

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

Single Audit Reports

June 30, 2007



Mary Taylor, CPA
Auditor of State

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

We have reviewed the *Independent Auditors' Report* of the Butler Technology and Career Development Schools, Butler County, prepared by Clark, Schaefer, Hackett & Co., for the audit period July 1, 2006 through June 30, 2007. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

January 22, 2008

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BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

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BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2007

<u>Federal Grantor/Program Title</u>	<u>Pass Through Entity Number</u>	<u>Federal CFDA Number</u>	<u>Receipts</u>	<u>Expenditures</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Federal Pell Grant Program	n/a	84.063	484,918	484,011
<i>Passed through Ohio Department of Education:</i>				
Vocational Education - Basic Grants to States	20C1	84.048	745,224	611,826
Safe and Drug-Free Schools and Communities - State Grants	DRS1	84.186	23,519	22,125
State Grants for Innovative Programs	C2S1	84.298	22,106	7,449
Vocational Education - Occupational & Employment Information	n/a	84.346	12,321	16,301
Improving Teacher Quality State Grants	TRS1	84.367	<u>42,155</u>	<u>34,554</u>
Total U.S. Department of Education			<u>1,330,243</u>	<u>1,176,266</u>
Total Federal Awards			\$ <u>1,330,243</u>	<u>1,176,266</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The Schedule of Expenditures of Federal Awards (the Schedule) is a summary of the activity of the School District's federal award programs. The schedule has been prepared on the cash basis of accounting.



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

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

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

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, Ohio (the School District) as of and for the year ended June 30, 2007, which collectively comprise the School District's basic financial statements and have issued our report thereon dated December 17, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

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

Compliance And Other Matters

As part of obtaining reasonable assurance about whether the School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2007-1.

We noted certain matters that we reported to management of the School District in a separate letter dated December 17, 2007.

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

Clark, Schaefer, Hachett & Co.

Cincinnati, Ohio
December 17, 2007



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

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

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

Compliance

We have audited the compliance of Butler Technology and Career Development Schools, 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 are applicable to each of its major federal programs for the year ended June 30, 2007. The School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School District's management. Our responsibility is to express an opinion on the School District's compliance based on our audit.

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

In our opinion, the School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

Internal Control Over Compliance

The management of the School District is responsible for establishing and maintaining effective internal control over compliance with 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 have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

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

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

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

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

Clark, Schaefer, Hachett & Co.

Cincinnati, Ohio
December 17, 2007

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Schedule of Findings and Questioned Costs

Year Ended June 30, 2007

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	unqualified
Internal control over financial reporting:	
• Material weakness(es) identified?	no
• Significant deficiencies identified that are not considered to be material weaknesses?	no
Noncompliance material to financial statements noted?	yes

Federal Awards

Internal Control over major programs:	
• Material weakness(es) identified?	no
• Significant deficiencies identified not considered to be material weaknesses?	no
Type of auditors' report issued on compliance for major programs:	unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	no
Identification of major programs:	
<i>CFDA 84.048 – Vocational Education – Basic Grants to States</i>	
Dollar threshold to distinguish between Type A and Type B Programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes

Section II - Financial Statement Findings

2007-1 Estimated Revenues and Appropriations

Ohio Revised Code Section 5705.39 stipulates that the total appropriation from each fund shall not exceed the total estimated revenue. No appropriation measure is to become effective until the county auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate. During 2007, five funds of the School District had appropriations in excess of total estimated resources. At year end, eleven funds of the School District had appropriations in excess of total estimated resources.

***Managements' response:** The School District did not update and obtain a Certificate of Estimated Resources in a timely manner to support the appropriations in certain funds. The School District will take steps to ensure such documents are received and all budgetary requirements are met during the 2007-08 fiscal year*

Section III - Federal Award Findings and Questioned Costs

None.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Schedule of Prior Audit Findings

Year Ended June 30, 2007

2005-1 Estimated Revenues and Appropriations

Ohio Revised Code Section 5705.39 stipulates that the total appropriation from each fund shall not exceed the total estimated revenue. No appropriation measure is to become effective until the county auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate. During 2006, nine funds of the School District had appropriations in excess of total estimated resources. *Not corrected and repeated as 2007-1*

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

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

Year Ended June 30, 2007

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS

BUTLER COUNTY, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2007

Prepared by:
Chief Financial Officer

Edmund Pokora

*Butler Technology and Career
Development Schools, Ohio*

INTRODUCTORY SECTION

**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2007**

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an Achievement of Excellence organization

December 21, 2007

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, 2007, is hereby submitted. Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation rests with the School District. The report is comprised of the following three major sections:

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

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

This report consists of management's representations concerning the finances of the School District. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile reliable information for the preparation of the School District's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the School District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. Management asserts that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The School District's financial statements have been audited by Clark, Schaefer, Hackett, and Co., Certified Public Accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the School District for the year ended June 30, 2007, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the School District's financial statements for the year ended June 30, 2007, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

PROFILE OF THE GOVERNMENT

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

The School District is governed by a nine (9)-member Board of Education representing each participating Butler County school district. Each of the member school districts has direct representation through board members (elected to their local school district board) and appointed to serve on the School District Board for a two-year term. The School District Board holds power and authority for the management and control of the School District (Section 3311.19 (A) of the Ohio Revised Code). Section 3311.19 (D) vests the School District's Board of Education the same powers, duties, and authorities as granted by law to a board of education of a city school district and all provisions of law that applies to a city school district (excluding jurisdiction by a city civil service commission).

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

The Chief Executive Officer (CEO) of the School District is directly responsible to the Board for all educational and support operations of the School District. The Board employed Robert D. Sommers, Ph.D. as the School District's CEO (also known as the Superintendent) effective January 1, 2002. Dr. Sommers has been an educator for 27 years, beginning his career as an industrial arts and agricultural educator. From 1986 to 2001, he was an educational administrator with the Ohio Department of Education, where he rose to the position of Associate Director in the Office of Career-Technical and Adult Education. Dr. Sommers earned his Bachelor of Science degree in Education from Miami University in Oxford, Ohio. He went on to

earn both a Master's Degree in Agricultural Education as well as a Doctor of Philosophy in Education Administration and Leadership from the Ohio State University.

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

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

The School District operates two major facilities for career-technical programs: D. Russel Lee Career Technology Center and Greentree Health Science Academy. D. Russel Lee provides 650 students a variety of secondary workforce development programs designed to give high school students technical and academic skills. The Greentree Academy is a joint venture with the Warren County Career Center that serves over 300 students in health related careers. In addition, the School District operates similar, but smaller career-tech programs at the Butler Tech Natural Science Academy, Options Academy-The Arts, and Project Search. The School District operates over 100 satellite programs, located in the members' school buildings, provides nearly 6,400 middle and high school students career-technical programs needed in today's global economy. As part of their programs, students are involved in career-technical student organizations that allow students to participate in both skill events and leadership activities.

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

The annual budget is the foundation for the School District's financial planning and control. Prior to January 15, the CEO and CFO submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The School District maintains its accounts, appropriations and other financial records in accordance with the procedures established and prescribed by the Ohio Auditor of State. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriation resolution approved by the Board of Education. Activities of all funds are included in the annual appropriation resolution. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. The School District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts at year-end are carried forward to succeeding years and are not reappropriated. As demonstrated by the schedules included in the financial section of this report, the School District continues to meet its responsibility of sound financial management.

FACTORS AFFECTING FINANCIAL CONDITION

Expanding residential and commercial growth has fueled Butler County to be one of the fastest growing counties in Ohio. The County was recently ranked by Forbes Magazine as one of the top 100 locations in the country to live and work. Housing starts in the unincorporated areas of West Chester, Liberty and Fairfield Townships continue to expand to meet the burgeoning demand. Business expansion at the Union Centre interchange with I-75 continues as new companies expand into the area. New job opportunities, low tax rates and the fact that the County is located within a central metroplex between the Cincinnati and Dayton areas have created significant growth.

The favorable economic outlook for Butler County has augmented the presence and strength of longstanding Butler County companies, such as AK Steel, Cincinnati Financial Corporation, and the Ohio Casualty Insurance Company, which employ approximately 2,800, 2,600, and 1,300 people respectively. Financial services, paper manufacturing, retail stores, and medical companies as well as educational and governmental organizations complete the list of top employers. All of these larger companies create the need for a variety of smaller businesses that are thriving in the growing atmosphere that the County is currently enjoying.

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

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

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

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

MAJOR INITIATIVES

During the 2006-07 school year, several major initiatives were underway within the School District. Some of these are highlighted below.

China Exchange Program Continues

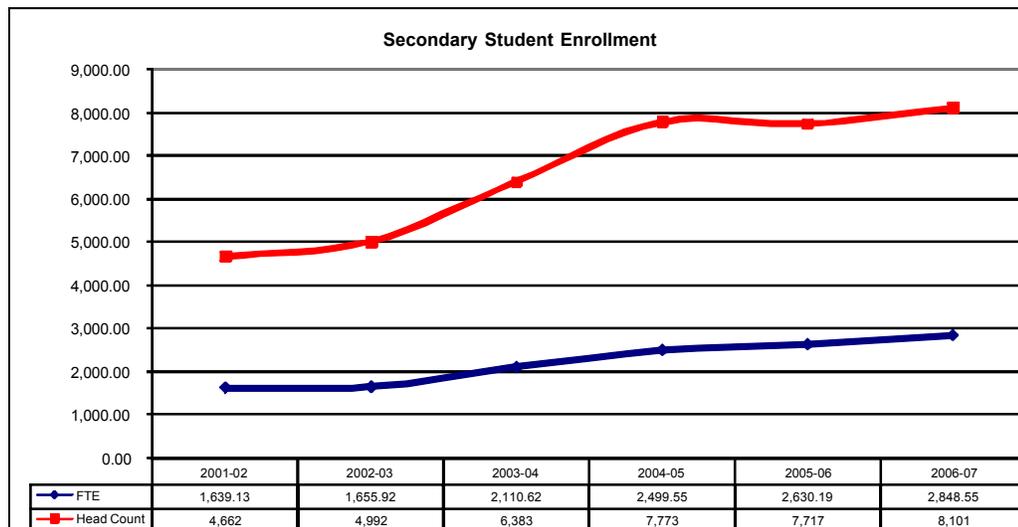
Thirteen students, four teachers, one administrator, and one project manager visited China as part of the first ever Butler Tech China Student Experience Program. During the 18 days, the group experienced Chinese education at the elementary, high school, and post secondary level. They were able to teach students and be taught by Chinese teachers. The students also spent time with United States Fortune 500 companies located in China and discuss international business and international relations. Finally, the students experienced the Chinese culture. A return trip is being planned for March 2008. There will also be a delegation from China visiting Butler Tech in November 2007.

Facilities Strategic Planning Begins

The district began a facilities strategic planning process during the year to evaluate program and facility needs over the next 10 years. The planning committee included representation from all areas of the district to review high school and adult education program needs. In addition, the district learned it is eligible for state funding from the Ohio School Facilities Commission (OSFC) that would pay for nearly two-thirds of the necessary improvements to existing facilities as well as any new construction that met the requirements of the OSFC.

Enrollment Growth Continues

The School District again experienced significant student growth in secondary programs and remained the second largest career-technical school district in the State of Ohio. On a full-time equivalent basis, the School District increased high school student enrollment from 2,602 in 2001-02 to 2,748 in 2006-07, an increase of nearly 6%. Since the 2001-02 school year, secondary enrollment has increased 67% from 1,639 to 2,748. On a head-count basis, more than 8,000 high school students are being taught by the School District in one or more courses. The following chart shows the increase in high school enrollment since the 2000-01 school year:



District Eyes Expansion

During the 2006-07 school year, the Northwest Local School District in Hamilton County began to explore the option of transferring their career-technical education programs to a career-technical school district. The School District was one of the options the Northwest School District was considering. After careful analysis and consideration, the Northwest School District voted in August 2007 to join the Butler Technology and Career Development School District. The actual transfer of students and programs will not officially begin until July 1, 2008. It is estimated that this expansion will increase the property tax base of the School District by approximately 25% and increase the secondary enrollment on a full-time equivalent basis by nearly 400 students.

FINANCIAL INFORMATION

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

Risk Management. The School District is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2007, the School District contracted with the Ohio School Plan for general liability insurance with \$3,000,000 each occurrence limit and a \$5,000,000 aggregate. Buildings, contents and school vehicles are protected through a local insurance agent. There were no significant reductions in insurance coverage in the prior year. Settlements have not exceeded insurance coverage during the past three fiscal years.

The School District participates in the Ohio Association of School Business Officials Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The Sheakley firm provides administrative, cost control and actuarial services to the GRP.

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

AWARDS AND ACKNOWLEDGEMENTS

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Butler Technology and Career Development Schools for its comprehensive annual financial report for the fiscal year ending June 30, 2006. This was the eighth 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, 2006. This was the first 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, 2007, which will be submitted to ASBO for review, will conform to ASBO's principles and standards.

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

Respectfully,

Edmund R. Pokora
Chief Financial Officer

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



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BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

LIST OF PRINCIPAL OFFICIALS

JUNE 30, 2007

BOARD OF EDUCATION

<u>Title</u>	<u>Name</u>	<u>District</u>	<u>Term Expires</u>	<u>Initial Appointment</u>
President	Tom Birdwell	Monroe	12/31/08	2001
Vice President	Richard Emery	Ross	12/31/07	1998
Member	Donald Barnhart	Talawanda	12/31/07	2007
Member	Todd Daniel	Madison	12/31/07	2006
Member	Katie McNeil	Middletown	12/31/08	2000
Member	Sue Price	New Miami	12/31/08	1997
Member	Eugene Ball	Fairfield	12/31/08	2006
Member	John Snyder	Edgewood	12/31/08	2006
Member	Daniel Warncke	Lakota	12/31/07	2000

ADMINISTRATIVE OFFICIALS

Chief Executive Officer	Robert D. Sommers, Ph.D.
Chief Financial Officer	Edmund R. Pokora
Vice President, Operations	Jan Kesselring
Vice President, Educational Options	Harold Niehaus
Vice President, Adult Workforce Education	Mary Jane Perry
Vice President, Secondary Workforce Education	Dan Schroer
Vice President, Career Development	Debby Snyder

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, 2006

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.



A handwritten signature in black ink, appearing to read "Thomas J. Hawn".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emswiler".

