93.9% | 94.0% | 95.2% | 94.0% | 98.0% | 97.0% |
| Related Employment or Education | 91.8% | 90.3% | 80.8% | 86.0% | 94.2% | 93.3% | 92.0% | 86.0% | 89.0% | 90.0% |

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*

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|---------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| D. Russel Lee Career Center | | | | | | | | | | |
| Constructed in 1975, Addition in 1999 | | | | | | | | | | |
| Total Building Square Footage | 244,933 | 244,933 | 244,933 | 244,933 | 244,933 | 244,933 | 244,933 | 244,933 | 280,935 | 280,935 |
| Enrollment Grades 11-12 | 620 | 625 | 630 | 635 | 640 | 643 | 633 | 628 | 790 | 790 |
| Student Capacity | 750 | 750 | 750 | 750 | 750 | 750 | 750 | 750 | 850 | 850 |
| Regular Instruction Classrooms | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 26 | 26 |
| Regular Instruction Teachers | 17 | 17 | 19 | 19 | 19 | 19 | 19 | 17 | 25 | 25 |
| Vocational Education Classrooms | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 24 | 24 |
| Vocational Education Teachers | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 24 | 24 |

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 Bowling | Accounting Specialist |
| Charlotte Helton | Accounting Specialist |
| Tina Smith | Accounting Specialist |
| Kelly Ries | Accounting Specialist |
| Cheryl Saylor | Accounting Specialist |

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

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

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Fax: 513-645-8251
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Website: www.butlertech.org

“Butler Tech - Redefining Education”

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

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Dave Yost • Auditor of State

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS

BUTLER COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
DECEMBER 31, 2012**