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS

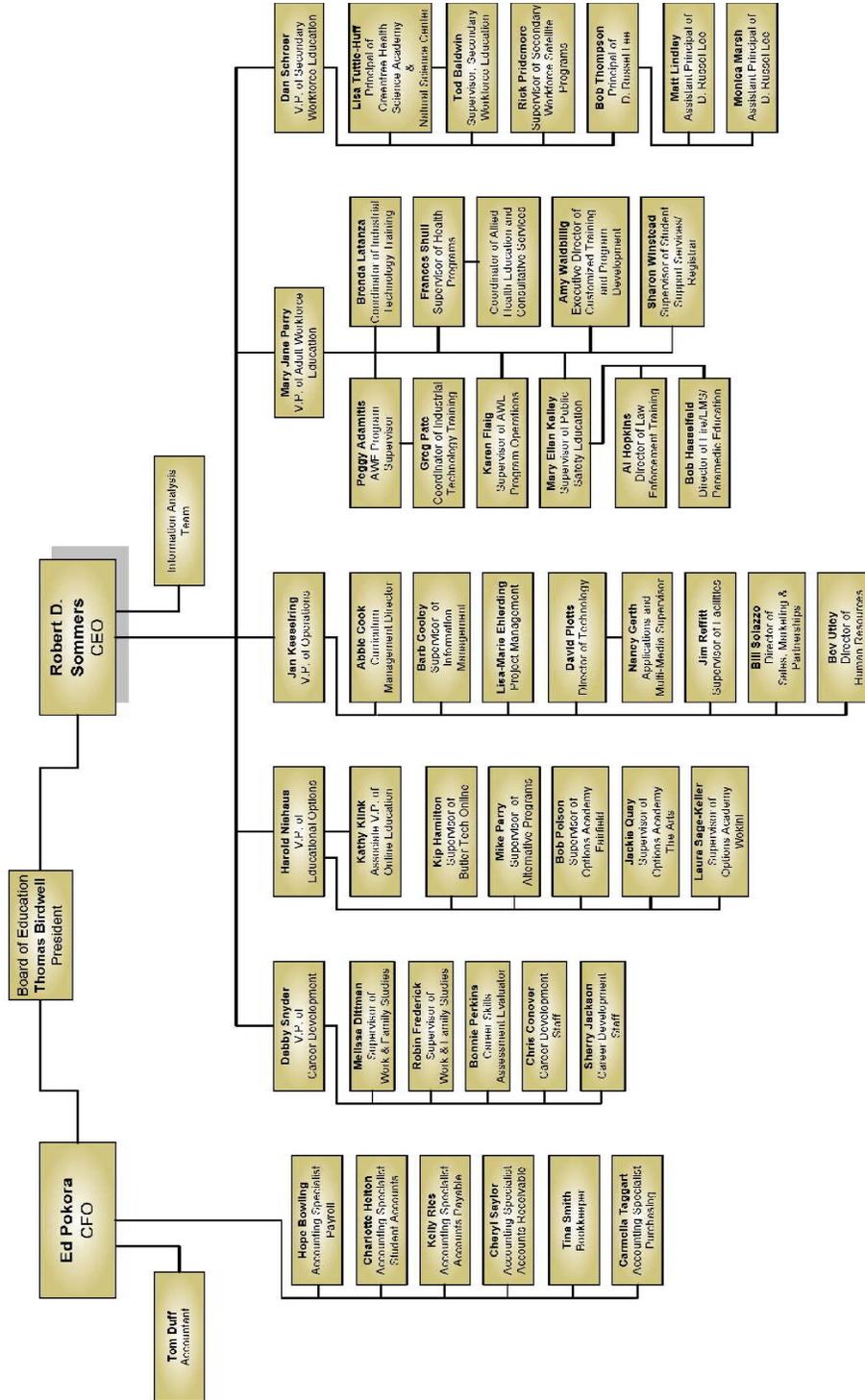
For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2006

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

President

Executive Director



*Butler Technology and Career
Development Schools, Ohio*

FINANCIAL SECTION



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

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the Butler Technology and Career Development Schools (the School District), as of and for the year ended June 30, 2007, 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the Butler Technology and Career Development Schools as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2007, on our consideration of 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. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis and the budgetary comparison information on pages 3 through 11 and 47 through 48, respectively, are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
December 17, 2007

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) Year Ended June 30, 2007

This discussion and analysis provides key information from management highlighting the overall financial performance of the Butler County Technology and Career Development Schools ("School District") for the year ended June 30, 2007. 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 2007 are listed below:

- ✓ The assets of the School District exceeded its liabilities at year-end by \$38,548,789. Of this amount, \$7,574,258 may be used to meet the government's ongoing obligations to citizens and creditors.
- ✓ Total revenue for the School District increased 5% for the year to \$39,684,393.
- ✓ The District had \$31,971,913 in expenses related to governmental activities; only \$1,500,624 of these expenses were offset by program specific charges for services, grants or contributions. General revenue of \$32,318,904, made up primarily of property taxes and State Foundation payments, was used to provide for these programs.
- ✓ In total, net assets increased by \$1,787,615 from the previous year
- ✓ The General Fund balance increased by \$992,597 from \$3,471,537 at June 30, 2006 (restated) to \$4,464,134 at June 30, 2007.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Management's Discussion and Analysis

Year Ended June 30, 2007

Unaudited

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

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

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

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

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

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

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

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Management's Discussion and Analysis
Year Ended June 30, 2007
Unaudited

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

A. Net assets at year-end

The following table presents a condensed summary of the School District's overall financial position at June 30, 2007 and 2006:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>FY07</u>	<u>Restated FY06</u>	<u>FY07</u>	<u>Restated FY06</u>	<u>FY07</u>	<u>FY06</u>
Current and other assets	\$ 27,187,745	24,746,098	594,919	882,835	27,782,664	25,628,933
Capital assets	<u>30,752,887</u>	<u>30,643,376</u>	<u>141,694</u>	<u>209,272</u>	<u>30,894,581</u>	<u>30,852,648</u>
Total assets	<u>57,940,632</u>	<u>55,389,474</u>	<u>736,613</u>	<u>1,092,107</u>	<u>58,677,245</u>	<u>56,481,581</u>
Long-term liabilities	1,583,318	1,500,024	136,059	145,771	1,719,377	1,645,795
Other liabilities	<u>18,195,670</u>	<u>17,515,421</u>	<u>213,409</u>	<u>207,521</u>	<u>18,409,079</u>	<u>17,722,942</u>
Total liabilities	<u>19,778,988</u>	<u>19,015,445</u>	<u>349,468</u>	<u>353,292</u>	<u>20,128,456</u>	<u>19,368,737</u>
Net assets:						
Invested in capital assets, net of debt	28,657,887	30,448,376	141,694	209,272	28,799,581	30,657,648
Restricted:						
For capital purposes	2,055,353	3,078,390	-	-	2,055,353	3,078,390
Other purposes	119,597	4,851	-	-	119,597	4,851
Unrestricted	<u>7,328,807</u>	<u>2,842,412</u>	<u>245,451</u>	<u>529,543</u>	<u>7,574,258</u>	<u>3,371,955</u>
Total net assets	\$ <u>38,161,644</u>	<u>36,374,029</u>	<u>387,145</u>	<u>738,815</u>	<u>38,548,789</u>	<u>37,112,844</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2007, the School District's assets exceeded liabilities by \$38,548,789, an increase of 4% over the 2006 fiscal year. Total assets of the School District increased \$2,195,664 or approximately 4% from the previous year as result of increased cash on hand and higher taxes receivable. Total liabilities increased \$759,719 or 4% from 2006 due to an increase in unearned revenues due to taxes receivable.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Management's Discussion and Analysis
Year Ended June 30, 2007
Unaudited

B. Governmental and Business-type Activities during fiscal year 2007

The following table presents a condensed summary of the School District's activities during fiscal year 2007 and 2006 and the resulting change in net assets:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>FY07</u>	<u>Restated FY06</u>	<u>FY07</u>	<u>Restated FY06</u>	<u>FY07</u>	<u>FY06</u>
Revenues:						
Program revenues:						
Charges for services and sales	\$ 677,250	384,143	4,539,100	4,369,823	5,216,350	4,753,966
Operating grants and contributions	<u>823,374</u>	<u>877,157</u>	<u>1,325,765</u>	<u>1,449,134</u>	<u>2,149,139</u>	<u>2,326,291</u>
Total program revenues	<u>1,500,624</u>	<u>1,261,300</u>	<u>5,864,865</u>	<u>5,818,957</u>	<u>7,365,489</u>	<u>7,080,257</u>
General revenues:						
Property taxes	12,197,690	11,898,935	-	-	12,197,690	11,898,935
Grants and entitlements	18,900,703	17,856,790	-	-	18,900,703	17,856,790
Investment earnings	709,597	290,398	-	-	709,597	290,398
Miscellaneous	<u>510,914</u>	<u>776,098</u>	<u>-</u>	<u>-</u>	<u>510,914</u>	<u>776,098</u>
Total general revenues	<u>32,318,904</u>	<u>30,822,221</u>	<u>-</u>	<u>-</u>	<u>32,318,904</u>	<u>30,822,221</u>
Total revenues	<u>33,819,528</u>	<u>32,083,521</u>	<u>5,864,865</u>	<u>5,818,957</u>	<u>39,684,393</u>	<u>37,902,478</u>
Expenses:						
Instruction	19,779,183	19,918,624	-	-	19,779,183	19,918,624
Support services:						
Pupil	1,274,770	1,341,195	-	-	1,274,770	1,341,195
Instructional staff	1,983,222	1,498,128	-	-	1,983,222	1,498,128
General administration	98,619	267,959	-	-	98,619	267,959
School administration	2,328,076	2,042,132	-	-	2,328,076	2,042,132
Fiscal	1,115,997	896,082	-	-	1,115,997	896,082
Business	28,357	56,702	-	-	28,357	56,702
Operation and maintenance of plant	2,340,466	2,415,442	-	-	2,340,466	2,415,442
Pupil transportation	15,492	14,212	-	-	15,492	14,212
Central	2,523,129	2,327,831	-	-	2,523,129	2,327,831
Non-instructional services	344,577	341,995	-	-	344,577	341,995
Interest and fiscal charges	140,025	22,325	-	-	140,025	22,325
Adult education	-	-	5,631,466	5,515,694	5,631,466	5,515,694
Food services	-	-	372,015	426,422	372,015	426,422
Other enterprise	<u>-</u>	<u>-</u>	<u>273,054</u>	<u>280,383</u>	<u>273,054</u>	<u>280,383</u>
Total expenses	<u>31,971,913</u>	<u>31,142,627</u>	<u>6,276,535</u>	<u>6,222,499</u>	<u>38,248,448</u>	<u>37,365,126</u>
Excess before transfers	1,847,615	940,894	(411,670)	(403,542)	1,435,945	537,352
Transfers	<u>(60,000)</u>	<u>(1,902,132)</u>	<u>60,000</u>	<u>1,902,132</u>	<u>-</u>	<u>-</u>
Change in net assets	\$ <u>1,787,615</u>	<u>(961,238)</u>	<u>(351,670)</u>	<u>1,498,590</u>	<u>1,435,945</u>	<u>537,352</u>

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Management's Discussion and Analysis

Year Ended June 30, 2007

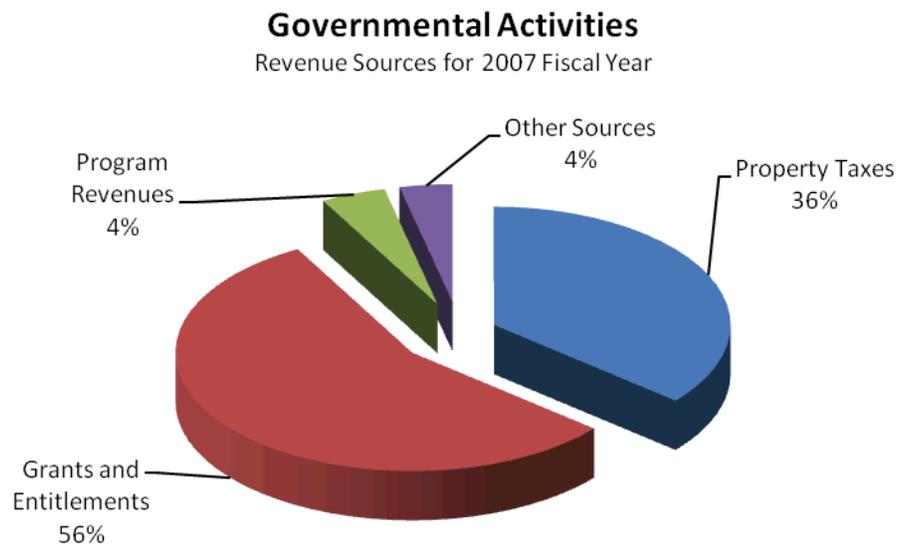
Unaudited

The School District again experienced significant enrollment growth during the 2007 fiscal year, resulting in higher revenues from state grants and entitlements. Total funded enrollment increased over 160 students during the year resulting in total secondary enrollment exceeding 2,760 students. Increases in the local tax base also resulted in higher revenues from property taxes.

Total revenues of the School District increased \$1.8 million or 5% from the previous fiscal year. The increase in revenues during the 2007 fiscal year were due to several factors:

- State funding and entitlements accounted for the majority of the increase, \$1 million of which was due to the student enrollment increase from 2,602 students to 2,764.
- Local property taxes also increased as the tax base in Butler County continues to show growth and development. The total property tax revenue rose 2.5% from the 2006 fiscal year, resulting in nearly \$300,000 in additional revenue.
- Total program revenues rose over \$280,000 (4%) due to an expansion in the Adult Education programs for the 2007 year.
- Interest income rose over \$400,000 due to higher rates of return, improved cash flow, and diversification of the long-term investment portfolio.

Of the total governmental activities revenues of \$33,819,528, \$1,500,624 (4%) is from program revenue. This means that the government relies on general revenues to fund the majority of the cost of services provided to the citizens. Of those general revenues, 36% (\$12,197,690) comes from property tax levies and 56% (\$18,900,703) is from state funding. The School District's operations are reliant upon its property tax levy and the state's foundation program.



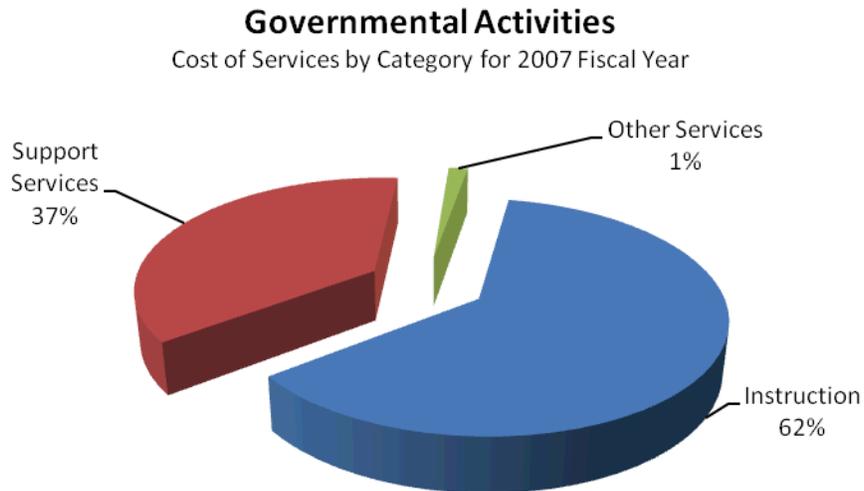
BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Management's Discussion and Analysis
Year Ended June 30, 2007
Unaudited

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 \$19,779,183 but program revenue contributed to fund 4% of those costs. Thus, general revenues of \$19,018,244 were used to support of remainder of the instruction costs.

The School District's governmental activities net assets increased by \$1,787,615.

	Governmental Activities		Revenues	
	<u>Total Cost</u>	<u>Program</u>	<u>as a % of</u>	<u>Net Cost</u>
	<u>of Services</u>	<u>Revenue</u>	<u>Total Costs</u>	<u>of Services</u>
Instruction	\$ 19,779,183	760,939	4%	19,018,244
Support services	11,708,128	503,130	4%	11,204,998
Non-instructional services	344,577	236,555	69%	108,022
Interest and fiscal charges	<u>140,025</u>	<u>-</u>	0%	<u>140,025</u>
Total	\$ <u>31,971,913</u>	<u>1,500,624</u>	<u>5%</u>	<u>30,471,289</u>



BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Management's Discussion and Analysis
Year Ended June 30, 2007
Unaudited

Business-type Activities

The following table presents the total cost of each of the School District's business segments and the net cost after deducting the revenues generated by each segment. Tuition charges and operating grants paid for 94% of the costs of Adult Education.

Business-type Activities					
		Total Cost of Services	Program Revenue	Revenues as a % of Total Costs	Net Cost (Revenue) of Services
Adult education	\$	5,631,466	5,308,094	94%	323,372
Food services		372,015	335,678	90%	36,337
Other enterprise		<u>273,054</u>	<u>221,093</u>	81%	<u>51,961</u>
Total	\$	<u>6,276,535</u>	<u>5,864,865</u>	<u>93%</u>	<u>411,670</u>

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S INDIVIDUAL FUNDS

Governmental funds

The School District has two major governmental funds: General Fund and Permanent Improvement Fund. Assets of these two funds comprise \$26,647,355 (98%) of the total \$27,212,137 governmental funds assets. The following provides an analysis of these major funds:

General Fund. Fund balance at June 30, 2007 was \$4,464,134, including \$2,563,211 of unreserved balance, which represents 8% of general fund expenditures for fiscal year 2007. For the 2007 fiscal year total revenues exceeded total expenditures by \$1.3 million, much of which was the result of intergovernmental revenues related to higher enrollment and an increase in investment income. Total expenses rose 4.6% for fiscal year 2007 while revenues increased 10% resulting in an increase in the General Fund balance of \$992,597 for the year.

Permanent Improvement Fund. This fund is used to account for resources used for building maintenance and repair projects. During the year these funds were used for renovation and improvement projects at the School District's main educational campus. The School District is currently developing a master facilities plan to address the educational and program needs over the next ten years. The plan is being developed in cooperation with the Ohio School Facilities Commission.

Proprietary funds

The School District has one major proprietary fund – the Adult Education Fund. Net assets at June 30, 2007 were \$168,158, including \$26,464 of unrestricted net assets. The primary reason for the decrease in net assets of \$323,372 was a 9% reduction in state and federal grants from the 2006 fiscal year.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Management's Discussion and Analysis
Year Ended June 30, 2007
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.

The School District uses the five-year forecast as the original budget document. The beginning budgeted expenditures for the General Fund for the 2007 fiscal year were \$32.1 million and the actual expenditures for the year were \$31.7 million, approximately \$440,000 or 2% less than budgeted.

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

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. At June 30, 2007, the School District had \$30,894,581 invested in a broad range of capital assets, including land, buildings, equipment and vehicles. See Note 6 to the financial statements for more detail.

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

		<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
		<u>FY07</u>	<u>FY06</u>	<u>FY07</u>	<u>FY06</u>	<u>FY07</u>	<u>FY06</u>
Land	\$	3,438,645	3,438,645	-	-	3,438,645	3,438,645
Construction in progress		107,339	-	-	-	107,339	-
Buildings		18,444,484	19,061,135	-	-	18,444,484	19,061,135
Building improvements		4,255,765	3,952,205	-	-	4,255,765	3,952,205
Furniture and equipment		4,253,266	3,924,262	141,694	209,272	4,394,960	4,133,534
Vehicles		<u>253,388</u>	<u>267,129</u>	<u>-</u>	<u>-</u>	<u>253,388</u>	<u>267,129</u>
Total	\$	<u>30,752,887</u>	<u>30,643,376</u>	<u>141,694</u>	<u>209,272</u>	<u>30,894,581</u>	<u>30,852,648</u>

Debt

The School District retired \$100,000 of general obligation bonds during fiscal year 2007. The total general obligation bonds outstanding at year-end were \$95,000 which is due within one year. The School District's general obligation bonds mature in December 2007. See Note 11 to the financial statements.

The School District issued \$2 million in notes during the year for planned capital improvements at the D. Russel Lee campus. The School District utilized a section of the Ohio Revised Code that permits school districts to issue unvoted indebtedness not to exceed 1/10 of 1% of the property valuation of the School District. See Note 12 to the financial statements.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Management's Discussion and Analysis

Year Ended June 30, 2007

Unaudited

ECONOMIC FACTORS

The School District continues to experience solid growth in both student enrollment and in the local tax base, both of which are key components of revenue. It is estimated that these trends will continue over the next several years and provide the necessary revenue base to allow all programs and services to continue without financial hardship.

The School District operates on 1.93 mills that is a permanent voted tax rate. This means that it does not need to be renewed and is not subject to tax rollbacks or other limitations on growth. This provides a solid foundation for revenue growth in local property taxes, a funding stream that makes up approximately 36% of all governmental activity revenue.

The State of Ohio enacted a new two-year budget through June 30, 2009 that will increase the per-pupil funding level by 3% each year. This is consistent with School District projections and will provide a funding level necessary to maintain existing programs and services.

REQUESTS FOR ADDITIONAL INFORMATION

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

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BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Statement of Net Assets

June 30, 2007

	Governmental Activities	Business- Type Activities	Total
Assets:			
Equity in pooled cash and investments	\$ 11,938,159	430,392	12,368,551
Receivables:			
Taxes	14,531,875	-	14,531,875
Accounts	79,936	34,823	114,759
Intergovernmental	16,706	129,704	146,410
Interest	153,116	-	153,116
Restricted assets	467,953	-	467,953
Nondepreciable capital assets	3,545,984	-	3,545,984
Depreciable capital assets, net	<u>27,206,903</u>	<u>141,694</u>	<u>27,348,597</u>
Total assets	<u>57,940,632</u>	<u>736,613</u>	<u>58,677,245</u>
Liabilities:			
Accounts payable	519,147	131,504	650,651
Accrued wages	2,060,448	81,905	2,142,353
Unearned revenue	13,613,875	-	13,613,875
Accrued interest payable	2,200	-	2,200
Notes payable	2,000,000	-	2,000,000
Long-term liabilities:			
Due within one year	205,465	-	205,465
Due within more than one year	<u>1,377,853</u>	<u>136,059</u>	<u>1,513,912</u>
Total liabilities	<u>19,778,988</u>	<u>349,468</u>	<u>20,128,456</u>
Net Assets:			
Invested in capital assets, net of related debt	28,657,887	141,694	28,799,581
Restricted for:			
Capital projects	2,055,353	-	2,055,353
Other purposes	119,597	-	119,597
Unrestricted	<u>7,328,807</u>	<u>245,451</u>	<u>7,574,258</u>
Total net assets	<u>\$ 38,161,644</u>	<u>387,145</u>	<u>38,548,789</u>

See accompanying notes to the basic financial statements.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Statement of Activities

Year Ended June 30, 2007

		<u>Program Revenues</u>	
	<u>Expenses</u>	<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>
Governmental Activities:			
Instruction:			
Regular	\$ 405,750	-	-
Vocational education	19,373,433	677,250	83,689
Support services:			
Pupil	1,274,770	-	100,932
Instructional staff	1,983,222	-	211,740
General administration	98,619	-	-
School administration	2,328,076	-	30,527
Fiscal	1,115,997	-	-
Business	28,357	-	-
Operation and maintenance of plant	2,340,466	-	-
Pupil transportation	15,492	-	-
Central	2,523,129	-	159,931
Non-instructional services:			
Extracurricular activities	292,322	-	236,555
Community service	52,255	-	-
Interest on long-term debt	140,025	-	-
Total Governmental Activities	<u>31,971,913</u>	<u>677,250</u>	<u>823,374</u>
Business-Type Activities:			
Food Service	372,015	334,936	742
Uniform School Supplies	7,778	3,045	-
Adult Education	5,631,466	3,983,071	1,325,023
Other enterprise	265,276	218,048	-
Total Business-Type Activities	<u>6,276,535</u>	<u>4,539,100</u>	<u>1,325,765</u>
	<u>\$ 38,248,448</u>	<u>5,216,350</u>	<u>2,149,139</u>

General Revenues:

Property taxes levied for general purposes

Property taxes levied for debt service

Grants and entitlements not restricted
to specific programs

Investment earnings

Miscellaneous

Transfers

Total general revenues and transfers

Change in net assets

Net assets beginning of year, restated

Net assets end of year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and
Changes in Net Assets

	Governmental Activities	Business-Type Activities	Total
\$	(405,750)	-	(405,750)
	(18,612,494)	-	(18,612,494)
	(1,173,838)	-	(1,173,838)
	(1,771,482)	-	(1,771,482)
	(98,619)	-	(98,619)
	(2,297,549)	-	(2,297,549)
	(1,115,997)	-	(1,115,997)
	(28,357)	-	(28,357)
	(2,340,466)	-	(2,340,466)
	(15,492)	-	(15,492)
	(2,363,198)	-	(2,363,198)
	(55,767)	-	(55,767)
	(52,255)	-	(52,255)
	(140,025)	-	(140,025)
	<u>(30,471,289)</u>	<u>-</u>	<u>(30,471,289)</u>
	-	(36,337)	(36,337)
	-	(4,733)	(4,733)
	-	(323,372)	(323,372)
	<u>-</u>	<u>(47,228)</u>	<u>(47,228)</u>
	<u>-</u>	<u>(411,670)</u>	<u>(411,670)</u>
	<u>(30,471,289)</u>	<u>(411,670)</u>	<u>(30,882,959)</u>
	10,983,075	-	10,983,075
	1,214,615	-	1,214,615
	18,900,703	-	18,900,703
	709,597	-	709,597
	510,914	-	510,914
	(60,000)	60,000	-
	<u>32,258,904</u>	<u>60,000</u>	<u>32,318,904</u>
	1,787,615	(351,670)	1,435,945
	<u>36,374,029</u>	<u>738,815</u>	<u>37,112,844</u>
\$	<u>38,161,644</u>	<u>387,145</u>	<u>38,548,789</u>

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Balance Sheet
 Governmental Funds
 June 30, 2007

	General	Permanent Improvement Fund	Other Governmental Funds
Assets:			
Equity in pooled cash and investments	\$ 6,129,630	5,385,453	423,076
Restricted cash	467,953	-	-
Receivables:			
Taxes	14,406,875	-	125,000
Accounts	79,936	-	-
Accrued interest	153,116	-	-
Intergovernmental	-	-	16,706
Interfund receivable	24,392	-	-
Total assets	21,261,902	5,385,453	564,782
Liabilities:			
Accounts payable	500,461	9,422	9,264
Accrued wages and benefits	2,058,597	-	1,851
Interfund payable	-	-	24,392
Compensated absences payable	38,486	-	-
Notes payable	-	2,000,000	-
Deferred revenue	14,200,224	-	141,706
Total liabilities	16,797,768	2,009,422	177,213
Fund Balances:			
Reserved for:			
Encumbrances	1,179,970	61,883	62,799
Budget stabilization	467,953	-	-
Property taxes	253,000	-	-
Unreserved, reported in:			
General Fund	2,563,211	-	-
Special Revenue Funds	-	-	269,417
Capital Projects Funds	-	3,314,148	55,353
Total fund balances	4,464,134	3,376,031	387,569
Total liabilities and fund balances	\$ 21,261,902	5,385,453	564,782

See accompanying notes to the basic financial statements.

Reconciliation of Total Governmental Fund Balances to
Net Assets of Governmental Activities
June 30, 2007

	Total Governmental Fund Balances	\$	8,227,734
Total Governmental Funds			
	Amounts reported for governmental activities in the statement of net assets are different because:		
11,938,159			
467,953			
	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
14,531,875			30,752,887
79,936			
153,116			
16,706			
24,392			
27,212,137			
	Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
519,147			
2,060,448			
24,392			
38,486	General obligation bonds	95,000	
2,000,000	Compensated absences	1,449,832	
14,341,930	Accrued interest payable	2,200	
18,984,403	Total		(1,547,032)
	Net Assets of Governmental Activities	\$	38,161,644
1,304,652			
467,953			
253,000			
2,563,211			
269,417			
3,369,501			
8,227,734			
27,212,137			

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

Year Ended June 30, 2007

	General	Permanent Improvement Fund	Other Governmental Funds
Revenues:			
Taxes	\$ 10,986,075	-	1,214,615
Tuition and fees	677,250	-	-
Investment income	472,705	245,704	5,121
Intergovernmental	18,900,703	-	894,687
Miscellaneous	433,185	7,585	43,479
Total revenues	31,469,918	253,289	2,157,902
Expenditures:			
Current:			
Instruction:			
Regular	402,203	-	-
Vocational education	18,527,194	-	145,382
Special education	-	-	31,348
Support services:			
Pupil	1,151,613	-	117,768
Instructional staff	1,814,020	-	199,397
General administration	98,619	-	-
School administration	2,260,305	-	28,088
Fiscal	1,104,533	-	-
Business	28,214	-	-
Operation and maintenance of plant	2,404,615	-	-
Pupil transportation	15,421	-	-
Central	2,093,923	-	173,265
Non-instructional services:			
Extracurricular	72,128	-	220,194
Community service	52,255	-	-
Capital outlay	142,433	667,224	23,175
Debt Service:			
Principal	-	-	100,000
Interest and fiscal charges	-	132,400	8,725
Total expenditures	30,167,476	799,624	1,047,342
Excess of revenues over (under) expenditures	1,302,442	(546,335)	1,110,560
Other financing sources (uses):			
Transfers in	-	1,132,400	250,000
Transfers out	(310,000)	-	(1,132,400)
Premium on sale of notes	-	-	26,510
Sale of capital assets	155	-	-
Total other financing sources (uses)	(309,845)	1,132,400	(855,890)
Net change in fund balances	992,597	586,065	254,670
Fund balance, beginning of year, restated	3,471,537	2,789,966	132,899
Fund balance, end of year	\$ 4,464,134	3,376,031	387,569

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
June 30, 2007

Total Governmental Funds	Net Change in Fund Balances - Total Governmental Funds	\$ 1,833,332
12,200,690	Amounts reported for governmental activities in the statement of activities are different because:	
677,250		
723,530		
19,795,390	Governmental funds report capital outlays as expenditures.	
484,249	However, in the statement of activities, the cost of those assets is allocated	
<u>33,881,109</u>	over their estimated useful lives as depreciation expense.	
	Capital outlay	2,627,393
	Depreciation expense	(2,335,401)
402,203	Repayment of bond and note principal is an expenditure in the	
18,672,576	governmental funds, but the repayment reduces long-term	
31,348	liabilities in the statement of net assets.	100,000
1,269,381		
2,013,417	In the statement of activities, interest is accrued on outstanding bonds,	
98,619	whereas in governmental funds, an interest expenditure is reported when due.	1,100
2,288,393		
1,104,533		
28,214	Some expenses reported in the statement of activities, such as compensated	
2,404,615	absences do not require the use of current financial resources and	
15,421	therefore are not reported as expenditures in governmental funds.	(168,082)
2,267,188		
292,322	Revenues in the statement of activities that do not provide current	
52,255	financial resources are not reported as revenues in the funds.	(88,246)
832,832		
100,000	In the statement of activities, loss on the disposal of capital assets is	
141,125	reported whereas only proceeds from sales are reported in the funds.	<u>(182,481)</u>
<u>32,014,442</u>		
<u>1,866,667</u>	Change in Net Assets of Governmental Activities	<u>\$ 1,787,615</u>
1,382,400		
(1,442,400)		
26,510		
155		
<u>(33,335)</u>		
1,833,332		
<u>6,394,402</u>		
<u><u>8,227,734</u></u>		

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Statement of Net Assets

Enterprise Funds

June 30, 2007

	Adult Education Fund	Other Enterprise Funds	Total
Assets:			
Current assets:			
Equity in pooled cash and investments	\$ 162,167	268,225	430,392
Receivables:			
Accounts	34,823	-	34,823
Intergovernmental	129,704	-	129,704
Total current assets	<u>326,694</u>	<u>268,225</u>	<u>594,919</u>
Noncurrent assets:			
Capital assets, net	141,694	-	141,694
Total assets	<u>468,388</u>	<u>268,225</u>	<u>736,613</u>
Liabilities:			
Current liabilities:			
Accounts payable	82,266	49,238	131,504
Accrued wages	81,905	-	81,905
Total current liabilities	<u>164,171</u>	<u>49,238</u>	<u>213,409</u>
Long-term liabilities:			
Compensated absences	136,059	-	136,059
Total liabilities	<u>300,230</u>	<u>49,238</u>	<u>349,468</u>
Net Assets:			
Invested in capital assets	141,694	-	141,694
Unrestricted	26,464	218,987	245,451
Total net assets	<u>\$ 168,158</u>	<u>218,987</u>	<u>387,145</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, 2007

	Adult Education Fund	Other Enterprise Funds	Total
Operating revenues:			
Charges for services	\$ 3,695,388	374,766	4,070,154
Other operating revenues	287,683	181,263	468,946
Total operating revenues	<u>3,983,071</u>	<u>556,029</u>	<u>4,539,100</u>
Operating expenses:			
Salaries and wages	3,051,326	53,412	3,104,738
Fringe benefits	710,992	10,073	721,065
Contractual services	377,991	486,028	864,019
Materials and supplies	684,956	73,436	758,392
Depreciation	57,809	-	57,809
Other expenses	738,623	22,120	760,743
Total operating expenses	<u>5,621,697</u>	<u>645,069</u>	<u>6,266,766</u>
Operating income (loss)	(1,638,626)	(89,040)	(1,727,666)
Nonoperating revenues (expenses):			
State and federal grants	1,325,023	-	1,325,023
Interest income	-	742	742
Loss on disposal of capital assets	(9,769)	-	(9,769)
Total nonoperating revenues	<u>1,315,254</u>	<u>742</u>	<u>1,315,996</u>
Net income (loss) before transfers	(323,372)	(88,298)	(411,670)
Transfers in	-	60,000	60,000
Net income (loss)	(323,372)	(28,298)	(351,670)
Net assets, beginning of year, restated	491,530	247,285	738,815
Net assets, end of year	\$ <u>168,158</u>	<u>218,987</u>	<u>387,145</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, 2007

	Adult Education Fund	Other Enterprise Funds	Total
Cash flows from operating activities:			
Cash received from customers	\$ 3,703,704	375,270	4,078,974
Cash received from other operating sources	287,683	181,263	468,946
Cash payments for personal services	(3,766,206)	(81,909)	(3,848,115)
Cash payments for contract services	(355,831)	(496,435)	(852,266)
Cash payments for supplies and materials	(684,956)	(66,701)	(751,657)
Cash payments for other expenses	(738,623)	(22,120)	(760,743)
Net cash used by operating activities	(1,554,229)	(110,632)	(1,664,861)
Cash flows from noncapital financing activities:			
Transfers	-	60,000	60,000
Cash received from state and federal grants	1,325,023	-	1,325,023
Net cash provided by noncapital financing activities	1,325,023	60,000	1,385,023
Cash flows from investing activities:			
Investment income	-	742	742
Net change in cash and investments	(229,206)	(49,890)	(279,096)
Cash and investments at beginning of year, restated	391,373	318,115	709,488
Cash and investments at end of year	\$ 162,167	268,225	430,392
 Reconciliation of operating loss to net cash used by operating activities:			
Operating income (loss)	\$ (1,638,626)	(89,040)	(1,727,666)
Adjustments to reconcile operating loss to net cash used by operating activities:			
Depreciation	57,809	-	57,809
Loss on disposal of capital assets	9,769	-	9,769
Changes in assets and liabilities:			
Accounts receivable	(1,453)	504	(949)
Accounts payable	22,160	(3,672)	18,488
Accrued wages and benefits	5,824	(18,424)	(12,600)
Compensated absences payable	(9,712)	-	(9,712)
Net cash used by operating activities	\$ (1,554,229)	(110,632)	(1,664,861)

See accompanying notes to the basic financial statements.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Statement of Net Assets

Fiduciary Funds

June 30, 2007

	Private Purpose Trust	Agency Funds
ASSETS		
Equity in pooled cash and investments	\$ 130,752	3,584,296
Intergovernmental receivable	<u>-</u>	<u>79,455</u>
Total assets	<u>130,752</u>	<u>3,663,751</u>
LIABILITIES		
Due to student groups	-	160,590
Due to other governments	<u>-</u>	<u>3,503,161</u>
Total liabilities	<u>-</u>	<u>3,663,751</u>
NET ASSETS		
Held in trust	\$ <u>130,752</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, 2007

	<u>Private- Purpose Trust Fund</u>
Additions:	
Interest	\$ <u>5,465</u>
Total additions	<u>5,465</u>
Deductions:	
Benefits	<u>1,000</u>
Total deductions	<u>1,000</u>
Change in net assets	4,465
Net assets, beginning of year	<u>126,287</u>
Net assets, end of year	\$ <u><u>130,752</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, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The School District is a joint vocational school district organized under Section 3311.18 of the Ohio Revised Code. The School District provides vocational education for nine school districts serving an eligible student population of approximately 14,375 throughout southwestern Ohio. The District fosters cooperative relationships with business and industry, professional organizations, participating school districts, and other interested, concerned groups and organizations to consider, plan and implement educational programs designed to meet the common needs and interests of students.

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

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

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2007

B. Basis of Presentation

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

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

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

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

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

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

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2007

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.

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

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

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

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

D. Basis of Accounting

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

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

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

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

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

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

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

Deferred Revenue Deferred revenues arise when assets are recognized before revenue recognition criteria have been satisfied. Property taxes measurable as of June 30, 2007, which are intended to finance fiscal year 2008 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 Cash Equivalents" on the balance sheet. During 2007, investments were limited to repurchase agreements, mutual funds and federal agency securities.

The Governmental Accounting Standards Board Statement No. 31 (GASB 31), "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", requires that investments, with certain exceptions, be recorded at their fair value and that changes in the fair value be reported in the operating statement. The School District recorded investments, other than repurchase agreements, held at June 30, 2007 at the fair value. Repurchase agreements are reported at cost.

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

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

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
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F. Capital Assets

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

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

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

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

G. Interfund Balances

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

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

H. Compensated Absences

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

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

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

I. Accrued Liabilities and Long-Term Obligations

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

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

J. Fund Balance Reserves

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

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

K. Restricted Assets

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

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
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L. Net Assets

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

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

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. RESTATEMENTS/FUND BALANCE DEFICITS

Restatements

In the year ended June 30, 2007, the School District reclassified the activities accounted for in the Online Education Fund to the General Fund and closed the Online Education Fund. This requires a restatement of net assets for governmental activities and business-type activities as well as the restatement of beginning fund balance/net assets for the General Fund and Online Education Fund as follows:

	Governmental <u>Activities</u>	Business- Type <u>Activities</u>
Net assets as of June 30, 2006	\$ 37,396,333	(283,489)
Reclassification of fund	<u>(1,022,304)</u>	<u>1,022,304</u>
Net assets as of June 30, 2006, restated	\$ <u>36,374,029</u>	<u>738,815</u>

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		General <u>Fund</u>	Online Education <u>Fund</u>
Fund balance/net assets as of June 30, 2006	\$	4,493,841	(1,022,304)
Reclassification of fund		<u>(1,022,304)</u>	<u>1,022,304</u>
Fund balance/net assets as of June 30, 2006, restated	\$	<u>3,471,537</u>	<u>-</u>

Fund Balance Deficits

At June 30, 2007, the following non-major funds had deficit fund balances:

Miscellaneous Federal Grants Fund	\$2,447
Career Development Fund	\$463
Food Services Fund	\$13,331

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

3. DEPOSITS AND INVESTMENTS

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

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

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

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

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

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

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

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

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
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Deposits

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District's custodial credit risk policy requires that deposits be collateralized as required by ORC Chapter 135. At year-end, \$1,970,263 of the School District's bank balance of \$2,170,263 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, 2007 are as summarized as follows:

	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
FHLB	\$ 2,685,117	2.84
FNMA	6,767,804	1.94
FHLMC	<u>2,083,324</u>	<u>2.06</u>
	<u>\$ 11,536,245</u>	<u>2.17</u>

Credit Risk

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

Custodial Credit Risk

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

Concentration of Credit Risk

The School District's policy places no limit on the amount it may invest in any one issuer. The School District investments in commercial paper and FHLB, FNMA, and FHLMC securities represent 23%, 59%, and 18%, respectively, of the School District's total investments.

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Interest Rate Risk

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

4. PROPERTY TAXES

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

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

Public utility property taxes attached as a lien on December 31 of the prior year, were levied April 1 and are collected with real property taxes. Public utility property taxes are assessed on tangible personal property at varying percentages of true value and on real property at 35% of true value.

Tangible personal property taxes are levied after April 1 on the value as of December 31 of the current year. In prior years, tangible personal property was assessed at twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory. The tangible personal property tax is being phased out – the assessment percentage for all property including inventory for 2006 was 18.75 percent. This will be reduced to 12.5 percent for 2007, 6.25 percent for 2008, and zero for 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

The School District receives property taxes from Butler County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2007, are available to finance fiscal year 2007 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

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Accrued property taxes receivable represents delinquent taxes outstanding and real property, tangible personal property, and public utility taxes that became measurable as of June 30, 2007. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2007, was \$253,000 in the General Fund.

The assessed values upon which fiscal year 2007 taxes were collected are:

	<u>2006 Second- Half Collections</u>		<u>2007 First- Half Collections</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential and Other Real Estate	\$ 6,036,241,040	86.85%	6,216,633,650	88.84%
Public Utility	232,462,720	3.34%	228,898,010	3.27%
Tangible Personal Property	<u>681,872,431</u>	9.80%	<u>552,260,150</u>	7.89%
Total Assessed Value	\$ <u>6,950,576,191</u>	100.00%	<u>6,997,791,810</u>	100.00%
Tax rate per \$1,000 of assessed valuation		\$1.93		\$1.93

5. INTERFUND TRANSACTIONS

On the fund financial statements, the General Fund has a receivable of \$24,392 due from Other Governmental Funds. These interfund loans were made to provide operating capital.

Interfund transfers for the year ended June 30, 2007, consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	310,000
Other Governmental Funds	250,000	1,132,400
Permanent Improvement Fund	1,132,400	-
Other Enterprise Funds	<u>60,000</u>	<u>-</u>
Total	\$ <u>1,442,400</u>	<u>1,442,400</u>

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

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
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6. CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2007 was as follows:

	Balance 7/1/06	Additions	Disposals	Balance 6/30/07
Governmental Activities				
<i>Capital assets not being depreciated:</i>				
Land	\$ 3,438,645	-	-	3,438,645
Construction in progress	-	107,339	-	107,339
Subtotal	3,438,645	107,339	-	3,545,984
<i>Capital assets being depreciated:</i>				
Buildings	24,666,044	-	-	24,666,044
Building improvements	5,012,231	607,486	-	5,619,717
Furniture and equipment	9,898,835	1,848,600	(599,664)	11,147,771
Vehicles	555,744	63,968	(16,000)	603,712
Subtotal	40,132,854	2,520,054	(615,664)	42,037,244
Totals at historical cost	43,571,499	2,627,393	(615,664)	45,583,228
Less accumulated depreciation:				
Buildings	5,604,909	616,651	-	6,221,560
Building improvements	1,060,026	303,926	-	1,363,952
Furniture and equipment	5,974,573	1,343,515	(423,583)	6,894,505
Vehicles	288,615	71,309	(9,600)	350,324
Total accumulated depreciation	12,928,123	2,335,401	(433,183)	14,830,341
Capital assets, net	\$ 30,643,376	291,992	(182,481)	30,752,887
	Balance 7/1/06	Additions	Disposals	Balance 6/30/07
<i>Business-type Activities:</i>				
Furniture and equipment	\$ 489,259	-	(27,729)	461,530
Less accumulated depreciation	279,987	57,809	(17,960)	319,836
Capital assets, net	\$ 209,272	(57,809)	(9,769)	141,694

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
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Depreciation expense was charged to governmental functions as follows:

Instruction:	
Adult	\$ 2,499
Vocational	1,904,098
Support services:	
Pupil	586
Instructional staff	20,227
School administration	115,130
Fiscal	36,256
Central	256,605
Total depreciation expense	<u>\$ 2,335,401</u>

Depreciation expense of \$57,809 was charged to the adult education segment.

7. RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2007, the School District contracted with the Ohio School Plan for general liability insurance with \$3,000,000 each occurrence limit and a \$5,000,000 aggregate. Buildings, contents and school vehicles are protected through a local insurance agent. There were no significant reductions in insurance coverage in the prior year. Settlements have not exceeded insurance coverage during the past three fiscal years.

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

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

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
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8. DEFINED BENEFIT PENSION PLANS

School Employees Retirement System

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

Plan members are required to contribute 10% of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current rate is 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts by the SERS's Retirement Board. The School District's required contributions to SERS for the fiscal years ended June 30, 2007, 2006, and 2005 were approximately \$525,000, \$455,000 and \$380,000, respectively. 100% of the required contributions have been made for all three years.

State Teachers Retirement System

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

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

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

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

Plan members are required to contribute 10% of their annual covered salary and the School District is required to contribute 14%. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. The School District's required contributions to STRS for the fiscal years ended June 30, 2007, 2006, and 2005 were approximately \$2,425,000, \$2,457,000 and \$2,213,000, respectively. 100% of the required contributions have been made for all three years.

Social Security System

All employees not otherwise covered by SERS or STRS have an option to choose Social Security or SERS/STRS. As of June 30, 2007, some members of the Board of Education have elected Social Security. The Board's liability is 6.2% of wages paid.

9. POSTEMPLOYMENT BENEFITS

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

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

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2007

For the year ended June 30, 2007, the board allocated employer contributions equal to 1.00% of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled approximately \$173,000 during fiscal year 2007. STRS pays health care benefits from the Health Care Reserve Fund. The balance in the fund was \$3.5 billion at June 30, 2006. For the year ended June 30, 2006, net health care costs paid by STRS were \$282.7 million and STRS had 119,184 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more years of qualifying service credit, disability, and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75% of the premium. For this fiscal year, employer contributions to fund health care benefits were 3.42% of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14% of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2007, the minimum pay has been established at \$35,800. The surcharge rate added to the unallocated portion of the 14% employer contribution rate provides for maintenance of the asset target level for the health care fund.

The target level for the health care reserve is 150% of annual health care expenses. Expenses for health care for the year ended June 30, 2007 were \$158.8 million and the target level was \$200.6 million. At June 30, 2006, SERS' net assets available for payment of health care benefits was \$295.6 million. SERS has approximately 59,492 participants currently receiving health care benefits. For the School District, this amount to fund health care benefits, including the surcharge, equaled approximately \$129,000 during the 2007 fiscal year.

10. EMPLOYEE BENEFITS

Compensated Absences

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time. Teachers, administrators, and classified employees earn sick leave at the rate of one and one fourth days per month. Sick leave may be accumulated up to maximum of 240 days for teachers, 225 days for classified staff and unlimited days for administrators. Upon retirement, payment is made for 25% of the employee's accumulated sick leave up to a maximum of 60 days for teachers and administrators, and 45 for classified employees.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2007

11. LONG-TERM LIABILITIES

The changes in the School District's long-term liabilities during fiscal year 2007 were as follows:

	Principal Outstanding <u>7/1/06</u>	<u>Additions</u>	<u>Reductions</u>	Principal Outstanding <u>6/30/07</u>	Amounts Due in <u>One Year</u>
<i>Governmental Activities:</i>					
General obligation bonds:					
Energy Conservation	\$ 195,000	-	(100,000)	95,000	95,000
Compensated absences	<u>1,305,024</u>	<u>261,038</u>	<u>(77,744)</u>	<u>1,488,318</u>	<u>110,465</u>
Total	\$ <u>1,500,024</u>	<u>261,038</u>	<u>(177,744)</u>	<u>1,583,318</u>	<u>205,465</u>
<i>Business-type Activities:</i>					
Compensated absences	\$ <u>172,113</u>	<u>18,947</u>	<u>(55,001)</u>	<u>136,059</u>	<u>-</u>

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

Compensated absences are generally liquidated from the General Fund.

Principal and interest requirements to retire the Energy Conservation Bonds outstanding at June 30, 2007, are as follows:

Fiscal Year <u>Ending June 30,</u>		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$	95,000	4,275	99,275

The School District's voted legal debt margin was \$629,801,263 with an unvoted debt margin of \$6,997,792 at June 30, 2007.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2007

12. SHORT-TERM OBLIGATIONS

On June 23, 2006, the School District issued \$3,000,000 of bond anticipation notes for school improvements bearing interest at 4.50%. These notes matured on June 22, 2007 and the School District issued bond anticipation of \$2,000,000 which will pay interest at 4.25%. These notes mature on June 20, 2008.

	Principal Outstanding 7/1/06	Additions	Reductions	Principal Outstanding 6/30/07
2006 notes	\$ 3,000,000	-	(3,000,000)	-
2007 notes	-	2,000,000	-	2,000,000
Total	\$ 3,000,000	2,000,000	(3,000,000)	2,000,000

13. JOINTLY GOVERNED ORGANIZATION

Southwestern Ohio Computer Association

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

14. INSURANCE PURCHASING POOLS

Butler County Health Plan

The School District participates in the Butler County Health Plan (BCHP), an insurance purchasing pool, formed to provide affordable and desirable dental, life, medical, and other disability group insurance for member's employees, eligible dependents and designated beneficiaries. The Board of Directors consists of one representative from each of the participating members and is elected by the vote of a majority of the member school districts. Financial information can be obtained from BCHP at 1910 Fairgrove Avenue, Hamilton, Ohio 45011.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2007

Ohio School Plan

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

Ohio School Boards Association Workers' Compensation Group Rating Plan

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

15. CONTINGENCIES

Grants

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2007.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2007

16. REQUIRED SET-ASIDES

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

		<u>Textbooks</u>	<u>Capital Improvements</u>	<u>Budget Stabilization</u>
Set-aside balance as of June 30, 2006	\$	(6,547,200)	-	467,953
Current year set-aside requirement		418,141	418,141	-
Less qualifying disbursements and offsets		<u>(1,261,943)</u>	<u>(2,580,754)</u>	<u>-</u>
Total		<u>(7,391,002)</u>	<u>(2,162,613)</u>	<u>467,953</u>
Balance carried to FY2008		<u>(7,391,002)</u>	<u>-</u>	<u>467,953</u>
Reserve balance as of June 30, 2007	\$	<u>-</u>	<u>-</u>	<u>467,953</u>

Since the School District had offsets and qualifying disbursements during the year that reduced the set aside amount for textbooks and instructional materials to below zero, these extra amounts may be used to reduce the set aside requirements of future years. However, the excess qualifying disbursements of the capital improvement set-aside may not be used to reduce the capital improvement set aside requirements of future years. The Ohio General Assembly eliminated the requirement for the budget stabilization reserve and effective April 10, 2001, the Board of Education could choose to eliminate the reserve with the exception of rebates received from the Bureau of Workers Compensation. The School District chose not to reduce its budget stabilization reserve.

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, 2007

	General Fund			
	Budgeted Amounts			Variance
	Original	Final	Actual	With Final Budget
Revenues:				
Taxes	\$ 12,000,000	10,925,000	11,039,075	114,075
Tuition	350,000	331,200	479,039	147,839
Interest	300,000	300,000	321,887	21,887
Intergovernmental	19,000,000	18,790,260	18,900,703	110,443
Miscellaneous	350,000	310,597	452,927	142,330
Total revenues	32,000,000	30,657,057	31,193,631	536,574
Expenditures:				
Current:				
Instruction:				
Regular	400,000	431,572	404,299	27,273
Vocational	20,000,000	22,318,833	19,228,666	3,090,167
Support services:				
Pupil	1,200,000	1,337,638	1,185,816	151,822
Instructional staff	1,900,000	1,907,126	1,879,367	27,759
General administration	100,000	152,437	116,842	35,595
School administration	2,350,000	2,672,477	2,386,066	286,411
Fiscal	970,000	1,093,805	1,117,006	(23,201)
Business	30,000	20,471	28,551	(8,080)
Operation and maintenance of plant	2,800,000	3,231,361	2,774,165	457,196
Pupil transportation	25,000	5,559	16,110	(10,551)
Central	2,000,000	2,404,783	2,210,347	194,436
Non-instructional services:				
Extracurricular activities	100,000	91,255	86,721	4,534
Food services	50,000	52,800	54,994	(2,194)
Facilities acquisition and construction	200,000	204,183	193,109	11,074
Total expenditures	32,125,000	35,924,300	31,682,059	4,242,241
Excess of revenues over expenditures	(125,000)	(5,267,243)	(488,428)	4,778,815
Other financing sources (uses)				
Transfers out	(200,000)	(325,000)	(310,000)	15,000
Advances in	425,000	126,689	126,689	-
Advances out	-	(100,000)	(24,392)	75,608
Other financing sources (uses)	-	-	3,023	3,023
Total other financing sources (uses)	225,000	(298,311)	(204,680)	93,631
Net change in fund balance	100,000	(5,565,554)	(693,108)	4,872,446
Fund balance - beginning of year	4,509,007	4,509,007	4,509,007	
Prior year carryover appropriations	1,233,696	1,233,696	1,233,696	
Fund balance - end of year	\$ 5,842,703	177,149	5,049,595	

See accompanying notes to required supplemental information.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Notes to Required Supplementary Information

Year Ended June 30, 2007

Note A Budgetary Basis of Accounting

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

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

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

Encumbrances are treated as expenditures for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types (GAAP basis).

The adjustments necessary to convert the results of operations for the year ended June 30, 2007, on the GAAP basis to the budget basis are as follows:

	<u>General Fund</u>
Net change in fund balance - GAAP Basis	\$ 992,597
Increase / (decrease):	
Due to revenues	(276,287)
Due to expenditures	109,760
Due to other financing sources	105,165
Due to encumbrances	<u>(1,624,343)</u>
Net change in fund balance - Budget Basis	<u>(693,108)</u>

SUPPLEMENTAL SECTION
COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES

Butler Technology and Career Development Schools, Ohio

GENERAL FUND

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

SPECIAL REVENUE FUNDS

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

Nonmajor Special Revenue Funds:

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

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

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

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

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

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

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

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

Butler Technology and Career Development Schools, Ohio

Nonmajor Special Revenue Funds (continued):

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

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 **Improve Teacher Quality Fund** accounts for federal funds the addition of classroom teachers to reduce the number of student per teacher.

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

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

DEBT SERVICE FUND

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

CAPITAL PROJECTS FUNDS

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

Major Capital Projects Fund:

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

Nonmajor Capital Projects Fund:

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

Butler Technology and Career Development Schools, Ohio

ENTERPRISE FUNDS

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

Major Enterprise Funds:

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

Nonmajor Enterprise Funds:

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

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

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

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.

Butler Technology and Career Development Schools, Ohio

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.

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BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO

Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2007

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Service Bond Retirement</u>	<u>Nonmajor Capital Projects Building Fund</u>	<u>Total Nonmajor Governmental Funds</u>
Assets:				
Cash and equity in pooled cash and investments	\$ 367,723	-	55,353	423,076
Receivables:				
Taxes	-	125,000	-	125,000
Intergovernmental	16,706	-	-	16,706
Total assets	<u>384,429</u>	<u>125,000</u>	<u>55,353</u>	<u>564,782</u>
Liabilities:				
Accounts payable	9,264	-	-	9,264
Accrued wages and benefits	1,851	-	-	1,851
Deferred revenue	16,706	125,000	-	141,706
Interfund loans payable	24,392	-	-	24,392
Total liabilities	<u>52,213</u>	<u>125,000</u>	<u>-</u>	<u>177,213</u>
Fund Balances:				
Reserved for:				
Encumbrances	62,799	-	-	62,799
Unreserved, reported in:				
Special Revenue Funds	269,417	-	-	269,417
Capital Projects Funds	-	-	55,353	55,353
Total fund balances	<u>332,216</u>	<u>-</u>	<u>55,353</u>	<u>387,569</u>
Total liabilities and fund balances \$	<u>384,429</u>	<u>125,000</u>	<u>55,353</u>	<u>564,782</u>

BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO

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

Nonmajor Governmental Funds

Year Ended June 30, 2007

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Service Bond Retirement</u>	<u>Nonmajor Capital Projects Building Fund</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues:				
Taxes	\$ -	1,214,615	-	1,214,615
Investment income	2,595	-	2,526	5,121
Intergovernmental	894,687	-	-	894,687
Miscellaneous	43,479	-	-	43,479
Total revenues	<u>940,761</u>	<u>1,214,615</u>	<u>2,526</u>	<u>2,157,902</u>
Expenditures:				
Current:				
Instruction:				
Vocational education	145,382	-	-	145,382
Other	31,348	-	-	31,348
Support services:				
Pupil	117,768	-	-	117,768
Instructional staff	199,397	-	-	199,397
School administration	28,088	-	-	28,088
Central	173,265	-	-	173,265
Non-instructional services:				
Extracurricular activities	220,194	-	-	220,194
Capital outlay	-	-	23,175	23,175
Debt service:				
Principal	-	100,000	-	100,000
Interest	-	8,725	-	8,725
Total expenditures	<u>915,442</u>	<u>108,725</u>	<u>23,175</u>	<u>1,047,342</u>
Excess of revenues over (under) expenditures	<u>25,319</u>	<u>1,105,890</u>	<u>(20,649)</u>	<u>1,110,560</u>
Other financing sources (uses)				
Transfers in	250,000	-	-	250,000
Transfers out	-	(1,132,400)	-	(1,132,400)
Premium on sale of notes	-	26,510	-	26,510
Total other financing sources (uses)	<u>250,000</u>	<u>(1,105,890)</u>	<u>-</u>	<u>(855,890)</u>
Net change in fund balances	275,319	-	(20,649)	254,670
Fund balance, beginning of year	56,897	-	76,002	132,899
Fund balance, end of year	\$ <u>332,216</u>	<u>-</u>	<u>55,353</u>	<u>387,569</u>

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 June 30, 2007

	Public School Support	Other Grant	Termination Benefits	Post Secondary Vocational Education	Management Information Systems	One Net
Assets:						
Equity in pooled cash and investments	\$ 76,529	759	138,241	-	-	-
Net receivables:						
Intergovernmental	-	-	-	-	-	-
Total assets	<u>76,529</u>	<u>759</u>	<u>138,241</u>	<u>-</u>	<u>-</u>	<u>-</u>
Liabilities:						
Accounts payable	-	-	-	-	-	-
Accrued wages and benefits	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Interfund loans payable	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:						
Fund Balances						
Reserved for:						
Encumbrances	560	-	-	-	-	-
Unreserved-undesignated	<u>75,969</u>	<u>759</u>	<u>138,241</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>76,529</u>	<u>759</u>	<u>138,241</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	\$ <u>76,529</u>	<u>759</u>	<u>138,241</u>	<u>-</u>	<u>-</u>	<u>-</u>

<u>Career Develop- ment</u>	<u>Misc. State Grants</u>	<u>Title V</u>	<u>Vocational Education</u>	<u>Improve Teacher Quality</u>	<u>Drug Free Schools</u>	<u>Misc. Federal Grants</u>	<u>TOTAL</u>
-	522	19,519	114,410	10,193	5,451	2,099	367,723
<u>463</u>	<u>-</u>	<u>2,767</u>	<u>11,159</u>	<u>-</u>	<u>2,317</u>	<u>-</u>	<u>16,706</u>
<u>463</u>	<u>522</u>	<u>22,286</u>	<u>125,569</u>	<u>10,193</u>	<u>7,768</u>	<u>2,099</u>	<u>384,429</u>
-	-	-	6,530	-	-	2,734	9,264
-	-	-	1,851	-	-	-	1,851
463	-	2,767	11,159	-	2,317	-	16,706
<u>463</u>	<u>-</u>	<u>2,767</u>	<u>16,955</u>	<u>78</u>	<u>2,317</u>	<u>1,812</u>	<u>24,392</u>
<u>926</u>	<u>-</u>	<u>5,534</u>	<u>36,495</u>	<u>78</u>	<u>4,634</u>	<u>4,546</u>	<u>52,213</u>
-	-	18,655	28,602	9,621	5,361	-	62,799
<u>(463)</u>	<u>522</u>	<u>(1,903)</u>	<u>60,472</u>	<u>494</u>	<u>(2,227)</u>	<u>(2,447)</u>	<u>269,417</u>
<u>(463)</u>	<u>522</u>	<u>16,752</u>	<u>89,074</u>	<u>10,115</u>	<u>3,134</u>	<u>(2,447)</u>	<u>332,216</u>
<u>463</u>	<u>522</u>	<u>22,286</u>	<u>125,569</u>	<u>10,193</u>	<u>7,768</u>	<u>2,099</u>	<u>384,429</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, 2007

	Public School Support	Other Grant	Termination Benefits	Post Secondary Vocational Education	Management Information Systems	One Net
Revenues:						
Investment income	-	-	2,595	-	-	-
Intergovernmental	-	-	-	18,000	9,922	9,000
Miscellaneous	802	42,677	-	-	-	-
Total revenues	<u>802</u>	<u>42,677</u>	<u>2,595</u>	<u>18,000</u>	<u>9,922</u>	<u>9,000</u>
Expenditures:						
Current:						
Instruction:						
Vocational Education	-	1,766	121,313	-	-	-
Other	-	-	-	-	-	-
Support services:						
Pupil	-	25,265	-	-	-	-
Instructional staff	-	-	-	-	-	-
School administration	-	-	-	-	-	-
Central	-	23,162	-	18,000	9,922	9,000
Non-instructional services:						
Extracurricular activities	2,538	-	-	-	-	-
Total expenditures	<u>2,538</u>	<u>50,193</u>	<u>121,313</u>	<u>18,000</u>	<u>9,922</u>	<u>9,000</u>
Excess of revenues over (under) expenditures	(1,736)	(7,516)	(118,718)	-	-	-
Other financing sources (uses)						
Transfers in	-	-	250,000	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>250,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(1,736)	(7,516)	131,282	-	-	-
Fund balance, beginning of year	78,265	8,275	6,959	-	-	-
Fund balance, end of year	\$ <u>76,529</u>	<u>759</u>	<u>138,241</u>	<u>-</u>	<u>-</u>	<u>-</u>

<u>Career Development Fund</u>	<u>Misc. State Grants</u>	<u>Title V</u>	<u>Vocational Education</u>	<u>Improve Teacher Quality</u>	<u>Drug Free Schools</u>	<u>Misc. Federal Grants</u>	<u>TOTAL</u>
-	-	-	-	-	-	-	2,595
11,740	700	22,106	745,224	42,155	23,519	12,321	894,687
-	-	-	-	-	-	-	43,479
<u>11,740</u>	<u>700</u>	<u>22,106</u>	<u>745,224</u>	<u>42,155</u>	<u>23,519</u>	<u>12,321</u>	<u>940,761</u>
-	178	-	22,125	-	-	-	145,382
-	-	-	31,348	-	-	-	31,348
10,676	-	-	81,827	-	-	-	117,768
-	-	7,449	123,153	33,056	22,125	13,614	199,397
-	-	-	28,088	-	-	-	28,088
-	-	-	113,181	-	-	-	173,265
-	-	-	<u>217,656</u>	-	-	-	<u>220,194</u>
<u>10,676</u>	<u>178</u>	<u>7,449</u>	<u>617,378</u>	<u>33,056</u>	<u>22,125</u>	<u>13,614</u>	<u>915,442</u>
1,064	522	14,657	127,846	9,099	1,394	(1,293)	25,319
-	-	-	-	-	-	-	<u>250,000</u>
-	-	-	-	-	-	-	<u>250,000</u>
1,064	522	14,657	127,846	9,099	1,394	(1,293)	275,319
<u>(1,527)</u>	<u>-</u>	<u>2,095</u>	<u>(38,772)</u>	<u>1,016</u>	<u>1,740</u>	<u>(1,154)</u>	<u>56,897</u>
<u>(463)</u>	<u>522</u>	<u>16,752</u>	<u>89,074</u>	<u>10,115</u>	<u>3,134</u>	<u>(2,447)</u>	<u>332,216</u>

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Public School Support Fund

Year Ended June 30, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
From local sources:			
Other local revenues	\$ 400	802	402
Total revenues	<u>400</u>	<u>802</u>	<u>402</u>
Expenditures:			
Current:			
Extracurricular activities	6,500	3,098	3,402
Total expenditures	<u>6,500</u>	<u>3,098</u>	<u>3,402</u>
Net change in fund balance	<u>(6,100)</u>	<u>(2,296)</u>	<u>3,804</u>
Fund balance, beginning of year	78,265	78,265	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u>72,165</u>	<u>75,969</u>	

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Other Grant Fund

Year Ended June 30, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
From local sources:			
Tuition	\$ -	450	450
Other local revenues	<u>42,218</u>	<u>42,227</u>	<u>9</u>
Total revenues	<u>42,218</u>	<u>42,677</u>	<u>459</u>
Expenditures:			
Current:			
Instruction:			
Vocational	1,850	1,766	84
Support Services:			
Pupil	25,413	25,265	148
Central	<u>23,162</u>	<u>23,162</u>	<u>-</u>
Total expenditures	<u>50,425</u>	<u>50,193</u>	<u>232</u>
Net change in fund balance	<u>(8,207)</u>	<u>(7,516)</u>	<u>691</u>
Fund balance, beginning of year	1,025	1,025	
Prior year encumbrances appropriated	<u>7,250</u>	<u>7,250</u>	
Fund balance, end of year	\$ <u>68</u>	<u>759</u>	

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Termination Benefits Fund

Year Ended June 30, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Earnings on investments	\$ 500	2,595	2,095
Total revenues	<u>500</u>	<u>2,595</u>	<u>2,095</u>
Expenditures:			
Current:			
Instruction:			
Vocational	<u>121,500</u>	<u>121,313</u>	<u>187</u>
Total expenditures	<u>121,500</u>	<u>121,313</u>	<u>187</u>
Excess of revenues over (under) expenditures	<u>(121,000)</u>	<u>(118,718)</u>	<u>2,282</u>
Other financing sources:			
Transfers in	<u>250,000</u>	<u>250,000</u>	<u>-</u>
Net change in fund balance	129,000	131,282	2,282
Fund balance, beginning of year	6,959	6,959	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u><u>135,959</u></u>	<u><u>138,241</u></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, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental	\$ 18,000	18,000	-
Total revenues	<u>18,000</u>	<u>18,000</u>	<u>-</u>
Expenditures:			
Current:			
Central	18,000	18,000	-
Total expenditures	<u>18,000</u>	<u>18,000</u>	<u>-</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, beginning of year	-	-	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u><u>-</u></u>	<u><u>-</u></u>	

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Management Information Systems Fund

Year Ended June 30, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental	\$ 9,922	9,922	-
Total revenues	<u>9,922</u>	<u>9,922</u>	<u>-</u>
Expenditures:			
Current:			
Support services:			
Central	9,922	9,922	-
Total expenditures	<u>9,922</u>	<u>9,922</u>	<u>-</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, beginning of year	-	-	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u>-</u>	<u>-</u>	

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

One Net Fund

Year Ended June 30, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental	<u>9,000</u>	<u>9,000</u>	<u>-</u>
Total revenues	<u>9,000</u>	<u>9,000</u>	<u>-</u>
Expenditures:			
Current:			
Central	<u>9,000</u>	<u>9,000</u>	<u>-</u>
Total expenditures	<u>9,000</u>	<u>9,000</u>	<u>-</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, beginning of year	-	-	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u>-</u>	<u>-</u>	

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Career Development Fund

Year Ended June 30, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental	\$ 11,740	11,740	-
Total revenues	<u>11,740</u>	<u>11,740</u>	<u>-</u>
Expenditures:			
Current:			
Support services:			
Pupils	10,676	10,676	-
Total expenditures	<u>10,676</u>	<u>10,676</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>1,064</u>	<u>1,064</u>	<u>-</u>
Other financing sources uses:			
Advances in	463	463	-
Advances out	<u>(1,706)</u>	<u>(1,706)</u>	<u>-</u>
Net change in fund balance	(179)	(179)	-
Fund balance, beginning of year	179	179	
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)

Miscellaneous State Grants Fund

Year Ended June 30, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental	\$ 700	700	-
Total revenues	<u>700</u>	<u>700</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Vocational	178	178	-
Total expenditures	<u>178</u>	<u>178</u>	<u>-</u>
Net change in fund balance	522	522	-
Fund balance, beginning of year	-	-	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u><u>522</u></u>	<u><u>522</u></u>	

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Title V Fund

Year Ended June 30, 2007

	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$ 22,106	22,106	-
Total revenues	<u>22,106</u>	<u>22,106</u>	<u>-</u>
Expenditures:			
Current:			
Support services:			
Instructional staff	26,968	26,104	864
Total expenditures	<u>26,968</u>	<u>26,104</u>	<u>864</u>
Excess of revenues over (under) expenditures	<u>(4,862)</u>	<u>(3,998)</u>	<u>864</u>
Other financing sources uses:			
Advances in	2,767	2,767	-
Total other financing sources (uses)	<u>2,767</u>	<u>2,767</u>	<u>-</u>
Net change in fund balance	<u>(2,095)</u>	<u>(1,231)</u>	<u>864</u>
Fund balance, beginning of year	2,095	2,095	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u>-</u>	<u>864</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, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental	\$ 745,225	745,225	-
Total revenues	<u>745,225</u>	<u>745,225</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Vocational	22,125	22,125	-
Adult/continuing education	32,916	32,949	(33)
Support services:			
Pupil	106,007	82,764	23,243
Instructional staff	151,484	123,699	27,785
School administration	28,088	28,088	-
Central	138,020	120,820	17,200
Extracurricular activities	<u>243,358</u>	<u>236,514</u>	<u>6,844</u>
Total expenditures	<u>721,998</u>	<u>646,959</u>	<u>75,039</u>
Excess of revenues over (under) expenditures	23,227	98,266	75,039
Other financing sources (uses):			
Advances in	16,956	16,956	-
Advances out	<u>(122,566)</u>	<u>(122,566)</u>	<u>-</u>
Total other financing sources (uses)	<u>(105,610)</u>	<u>(105,610)</u>	<u>-</u>
Net change in fund balance	(82,383)	(7,344)	75,039
Fund balance, beginning of year	1,005	1,005	
Prior year encumbrances appropriated	<u>85,619</u>	<u>85,619</u>	
Fund balance, end of year	\$ <u>4,241</u>	<u>79,280</u>	

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Improve Teacher Quality Fund

Year Ended June 30, 2007

	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$ 42,154	42,154	-
Total revenues	<u>42,154</u>	<u>42,154</u>	<u>-</u>
Expenditures:			
Current:			
Support services:			
Instructional staff	<u>44,746</u>	<u>44,175</u>	<u>571</u>
Total expenditures	<u>44,746</u>	<u>44,175</u>	<u>571</u>
Excess of revenues over expenditures	(2,592)	(2,021)	571
Other financing sources (uses):			
Advances in	<u>76</u>	<u>76</u>	<u>-</u>
Total other financing sources (uses)	<u>76</u>	<u>76</u>	<u>-</u>
Net change in fund balance	(2,516)	(1,945)	571
Fund balance, beginning of year	915	915	
Prior year encumbrances appropriated	<u>1,601</u>	<u>1,601</u>	
Fund balance, end of year	\$ <u><u>-</u></u>	<u><u>571</u></u>	

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Drug Free Schools

Year Ended June 30, 2007

	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$ 23,519	23,519	-
Total revenues	<u>23,519</u>	<u>23,519</u>	<u>-</u>
Expenditures:			
Current:			
Support services:			
Instructional staff	27,486	27,486	-
Total expenditures	<u>27,486</u>	<u>27,486</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>(3,967)</u>	<u>(3,967)</u>	<u>-</u>
Other financing sources (uses):			
Advances in	2,317	2,317	-
Total other financing sources (uses)	<u>2,317</u>	<u>2,317</u>	<u>-</u>
Net change in fund balance	(1,650)	(1,650)	-
Fund balance, beginning of year	1,740	1,740	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u><u>90</u></u>	<u><u>90</u></u>	

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Miscellaneous Federal Grant Fund

Year Ended June 30, 2007

	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$ 12,320	12,320	-
Total revenues	<u>12,320</u>	<u>12,320</u>	<u>-</u>
Expenditures:			
Current:			
Support Services:			
Instructional staff	19,185	19,185	-
Total expenditures	<u>19,185</u>	<u>19,185</u>	<u>-</u>
Excess of revenues over expenditures	(6,865)	(6,865)	-
Other financing sources (uses):			
Advances in	1,812	1,812	-
Advances out	<u>(2,418)</u>	<u>(2,418)</u>	<u>-</u>
Total other financing sources (uses)	<u>(606)</u>	<u>(606)</u>	<u>-</u>
Net change in fund balance	(7,471)	(7,471)	-
Fund balance, beginning of year	787	787	
Prior year encumbrances appropriated	<u>6,684</u>	<u>6,684</u>	
Fund balance, end of year	\$ <u><u>-</u></u>	<u><u>-</u></u>	

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Debt Service Fund

Year Ended June 30, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
From local sources:			
Taxes	\$ 1,214,615	1,214,615	-
Total revenues	<u>1,214,615</u>	<u>1,214,615</u>	<u>-</u>
Expenditures:			
Debt service:			
Repayment of debt	<u>3,241,125</u>	<u>3,241,125</u>	<u>-</u>
Total expenditures	<u>3,241,125</u>	<u>3,241,125</u>	<u>-</u>
Excess of revenues over expenditures	(2,026,510)	(2,026,510)	-
Other financing sources:			
Proceeds from sale of notes	2,000,000	2,000,000	-
Accrued interest on notes sold	<u>26,510</u>	<u>26,510</u>	<u>-</u>
Total financing sources	<u>2,026,510</u>	<u>2,026,510</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures	-	-	-
Fund balance, beginning of year	-	-	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u><u>-</u></u>	<u><u>-</u></u>	

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Permanent Improvement Fund

Year Ended June 30, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
From local sources:			
Earnings on investments	\$ 214,500	245,704	31,204
Other local revenues	<u>10,000</u>	<u>7,585</u>	<u>(2,415)</u>
Total revenues	<u>224,500</u>	<u>253,289</u>	<u>28,789</u>
Expenditures:			
Current:			
Instruction:			
Other	975	-	975
Support Services:			
Operations and maintenance	30,000	-	30,000
Central	937	-	937
Facilities acquisition and construction	<u>3,930,585</u>	<u>707,536</u>	<u>3,223,049</u>
Total expenditures	<u>3,962,497</u>	<u>707,536</u>	<u>3,254,961</u>
Excess of revenues over expenditures	<u>(3,737,997)</u>	<u>(454,247)</u>	<u>3,283,750</u>
Other financing sources:			
Refund of prior year receipts	<u>(21,570)</u>	<u>(21,570)</u>	<u>-</u>
Total other financing sources	<u>(21,570)</u>	<u>(21,570)</u>	<u>-</u>
Net change in fund balance	(3,759,567)	(475,817)	3,283,750
Fund balance, beginning of year	5,765,899	5,765,899	
Prior year encumbrances appropriated	<u>24,066</u>	<u>24,066</u>	
Fund balance, end of year	\$ <u>2,030,399</u>	<u>5,314,148</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, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
From local sources:			
Earnings on investments	\$ 2,300	2,526	226
Total revenues	<u>2,300</u>	<u>2,526</u>	<u>226</u>
Expenditures:			
Support services:			
Business	7,448	-	7,448
Facilities acquisition and construction	<u>66,632</u>	<u>25,563</u>	<u>41,069</u>
Total expenditures	<u>74,080</u>	<u>25,563</u>	<u>48,517</u>
Net change in fund balance	(71,780)	(23,037)	48,743
Fund balance, beginning of year	44,309	44,309	
Prior year encumbrances appropriated	<u>34,081</u>	<u>34,081</u>	
Fund balance, end of year	\$ <u><u>6,610</u></u>	<u><u>55,353</u></u>	

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BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Combining Statement of Net Assets

Nonmajor Enterprise Funds

June 30, 2007

	Food Service	Uniform School Supply	Rotary	<i>TOTAL</i>
Assets:				
Equity in pooled cash and investments	\$ <u>31,244</u>	<u>26,775</u>	<u>210,206</u>	<u>268,225</u>
Total assets	<u>31,244</u>	<u>26,775</u>	<u>210,206</u>	<u>268,225</u>
Liabilities:				
Accounts payable	<u>44,575</u>	<u>-</u>	<u>4,663</u>	<u>49,238</u>
Total liabilities	<u>44,575</u>	<u>-</u>	<u>4,663</u>	<u>49,238</u>
Net assets:				
Unrestricted	<u>(13,331)</u>	<u>26,775</u>	<u>205,543</u>	<u>218,987</u>
Total net assets	\$ <u>(13,331)</u>	<u>26,775</u>	<u>205,543</u>	<u>218,987</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, 2007

	Food Service	Uniform School Supply	Rotary	<i>TOTAL</i>
Operating revenues:				
Charges for services	\$ 334,936	3,045	36,785	374,766
Other operating revenues	<u>-</u>	<u>-</u>	<u>181,263</u>	<u>181,263</u>
Total operating revenues	<u>334,936</u>	<u>3,045</u>	<u>218,048</u>	<u>556,029</u>
Operating expenses:				
Salaries and wages	-	-	53,412	53,412
Fringe benefits	1,385	-	8,688	10,073
Contractual services	364,512	-	121,516	486,028
Materials and supplies	2,626	7,778	63,032	73,436
Other operating expenses	<u>3,492</u>	<u>-</u>	<u>18,628</u>	<u>22,120</u>
Total operating expenses	<u>372,015</u>	<u>7,778</u>	<u>265,276</u>	<u>645,069</u>
Operating loss	(37,079)	(4,733)	(47,228)	(89,040)
Nonoperating revenues:				
Interest income	<u>742</u>	<u>-</u>	<u>-</u>	<u>742</u>
Net income (loss) before transfers	(36,337)	(4,733)	(47,228)	(88,298)
Transfers in	<u>60,000</u>	<u>-</u>	<u>-</u>	<u>60,000</u>
Net income (loss)	23,663	(4,733)	(47,228)	(28,298)
Net assets, beginning of year	<u>(36,994)</u>	<u>31,508</u>	<u>252,771</u>	<u>247,285</u>
Net assets, end of year	\$ <u><u>(13,331)</u></u>	<u><u>26,775</u></u>	<u><u>205,543</u></u>	<u><u>218,987</u></u>

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

Year Ended June 30, 2007

	Food Service	Uniform School Supply	Rotary	<i>TOTAL</i>
Cash flows from operating activities:				
Cash received from fees	\$ 335,440	3,045	36,785	375,270
Cash received from other operations	-	-	181,263	181,263
Cash payments for personal services	(1,385)	-	(80,524)	(81,909)
Cash payments for contract services	(366,718)	-	(129,717)	(496,435)
Cash payments for supplies and materials	(554)	(7,778)	(58,369)	(66,701)
Cash payments for other expenses	(3,492)	-	(18,628)	(22,120)
Net cash provided (used) by operating activities	<u>(36,709)</u>	<u>(4,733)</u>	<u>(69,190)</u>	<u>(110,632)</u>
Cash flows from noncapital financing activities:				
Transfers	<u>60,000</u>	<u>-</u>	<u>-</u>	<u>60,000</u>
Cash flows from investing activities:				
Interest received	<u>742</u>	<u>-</u>	<u>-</u>	<u>742</u>
Net increase (decrease) in cash	24,033	(4,733)	(69,190)	(49,890)
Cash and investments, beginning of year	<u>7,211</u>	<u>31,508</u>	<u>279,396</u>	<u>318,115</u>
Cash and investments, end of year	<u>31,244</u>	<u>26,775</u>	<u>210,206</u>	<u>268,225</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	(37,079)	(4,733)	(47,228)	(89,040)
Adjustments to reconcile operating loss to net cash used by operating activities:				
Changes in assets and liabilities:				
Accounts receivable	504	-	-	504
Accounts payable	(134)	-	(3,538)	(3,672)
Accrued wages and benefits	<u>-</u>	<u>-</u>	<u>(18,424)</u>	<u>(18,424)</u>
Net cash provided (used) by operating activities	<u>\$ (36,709)</u>	<u>(4,733)</u>	<u>(69,190)</u>	<u>(110,632)</u>

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Combining Statement of Net Assets

Agency Funds

June 30, 2007

	<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	\$ 3,384,520	150,684	49,092	3,584,296
Intergovernmental receivable	<u>69,549</u>	<u>9,906</u>	<u>-</u>	<u>79,455</u>
Total assets	<u>3,454,069</u>	<u>160,590</u>	<u>49,092</u>	<u>3,663,751</u>
Liabilities:				
Due to student groups	-	160,590	-	160,590
Due to other governments	<u>3,454,069</u>	<u>-</u>	<u>49,092</u>	<u>3,503,161</u>
Total liabilities	\$ <u>3,454,069</u>	<u>160,590</u>	<u>49,092</u>	<u>3,663,751</u>

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Combining Statement of Changes in Fiduciary Assets

Agency Funds

Year Ended June 30, 2007

	Beginning Balance 7/1/06	Additions	Deductions	Ending Balance 6/30/07
SWOCA FUND				
Assets:				
Equity in pooled cash and investments	\$ 3,361,049	3,384,520	3,361,049	3,384,520
Intergovernmental receivable	101,693	69,549	101,693	69,549
	<u>3,462,742</u>	<u>3,454,069</u>	<u>3,462,742</u>	<u>3,454,069</u>
Liabilities:				
Accounts payable	10,438	-	10,438	-
Due to other governments	3,452,304	3,454,069	3,452,304	3,454,069
	<u>3,462,742</u>	<u>3,454,069</u>	<u>3,462,742</u>	<u>3,454,069</u>
<hr/>				
STUDENT ACTIVITIES FUND				
Assets:				
Equity in pooled cash and investments	\$ 127,507	475,624	452,447	150,684
Intergovernmental receivable	-	9,906	-	9,906
	<u>127,507</u>	<u>485,530</u>	<u>452,447</u>	<u>160,590</u>
Liabilities:				
Due to student groups	<u>127,507</u>	<u>485,530</u>	<u>452,447</u>	<u>160,590</u>
<hr/>				
DISTRICT AGENCY FUND				
Assets:				
Equity in pooled cash and investments	<u>37,765</u>	<u>495,338</u>	<u>484,011</u>	<u>49,092</u>
Liabilities:				
Due to other governments	<u>37,765</u>	<u>495,338</u>	<u>484,011</u>	<u>49,092</u>
<hr/>				
TOTAL				
Assets:				
Equity in pooled cash and investments	3,526,321	4,355,482	4,297,507	3,584,296
Intergovernmental receivable	101,693	79,455	101,693	79,455
	<u>3,628,014</u>	<u>4,434,937</u>	<u>4,399,200</u>	<u>3,663,751</u>
Liabilities:				
Accounts payable	10,438	-	10,438	-
Due to other governments	3,490,069	3,949,407	3,936,315	3,503,161
Due to student groups	127,507	485,530	452,447	160,590
	<u>\$ 3,628,014</u>	<u>4,434,937</u>	<u>4,399,200</u>	<u>3,663,751</u>

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*Butler Technology and Career
Development Schools, Ohio*

STATISTICAL SECTION

Statistical Section

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

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Economic and Demographic Information

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

Operating Information

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

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The School District implemented GASB Statement 34 in fiscal year 2002; schedules presenting government-wide information include information beginning in that fiscal year.

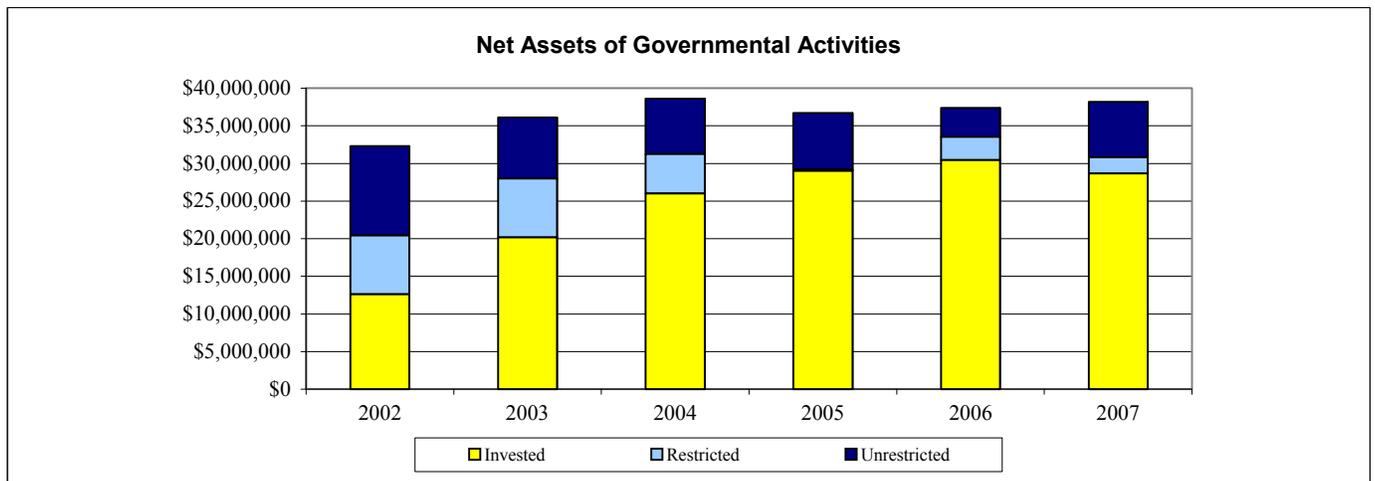
Butler Technology and Career Development Schools, Ohio

Net Assets by Component

Last Six Fiscal Years

(accrual basis of accounting)

	2002	2003	2004	2005	2006	2007
Governmental Activities:						
Invested in Capital Assets, Net of Related Debt	\$12,647,995	\$20,182,485	\$26,024,000	\$28,996,283	\$30,448,376	\$28,657,887
Restricted for:						
Capital Projects	7,722,845	7,620,368	4,979,453	152,195	3,078,390	2,055,353
Other Purposes	56,364	197,063	227,044	7,420	4,851	119,597
Unrestricted (Deficit)	11,878,007	8,123,058	7,355,337	7,527,220	3,864,716	7,328,807
Total Governmental Activities Net Assets	\$32,305,211	\$36,122,974	\$38,585,834	\$36,683,118	\$37,396,333	\$38,161,644
Business-type Activities:						
Invested in Capital Assets, Net of Related Debt	\$135,389	\$113,066	\$136,952	\$186,556	\$209,272	\$141,694
Restricted	0	0	0	0	0	0
Unrestricted (Deficit)	854,560	927,446	198,119	(294,182)	(492,761)	245,451
Total Business-type Activities Net Assets	\$989,949	\$1,040,512	\$335,071	(\$107,626)	(\$283,489)	\$387,145
Primary Government:						
Invested in Capital Assets, Net of Related Debt	\$12,783,384	\$20,295,551	\$26,160,952	\$29,182,839	\$30,657,648	\$28,799,581
Restricted	7,779,209	7,817,431	5,206,497	159,615	3,083,241	2,174,950
Unrestricted (Deficit)	12,732,567	9,050,504	7,553,456	7,233,038	3,371,955	7,574,258
Total Primary Government Net Assets	\$33,295,160	\$37,163,486	\$38,920,905	\$36,575,492	\$37,112,844	\$38,548,789



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

	2002	2003	2004	2005	2006	2007
Expenses						
Governmental Activities:						
Regular Instruction	\$292,315	\$312,742	\$313,687	\$366,755	\$390,185	\$405,750
Special Instruction	66,754	71,418	120,983	150,835	0	0
Vocational Instruction	9,629,867	10,302,778	13,376,890	17,604,820	17,572,106	19,373,433
Pupil Support	539,492	804,163	1,021,007	1,210,551	1,341,195	1,274,770
Instructional Staff Support	543,890	943,852	1,163,279	1,574,082	1,498,128	1,983,222
Board of Education	108,017	148,582	222,672	322,216	267,959	98,619
Administration	998,374	1,389,565	1,833,730	2,531,604	2,042,132	2,328,076
Fiscal	566,909	565,943	769,203	807,920	896,082	1,115,997
Business	33,186	36,128	453,705	175,600	56,702	28,357
Operation and Maintenance of Plant	1,266,864	1,467,596	2,141,094	2,921,765	2,415,442	2,340,466
Pupil Transportation	66,090	10,418	10,313	38,224	14,212	15,492
Central Services	639,936	1,474,572	1,814,607	2,469,252	2,327,831	2,523,129
Non-Instructional Activities	87,092	106,694	166,434	200,061	341,995	344,577
Interest and Fiscal Charges	238,361	158,228	102,412	53,700	22,325	140,025
<i>Total Governmental Activities Expenses</i>	<u>15,077,147</u>	<u>17,792,679</u>	<u>23,510,016</u>	<u>30,427,385</u>	<u>29,186,294</u>	<u>31,971,913</u>
Business-type Activities:						
Adult Education	2,731,344	3,518,449	3,794,593	4,692,112	5,515,694	5,631,466
Online Education	0	0	904,982	2,075,425	1,956,333	0
Food Service	202,356	175,184	203,394	314,929	426,422	372,015
Other Services	476,069	170,671	262,036	178,984	280,383	273,054
<i>Total Business-type Activities Expenses</i>	<u>3,409,769</u>	<u>3,864,304</u>	<u>5,165,005</u>	<u>7,261,450</u>	<u>8,178,832</u>	<u>6,276,535</u>
<i>Total Primary Government Expenses</i>	<u>18,486,916</u>	<u>21,656,983</u>	<u>28,675,021</u>	<u>37,688,835</u>	<u>37,365,126</u>	<u>38,248,448</u>
Program Revenues						
Governmental Activities:						
Charges for Services						
Vocational Education	58,820	47,272	39,363	65,909	102,263	677,250
Operating Grants and Contributions						
Vocational Education	25,115	22,103	35,421	79,124	125,806	83,689
Special Instruction	0	0	105,772	138,363	0	0
Pupil Support	146,439	246,349	161,031	158,120	144,992	100,932
Staff Support	326,570	425,389	267,630	191,200	223,460	211,740
Administration	0	0	30,211	26,375	25,743	30,527
Central Services	246,913	274,018	225,489	324,481	184,890	159,931
Extracurricular Activities	0	0	0	0	172,266	236,555
<i>Total Governmental Activities Program Revenues</i>	<u>803,857</u>	<u>1,015,131</u>	<u>864,917</u>	<u>983,572</u>	<u>979,420</u>	<u>1,500,624</u>
Business-type Activities:						
Charges for Services						
Adult Education	2,293,550	2,417,930	2,564,368	3,573,093	3,661,425	3,983,071
Online Education	0	0	308,860	223,681	281,880	0
Food Service	187,625	174,922	181,322	257,672	300,005	334,936
Other Services	37,208	206,437	202,235	160,696	408,393	221,093
Operating Grants and Contributions	897,072	965,537	1,129,413	1,204,115	1,449,134	1,325,765
Capital Grants and Contributions	0	0	0	0	0	0
<i>Total Business-type Activities Program Revenues</i>	<u>3,415,455</u>	<u>3,764,826</u>	<u>4,386,198</u>	<u>5,419,257</u>	<u>6,100,837</u>	<u>5,864,865</u>
<i>Total Primary Government Program Revenues</i>	<u>4,219,312</u>	<u>4,779,957</u>	<u>5,251,115</u>	<u>6,402,829</u>	<u>7,080,257</u>	<u>7,365,489</u>
Net (Expense)/Revenue						
Governmental Activities	(14,273,290)	(16,777,548)	(22,645,099)	(29,443,813)	(28,206,874)	(30,471,289)
Business-type Activities	5,686	(99,478)	(778,807)	(1,842,193)	(2,077,995)	(411,670)
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(\$14,267,604)</u>	<u>(\$16,877,026)</u>	<u>(\$23,423,906)</u>	<u>(\$31,286,006)</u>	<u>(\$30,284,869)</u>	<u>(\$30,882,959)</u>

(continued)

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

	2002	2003	2004	2005	2006	2007
General Revenues and Other Changes in Net Assets						
Governmental Activities:						
Property Taxes Levied for:						
General Purposes	\$8,205,078	\$5,825,805	\$8,102,977	\$9,155,160	\$9,771,510	\$10,983,075
Debt Service	0	4,010,653	2,957,503	2,161,300	2,127,425	1,214,615
Income Taxes Levied for						
General Purposes	0	0	0	0	0	0
Grants and Entitlements not						
Restricted to Specific Programs	9,664,383	10,191,754	13,851,100	16,859,349	17,856,790	18,900,703
Investment Earnings	1,127,189	544,303	237,524	292,328	290,398	709,597
Miscellaneous	174,207	172,795	42,719	472,456	776,098	510,914
Transfers	(282,500)	(150,000)	(83,864)	(1,399,496)	(1,902,132)	(60,000)
<i>Total Governmental Activities</i>	<u>18,888,357</u>	<u>20,595,310</u>	<u>25,107,959</u>	<u>27,541,097</u>	<u>28,920,089</u>	<u>32,258,904</u>
Business-type Activities:						
Investment Earnings	84	41	0	0	0	0
Transfers	282,500	150,000	73,366	1,399,496	1,902,132	60,000
<i>Total Business-type Activities</i>	<u>282,584</u>	<u>150,041</u>	<u>73,366</u>	<u>1,399,496</u>	<u>1,902,132</u>	<u>60,000</u>
<i>Total Primary Government</i>	<u>19,170,941</u>	<u>20,745,351</u>	<u>25,181,325</u>	<u>28,940,593</u>	<u>30,822,221</u>	<u>32,318,904</u>
Change in Net Assets						
Governmental Activities	4,615,067	3,817,762	2,462,860	(1,902,716)	713,215	1,787,615
Business-type Activities	288,270	50,563	(705,441)	(442,697)	(175,863)	(351,670)
<i>Total Primary Government Change in Net Assets</i>	<u>\$4,903,337</u>	<u>\$3,868,325</u>	<u>\$1,757,419</u>	<u>(\$2,345,413)</u>	<u>\$537,352</u>	<u>\$1,435,945</u>

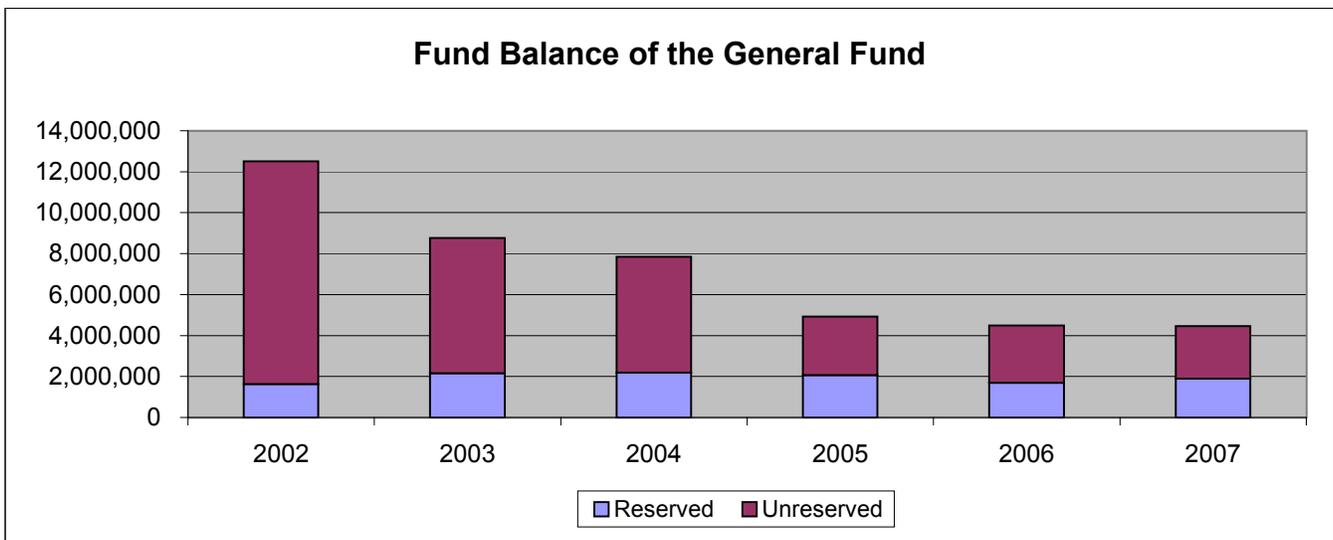
Butler Technology and Career Development Schools, Ohio

Fund Balances, Governmental Funds

Last Six Fiscal Years

(modified accrual basis of accounting)

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



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

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

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
1998	2,666,270,800	812,857,680	9,940,367,086	345,421,730	392,524,693
1999	2,731,088,120	800,522,700	10,090,316,629	349,975,010	397,698,875
2000	2,770,306,620	889,507,980	10,456,613,143	354,744,010	403,118,193
2001	3,101,386,920	909,393,350	11,459,372,200	355,947,900	404,486,250
2002	3,401,826,270	1,032,627,170	12,669,866,971	221,296,890	251,473,739
2003	4,011,349,040	1,196,516,010	14,879,614,429	244,829,060	278,214,841
2004	4,134,067,880	1,213,721,520	15,279,398,286	232,622,110	264,343,307
2005	4,303,875,020	1,232,189,750	15,817,327,914	238,119,270	270,590,080
2006	4,722,129,170	1,314,111,870	17,246,402,971	232,462,720	264,162,182
2007	4,878,850,690	1,337,782,960	17,761,810,429	228,898,010	260,111,375

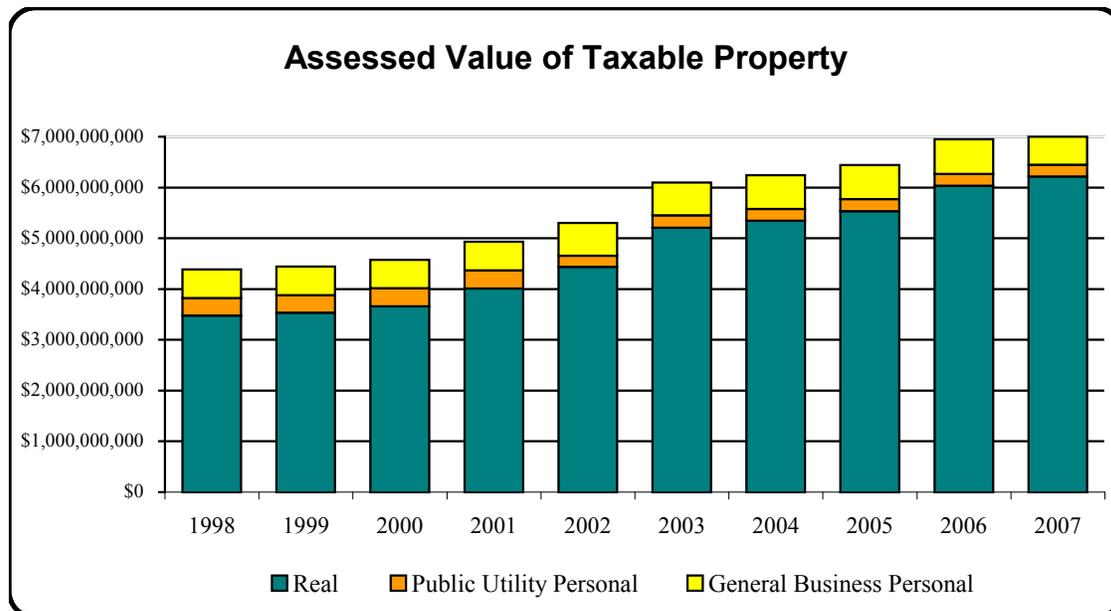
Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

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

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

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

Tangible Personal Property				
General Business		Total		
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio
559,517,525	2,238,070,100	4,384,067,735	12,570,961,879	34.9%
559,330,743	2,237,322,972	4,440,916,573	12,725,338,476	34.9%
562,802,599	2,251,210,396	4,577,361,209	13,110,941,732	34.9%
563,581,619	2,254,326,476	4,930,309,789	14,118,184,926	34.9%
647,356,246	2,589,424,984	5,303,106,576	15,510,765,694	34.2%
646,479,584	2,585,918,336	6,099,173,694	17,743,747,605	34.4%
662,867,542	2,651,470,168	6,243,279,052	18,195,211,761	34.3%
666,053,908	2,895,886,557	6,440,237,948	18,983,804,550	33.9%
681,872,431	3,636,652,965	6,950,576,191	21,147,218,119	32.9%
552,260,150	4,418,081,200	6,997,791,810	22,440,003,004	31.2%



Butler Technology and Career Development Schools, Ohio

*Property Tax Rates
(per \$1,000 of assessed value)
Last Ten Years*

	1998	1999	2000	2001	2002	2003	2004	2005	2006
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
Commercial/Industrial and Public Utility Real	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
1977 Operating - continuing									
Residential/Agricultural Real	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
General Business and Public Utility Personal	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
Commercial/Industrial and Public Utility Real	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
Overlapping Rates by Taxing District (1)									
Townships (21)	.24 - 9.59	.24 - 9.59	.24 - 10.59	.24 - 13.09	.24 - 13.09	.24 - 13.09	.24 - 13.09	.24 - 13.09	.24 - 13.09
<i>- Range of voted rates for 21 townships</i>									
Cities (12)	2.0 - 7.0	2.0 - 7.0	2.0 - 7.0	2.0 - 7.0	2.0 - 7.0	2.0 - 7.0	2.0 - 7.0	2.0 - 7.0	2.0 - 7.16
<i>- Range of voted rates for 12 cities and villages</i>									
School Districts (9)	25.09 - 56.14	25.09 - 56.14	29.09 - 55.14	29.42 - 61.88	29.42 - 61.88	29.42 - 60.84	29.42 - 60.04	29.42 - 65.64	29.42 - 65.64
<i>- Range of voted rates for 9 school districts</i>									
Butler County	8.44	8.45	8.45	8.75	8.75	8.74	8.74	9.44	9.44

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

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

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

Butler Technology and Career Development Schools, Ohio

Principal Taxpayers

2006 and 1998 (1)

Name of Taxpayer	2006	
	Assessed Value	Percent of Real Property Assessed Value
Duke Energy Corporation	\$247,807,580	3.54%
AK Steel Corporation	129,140,250	1.85%
Miller Brewing Company	49,935,301	0.71%
Ohio Casualty Insurance	11,139,210	0.16%
Cincinnati Financial Insurance	16,913,280	0.24%
Cincinnati Bell Telephone	16,875,860	0.24%
Butler Rural Electric	11,891,700	0.17%
Meijer Stores LTD	12,451,050	0.18%
Worthington Steel Company	9,198,550	0.13%
Bay West Paper Corporation	8,652,080	0.12%
Totals	\$514,004,861	7.35%
Total Assessed Valuation	\$6,997,791,810	

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

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

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

Butler Technology and Career Development Schools, Ohio

Property Tax Levies and Collections (1)

Last Ten Years

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
1997	7,277,902	7,083,440	97.33%	180,013	7,263,453	99.80
1998	7,324,499	7,129,780	97.34%	171,723	7,301,503	99.69
1999	7,233,754	7,032,333	97.22%	164,771	7,197,104	99.49
2000	7,593,136	7,327,219	96.50%	208,671	7,535,890	99.25
2001	8,427,785	8,159,326	96.81%	183,980	8,343,306	99.00
2002	8,722,674	8,493,949	97.38%	256,853	8,750,802	100.32
2003	9,972,120	9,962,622	99.90%	323,724	10,286,346	103.15
2004	10,429,083	10,207,681	97.88%	342,369	10,550,050	101.16
2005	10,780,168	10,526,455	97.65%	259,194	10,785,649	100.05
2006	12,862,717	12,270,725	95.40%	466,758	12,737,483	99.03

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

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

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

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

Butler Technology and Career Development Schools, Ohio

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
June 30, 2007*

	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	\$67,893,870	86.35%	\$58,626,357
<u>Cities:</u>			
City of Middletown	23,150,000	97.99%	22,684,685
City of Fairfield	27,505,000	99.97%	27,496,749
City of Monroe	10,265,000	100.00%	10,265,000
City of Hamilton	32,918,972	3.75%	1,234,461
City of Oxford	2,975,000	100.00%	2,975,000
City of Trenton	2,759,334	100.00%	2,759,334
<u>Townships:</u>			
West Chester Township	51,675,000	96.07%	49,644,173
Fairfield Township	5,075,000	99.48%	5,048,610
Liberty Township	4,519,424	100.00%	4,519,424
<u>School Districts:</u>			
Lakota Local Schools	171,918,950	100.00%	171,918,950
Middletown City Schools	66,105,060	100.00%	66,105,060
Fairfield City Schools	34,090,655	100.00%	34,090,655
Monroe Local Schools	26,925,228	100.00%	26,925,228
Ross Local Schools	22,084,997	100.00%	22,084,997
Edgewood City Schools	14,948,555	100.00%	14,948,555
Madison Local Schools	12,129,929	100.00%	12,129,929
Talawanda City Schools	8,640,000	100.00%	8,640,000
New Miami Local Schools	1,778,000	100.00%	1,778,000
Total Overlapping Debt	\$587,357,974		\$543,875,166
Direct Debt	2,095,000	100.00%	2,095,000
Total Direct and Overlapping Debt	\$589,452,974		\$545,970,166

Source: Ohio Municipal Advisory Council

Butler Technology and Career Development Schools, Ohio

Computation of Legal Debt Margin

Last Ten Fiscal Years

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Tax Valuation	<u>\$4,384,067,735</u>	<u>\$4,440,916,573</u>	<u>\$4,577,361,209</u>	<u>\$4,930,309,789</u>
Debt Limit - 9% of Taxable Valuation (1)	<u>\$394,566,096</u>	<u>\$399,682,492</u>	<u>\$411,962,509</u>	<u>\$443,727,881</u>
Amount of Debt Applicable to Debt Limit General Obligation Bonds Less Amount Available in Debt Service	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Amount of Debt Subject to Limit	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Legal Debt Margin	<u>\$394,566,096</u>	<u>\$399,682,492</u>	<u>\$411,962,509</u>	<u>\$443,727,881</u>
Legal Debt Margin as a Percentage of the Debt Limit	100.00%	100.00%	100.00%	100.00%
Unvoted Debt Limit - .10% of Taxable Valuation (1)	\$4,384,068	\$4,440,917	\$4,577,361	\$4,930,310
Amount of Debt Subject to Limit	<u>0</u>	<u>0</u>	<u>0</u>	<u>(4,500,000)</u>
Unvoted Legal Debt Margin	<u>\$4,384,068</u>	<u>\$4,440,917</u>	<u>\$4,577,361</u>	<u>\$430,310</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	100.00%	100.00%	100.00%	8.73%

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.

2002	2003	2004	2005	2006	2007
<u>\$5,303,106,576</u>	<u>\$6,099,173,694</u>	<u>\$6,243,279,052</u>	<u>\$6,440,237,948</u>	<u>\$6,950,576,191</u>	<u>\$6,997,791,810</u>
<u>\$477,279,592</u>	<u>\$548,925,632</u>	<u>\$561,895,115</u>	<u>\$579,621,415</u>	<u>\$625,551,857</u>	<u>\$629,801,263</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$477,279,592</u>	<u>\$548,925,632</u>	<u>\$561,895,115</u>	<u>\$579,621,415</u>	<u>\$625,551,857</u>	<u>\$629,801,263</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
\$5,303,107	\$6,099,174	\$6,243,279	\$6,440,238	\$6,950,576	\$6,997,792
<u>(3,000,000)</u>	<u>(6,000,000)</u>	<u>(4,000,000)</u>	<u>(2,000,000)</u>	<u>(3,000,000)</u>	<u>(2,000,000)</u>
<u>\$2,303,107</u>	<u>\$99,174</u>	<u>\$2,243,279</u>	<u>\$4,440,238</u>	<u>\$3,950,576</u>	<u>\$4,997,792</u>
43.43%	1.63%	35.93%	68.95%	56.84%	71.42%

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		
1998	331,065	a	\$12,570,961,879	0	0	0	0.00%	\$0.00
1999	334,011	a	\$12,725,338,476	895,000	0	895,000	0.01%	\$2.68
2000	332,807	a	\$13,110,941,732	795,000	0	795,000	0.01%	\$2.39
2001	333,486	b	\$14,118,184,926	5,195,000	0	5,195,000	0.04%	\$15.58
2002	340,543	b	\$15,510,765,694	3,595,000	0	3,595,000	0.02%	\$10.56
2003	343,207	b	\$17,743,747,605	6,495,000	0	6,495,000	0.04%	\$18.92
2004	346,560	b	\$18,195,211,761	2,295,000	0	2,295,000	0.01%	\$6.62
2005	349,526	b	\$18,983,804,550	295,000	0	295,000	0.00%	\$0.84
2006	349,526	b	\$21,147,218,119	195,000	0	195,000	0.00%	\$0.56
2007	352,310	b	\$22,440,003,004	95,000	0	95,000	0.00%	\$0.27

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

(2) Butler County Auditor

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

Butler Technology and Career Development Schools, Ohio

Demographic and Economic Statistics

Last Ten Years

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2) (in thousands)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate (3)</u>
1998	331,065	\$8,633,844,135	\$26,079	3.30%
1999	334,011	\$9,176,952,225	\$27,475	3.20%
2000	332,807	\$9,523,272,305	\$28,615	3.00%
2001	333,486	\$9,633,743,568	\$28,888	3.30%
2002	340,543	\$9,973,142,298	\$29,286	4.40%
2003	343,207	\$10,301,014,898	\$30,014	4.40%
2004	346,560	\$10,643,897,280	\$30,713	3.80%
2005	349,526	\$11,066,692,212	\$31,662	4.90%
2006	352,310	\$0	\$0	5.90%
2007	352,310	\$0	\$0	5.00%

- Sources:** 1) U.S. Census Bureau for Butler County, Ohio
2) Ohio Department of Taxation for Butler County, Ohio.
Information is not available for 2006 and 2007.
3) Ohio Bureau of Employment Services for Butler County, Ohio

Butler Technology and Career Development Schools, Ohio

*Principal Employers
Current Year and Ten Years Ago*

Employer	Nature of Business	2007			1997 (1)		
		Number of Employees	Rank	Percentage of Total Employment	Number of Employees	Rank	Percentage of Total Employment
Miami University	Education	4,200	1	2.1%	3,500	2	N/A
AK Steel Corporation	Manufacturing	4,100	2	2.1%	4,250	1	N/A
Cincinnati Financial Corp.	Insurance	2,600	3	1.3%	1,800	4	N/A
Butler County Government	Government	2,000	4	1.0%	1,962	3	N/A
Fort Hamilton Hughes Hospital	Health Care	1,250	5	0.6%	1,129	8	N/A
Middletown Regional Hospital	Health Care	1,470	6	0.7%	1,400	5	N/A
Mercy Regional Hospital	Health Care	1,600	7	0.8%	N/A	N/A	N/A
Lakota Local School District	Education	1,600	8	0.8%	1,300	7	N/A
Ohio Casualty Insurance Co.	Insurance	1,300	9	0.7%	1,400	6	N/A
Dell Incorporated	Manufacturing	1,100	10	0.6%	N/A	N/A	N/A
Total		21,220		10.6%	16,741		N/A
Total Employment within the School District		200,000			N/A		

Source: Butler County Department of Economic Development

Butler Technology and Career Development Schools, Ohio

School District Employees by Function/Program

Last Six Fiscal Years

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

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

Information prior to 2002 is not available.

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

Source: School District Records

Butler Technology and Career Development Schools, Ohio

Operating Statistics

Last Six Fiscal Years

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

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

Notes: (1) As calculated by the Ohio Department of Education
(2) District rank based on 49 career-technical school districts in Ohio

Butler Technology and Career Development Schools, Ohio

Building Statistics

Last Ten Fiscal Years

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
D. Russel Lee Career Center										
Constructed in 1975, Addition in 1999										
Total Building Square Footage	185,422	185,422	244,933	244,933	244,933	244,933	244,933	244,933	244,933	244,933
Enrollment Grades 11-12	520	545	575	600	610	620	625	630	635	640
Student Capacity	600	600	750	750	750	750	750	750	750	750
Regular Instruction Classrooms	15	15	19	19	19	19	19	19	19	19
Regular Instruction Teachers	15	15	17	17	17	17	17	19	19	19
Vocational Education Classrooms	17	17	20	20	20	20	20	20	20	20
Vocational Education Teachers	17	17	20	20	20	20	20	20	20	20

This Comprehensive Annual Financial Report was prepared by:

The Office of the Chief Financial Officer

Edmund R. Pokora, CFO

The Butler Technology Financial Services Division:

Tom Duff	Accountant
Susan Zeiher	Administrative Assistant
Hope Bowling	Accounting Specialist
Charlotte Helton	Accounting Specialist
Kelly Ries	Accounting Specialist
Cheryl Saylor	Accounting Specialist
Carmella Taggart	Accounting Specialist

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

Edmund R. Pokora, CFO
Butler Technology and Career Development Schools
3603 Hamilton-Middletown Road
Hamilton, OH 45011

Phone: 513-868-1911
Fax: 513-868-9348
Email: pokorae@butlertech.org
Website: www.butlertech.org

“Education Beyond Expectation”

Our mission is to develop lifelong learners with marketable skills and knowledge by providing premier career-technical and academic experiences.



Mary Taylor, CPA
Auditor of State

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS

BUTLER COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
FEBRUARY 5, 2008**